



Mary Taylor, CPA  
Auditor of State



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

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**Mary Taylor, CPA**  
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.

*Mary Taylor*

**Mary Taylor, CPA**  
Auditor of State

June 22, 2009

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# Mary Taylor, CPA

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, 2008 and 2007. 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 requires 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, 2008 and 2007 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, 2008 and 2007, 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 the Auglaize County Family and Children First Council, Auglaize County, as of December 31, 2008 and 2007, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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 22, 2009, 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 "Mary Taylor". The signature is written in a cursive, flowing style.

**Mary Taylor, CPA**  
Auditor of State

June 22, 2009



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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Intergovernmental	\$24,444	\$288,975	\$313,419
Miscellaneous	35	275	310
Total Cash Receipts	<u>24,479</u>	<u>289,250</u>	<u>313,729</u>
<b>Cash Disbursements:</b>			
<b>Current Disbursements:</b>			
Salaries	20,717	166,715	187,432
Medicare Tax	300	2,254	2,554
Supplies	592	4,548	5,140
Contract Services	340	29,120	29,460
Travel/Training	1,255	14,430	15,685
Hospitalization		25,899	25,899
OPERS	2,883	23,193	26,076
Workers Compensation	380	2,980	3,360
Administration		809	809
Project		15,435	15,435
Total Cash Disbursements	<u>26,467</u>	<u>285,383</u>	<u>311,850</u>
Total Receipts Over/(Under) Disbursements	<u>(1,988)</u>	<u>3,867</u>	<u>1,879</u>
Fund Cash Balances, January 1	<u>36,834</u>	<u>79,208</u>	<u>116,042</u>
Fund Cash Balances, December 31	<u><u>\$34,846</u></u>	<u><u>\$83,075</u></u>	<u><u>\$117,921</u></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  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Integovernmental	\$32,681	\$285,088	\$317,769
Miscellaneous	48	498	546
Total Cash Receipts	<u>32,729</u>	<u>285,586</u>	<u>318,315</u>
<b>Cash Disbursements:</b>			
<b>Current Disbursements:</b>			
Salaries	20,482	169,594	190,076
Medicare Tax	297	2,137	2,434
Supplies	814	5,158	5,972
Contract Services	10,248	47,674	57,922
Travel/Training	2,235	10,034	12,269
Hospitalization		19,707	19,707
OPERS	2,844	23,282	26,126
Workers Compensation	354	2,578	2,932
Administration		812	812
Project		15,428	15,428
Total Cash Disbursements	<u>37,274</u>	<u>296,404</u>	<u>333,678</u>
Total Receipts (Under) Disbursements	<u>(4,545)</u>	<u>(10,818)</u>	<u>(15,363)</u>
<b>Other Financing Receipts / (Disbursements):</b>			
Transfers-In		4,929	4,929
Transfers-Out	(4,929)		(4,929)
Total Other Financing Receipts / (Disbursements)	<u>(4,929)</u>	<u>4,929</u>	
Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements	(9,474)	(5,889)	(15,363)
Fund Cash Balances, January 1	<u>46,308</u>	<u>85,097</u>	<u>131,405</u>
Fund Cash Balances, December 31	<u>\$36,834</u>	<u>\$79,208</u>	<u>\$116,042</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, 2008 AND 2007**

**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 includes the following individuals:

- Director of the Alcohol, Drug Addiction and Mental Health Services 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 Family 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.

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(Continued)**

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting 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 adequately disclose material matters the Auditor of State's accounting basis requires.

**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 Fund:

**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.

**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 Board of Health has been designated by the Council to serve as the administrative agent.

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(Continued)**

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

**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 2008 and 2007 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, 2008, and 2007 were as follows:

	<u>2008</u>	<u>2007</u>
County Treasury	<u>\$117,921</u>	<u>\$116,042</u>

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2008 and 2007 follows:

<b>2008 Budgeted vs. Actual Receipts</b>			
<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$15,000	\$24,479	\$9,479
Special Revenue	309,002	289,250	(19,752)
Total	<u>\$324,002</u>	<u>\$313,729</u>	<u>(\$10,273)</u>

<b>2008 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$51,834	\$26,467	\$25,367
Special Revenue	395,812	285,383	110,429
Total	<u>\$447,646</u>	<u>\$311,850</u>	<u>\$135,796</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

<b>2007 Budgeted vs. Actual Receipts</b>			
<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$15,000	\$32,729	\$17,729
Special Revenue	294,838	290,515	(4,323)
Total	\$309,838	\$323,244	\$13,406

<b>2007 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$61,308	\$42,203	\$19,105
Special Revenue	379,936	296,404	83,532
Total	\$441,244	\$338,607	\$102,637

**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 2008 and 2007, OPERS members contributed 10.00% and 9.50%, respectively, of their gross salaries and the Council contributed an amount equaling 14.00% and 13.85%, respectively, of participants' gross salaries. The Council has paid all contributions required through December 31, 2008.

**5. 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 requires 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, 2008 and 2007.

**6. RISK MANAGEMENT**

The Council has obtained commercial insurance for the following risks:

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



# Mary Taylor, CPA

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 the 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, 2008 and 2007, and have issued our report thereon dated June 22, 2009, 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 expressing our opinion on the financial statements, but not to opine 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 control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Council's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Council's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Council's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be 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 intend this report solely for the information and use of management and Members of Council. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

June 22, 2009





**Mary Taylor, CPA**  
Auditor of State

**AUGLAIZE COUNTY FAMILY & 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  
JULY 14, 2009**