



**FAMILY AND CHILDREN FIRST COUNCIL
PUTNAM COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**FAMILY AND CHILDREN FIRST COUNCIL
PUTNAM COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Family and Children First Council
Putnam County
1225 East Third Street
Ottawa, Ohio 45875-2062

To the Council:

We have audited the accompanying financial statements of the Family and Children First Council, Putnam County, (the Council) as of and for the years ended December 31, 2000 and 1999. 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 audits.

We conducted our audits in accordance with generally accepted auditing standards 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 audits 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 audits provide a reasonable basis for our opinion.

As described 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 December 31, 2000 and 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2001 on our consideration of the District'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 audits.

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.

Jim Petro
Auditor of State

May 11, 2001

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**FAMILY AND CHILDREN FIRST COUNCIL
PUTNAM COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Administrative Funds	\$40,000		\$40,000
Membership Fees	13,500		13,500
Wellness Block Grant		\$42,076	42,076
Welcome Home Grant		11,307	11,307
Family Stability Grant		49,921	49,921
ISCY (Youth) Receipts		93,162	93,162
Early Start Grant		4,224	4,224
Other Receipts	3,974		3,974
	<u>57,474</u>	<u>200,690</u>	<u>258,164</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Salaries and Benefits	38,531	8,431	46,962
Travel/Training	2,345		2,345
Wellness Block Grant to JFS		14,537	14,537
Wellness Block Grant to Health Department		65,408	65,408
Welcome Home Grant to Health Department		11,307	11,307
Family Stability Grant Disbursements		42,024	42,024
ISCY (Youth) Expenses		82,232	82,232
Miscellaneous	2,141		2,141
	<u>43,017</u>	<u>223,939</u>	<u>266,956</u>
Total Disbursements			
Total Receipts Over/(Under) Disbursements	14,457	(23,249)	(8,792)
Fund Cash Balances, January 1	18,299	91,543	109,842
Fund Cash Balances, December 31	<u>\$32,756</u>	<u>\$68,294</u>	<u>\$101,050</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 AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Membership Fees	\$19,264		\$19,264
Wellness Block Grant		\$126,786	126,786
Family Stability Grant		49,921	49,921
ISCY (Youth) Receipts		26,804	26,804
Early Start Grant		8,980	8,980
Other Receipts	400		400
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	19,664	212,491	232,155
Cash Disbursements:			
Current:			
Salaries and Benefits	31,823	13,179	45,002
Stipends	75		75
Travel/Training	1,591		1,591
Supplies	173		173
Wellness Block Grant to JFS		16,424	16,424
Wellness Block Grant to Health Department		63,354	63,354
Wellness Block Grant returned to Grantor		733	733
ISCY (Youth) Expenses		27,477	27,477
State Audit	3,272		3,272
Miscellaneous	211		211
	<hr/>	<hr/>	<hr/>
Total Disbursements	37,145	121,167	158,312
Total Receipts Over/(Under) Disbursements	(17,481)	91,324	73,843
Fund Cash Balances, January 1	35,780	219	35,999
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$18,299</u>	<u>\$91,543</u>	<u>\$109,842</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
DECEMBER 31, 2000 AND 1999**

1. 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
DECEMBER 31, 2000 AND 1999
(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.

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.

**FAMILY AND CHILDREN FIRST COUNCIL
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

- g. Reviewing and approving periodic reports to the State Cabinet regarding the operation the Council.
- 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 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:

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

**FAMILY AND CHILDREN FIRST COUNCIL
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

Intersystems 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.

C. Fiscal Agent

Putnam County Department of Human Services served as administrative agent for the Council which uses the Putnam County Auditor as it fiscal agent.

D. Budgetary Process

The Ohio Revised Code and Audit of State Bulletin 98-007 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 Treasurer maintains a cash pool used by all of the County'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 County at December 31, 2000 was \$101,050, and at December 31, 1999 was \$109,842. The Putnam County Treasurer, as fiscal agent for the Council, is responsible for maintaining adequate depository collateral for all funds in the Putnam County's pooled and deposit accounts.

4. DEFINED BENEFIT PENSION PLANS

The Council's employee belongs to the Public Employees Retirement System (PERS) of Ohio. PERS 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 2000 and 1999, members of PERS contributed 8.5 percent of their gross salaries. The Council contributed an amount equal to 10.84 percent for 2000 and 13.55 percent in 1999 of participants' gross salaries. The Council has paid all contributions required through December 31, 2000.

**FAMILY AND CHILDREN FIRST COUNCIL
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

6. RISK MANAGEMENT

The Council is insured for general liability and casualty by the Putnam County Commissioners.

7. 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
1225 East Third Street
Ottawa, Ohio 45875-2062

To the Council:

We have audited the financial statements of the Family and Children First Council, Putnam County, (the Council) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated May 11, 2001. We conducted our audits in accordance with generally accepted auditing standards 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 audits 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*.

Internal Control Over Financial Reporting

In planning and performing our audits, 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 District in a separate letter dated May 11, 2001.

Family and Children First Council
Putnam County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
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These comments are intended for the information and use of management and Council Members, and are not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

May 11, 2001



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PUTNAM COUNTY 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
JUNE 5, 2001**