



**Auditor of State  
Betty Montgomery**



**FAMILY AND CHILDREN FIRST COUNCIL  
PUTNAM COUNTY**

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## REPORT OF INDEPENDENT ACCOUNTANTS

Family and Children First Council  
Putnam County  
336 East Main Street  
P.O. Box 190  
Ottawa, Ohio 45875-0190

To Members of the Council:

We have audited the accompanying financial statements of the Putnam County Family and Children First Council (the Council) as of and for the year ended June 30, 2002 and the six-month period ending June 30, 2001. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 2, the Council prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Council, as of June 30, 2002 and 2001, and its combined cash receipts and disbursements for the year ended June 30, 2002 and the six-month period ended June 30, 2001 on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2003 on our consideration of the Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Family and Children First Council  
Putnam County  
Report of Independent Accountants  
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This report is intended solely for the information and use of management, the Council Members and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

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

**Betty Montgomery**  
Auditor of State

January 24, 2003

**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, 2002**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Membership Fees	\$15,000		\$15,000
Administrative Funds - State	20,000		20,000
Administrative Funds - Local	22,676		22,676
Wellness Block Grant		\$63,637	63,637
Help Me Grow Grant		73,210	73,210
Family Stability Incentive Grant		73,872	73,872
ISCY (Youth) Receipts		27,212	27,212
Spank Out Grant		1,000	1,000
Premium and Interest			
Miscellaneous	8		8
	<u>57,684</u>	<u>238,931</u>	<u>296,615</u>
<b>Total Cash Receipts</b>			
	<u>57,684</u>	<u>238,931</u>	<u>296,615</u>
<b>Cash Disbursements:</b>			
Salaries/Benefits	47,538	18,466	66,004
Travel/Training	2,301		2,301
Supplies/Other	435		435
Wellness Block Grant		60,113	60,113
Help Me Grow Grant		45,496	45,496
Family Stability Incentive Grant		115,463	115,463
ISCY (Youth)		27,702	27,702
Welcome home Grant		8,364	8,364
Spank Out Grant		1,000	1,000
Miscellaneous	556		556
	<u>50,830</u>	<u>276,604</u>	<u>327,434</u>
<b>Total Disbursements</b>			
	<u>50,830</u>	<u>276,604</u>	<u>327,434</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>6,854</u>	<u>(37,673)</u>	<u>(30,819)</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Advances-In		3,847	3,847
Advances-Out	(3,847)		(3,847)
	<u>(3,847)</u>	<u>3,847</u>	<u></u>
<b>Total Other Financing Receipts/(Disbursements)</b>			
	<u>(3,847)</u>	<u>3,847</u>	<u></u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>3,007</u>	<u>(33,826)</u>	<u>(30,819)</u>
<b>Fund Cash Balances, July 1</b>	<u>7,826</u>	<u>50,732</u>	<u>58,558</u>
<b>Fund Cash Balances, June 30</b>	<u><u>\$10,833</u></u>	<u><u>\$16,906</u></u>	<u><u>\$27,739</u></u>

*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 SIX MONTH PERIOD ENDED JUNE 30, 2001**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Membership Fees	\$3,000		\$3,000
Administrative Funds - Local	2,151		2,151
Welcome Home Grant		\$13,463	13,463
Family Stability Grant		49,995	49,995
Family Stability Incentive		24,960	24,960
ISCY (Youth) Receipts		12,041	12,041
Spank Out Grant		1,000	1,000
Miscellaneous		25	25
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	5,151	101,484	106,635
	<hr/>	<hr/>	<hr/>
<b>Cash Disbursements:</b>			
Salaries/Benefits	26,459		26,459
Travel/Training	921		921
Welcome Home Grant		13,463	13,463
Family Stability Grant		91,975	91,975
ISCY (Youth)		12,608	12,608
Spank Out Grant		1,000	1,000
Miscellaneous	2,700		2,700
	<hr/>	<hr/>	<hr/>
Total Disbursements	30,080	119,046	149,126
	<hr/>	<hr/>	<hr/>
Total Disbursements Over Receipts	(24,929)	(17,562)	(42,491)
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	32,755	68,294	101,049
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, June 30</b>	<b><u>\$7,826</u></b>	<b><u>\$50,732</u></b>	<b><u>\$58,558</u></b>

*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, 2002 AND JUNE 30, 2001**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Section 121.37, Revised Code, created the Ohio Family and Children First Cabinet Council and permitted counties to establish county family and children first councils. Statutory membership of a county council consists of the following individuals:

- 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 county's juvenile court judge senior in service;
- g. 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;
- h. 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;
- i. A representative of the largest city in the county;
- j. The chair of the board of county commissioners, or an individual designated by the board;
- k. A representative of the regional office of the department of youth services;
- l. A representative of the county's head start agencies, as defined in section 3301.31 of the Revised Code;
- m. 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";
- n. 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.

**FAMILY AND CHILDREN FIRST COUNCIL  
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2002 AND JUNE 30, 2001  
(Continued)**

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.

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, 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 "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 the Council.

**FAMILY AND CHILDREN FIRST COUNCIL  
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2002 AND JUNE 30, 2001  
(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, Department of Human Services, Children's Services, Putnam County Commissioners, Ottawa-Glandorf Local School District, Putnam County Educational Service Center, Early Intervention, Board of Health, 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:

*Wellness Block Grant* - Federal grant to be used for programs aimed at reducing Teen Pregnancy and Child Abuse.

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

*Family Stability Incentive Fund* - State and Federal moneys used to fund family preservation services, such as respite care and a juvenile corrections program.

**FAMILY AND CHILDREN FIRST COUNCIL  
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2002 AND JUNE 30, 2001  
(Continued)**

*Help Me Grow- TANF Fund* – Monthly reimbursements from Job and Family Services for services Council provides to eligible families.

**C. Fiscal Agent and Administrative Agent**

Beginning July 1, 2001, the Putnam County Educational Services Center served as 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. For the period January 1, 2001 to June 30, 2001, the Putnam County Department of Human Services served as the administrative agent, with the Putnam County Auditor serving as fiscal agent.

**D. Budgetary Process**

The Ohio Revised Code requires that each fund be budgeted annually.

**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, 2002 was \$27,739. 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. At June 30, 2001 the Putnam County Treasurer was responsible for the deposits of the Family and Children First Council, as of that date the County Treasurer had \$58,558 on deposit for the Council.

**4. DEFINED BENEFIT PENSION PLANS**

The Council's employee currently belongs to the School Employees Retirement System (SERS) of Ohio, for fiscal year 2001 the employee was a member of the Public Employees Retirement System (PERS). SERS and PERS are cost-sharing, multiple-employer plans. These plans provide 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 year 2001, members of PERS contributed 8.5 percent of their gross salaries and Council contributed an amount equal to 13.55 percent of participants' gross salaries. For fiscal year 2002, members of SERS contributed 9.0 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, 2002.

**FAMILY AND CHILDREN FIRST COUNCIL  
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2002 AND JUNE 30, 2001  
(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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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Family and Children First Council  
Putnam County  
336 East Main Street  
P.O. Box 190  
Ottawa, Ohio 45875-0190

To Members of the Council:

We have audited the accompanying financial statements of the Putnam County Family and Children First Council (the Council) as of and for the year ended June 30, 2002 and the six-month period ending June 30, 2001, and have issued our report thereon dated January 24, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Council's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Council in a separate letter dated January 24, 2003.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Council's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Council in a separate letter dated January 24, 2003.

Family and Children First Council  
Putnam County  
Report of Independent Accountants on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
Page 2

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

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

**Betty Montgomery**  
Auditor of State

January 24, 2003





**Auditor of State  
Betty Montgomery**

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**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  
FEBRUARY 13, 2003**