



Certified Public Accountants, A.C.

**AUGLAIZE COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
AUGLAIZE COUNTY  
Regular Audit  
For the Years Ended December 31, 2018 and 2017**

313 Second St.  
Marietta, OH 45750  
740 373 0056

1907 Grand Central Ave.  
Vienna, WV 26105  
304 422 2203

150 W. Main St., #A  
St. Clairsville, OH 43950  
740 695 1569

1310 Market St., #300  
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Cambridge, OH 43725  
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OHIO AUDITOR OF STATE  
KEITH FABER



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

We have reviewed the *Independent Auditor's Report* of the Auglaize County Family and Children First Council, Auglaize County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2017 through December 31, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Auglaize County Family and Children First Council is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

September 5, 2019

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

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## INDEPENDENT AUDITOR'S REPORT

July 19, 2019

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

To the Members of Council:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts, and disbursements by fund type, and related notes of the **Auglaize County Family and Children First Council**, Auglaize County, (the Council) as of and for the years ended December 31, 2018 and 2017.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Council's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Council's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 2 of the financial statements, the Council prepared these financial statements using the accounting basis permitted by the financial reporting provisions of the Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statement of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Council does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis permitted is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Council as of December 31, 2018 and 2017, or changes in financial position thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of Auglaize County Family and Children First Council, Auglaize County, as of December 31, 2018 and 2017, and for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 19, 2019, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.



**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio



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

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>			
Intergovernmental	\$ 23,881	\$ 127,642	\$ 151,523
Membership Fees	5,500	-	5,500
Miscellaneous	7,589	6,584	14,173
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	36,970	134,226	171,196
	<hr/>	<hr/>	<hr/>
<b>Cash Disbursements:</b>			
Salaries	24,978	48,984	73,962
Supplies	-	1,287	1,287
Contract Services	330	46,783	47,113
Travel/Training	117	2,646	2,763
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	25,425	99,700	125,125
	<hr/>	<hr/>	<hr/>
<i>Excess of Receipts Over Disbursements</i>	11,545	34,526	46,071
	<hr/>	<hr/>	<hr/>
<b>Other Financing Receipts (Disbursements)</b>			
Advances In	11,156	-	11,156
Advances Out	-	(11,156)	(11,156)
	<hr/>	<hr/>	<hr/>
<i>Total Other Financing Receipts (Disbursements)</i>	11,156	(11,156)	-
	<hr/>	<hr/>	<hr/>
<i>Net Change in Fund Cash Balance</i>	22,701	23,370	46,071
	<hr/>	<hr/>	<hr/>
<i>Fund Cash Balances, January 1</i>	43,700	24,824	68,524
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31:</b>			
Restricted	-	48,194	48,194
Assigned	27,467	-	27,467
Unassigned	38,934	-	38,934
	<hr/>	<hr/>	<hr/>
<i>Fund Cash Balances, December 31</i>	<u>\$ 66,401</u>	<u>\$ 48,194</u>	<u>\$ 114,595</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 For  
the Year Ended December 31, 2018*

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**Note 1 – Reporting Entity**

Ohio Revised Code Section 121.37 created the Ohio Family and Children First Cabinet Council and required each Board of County Commissioners to establish a County Family and Children First Council. Statutory membership of County Council consists of the following individuals:

1. At least three individuals representing the interest of families in the County. Where possible, the number of members representing families shall be equal to twenty percent of the Council's remaining membership;
2. 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 Addition, and Mental Health Services covers more than one County, the Director may designate a person to participate on the County's Council;
3. The Health Commissioner, or the Commissioner's designee, of the Board of Health of each City or 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;
4. The Director of the County Department of Job and Family Services;
5. The Executive Director of the public children services agency or the County agency responsible for the administration of children services pursuant to the Ohio Revised Code Section 5153.15;
6. The Superintendent of the County Board of Developmental Disabilities or if the Superintendent serves as Superintendent as more than one County Board of Developmental Disabilities, the Superintendent's designee;
7. 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 Ohio Department of Education, which shall notify each County of its determination at least biennially;
8. 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;
9. A representative of the municipal corporation with the largest population in the County;
10. The President of the Board of County Commissioners or an individual designated by the Board;
11. A representative of the regional office of the Ohio Department of Youth Services;
12. A representative of the County's Head Start agencies, as defined in Ohio Revised Code Section 3301.32;

**Auglaize County Family and Children First Council**

*Auglaize County*

*Notes to the Financial Statements For  
the Year Ended December 31, 2018*

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**Note 1 – Reporting Entity (Continued)**

13. 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"; and
14. A representative of a local nonprofit entity that funds, advocates, or provides services to children and families.

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.

The purpose of the County Council is to streamline and coordinate existing government services for families seeking services for their children. In seeking to fulfill its purpose, a County Council shall provide for the following:

1. Referrals to the Cabinet Council of those children for whom the County Council cannot provide adequate services;
2. Development and implementation of a process that annually evaluates and prioritizes services, fills service gaps where possible, and invents new approaches to achieve better results for families and children;
3. Participation in the development of a countywide, 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 "Individuals with Disabilities Education Act of 2004";
4. Maintenance of an accountability system to monitor the County Council's progress in achieving results for families and children; and
5. Establishment of a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the County system.

The Council's management believes these financial statements present all activities for which the Council is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Council's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, which are organized on a fund type basis.

**Auglaize County Family and Children First Council**

*Auglaize County*

*Notes to the Financial Statements For  
the Year Ended December 31, 2018*

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Fund Accounting***

The Council uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Council are presented below:

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Council for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Special Revenue Funds*** These funds account for and report the proceeds of specific revenue sources that are restricted to expenditure for specified purposes other than debt service or capital projects. The Council had the following significant Special Revenue Funds:

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

***Family Stability*** This fund accounts for local and state funding to provide services and supports for families involved with the county's services coordination program.

***El-Part C Fund*** The EI grant fund accounts for and reports the receipt of monies to direct services for children ages birth to three who are at significant developmental risk, and their families.

***Administrative/Fiscal Agent***

Ohio Revised Code Section 121.37(B)(5)(a) requires the Council to select an administrative agent to provide administrative services to the Council and a fiscal agent to provide financial services to the Council. The Council selected the Auglaize County General Health District as their administrative agent through June 2018 and selected the Auglaize County Department of Job and Family Services starting July 2018. The Council selected the Auglaize County Auditor as their fiscal agent. The Council authorizes the administrative agents and fiscal agent, to subcontract with, designate, and/or seek assistance from any agencies and/or organizations that it deems necessary in order to complete the obligations set forth in the agreement. Auglaize County agrees to be ultimately responsible for fulfilling the fiscal and administrative obligations of the agreement.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). 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. Budgetary presentations report budgetary disbursements when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

**Auglaize County Family and Children First Council**

*Auglaize County*

*Notes to the Financial Statements For  
the Year Ended December 31, 2018*

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Budgetary Process***

A Family and Children First Council established under Ohio Revised Code Section 121.37 is not a taxing authority and is not subject to Ohio Revised Code Chapter 5705. As of October 1, 1997, all Family and Children First Councils are required to file an annual budget with its administrative agent. The Council filed an estimate of financial resources and an appropriation measure with the Auglaize County General Health District as required by Ohio law.

***Deposits***

The Council designated the Auglaize County Auditor as the fiscal agent for all funds received in the name of the Council. Deposits of monies are made with the Auglaize County Treasurer and fund expenditures and balances are reported through the Auglaize County Auditor. Deposits are made in accordance with the Ohio Revised Code and are valued at the fiscal agent's carrying amounts.

***Capital Assets***

The Council records disbursements for acquisitions of property, plant and equipment when paid. The accompanying financial statements do not report these items as assets.

***Accumulated Leave***

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the Council must observe constraints imposed upon the use of its governmental fund resources. The classifications are as follows:

***Nonspendable*** The Council classifies assets as nonspendable when legally or contractually required to maintain the amounts intact.

***Restricted*** Fund balance is restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Committed*** The Council can commit amounts via formal action (resolution). The Council must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**Auglaize County Family and Children First Council**

*Auglaize County*

*Notes to the Financial Statements For  
the Year Ended December 31, 2018*

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Fund Balance (Continued)***

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by the Council, which includes giving the administrative/fiscal agent the authority to constrain monies for intended purposes. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between the estimated revenues and appropriations in the subsequent year's appropriated budget in the General Fund.

***Unassigned*** Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance.

The Council applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Note 3 – Budgetary Activity**

Budgetary activity for the years ending December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 31,250	\$ 36,970	\$ 5,720
Special Revenue	142,402	134,226	(8,176)
Total	<u>\$ 173,652</u>	<u>\$ 171,196</u>	<u>\$ (2,456)</u>

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 47,458	\$ 25,425	\$ 22,033
Special Revenue	126,190	99,700	26,490
Total	<u>\$ 173,648</u>	<u>\$ 125,125</u>	<u>\$ 48,523</u>

**Auglaize County Family and Children First Council**

*Auglaize County*

*Notes to the Financial Statements For  
the Year Ended December 31, 2018*

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**Note 4 – Deposits**

The Auglaize County Auditor, as fiscal agent for the Council, maintains a cash and investments pool used by all of Auglaize County's funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments and the Auglaize County Auditor is responsible for compliance. The carrying amount of deposits at December 31 was as follows:

	2018
Demand deposits	<u>\$ 114,595</u>
Total deposits	<u>\$ 114,595</u>

This fiscal agent is responsible for maintaining adequate depository collateral for all funds in the fiscal agent's pooled and deposit accounts. All risks associated with the above deposits are the responsibility of the fiscal agent.

**Note 5– Risk Management**

The Council is a named party in the County's liability insurance coverage. Settled claims relating to the Council have not exceeded coverage limits in the previous three years. The Council insures against injuries to employees through the Ohio Bureau of Worker's Compensation through the County's policy.

**Note 6 – Defined Benefit Pension Plan**

All Council 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. 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, 2018.

**Note 7 – Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0% during calendar year 2018.

**Auglaize County Family and Children First Council**

*Auglaize County*

*Notes to the Financial Statements For  
the Year Ended December 31, 2018*

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**Note 8 – Contingent Liabilities**

The Council may be a defendant in lawsuits. Although management cannot presently determine the outcome of any suit, management believes that the resolution of any matter will not materially adversely affect the Council's financial condition.

Amounts grantor agencies pay to the Council are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Note 9 – Interfund Advances**

Outstanding advances at December 31, 2018 consisted of \$456 to Help Me Grow State Fund from the General Fund to provide working capital for operations.



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

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>			
Intergovernmental	\$ 15,750	\$ 134,371	\$ 150,121
Administrative	-	38,244	38,244
Miscellaneous	22,618	40,805	63,423
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	38,368	213,420	251,788
	<hr/>	<hr/>	<hr/>
<b>Cash Disbursements:</b>			
Salaries	23,168	126,377	149,545
Medicare Tax	336	1,740	2,076
Supplies	-	6,946	6,946
Contract Services	4,048	39,155	43,203
Travel/Training	575	7,422	7,997
Hospitalization	-	3,940	3,940
PERS	3,269	19,972	23,241
Workers Compensation	308	1,189	1,497
Other	-	1,650	1,650
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	31,704	208,391	240,095
	<hr/>	<hr/>	<hr/>
<i>Excess of Receipts Over Disbursements</i>	6,664	5,029	11,693
	<hr/>	<hr/>	<hr/>
<b>Other Financing Receipts (Disbursements)</b>			
Advances In	33,578	17,355	50,933
Advances Out	(17,355)	(33,578)	(50,933)
	<hr/>	<hr/>	<hr/>
<i>Total Other Financing Receipts (Disbursements)</i>	16,223	(16,223)	-
	<hr/>	<hr/>	<hr/>
<i>Net Change in Fund Cash Balancee</i>	22,887	(11,194)	11,693
	<hr/>	<hr/>	<hr/>
<i>Fund Cash Balances, January 1</i>	20,813	36,018	56,831
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31:</b>			
Restricted	-	24,824	24,824
Assigned	16,217	-	16,217
Unassigned	27,483	-	27,483
	<hr/>	<hr/>	<hr/>
<i>Fund Cash Balances, December 31</i>	\$ 43,700	\$ 24,824	\$ 68,524
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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 For  
the Year Ended December 31, 2017*

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**Note 1 – Reporting Entity**

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3. The Health Commissioner, or the Commissioner's designee, of the Board of Health of each City or 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;
4. The Director of the County Department of Job and Family Services;
5. The Executive Director of the public children services agency or the County agency responsible for the administration of children services pursuant to the Ohio Revised Code Section 5153.15;
6. The Superintendent of the County Board of Developmental Disabilities or if the Superintendent serves as Superintendent as more than one County Board of Developmental Disabilities, the Superintendent's designee;
7. 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 Ohio Department of Education, which shall notify each County of its determination at least biennially;
8. 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;
9. A representative of the municipal corporation with the largest population in the County;
10. The President of the Board of County Commissioners or an individual designated by the Board;
11. A representative of the regional office of the Ohio Department of Youth Services;
12. A representative of the County's Head Start agencies, as defined in Ohio Revised Code Section 3301.32;

**Auglaize County Family and Children First Council**

*Auglaize County*

*Notes to the Financial Statements For  
the Year Ended December 31, 2017*

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**Note 1 – Reporting Entity (Continued)**

13. 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"; and
14. A representative of a local nonprofit entity that funds, advocates, or provides services to children and families.

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.

The purpose of the County Council is to streamline and coordinate existing government services for families seeking services for their children. In seeking to fulfill its purpose, a County Council shall provide for the following:

1. Referrals to the Cabinet Council of those children for whom the County Council cannot provide adequate services;
2. Development and implementation of a process that annually evaluates and prioritizes services, fills service gaps where possible, and invents new approaches to achieve better results for families and children;
3. Participation in the development of a countywide, 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 "Individuals with Disabilities Education Act of 2004";
4. Maintenance of an accountability system to monitor the County Council's progress in achieving results for families and children; and
5. Establishment of a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the County system.

The Council's management believes these financial statements present all activities for which the Council is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Council's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, which are organized on a fund type basis.

**Auglaize County Family and Children First Council**

*Auglaize County*

*Notes to the Financial Statements For  
the Year Ended December 31, 2017*

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Fund Accounting***

The Council uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Council are presented below:

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Council for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Special Revenue Funds*** These funds account for and report the proceeds of specific revenue sources that are restricted to expenditure for specified purposes other than debt service or capital projects. The Council had the following significant Special Revenue Funds:

***Help Me Grow Home Visiting*** This fund accounts for funding to provide direct services to children ages birth to three who are at significant development risk, and their families.

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

***Family Stability*** This fund accounts for local and state funding to provide services and supports for families involved with the county's services coordination program.

***El-Part C Fund*** This fund accounts for local and state funding to provide services and supports for children birth to three that have developmental delay.

***Administrative/Fiscal Agent***

Ohio Revised Code Section 121.37(B)(5)(a) requires the Council to select an administrative agent to provide administrative services to the Council and a fiscal agent to provide financial services to the Council. The Auglaize County Auditor has been designated by the Councils to serve as the fiscal agent. Council funds are maintained in separate agency funds in the county. The Auglaize County Board of Health has been designated by the Council to serve as the administrative agent.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). 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. Budgetary presentations report budgetary disbursements when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

**Auglaize County Family and Children First Council**

*Auglaize County*

*Notes to the Financial Statements For  
the Year Ended December 31, 2017*

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Budgetary Process***

A Family and Children First Council established under Ohio Revised Code Section 121.37 is not a taxing authority and is not subject to Ohio Revised Code Chapter 5705. As of October 1, 1997, all Family and Children First Councils are required to file an annual budget with its administrative agent. The Council filed an estimate of financial resources and an appropriation measure with the Auglaize County General Health District as required by Ohio law.

***Deposits***

The Council designated the Auglaize County Auditor as the fiscal agent for all funds received in the name of the Council. Deposits of monies are made with the Auglaize County Treasurer and fund expenditures and balances are reported through the Auglaize County Auditor. Deposits are made in accordance with the Ohio Revised Code and are valued at the fiscal agent's carrying amounts.

***Capital Assets***

The Council records disbursements for acquisitions of property, plant and equipment when paid. The accompanying financial statements do not report these items as assets.

***Accumulated Leave***

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the Council must observe constraints imposed upon the use of its governmental fund resources. The classifications are as follows:

***Nonspendable*** The Council classifies assets as nonspendable when legally or contractually required to maintain the amounts intact.

***Restricted*** Fund balance is restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Committed*** The Council can commit amounts via formal action (resolution). The Council must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**Auglaize County Family and Children First Council**

*Auglaize County*

*Notes to the Financial Statements For  
the Year Ended December 31, 2017*

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Fund Balance (Continued)***

**Assigned** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by the Council, which includes giving the administrative/fiscal agent the authority to constrain monies for intended purposes. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year’s appropriated budget in the General Fund.

**Unassigned** Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance.

The Council applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Note 3 – Budgetary Activity**

Budgetary activity for the years ending December 31, 2017 follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 31,250	\$ 38,368	\$ 7,118
Special Revenue	159,262	213,420	54,158
Total	<u>\$ 190,512</u>	<u>\$ 251,788</u>	<u>\$ 61,276</u>

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 47,458	\$ 31,704	\$ 15,754
Special Revenue	262,194	208,391	53,803
Total	<u>\$ 309,652</u>	<u>\$ 240,095</u>	<u>\$ 69,557</u>

**Auglaize County Family and Children First Council**

*Auglaize County*

*Notes to the Financial Statements For  
the Year Ended December 31, 2017*

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**Note 4 – Deposits**

The Auglaize County Auditor, as fiscal agent for the Council, maintains a cash and investments pool used by all of Auglaize County's funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments and the Auglaize County Auditor is responsible for compliance. The carrying amount of deposits at December 31 was as follows:

	2017
Demand deposits	\$ 68,524
Total deposits	<u>\$ 68,524</u>

This fiscal agent is responsible for maintaining adequate depository collateral for all funds in the fiscal agent's pooled and deposit accounts. All risks associated with the above deposits are the responsibility of the fiscal agent.

**Note 5– Risk Management**

The Council is a named party in the County's liability insurance coverage. Settled claims relating to the Council have not exceeded coverage limits in the previous three years. The Council insures against injuries to employees through the Ohio Bureau of Worker's Compensation through the County's policy.

**Note 6 – Defined Benefit Pension Plan**

All Council 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. 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, 2017.

**Note 7 – Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0% during calendar year 2017.

**Auglaize County Family and Children First Council**

*Auglaize County*

*Notes to the Financial Statements For  
the Year Ended December 31, 2017*

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**Note 8 – Contingent Liabilities**

The Council may be a defendant in lawsuits. Although management cannot presently determine the outcome of any suit, management believes that the resolution of any matter will not materially adversely affect the Council's financial condition.

Amounts grantor agencies pay to the Council are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Note 9 – Interfund Advances**

Outstanding advances at December 31, 2017 consisted of \$8,760 advanced to the Help Me Grow Part C Fund and \$2,396 advanced to the Help Me Grow State Fund to provide working capital for operations.





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1310 Market St., Suite 300  
Wheeling, WV 26003  
304.232.1358

749 Wheeling Ave., Suite 300  
Cambridge, OH 43725  
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

July 19, 2019

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 in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the **Auglaize County Family and Children First Council**, Auglaize County, (the Council) as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements and have issued our report thereon dated July 19, 2019 wherein we noted the Council followed financial provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code 117-2-03(D) permit.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Council's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Council's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Council's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of audit findings that we consider a material weakness. We consider finding 2018-001 to be a material weakness.

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***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, opining 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 also noted certain matters not requiring inclusion in this report that we reported to the Council's management in a separate letter dated July 19, 2019.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Council's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

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

**SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED NOVEMBER 30, 2018 AND 2017**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2018-001**

**Material Weakness**

**Financial Reporting**

The Family and Children First Council (FCFC) should have procedures and controls in place to help prevent and detect errors in financial reporting. Fund balances should be properly classified based on Governmental Accounting Standards Board No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions. We noted the following errors:

- Fund balance classifications were not presented in 2017;
- Home Visiting Fund was not presented in 2017;
- Repayments of Advances were incorrectly reported in 2018 and 2017;
- During the audit, aspects of the notes to the financial statements were corrected from the Hinkle filing to agree to the financial statements in the audit report and to include all necessary note disclosures.

To improve financial reporting and accountability, the Council should implement procedures to review the requirement of GASB Statement No. 54 and Auditor of State Bulletin 2011-004 in order to properly classify and report fund balance at year end. Failure to do so could result in materially misstated financial statements. We recommend the Council use the available templates for financial statements and notes to the financial statements on the Auditor of State’s website to prepare an accurate annual financial report.

**Officials’ Response** – Officials did not provide a response to this finding.

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

**SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

Finding Number	Finding Summary	Status	Additional Information
2016-001	Financial Reporting	Not Corrected	Repeated in Finding 2018-001

# OHIO AUDITOR OF STATE KEITH FABER



**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  
SEPTEMBER 17, 2019**