



**Mary Taylor, CPA**  
Auditor of State



**FAMILY AND CHILDREN FIRST COUNCIL  
PUTNAM COUNTY**

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# Mary Taylor, CPA

Auditor of State

Family and Children First Council  
Putnam County  
124 Putnam Parkway  
Ottawa, Ohio 45875-8657

To the Members of 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.

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

**Mary Taylor, CPA**  
Auditor of State

November 25, 2008

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# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT

Family and Children First Council  
Putnam County  
124 Putnam Parkway  
Ottawa, Ohio 45875-8657

To the Members of Council:

We have audited the accompanying financial statements of Family and Children First Council, Putnam County, (the Council) as of and for the years ended June 30, 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 require 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 June 30, 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 November 25, 2008, 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 Family and Children First Council, Putnam County, as of June 30, 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 November 25, 2008, 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.



**Mary Taylor, CPA**  
Auditor of State

November 25, 2008



**FAMILY AND CHILDREN FIRST COUNCIL  
PUTNAM COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Membership Fees	\$ 8,994		\$ 8,994
Administrative Funds - State	20,000		20,000
Administrative Funds - Local	1,234		1,234
Help Me Grow - Charges for Services		\$ 112,166	112,166
Help Me Grow - Grant		70,380	70,380
ISCY (Youth) Receipts		11,117	11,117
United Way Parent Project Grant		3,999	3,999
United Way Wrap Around Grant		3,000	3,000
Mental Health Shared Funding		15,000	15,000
ABC/NBH Grant		11,683	11,683
ABC/MHBH Grant		29,598	29,598
CAPTA Funding	580		580
Partnership For Success		60,000	60,000
Restricted Donations		2,555	2,555
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	30,808	319,498	350,306
	<hr/>	<hr/>	<hr/>
<b>Cash Disbursements:</b>			
Current:			
Salaries/Benefits	21,212		21,212
Travel/Training	2,096		2,096
Supplies/Other	1,060		1,060
Help Me Grow Grant		201,388	201,388
ISCY (Youth)		12,443	12,443
United Way Parent Project Grant		4,308	4,308
United Way Wrap Around Grant		3,217	3,217
ABC/NBH Grant		8,703	8,703
ABC/MHBH Grant		34,410	34,410
Partnership For Success		59,784	59,784
House Bill 289 Planning Grant		6,911	6,911
Childrens Trust Fund	606		606
Restricted Donations		1,128	1,128
CAPTA Funding	580		580
Mental Health Shared Funding		4,204	4,204
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	25,554	336,496	362,050
	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over/Under Cash Disbursements	5,254	(16,998)	(11,744)
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, July 1	26,988	8,782	35,770
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, June 30</b>	<b><u>\$ 32,242</u></b>	<b><u>\$ (8,216)</u></b>	<b><u>\$ 24,026</u></b>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**FAMILY AND CHILDREN FIRST COUNCIL  
PUTNAM COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Membership Fees	\$ 15,500		\$ 15,500
Administrative Funds - State	20,000		20,000
Administrative Funds - Local	1,868		1,868
Administrative Funds - Federal	1,000		1,000
Help Me Grow - Charges for Services		\$ 135,867	135,867
Help Me Grow - Grant		80,740	80,740
ABC/NBH Grant		6,373	6,373
ABC/MHBH Grant		24,215	24,215
United Way Wrap Around Grant		3,500	3,500
United Way Parent Project Grant		2,100	2,100
House Bill 289 Planning Grant		7,500	7,500
ISCY (Youth) Receipts		2,932	2,932
Spank Out Day Grant		250	250
Restricted Donations		333	333
CAPTA Funding	1,800		1,800
<b>Total Cash Receipts</b>	<u>40,168</u>	<u>263,810</u>	<u>303,978</u>
<b>Cash Disbursements:</b>			
Current:			
Salaries/Benefits	30,641		30,641
Travel/Training	1,607		1,607
Supplies/Other	1,786		1,786
Audit Services	4,067		4,067
CAPTA Funding	1,800		1,800
ABC/NBH Grant		8,642	8,642
ABC/MHBH Grant		19,098	19,098
United Way Wrap Around Grant		4,097	4,097
United Way Wrap/Tip Grant		3,334	3,334
House Bill 289 Planning Grant		464	464
Help Me Grow Grant		200,394	200,394
ISCY (Youth)		2,842	2,842
United Way Venture Grant		2,304	2,304
Restricted Donations		397	397
Spank Out Day Grant		250	250
<b>Total Cash Disbursements</b>	<u>39,901</u>	<u>241,822</u>	<u>281,723</u>
<b>Total Cash Receipts Over Cash Disbursements</b>	<u>267</u>	<u>21,988</u>	<u>22,255</u>
<b>Other Financing Receipts and (Disbursements):</b>			
Advances-In	26,720	98	26,818
Advances-Out		(26,818)	(26,818)
<b>Total Other Financing Receipts and (Disbursements)</b>	<u>26,720</u>	<u>(26,720)</u>	
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>26,987</u>	<u>(4,732)</u>	<u>22,255</u>
<b>Fund Cash Balances, July 1</b>	<u>1</u>	<u>13,514</u>	<u>13,515</u>
<b>Fund Cash Balances, June 30</b>	<u><u>\$ 26,988</u></u>	<u><u>\$ 8,782</u></u>	<u><u>\$ 35,770</u></u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**FAMILY AND CHILDREN FIRST COUNCIL  
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 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 consists of the following individuals:

- a. The director of the board of alcohol, drug addiction, and mental health services that serves the county, or, in the case of a county that has a board of alcohol and drug addiction services and a community mental health board, the directors of both boards;
- b. The health commissioner of the board of health of each city or general health district in the county, or their designees;
- c. The director of the county department of human services;
- d. The executive director of the county agency responsible for the administration of children services pursuant to section 5153.15 of the Revised Code;
- e. The superintendent of the county board of mental retardation and developmental disabilities;
- f. The superintendent of the city, exempted village, or local school district with the largest number of pupils residing in the county, as determined by the department of education, which shall notify each county of its determination at least biennially;
- g. 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;
- h. A representative of the largest city in the county;
- i. The chair of the board of county commissioners, or an individual designated by the board;
- j. A representative of the regional office of the department of youth services;
- k. A representative of the county's head start agencies, as defined in section 3301.31 of the Revised Code;
- l. A representative of the county's early intervention collaborative established pursuant to the federal early intervention program operated under the "Education of the Handicapped Act Amendments of 1986";
- m. At least three individuals representing the interests of families in the county. Where possible, the number of members representing families shall be equal to twenty per cent of the council's remaining membership.

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

**FAMILY AND CHILDREN FIRST COUNCIL  
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008 AND 2007  
(Continued)**

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

A county council's statutory responsibilities include the following:

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

**B. Steering Committee**

The Steering Committee acts on behalf of the Council. This Committee consists of representatives of the Cabinet membership. Committee responsibilities include the following:

- a. Contract for the administration and staffing of the Council, including a Council Coordinator, and provide direction to the Council Coordinator with regard to operations of the Council.
- b. Monitoring and directing the implementation of the Strategic Community Plan, Service Coordination Plan, and the Children's Cluster Plan.
- c. Monitoring committee work and providing direction to committee chairs.
- d. Monitoring annual operating budgets.
- e. Identifying service gaps in local community resources and developing strategies to assist children and their families.
- f. Addressing and recommending resolutions to policy issues/concerns identified by the Council.
- g. Reviewing and approving periodic reports to the State Cabinet regarding the operation of the Council.

**FAMILY AND CHILDREN FIRST COUNCIL  
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008 AND 2007  
(Continued)**

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

- h. Consistent with policies of the Council, enter into contracts based on resources available and applying for and administering grants to plan and coordinate programs and services for families and children.
- i. Identifying regulation and policy waiver requests necessary to the implementation of Council plans and strategies.

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Accounting**

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

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

**B. 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.

General Fund - the general operating fund of the Council. It is used to account for all financial resources, except those required by law or contract to be restricted. The primary source of revenue for Council operations consists of an Administrative Grant from the State and Local Agency Contributions. These are local monies contributed by Putnam County agencies, including Alcohol, Drug Addiction and Mental Health Services Board, Pathways Mental Health Division, Brookhill School, Juvenile Court, Village of Ottawa, Putnam County Job and Family Services, Children's Services, Putnam County Commissioners, Ottawa-Glandorf Local School District, Putnam County Educational Service Center, Putnam County Health Department, and Head Start.

Special Revenue Funds - These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Council had the following significant Special Revenue Funds:

Intersystem Services Collaborative for Youth - Moneys from state and local agencies or parents and guardians to provide in-home service or residential to youths.

Help Me Grow- Monthly reimbursements from Job and Family Services for services Council provides to eligible families along with State and Federal monies used to fund services for families and children.

**FAMILY AND CHILDREN FIRST COUNCIL  
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008 AND 2007  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

**C. Fiscal Agent and Administrative Agent**

Beginning July 1, 2001, the Putnam County Educational Services Center became the administrative agent and fiscal agent for the Council. Council funds were accounted for in an agency fund by the Treasurer of the Putnam County Educational Services Center.

**D. Budgetary Process**

The Ohio Revised Code requires the Council to file an annual budget with its administrative agent.

**E. Property, Plant, and Equipment**

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

**F. Unpaid Sick and Vacation Leave**

Employee is entitled to cash payments for unused sick and vacation leave in certain circumstances, such as upon leaving employment. Unpaid sick and vacation leave is not reflected as liabilities under the cash basis of accounting used by the Council.

**3. EQUITY IN POOLED CASH**

The Putnam County Educational Service Center maintains a cash pool used by all of the Educational Service Center's funds, including those of the Family and Children First Council. The Ohio Revised Code prescribes allowable deposits and investments. The Council's carrying amount of cash on deposit with the Educational Service Center at June 30, 2008 and 2007, was \$24,026 and \$35,770, respectively. The Educational Service Center, as fiscal agent for the Council, is responsible for maintaining adequate depository collateral for all funds in the Educational Service Center's pooled deposit accounts.

**4. DEFINED BENEFIT PENSION PLAN**

The Council's employees currently belong to the School Employees Retirement System (SERS) of Ohio. SERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For fiscal years 2008 and 2007, members of SERS contributed 10 percent of their gross salaries and the Council contributed an amount equal to 14 percent of participants' gross salaries. The Council has paid all contributions required through June 30, 2008.

**FAMILY AND CHILDREN FIRST COUNCIL  
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008 AND 2007  
(Continued)**

**5. RISK MANAGEMENT**

The Council is insured for general liability and casualty by the Putnam County Educational Service Center.

**6. CONTINGENT LIABILITIES**

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

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# 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*

Family and Children First Council  
Putnam County  
124 Putnam Parkway  
Ottawa, Ohio 45875-8657

To the Members of Council:

We have audited the financial statements of Family and Children First Council, Putnam County, (the Council) as of and for the years ended June 30, 2008 and 2007, and have issued our report thereon dated November 25, 2008, wherein we noted the Council prepared its financial statements using accounting practices the Auditor of State prescribes or permits 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.

We noted certain matters that we reported to the Council's management in a separate letter dated November 25, 2008.

### **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 the finance committee, management, and Council. We intend it for no one other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

November 25, 2008



**Mary Taylor, CPA**  
Auditor of State

**FAMILY AND CHILDREN FIRST COUNCIL**

**PUTNAM 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  
DECEMBER 16, 2008**