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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Allen County Family and Children First Council
Allen County
616 South Collett Street, Suite 201
Lima, Ohio 45801

We have performed the procedures enumerated below, with which those charged with governance and the management of the Allen County Family and Children First Council, Allen County (the FCFC) agreed, solely to assist those charged with governance in evaluating receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2012 and 2011, and certain compliance requirements related to these transactions and balances. Management is responsible for recording transactions; and management and those charged with governance are responsible for complying with the compliance requirements. This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants' attestation standards and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

This report only describes exceptions exceeding \$10.

Cash

1. Allen County is custodian for the FCFC's deposits and therefore the County's deposit and investment pool holds the FCFC's assets. We compared the FCFC's fund balances reported on its December 31, 2012 Financial Report to the balances reported in Allen County's accounting records. The amounts agreed.
2. We compared the January 1, 2011 beginning fund balances recorded in the Financial Report for Calendar Year 2011 to the December 31, 2010 balances in the prior year audited statements. The beginning Special Revenue Fund Type balance was \$45 less than the audited balance. This variance should be investigated and resolved by the FCFC. We also agreed the January 1, 2012 beginning fund balances recorded in the Financial Report for Calendar Year 2012 to the December 31, 2011 balances in the Financial Report for Calendar Year 2011. We found no exceptions.

Intergovernmental and Other Confirmable Cash Receipts

1. We selected five receipts from the State Distribution Transaction Lists (DTL) from 2012 and five from 2011. We also selected five receipts from the County Auditor's YTD Detail Expenditure Report from 2012 and five from 2011.
 - a. We compared the amount from the above reports to the amount recorded in the County Auditor's YTD Detail Revenue Report. The amounts agreed.
 - b. We determined whether these receipts were allocated to the proper fund(s). We found no exceptions.
 - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

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Intergovernmental and Other Confirmable Cash Receipts (Continued)

2. We agreed the amounts paid from the Membership Due Report to the County Auditor's YTD Detail Revenue Report for 2012 and 2011. We found no exceptions.
 - a. We determined whether these receipts were allocated to the proper fund(s). We found no exceptions.
 - b. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Over-The-Counter Cash Receipts

We haphazardly selected 10 over-the-counter cash receipts from the year ended December 31, 2012 and 10 over-the-counter cash receipts from the year ended 2011 recorded in the duplicate receipts book and determined whether the:

- a. Receipt amount agreed to the amount recorded in the County Auditor's YTD Detail Revenue Report. The amounts agreed.
- b. Receipt was posted to the proper fund, and was recorded in the proper year. We found no exceptions.

Debt

1. The prior audit documentation disclosed no debt outstanding as of December 31, 2010.
2. We inquired of management, and scanned the County Auditor's YTD Detail Revenue Report and YTD Expenditure Report for evidence of debt issued during 2012 or 2011 or debt payment activity during 2012 or 2010. We noted no new debt issuances, nor any debt payment activity during 2012 or 2011.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for two employees from 2012 and one payroll check for two employees from 2011 from the Year-to-Date Payroll Journal and:
 - a. We compared the hours and pay rate, or salary recorded in the Year-to-Date Payroll Journal to supporting documentation (timecard, legislatively approved rate or salary). We found no exceptions.
 - b. We determined whether the fund and account codes to which the check was posted were reasonable based on the employees' duties as documented in the employees' personnel files. We also determined whether the payment was posted to the proper year. We found no exceptions.
2. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2012 to determine whether remittances were timely charged by the fiscal agent (Allen County), and if the amounts charged agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding, period of 2012. We noted the following:

<u>Withholding</u>	<u>Date Due</u>	<u>Date Paid</u>	<u>Amount Due</u>	<u>Amount Paid</u>
Federal income taxes	December 20, 2012	December 20, 2012	\$163.86	\$163.86
State income taxes	December 26, 2012	December 26, 2012	41.36	41.36
City income tax	January 15, 2013	January 4, 2013	63.02	63.02
School income tax	January 31, 2013	January 4, 2013	10.92	10.92
OPERS retirement (withholding plus employee share)	January 31, 2013	January 23, 2013	1,119.26	1,119.26

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the YTD Detail Expenditure Report for the year ended December 31, 2012 and ten from the year ended 2011 and determined whether:
 - a. The disbursements were for a proper public purpose. We found no exceptions.
 - b. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the YTD Detail Expenditure Report and to the names and amounts on the supporting invoices. We found no exceptions.
 - c. The payment was posted to a fund consistent with the restricted purpose for which the fund's cash can be used. We found no exceptions.

Compliance – Budgetary

We compared the total annual budget required by Ohio Rev. Code Section 121.37(B)(5)(a), to the amounts recorded in the YTD Detail Expenditure Report and YTD Detail Revenue Report for 2012 and 2011 for the following funds: General and Intersystems. The amounts on the annual budget agreed to the amounts recorded in the YTD Detail Expenditure Report and YTD Detail Revenue Report for 2011. For 2012, the YTD Detail Revenue Report had General Fund budgeted revenue of \$76,447.55 and the FCFC's Combined Report (reflects approved annual budget) had \$76,484.74 for a variance of \$37.19; the YTD Detail Expenditure Report had budgeted expenditures of \$87,651.10 for the General Fund and the FCFC's Combined Report had \$87,836.28 plus supplemental appropriations of \$24.11 for a variance of \$161.07; the YTD Detail Revenue report had Intersystems Fund budgeted revenue of \$109,185 and FCFC's Combined Report had \$104,185 for a variance of \$5,000; the County's YTD Detail Revenue report had budgeted Intersystems Fund expenditures of \$144,185 and the FCFC's Combined Report had \$104,185 for a variance of \$40,000. Differences between the approved budgeted receipts and expenditures and what is recording in accounting records impacts the Council Member's ability to monitor financial activity and could result in deficit spending. Periodically a comparison should be performed between the approved budget and what is recorded in the accounting system to identify differences. Any differences should be resolved and if necessary be approved by the Council Members.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the FCFC's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management, those charged with governance and others within the FCFC , and is not intended to be, and should not be used by anyone other than these specified parties.



Dave Yost
Auditor of State

May 14, 2013

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ALLEN COUNTY FAMILY AND CHILDREN FIRST COUNCIL

ALLEN 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 18, 2013**