



**PERRY**

**& Associates CPAs**

**PASSION** *Beyond the Numbers*

**PUTNAM COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
PUTNAM COUNTY  
REGULAR AUDIT  
FOR THE YEARS ENDED JUNE 30, 2024 - 2023**





65 East State Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
800-282-0370

Members of the Council  
Putnam County Family and Children First Council  
124 Putnam Pkwy  
Ottawa, OH 45875-8657

We have reviewed the *Independent Auditor's Report* of the Putnam County Family and Children First Council, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period July 1, 2022 through June 30, 2024. 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 Putnam County Family and Children First Council is responsible for compliance with these laws and regulations.

Keith Faber  
Auditor of State  
Columbus, Ohio

March 04, 2025

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**PUTNAM COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
PUTNAM COUNTY**

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## INDEPENDENT AUDITOR'S REPORT

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

To the Members of the Council:

### ***Report on the Audit of the Financial Statements***

#### ***Unmodified and Adverse Opinions***

We have audited the financial statements of the Putnam County Family and Children First Council, Putnam County, Ohio (the Council), which comprises the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements.

#### ***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

#### ***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* section of our report, the accompanying financial statements 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 June 30, 2024 and 2023, or the changes in financial position thereof for the years then ended.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Council, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2 of the financial statements, the financial statements are prepared by Council on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.



***Auditor's Responsibilities for the Audit of the Financial Statements (Continued)***

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2024, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's 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 & Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

December 4, 2024

**PUTNAM COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
PUTNAM COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 2024**

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Intergovernmental	\$ 39,094	\$ 301,958	\$ 341,052
Local Contributions	12,000	49,206	61,206
<i>Total Cash Receipts</i>	<u>51,094</u>	<u>351,164</u>	<u>402,258</u>
<b>Cash Disbursements</b>			
Contractual Services	11,831	-	11,831
Salaries/Benefits	14,657	-	14,657
Travel/Training/Stipends	230	-	230
Supplies/Postage/Phone	556	-	556
Audit Services	1,400	-	1,400
Help Me Grow Grant	-	191,784	191,784
Special Education - HMG-Part C Grants	-	117,276	117,276
Multi-system youth grants	-	34,789	34,789
Wrap Funding	-	27,112	27,112
United Way parent project grants	-	726	726
Family Centered Services & Supports	-	23,866	23,866
United Way wrap around grants	-	8,685	8,685
Multi-System youth block grant	-	7,990	7,990
DYS wrap/parent project funding	-	9,059	9,059
SIG Adult prevention grant	-	230	230
Restricted Donations	-	495	495
<i>Total Cash Disbursements</i>	<u>28,674</u>	<u>422,012</u>	<u>450,686</u>
<i>Net Change in Fund Cash Balances</i>	22,420	(70,848)	(48,428)
<i>Fund Cash Balances, July 1, 2023</i>	<u>38,145</u>	<u>189,708</u>	<u>227,853</u>
<i>Fund Cash Balances, June 30, 2024</i>	<u><u>\$ 60,565</u></u>	<u><u>\$ 118,860</u></u>	<u><u>\$ 179,425</u></u>

The notes to the financial statements are an integral part of this statement.

**Putnam County Family and Children First Council**

*Putnam County*

*Notes to the Financial Statements*

*For the Year Ended June 30, 2024*

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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;
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.

**Putnam County Family and Children First Council**  
*Putnam County*  
*Notes to the Financial Statements*  
*For the Year Ended June 30, 2024*

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**Note 1 – Reporting Entity (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.

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).

***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 or committed to expenditure for specified purposes other than debt service or capital projects. The Council had the following significant Special Revenue Funds:

**Putnam County Family and Children First Council**  
*Putnam County*  
*Notes to the Financial Statements*  
*For the Year Ended June 30, 2024*

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

***Fund Accounting (Continued)***

***Help Me Grow Grant Fund*** This fund receives state and federal grant monies restricted for the purpose of the grant provisions

***Special Education Grant – Infants and Families (HMG-Part C) Fund*** This fund receives federal grant monies restricted for expectant parents; newborns and their families; and infants and toddlers at risk for or with developmental delays and disabilities 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 fiscal and administrative services to the Council. The Council has selected the Putnam County Educational Service Center (PCESC). The Council authorizes the PCESC, as fiscal agent and administrative 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. The PCESC 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(C). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 expenditures 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(C) permit.

**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 PCESC as required by Ohio law.

A summary of 2024 budgetary activity appears in Note 3.

***Deposits and Investments***

The Council designated the PCESC as the fiscal agent for all funds received in the name of the Council. Deposits of monies are made with the Putnam County Educational Service Center Treasurer and fund expenditures and balances are reported through the Putnam County Educational Service Center. Deposits and investments are made in accordance with the Ohio Revised Code and are valued at the fiscal agent's carrying amount.

**Putnam County Family and Children First Council**  
*Putnam County*  
*Notes to the Financial Statements*  
*For the Year Ended June 30, 2024*

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

**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. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Council.

**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.

**Assigned** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

**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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 9.

**Note 3 – Budgetary Activity**

Budgetary activity for the years ending June 30, 2024, follows:

2024 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 58,500	\$ 51,094	\$ (7,406)
Special Revenue	245,689	351,164	105,475
Total	<u>\$ 304,189</u>	<u>\$ 402,258</u>	<u>\$ 98,069</u>

**Putnam County Family and Children First Council**  
*Putnam County*  
*Notes to the Financial Statements*  
*For the Year Ended June 30, 2024*

**Note 3 – Budgetary Activity (Continued)**

2024 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 31,050	\$ 30,174	\$ 876
Special Revenue	537,495	437,198	100,297
Total	<u>\$ 568,545</u>	<u>\$ 467,372</u>	<u>\$ 101,173</u>

**Note 4 – Deposits and Investments**

The Putnam County Educational Service Center, as fiscal agent for the Council, maintains a cash and investments pool used by all of the Putnam County Educational Service Center's funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments and the Putnam County Educational Service Center is responsible for compliance. The carrying amount of deposits and investments at June 30, 2024 was as follows:

	2024
Demand deposits	<u>\$ 179,425</u>
Total deposits and investments	<u>\$ 179,425</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**

***Commercial Insurance***

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

There has not been a significant reduction in this coverage from the prior fiscal year.

**Note 6 – Defined Benefit Pension Plans**

The Council's employees belong to the School Employees Retirement System (SERS). SERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2024, SERS members contributed 10 percent of their gross salaries and the Council contributed an amount equaling 14 percent of participants' gross salaries. The Council has paid all contributions required through June 30, 2024.

**Note 7- Post Employment Benefits**

SERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescriptions drug coverage, and deposits to a Health Reimbursement Arrangement, to qualifying benefit recipients. SERS currently contributes 0 percent to fund these benefits.

**Putnam County Family and Children First Council**

*Putnam County*

*Notes to the Financial Statements*

*For the Year Ended June 30, 2024*

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**Note 8 – Contingent Liabilities**

Amounts grantor agencies pay to the Council are subject to audit and adjustment by the grantor, principally the federal government. 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 – Fund Balances**

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Outstanding Encumbrances	\$ 1,500	\$ 15,186	\$ 16,686
Total	<u>\$ 1,500</u>	<u>\$ 15,186</u>	<u>\$ 16,686</u>

The fund balance of special revenue funds is either restricted or committed. These restricted or committed amounts in the special revenue funds would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.



**PUTNAM COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
PUTNAM COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 2023**

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Intergovernmental	\$ 19,350	\$ 348,206	\$ 367,556
Local Contributions	16,833	68,948	85,781
<i>Total Cash Receipts</i>	<u>36,183</u>	<u>417,154</u>	<u>453,337</u>
<b>Cash Disbursements</b>			
Contractual Services	24,095	-	24,095
Salaries/Benefits	12,700	-	12,700
Travel/Training/Stipends	1,774	-	1,774
Supplies/Postage/Phone	392	-	392
Audit Services	3,821	-	3,821
Help Me Grow Grant	-	199,727	199,727
Special Education - HMG-Part C Grants	-	105,495	105,495
Multi-system youth grants	-	16,974	16,974
Wrap Funding	-	40,966	40,966
United Way parent project grants	-	3,839	3,839
Family Centered Services & Supports	-	21,961	21,961
United Way wrap around grants	-	7,100	7,100
Multi-System youth block grant	-	1,940	1,940
Respite care & re-entry coalition	-	1,105	1,105
DYS wrap/parent project funding	-	1,917	1,917
Restricted Donations	-	1,201	1,201
<i>Total Cash Disbursements</i>	<u>42,782</u>	<u>402,225</u>	<u>445,007</u>
<i>Net Change in Fund Cash Balances</i>	(6,599)	14,929	8,330
<i>Fund Cash Balances, July 1, 2022 (Restated - See Note 3)</i>	<u>44,744</u>	<u>174,779</u>	<u>219,523</u>
<i>Fund Cash Balances, June 30, 2023</i>	<u><u>\$ 38,145</u></u>	<u><u>\$ 189,708</u></u>	<u><u>\$ 227,853</u></u>

The notes to the financial statements are an integral part of this statement.

**Putnam County Family and Children First Council**

*Putnam County*

*Notes to the Financial Statements*

*For the Year Ended June 30, 2023*

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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:

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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;
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.

**Putnam County Family and Children First Council**  
*Putnam County*  
*Notes to the Financial Statements*  
*For the Year Ended June 30, 2023*

---

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

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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).

***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 or committed to expenditure for specified purposes other than debt service or capital projects. The Council had the following significant Special Revenue Funds:

**Putnam County Family and Children First Council**  
*Putnam County*  
*Notes to the Financial Statements*  
*For the Year Ended June 30, 2023*

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

***Fund Accounting (Continued)***

***Help Me Grow Grant Fund*** This fund receives state and federal grant monies restricted for the purpose of the grant provisions

***Special Education Grant – Infants and Families (HMG-Part C) Fund*** This fund receives federal grant monies restricted for expectant parents; newborns and their families; and infants and toddlers at risk for or with developmental delays and disabilities 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 fiscal and administrative services to the Council. The Council has selected the Putnam County Educational Service Center (PCESC). The Council authorizes the PCESC, as fiscal agent and administrative 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. The PCESC 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(C). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 expenditures 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(C) permit.

**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 PCESC as required by Ohio law.

A summary of 2023 budgetary activity appears in Note 4.

***Deposits and Investments***

The Council designated the PCESC as the fiscal agent for all funds received in the name of the Council. Deposits of monies are made with the Putnam County Educational Service Center Treasurer and fund expenditures and balances are reported through the Putnam County Educational Service Center. Deposits and investments are made in accordance with the Ohio Revised Code and are valued at the fiscal agent's carrying amount.

**Putnam County Family and Children First Council**  
*Putnam County*  
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**Note 2- Summary of Significant Accounting Policies (Continued)**

***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. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Council.

***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.

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

***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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

**Note 3 – Accountability and Compliance**

***Restatement of Fund Balance***

The beginning cash fund balance of the special revenue funds have been restated to properly report Help Me Grow grant funds of the Council.

The restatement had the following effect on the fund balance at July 1, 2022:

	General	Special Revenue	Total (Memorandum Only)
Fund Balance as Previously Reported	\$ 44,744	\$ 20,448	\$ 65,192
Help me grow grants	-	154,331	154,331
Restated Fund Balance, at July 1, 2022	<u>\$ 44,744</u>	<u>\$ 174,779</u>	<u>\$ 219,523</u>

**Putnam County Family and Children First Council**  
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**Note 4 – Budgetary Activity**

Budgetary activity for the years ending June 30, 2023, follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 27,750	\$ 36,183	\$ 8,433
Special Revenue	436,271	417,154	(19,117)
Total	<u>\$ 464,021</u>	<u>\$ 453,337</u>	<u>\$ (10,684)</u>

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 63,429	\$ 42,802	\$ 20,627
Special Revenue	509,296	413,598	95,698
Total	<u>\$ 572,725</u>	<u>\$ 456,400</u>	<u>\$ 116,325</u>

**Note 5 – Deposits and Investments**

The Putnam County Educational Service Center, as fiscal agent for the Council, maintains a cash and investments pool used by all of the Putnam County Educational Service Center's funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments and the Putnam County Educational Service Center is responsible for compliance. The carrying amount of deposits and investments at June 30, 2023 was as follows:

	2023
Demand deposits	<u>\$ 227,853</u>
Total deposits and investments	<u>\$ 227,853</u>

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

**Note 6 – Risk Management**

**Commercial Insurance**

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

There has not been a significant reduction in this coverage from the prior fiscal year.

**Putnam County Family and Children First Council**  
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**Note 7 – Defined Benefit Pension Plans**

The Council's employees belong to the School Employees Retirement System (SERS). SERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2023, SERS members contributed 10 percent of their gross salaries and the Council contributed an amount equaling 14 percent of participants' gross salaries. The Council has paid all contributions required through June 30, 2023.

**Note 8 – Post Employment Benefits**

SERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescriptions drug coverage, and deposits to a Health Reimbursement Arrangement, to qualifying benefit recipients. SERS currently contributes 0 percent to fund these benefits.

**Note 9 – Contingent Liabilities**

Amounts grantor agencies pay to the Council are subject to audit and adjustment by the grantor, principally the federal government. 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 10 – Fund Balances**

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Outstanding Encumbrances	\$ 19	\$ 11,373	\$ 11,392
Total	<u>\$ 19</u>	<u>\$ 11,373</u>	<u>\$ 11,392</u>

The fund balance of special revenue funds is either restricted or committed. These restricted or committed amounts in the special revenue funds would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

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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**

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

To the Council:

We have audited, 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 the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the **Putnam County Family and Children First Council**, (the Council) as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, and have issued our report thereon dated December 4, 2024, wherein we noted the Council followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Council's financial statements will not be prevented, or detected and corrected, on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control or on compliance. This report is an integral part of an audit performed in accordance with *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

December 4, 2024

# OHIO AUDITOR OF STATE KEITH FABER



**PUTNAM COUNTY FAMILY AND CHILDREN FIRST COUNCIL**

**PUTNAM COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 3/18/2025**

65 East State Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)