



Dave Yost • Auditor of State

**AUGLAIZE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
AUGLAIZE COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Cover Letter	1
Independent Accountants' Report.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types- For the Year Ended December 31, 2010.....	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types - For the Year Ended December 31, 2009.....	6
Notes to the Financial Statements	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	11

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Dave Yost • Auditor of State

Auglaize County Family and Children First Council
Auglaize County
1045 Dearbaugh Ave., Suite 2
Wapakoneta, Ohio 45895

To the Members of the Council:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

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Dave Yost
Auditor of State

June 30, 2011

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Auglaize County Family and Children First Council
Auglaize County
1045 Dearbaugh Ave., Suite 2
Wapakoneta, Ohio 45895

To the Members of the Council:

We have audited the accompanying financial statements of the Auglaize County Family and Children First Council, Auglaize County, (the Council) as of and for the years ended December 31, 2010 and 2009. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Council has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Council's larger (i.e. major) funds separately. While the Council does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Council has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2010 and 2009 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Council as of December 31, 2010 and 2009, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Auglaize County Family and Children First Council, Auglaize County, as of December 31, 2010 and 2009, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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The Council has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2011, on our consideration of the Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

June 30, 2011

**AUGLAIZE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
AUGLAIZE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>All Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$17,069	\$272,881	\$289,950
Miscellaneous	8,000	494	8,494
Total Cash Receipts	<u>25,069</u>	<u>273,375</u>	<u>298,444</u>
Cash Disbursements:			
Current Disbursements:			
Salaries	18,751	165,035	183,786
Medicare Tax	272	2,192	2,464
Supplies	198	7,012	7,210
Contract Services		14,512	14,512
Travel/Training	1,381	13,334	14,715
Hospitalization		25,561	25,561
PERS	2,623	23,013	25,636
Workers' Compensation	378	2,811	3,189
Project		16,232	16,232
Total Disbursements	<u>23,603</u>	<u>269,702</u>	<u>293,305</u>
Total Receipts Over Disbursements	<u>1,466</u>	<u>3,673</u>	<u>5,139</u>
Fund Cash Balances, January 1	<u>26,558</u>	<u>90,321</u>	<u>116,879</u>
Fund Cash Balances, December 31	<u>\$28,024</u>	<u>\$93,994</u>	<u>\$122,018</u>

The notes to the financial statements are an integral part of this statement.

**AUGLAIZE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
AUGLAIZE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>All Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$16,257	\$292,394	\$308,651
Miscellaneous	4,347	534	4,881
Total Cash Receipts	<u>20,604</u>	<u>292,928</u>	<u>313,532</u>
Cash Disbursements:			
Current Disbursements:			
Salaries	20,486	179,040	199,526
Medicare Tax	314	2,381	2,695
Supplies	293	3,276	3,569
Contract Services	2,288	14,938	17,226
Travel/Traing	2,334	13,942	16,276
Hospitalization		28,553	28,553
PERS	2,781	24,400	27,181
Workers' Compensation	389	2,913	3,302
Administration		774	774
Project		15,465	15,465
Other	7		7
Total Disbursements	<u>28,892</u>	<u>285,682</u>	<u>314,574</u>
Total Receipts Over/(Under) Disbursements	<u>(8,288)</u>	<u>7,246</u>	<u>(1,042)</u>
Fund Cash Balances, January 1	<u>34,846</u>	<u>83,075</u>	<u>117,921</u>
Fund Cash Balances, December 31	<u>\$26,558</u>	<u>\$90,321</u>	<u>\$116,879</u>

The notes to the financial statements are an integral part of this statement.

**AUGLAIZE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
AUGLAIZE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Section 121.37, Revised Code, created the Ohio Family and Children First Cabinet Council and permitted counties to establish county family and children first councils. The board may invite any local public or private agency or group that funds, advocates, or provides services to children and families to have a representative become a permanent or temporary member of its county council. Each county council must include the following individuals:

- (a) At least three individuals who are not employed by an agency represented on the council and whose families are or have received services from an agency represented on the council or another county's council. Where possible, the number of members representing families shall be equal to twenty per cent of the council's membership.
- (b) The director of the board of alcohol, drug addiction, and mental health services that serves the county, or, in the case of a county that has a board of alcohol and drug addiction services and a community mental health board, the directors of both boards. If a board of alcohol, drug addiction, and mental health services covers more than one county, the director may designate a person to participate on the county's council.
- (c) The health commissioner, or the commissioner's designee, of the board of health of each city and general health district in the county. If the county has two or more health districts, the health commissioner membership may be limited to the commissioners of the two districts with the largest populations.
- (d) The director of the county department of job and family services;
- (e) The executive director of the public children services agency;
- (f) The superintendent of the county board of developmental disabilities;
- (g) The superintendent of the city, exempted village, or local school district with the largest number of pupils residing in the county, as determined by the department of education, which shall notify each board of county commissioners of its determination at least biennially;
- (h) A school superintendent representing all other school districts with territory in the county, as designated at a biennial meeting of the superintendents of those districts;
- (i) A representative of the municipal corporation with the largest population in the county;
- (j) The president of the board of county commissioners or an individual designated by the board;
- (k) A representative of the regional office of the department of youth services;
- (l) A representative of the county's head start agencies, as defined in section 3301.32 of the Revised Code;
- (m) A representative of the county's early intervention collaborative established pursuant to the federal early intervention program operated under the "Individuals with Disabilities Education Act of 2004";
- (n) A representative of a local nonprofit entity that funds, advocates, or provides services to children and families.

**AUGLAIZE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
AUGLAIZE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Council recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Deposits and Investments

The Auglaize County Auditor acts as fiscal agent for the Council and the Auglaize County Treasurer maintains a cash and investment pool used by all County funds.

D. Fund Accounting

The Council maintains its accounting records in accordance with the principles of fund accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions are reflected in a self-balancing group of accounts. The Council classifies its funds into the following types:

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Council maintains a separate special revenue fund for each program which is awarded to the Council that is either entirely or partially funded from state sources. The Council had the following significant Special Revenue Funds:

Help Me Grow TANF – This Fund accounts for funding to provide direct services to children ages birth to three who are at significant developmental risk, and their families. The fund was closed out at the end of 2009 due to change in source of funding for the Help Me Grow Program.

Help Me Grow State GRF (2010) – This Fund accounts for funding to provide direct services to children ages birth to three who are at significant developmental risk, and their families.

E. Fiscal Agent

The Auglaize County Auditor has been designated by the Council to serve as the fiscal agent. Council funds are maintained in separate agency funds in the County.

**AUGLAIZE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
AUGLAIZE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Administrative Agent

The Auglaize County Board of Health has been designated by the Council to serve as the administrative agent.

G. Budgetary Process

ORC Section 121.37 states that the Council should file an annual budget with their administrative agent, county auditor, and the board of county commissioners.

A summary of 2010 and 2009 budgetary activity appears in Note 3.

H. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Council.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Auglaize County Auditor acts as fiscal agent and the Auglaize County Treasurer maintains a cash and investment pool used by all County funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amounts for the Council's portion of cash and investments on the records of the County Auditor as of December 31, 2010, and 2009 were as follows:

	2010	2009
County Treasury	\$122,018	\$116,879

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2010 follows:

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 20,000	\$ 25,069	\$ 5,069
Special Revenue	266,357	273,375	7,018
Total	\$286,357	\$298,444	\$12,087

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 46,558	\$ 23,603	\$ 22,955
Special Revenue	356,679	269,702	86,977
Total	\$403,237	\$293,305	\$109,932

**AUGLAIZE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
AUGLAIZE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 20,000	\$ 20,604	\$ 604
Special Revenue	365,259	292,928	(72,331)
Total	\$385,259	\$313,532	(\$71,727)

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 54,846	\$ 28,892	\$ 25,954
Special Revenue	448,335	285,682	162,653
Total	\$503,181	\$314,574	\$188,607

4. RETIREMENT SYSTEM

The Council's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2010 and 2009, OPERS members contributed 10% of their gross salaries and the Council contributed an amount equaling 14% of participants' gross salaries. The Council has paid all contributions required through December 31, 2010.

5. RISK MANAGEMENT

The Council has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Errors and omissions.

6. CONTINGENT LIABILITIES

The Council received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Council December 31, 2010 and 2009.



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Auglaize County Family and Children First Council
Auglaize County
1045 Dearbaugh Ave., Suite 2
Wapakoneta, Ohio 45895

To the Members of Council:

We have audited the financial statements of the Auglaize County Family and Children First Council, Auglaize County, (the Council) as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated June 30, 2011 wherein we noted the Council followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Council's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Council's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Council's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Council's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the Council's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the Council's management in a separate letter dated June 30, 2011.

We intend this report solely for the information and use of management the Members of Council, and others within the Council. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

Dave Yost
Auditor of State

June 30, 2011



Dave Yost • Auditor of State

AUGLAIZE COUNTY FAMILY AND CHILDREN FIRST COUNCIL

AUGLAIZE COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 2, 2011**