



**FAMILY AND CHILDREN FIRST COUNCIL
AUGLAIZE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**FAMILY AND CHILDREN FIRST COUNCIL
AUGLAIZE COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Council Members:

We have audited the accompanying financial statements of the Family and Children First Council, Auglaize County, (the Council), as of and for the years ended December 31, 2000 and 1999. 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 generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 that our audit provides a reasonable basis for our opinion.

As discussed in Note 2, the Council prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Family and Children First Council, Auglaize County, as of December 31, 2000 and 1999, and its combined cash receipts and cash disbursements for the years then ended on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2001, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the management, Executive Committee, General Assembly and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

May 17, 2001

**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, 2000**

	<u>Governmental Fund Types</u>		Total (Memorandum Only)
	<u>General Fund</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental Receipts	\$43,000	\$206,981	\$249,981
Other Revenue	17,744		17,744
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	60,744	206,981	267,725
Cash Disbursements:			
Current:			
Contract Services	3,506	236,195	239,701
Supplies	1,624		1,624
Travel/ Training	1,443		1,443
Salary & Benefits	27,731		27,731
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	34,304	236,195	270,499
Total Cash Receipts Over(Under) Cash Disbursements	26,440	(29,214)	(2,774)
Fund Cash Balance January 1, 2000	22,134	94,317	116,451
	<hr/>	<hr/>	<hr/>
Fund Cash Balance December 31, 2000	<u>\$48,574</u>	<u>\$65,103</u>	<u>\$113,677</u>

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

**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, 1999**

	<u>Governmental Fund Types</u>		Total (Memorandum Only)
	<u>General Fund</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental Receipts		\$222,167	\$222,167
Other Revenue	2,581		2,581
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	2,581	222,167	224,748
Cash Disbursements:			
Current:			
Contract Services	3,137	139,706	142,843
Supplies	970		970
Travel/ Training	1,246		1,246
Equipment	1,445		1,445
Salary & Benefits	11,330		11,330
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	18,128	139,706	157,834
Total Cash Receipts Over(Under) Cash Disbursements	(15,547)	82,461	66,914
Fund Cash Balance January 1, 1999	37,681	11,856	49,537
	<hr/>	<hr/>	<hr/>
Fund Cash Balance December 31, 1999	<u>\$22,134</u>	<u>\$94,317</u>	<u>\$116,451</u>

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

**FAMILY AND CHILDREN FIRST COUNCIL
AUGLAIZE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. 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. Statutory membership of a county council consists of the following individuals:

- a. 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;
- b. The health commissioner of the board of health of each city or general health district in the county, or their designees;
- c. The director of the county department of human services;
- d. The executive director of the county agency responsible for the administration of children services pursuant to Section 5153.15 of the Revised Code;
- e. The superintendent of the county board of mental retardation and developmental disabilities;
- f. The county's juvenile court judge senior in service;
- 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 county 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 largest city in the county;
- j. The chair 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 3301.31 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 "Education of the Handicapped Act Amendments of 1986";
- n. At least three individuals representing the interests of families in the county. Where possible, the number of members representing families shall be equal to twenty per cent of the council's remaining membership.

A county family and children first council may invite any other local public or private agency or group that funds, advocates, or provides services to children to have a representative become a permanent or temporary member of the Council.

**FAMILY AND CHILDREN FIRST COUNCIL
AUGLAIZE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. DESCRIPTION OF THE ENTITY (Continued)

A county council's statutory responsibilities include the following:

- a. Refer to the cabinet council those children for whom the council cannot provide adequate services;
- b. Make periodic reports to the cabinet council regarding the number of children referred to the county council and the progress made in meeting the needs of each child;
- c. Develop a plan that reviews and adjusts existing programs, fills service gaps where possible, or invents new approaches to achieve better results for families and children;
- d. Participate in the development of a county wide, comprehensive, coordinated, multi-disciplinary, interagency system for infants and toddlers with developmental disabilities or delays and their families, as established pursuant to federal grants received and administered by the department of health for early intervention services under the "Education of the Handicapped Act Amendments of 1986";
- e. Maintain an accountability system to monitor the council's progress in achieving its purposes;
- f. Establish a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the county system.

The following committees have been established to meet Council's statutory requirements:

Finance/Bylaws/Nominating Committee: Chaired by the Administrative Agent representative, responsible for overseeing and recommending budget and expenditures for Council funds and grants; makes recommendations for bylaw changes for the Executive Committee and General Assembly for majority votes as deemed necessary; and presents a slate of officers to the Council at the scheduled meeting prior to the final meeting of the year. The President shall open nominations to the floor of the Council meeting.

FAST Committee: Responsible for developing, reviewing, and monitoring FAST program. Identifies service gaps, explores methods for improving services to families and children, and makes recommendations to council on these matters.

Intersystems Committee: Responsible for handling grievances and funding with regard to services for multi-system families and children.

Training/ Staff Development Committee: Develops countywide cross systems training events for service providers at every level.

Public Awareness Committee: Develops and distributes written materials and arranges events to promote the mission of the Council.

Sub-Committees/Task Force/Working Group: A standing committee may recommend to the Executive Committee to create sub-committees, task forces, or working groups as are deemed necessary and appropriate to accomplish a Standing Committee's agenda.

Special Committees: The Council, by Resolution, may authorize and empower such other special committees as may be deemed appropriate.

**FAMILY AND CHILDREN FIRST COUNCIL
AUGLAIZE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

B. Cash and Investments

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

C. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

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 Council segregates cash and investments that are restricted as to use. The Council classifies its funds into the following types:

1. Governmental Fund Types:

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

2. Special Revenue Funds:

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The Council maintains a separate special revenue fund for each program which is awarded that is either entirely or partially funded from state or federal sources. The Council had the following significant Special Revenue Funds:

Wellness Block Grant Indicator I and Indicator II: The Wellness Block Grant is administered by the Ohio Family and Children First Initiative in collaboration with the Ohio Children's Trust Fund. It represents Ohio's response to providing an opportunity for county partners to shape their own programmatic efforts and customize strategies to meet local challenges. The goal of the wellness initiative is to focus funding on prevention efforts in order to get ahead of problems that have far-reaching and lasting consequences. Indicator I focuses on teen pregnancy prevention, while Indicator II focuses on child abuse and neglect prevention.

**FAMILY AND CHILDREN FIRST COUNCIL
AUGLAIZE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Family Stability Incentive Fund: The Family Stability Incentive Fund is administered by the Ohio Department of Mental Health in collaboration with the Ohio Department of Human Services. The funding comes from the Promoting Safe and Stable Families Program (Title IV-B, Part 2) and matching state funds. Each county designs strategies to stabilize families in crisis and provide alternatives to removing children from their homes based on local needs and existing resources. Services include financial assistance, family support, crisis counseling, and respite care for youth served by all the family serving systems.

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.

F. Administrative Agent

The Auglaize County Commissioners have been designated by the Council to serve as the administrative agent.

G. 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.

3. RESTATEMENT OF BEGINNING FUND BALANCE

The General fund beginning fund balance was restated at January 1, 1999, from \$22,681 to \$37,681 and the Special Revenue fund beginning fund balance was restated at January 1, 1999, from \$26,856 to \$11,856. During a prior audit \$15,000 of the General fund was adjusted to a Special Revenue fund on the audit report. The adjustment not made on client statements and the \$15,000 was spent from the General fund. The restatement of beginning balances was necessary to properly record the present financial status of the Council.

4. EQUITY IN POOLED CASH AND INVESTMENTS

The Auglaize County Auditor acts as fiscal agent and the County Treasurer maintains a cash and investment pool used by all County funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount for the Council's portion of cash and investments on the records of the County Auditor as of December 31, 2000, and 1999 was as follows:

	2000	1999
County Treasury	<u>\$113,677</u>	<u>\$116,451</u>

Deposits held by the Auglaize County Treasurer are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the County or (3) collateralized by the financial institution's public entity deposit pool.

**FAMILY AND CHILDREN FIRST COUNCIL
AUGLAIZE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

5. GRANTS

The Council received financial assistance from state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund. 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 at December 31, 2000.

6. RETIREMENT SYSTEMS

The Council employee belongs to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, members of PERS contributed 8.5% of their gross salaries. The Council contributed an amount equal to 13.55% of participants' gross salaries from January 1999 through June 2000 and an amount equal to 8.13% of participants' gross salaries for July through December 2000. The Council has paid all contributions required through December 31, 2000.

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REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

To the Council Members:

We have audited the financial statements of the Family and Children First Council, Auglaize County, (the Council), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated May 17, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Council's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of non-compliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Council in a separate letter dated May 17, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Council's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Council in a separate letter dated May 17, 2001.

Family and Children First Council
Auglaize County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of the management, Executive Committee and General Assembly and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

May 17, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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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
JUNE 26, 2001**