



**Auditor of State  
Betty Montgomery**



**FAMILY AND CHILDREN FIRST COUNCIL  
AUGLAIZE COUNTY**

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

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

To the Members of Council:

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, 2002 and 2001. 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 *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 1, 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 as of December 31, 2002 and 2001, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 10, 2003, 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, Council and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

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

**Betty Montgomery**  
Auditor of State

July 10, 2003

**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, 2002**

	<u>Governmental Fund Types</u>		<u>Total (Memorandum Only)</u>
	<u>General Fund</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Intergovernmental Receipts	\$20,000	\$360,818	\$380,818
Other Revenue	4,502	554	5,056
Total Cash Receipts	24,502	361,372	385,874
<b>Cash Disbursements:</b>			
Current:			
Contract Services	1,598	214,887	216,485
Supplies	463	6,850	7,313
Travel/ Training	1,581	8,767	10,348
Salary & Benefits	18,866	164,772	183,638
Total Cash Disbursements	22,508	395,276	417,784
Transfer In(Out)	(1,100)	1,100	
Total Receipts Over(Under) Disbursements	894	(32,804)	(31,910)
Fund Cash Balance January 1, 2002	49,883	84,382	134,265
<b>Fund Cash Balance December 31, 2002</b>	<u>\$50,777</u>	<u>\$51,578</u>	<u>\$102,355</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, 2001**

	<u>Governmental Fund Types</u>		<u>Total (Memorandum Only)</u>
	<u>General Fund</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Intergovernmental Receipts	\$32,500	\$304,142	\$336,642
Other Revenue	6,699		6,699
<b>Total Cash Receipts</b>	<b>39,199</b>	<b>304,142</b>	<b>343,341</b>
<b>Cash Disbursements:</b>			
Current:			
Contract Services	3,028	251,245	254,273
Supplies	1,217	595	1,812
Travel/ Training	411	2,673	3,084
Equipment	650		650
Salary & Benefits	32,583	30,350	62,933
<b>Total Cash Disbursements</b>	<b>37,889</b>	<b>284,863</b>	<b>322,752</b>
Total Receipts Over(Under) Disbursements	1,310	19,279	20,589
Fund Cash Balance January 1, 2001	48,573	65,103	113,676
<b>Fund Cash Balance December 31, 2001</b>	<b>\$49,883</b>	<b>\$84,382</b>	<b>\$134,265</b>

*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, 2002 AND 2001**

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

- Director of the ADAMHS Board serving the county;
- The health commissioner of the board of health of each city or general health district in the county, or their designees;
- The director of the county department of job and family services;
- The superintendent of the county board of mental retardation and developmental disabilities;
- The director of the children service agency;
- The presiding judge of the juvenile court;
- The superintendent of the County's largest school district;
- The superintendent representing all other school districts;
- The chair of county commissioners or designee;
- A head start representative;
- A county early intervention collaborative representative;
- At least three individuals whose families have received services from two or more agencies represented on the council;
- A representative of regional department of youth services; and,
- A representative of a local nonprofit entity that funds, advocates, or provides services to children and families.

The Families and Children First Council will include as members any agency, school system, or other interested party serving Auglaize County children and their families according to the Council's Vision Statement. Any such entity that passes a resolution endorsing the Vision Statement and agrees to cooperate in the development and implementation of the goals of Families and Children First shall be considered a member.

**FAMILY AND CHILDREN FIRST COUNCIL  
AUGLAIZE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. 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.

**C. Cash**

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

**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 to the Council that is either entirely or partially funded from state sources. The Council had the following significant Special Revenue Funds:

**Early Start Fund** – The Early Start Program is administered by the Ohio Family and Children First Initiative. 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 program is to focus funding on prevention efforts in order to get ahead of problems that have far-reaching and lasting consequences.

**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 Jobs and Family 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.

**FAMILY AND CHILDREN FIRST COUNCIL  
AUGLAIZE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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. For Indicator I the focus is on teen pregnancy prevention, while for Indicator II the focus is on child abuse and neglect prevention.

**Help Me Grow Grant** - The Help Me Grow Grant is administered by the Ohio Department of Health to provide services for expectant parents, newborns and their families, and toddlers at risk for or with developmental delays and disabilities and their families.

**E. Fiscal Agent**

The Auglaize 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 were designated by Council to serve as the administrative agent until June 30, 2001. The Auglaize County Board of Health was designated by the Council to serve as the administrative agent subsequent to June 30, 2001.

**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.

**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, 2002, and 2001 were as follows:

	<b>2002</b>	<b>2001</b>
County Treasury	<u>\$102,355</u>	<u>\$134,265</u>

**3. GRANTS**

The Council receives financial assistance from state and federal agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified within 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, 2002.

**FAMILY AND CHILDREN FIRST COUNCIL  
AUGLAIZE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**4. RETIREMENT SYSTEM**

The Council's employee belongs to the Ohio Public Employees Retirement System (OPERS). OPERS 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. Members of OPERS contribute 8.5% of their gross salaries, and the Council contributes an amount equal to 13.55% of participants' gross salaries. The Council has paid all contributions required through December 31, 2002.



**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT 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 Members of Council:

We have audited the accompanying financial statements of Family and Children First Council, Auglaize County, (the Council) as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated July 10, 2003. We conducted our audit in accordance with auditing standards generally accepted by the United States of America 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 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 noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the Council in a separate letter dated July 10, 2003.

**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 July 10, 2003.

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

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

**Betty Montgomery**  
Auditor of State

July 10, 2003



**Auditor of State  
Betty Montgomery**

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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  
AUGUST 19, 2003**