



Dave Yost • Auditor of State

**COSHOCTON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
COSHOCTON COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Coshocton County Family and Children First Council
Coshocton County
724 South Seventh Street
Coshocton, Ohio 43812

To the Council:

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Coshocton County Family and Children First Council, Coshocton County, Ohio (the Council), as of and for the years ended December 31, 2014 and 2103, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Council's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Council's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Coshocton County Family and Children First Council, Coshocton County, Ohio, as of December 31, 2014 and 2013, and the respective changes in cash financial position and the budgetary comparison for the General Fund thereof for the years then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

Emphasis of Matter

As discussed in Note 2 to the financial statements, during 2013, the Council has elected to change its financial presentation to a cash basis comparable to the requirements of *Governmental Accounting Standards*. We did not modify our opinion regarding this matter.

Other Matters

We applied no procedures to Management's Discussion & Analysis as listed in the table of contents. Accordingly, we express no opinion or any other assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2015, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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.



Dave Yost
Auditor of State
Columbus, Ohio

December 17, 2015

**Coshocton County Family and Children First Council
Coshocton County**

**Management's Discussion and Analysis
For the Years Ended December 31, 2014 and 2013
Unaudited**

The discussion and analysis of the Coshocton County Family and Children First Council's (the Council) financial performance provides an overall review of the Council's financial activities for the years ended December 31, 2014, and December 31, 2013. The intent of this discussion and analysis is to look at the Council's financial performance as a whole. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the Council's financial performance.

Highlights

Key highlights for 2014 and 2013 are as follows:

- Net position increased \$5,598 from December 31, 2013 to December 31, 2014. Net position increased \$35,752 from December 31, 2012 to December 31, 2013.
- General receipts accounted for 4% and 1% of all receipts during 2014 and 2013, respectively. The general revenues consisted of miscellaneous receipts. Program revenue receipts accounted for \$215,903 and \$241,711 of all receipts during 2014 and 2013 respectively. Program receipts consist of primarily intergovernmental receipts and membership contributions.
- For both years, Council entered into an agreement with Coshocton County Juvenile Court for Nurturing Parenting Services.
- For both years, the Ohio Children's Trust Fund allocation was awarded to Family & Children First Council to implement the Nurturing Families of Coshocton program.
- Family and Children First Council contracted with the Board of DD for Part C Help Me Grow services and Central Coordination for 2014 and 2013.
- Council entered into a contract partnership with the Department of Job and Family Services for the Nurturing Families of Coshocton program for 2014 and 2013. Nurturing Families of Coshocton has one full time parent educator/ coordinator and two part-time parent educators.
- In 2014, Family and Children First Council contracted with Coshocton Circles to provide asset building programming with the children of Circles Families.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Council's cash basis of accounting.

Report Components

The statement of net position and the statement of revenues, expenses and changes in net position provide information about the cash position and the changes in cash position at the entity wide level. The statement of cash basis assets and fund balances and the statement of cash receipts, disbursements and changes in cash basis fund balances report the Council's cash position and the changes in cash position by major fund. The statement of cash receipts, disbursements and changes in cash basis fund balance budget-and-actual-budget basis provides original and final budgeted amounts, with variances reflecting comparison of final budgeted amounts with actual receipts and expenditures. The notes to the financial statements are an integral part of the financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**Coshocton County Family and Children First Council
Coshocton County**

**Management's Discussion and Analysis
For the Years Ended December 31, 2014 and 2013
Unaudited**

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Council has elected to present its financial statements on the cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Council's cash basis of accounting, receipts are recognized when received in cash, rather than when earned, and disbursements when paid, rather than when a liability is incurred.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Government as a Whole

The statement of net position and the statement of revenues, expenses and changes in net position reflect how the Council did financially during 2014, within the limits of cash basis accounting. The statement of net position presents the cash balances of the Council at year end. The statement of activities presents the revenue and disbursement activity during 2014.

The Table 1 provides a summary of the Council's net position comparing 2014 and 2013 on a cash basis.

(Table 1)

Net Position

	<u>2014</u>	<u>2013</u>
Assets		
Equity in Pooled Cash And Cash Equivalents	<u>\$339,351</u>	<u>\$333,753</u>
Net Position		
Unrestricted	<u>339,351</u>	<u>333,753</u>
Total Net Position	<u>\$339,351</u>	<u>\$333,753</u>

Net position of Council activities increased \$5,598, or 1.6% during 2014.

Table 2 reflects the changes in the net position comparing 2013 and 2014.

**Coshocton County Family and Children First Council
Coshocton County**

**Management's Discussion and Analysis
For the Years Ended December 31, 2014 and 2013
Unaudited**

Reporting the Council's Most Significant Funds

Fund financial statements provide detailed information about the Council. The Council maintains a separate account for the Children's Trust Fund and a separate line item Part C Help Me Grow and Central Coordination to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose.

All of the Council's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the operations and the basic services it provides. Fund information helps determine whether there are more or less financial resources that can be spent to finance the Council's programs.

	2014	2013
Revenues:		
Program Revenues:		
Operating Grants and Contributions	\$215,903	\$241,711
General Revenue:		
Miscellaneous	10,050	3,502
Total Revenues	225,953	245,213
 Disbursements:		
Human Services	220,355	209,461
Total Disbursements	220,355	209,461
 Change in Net Position	5,598	35,752
 Net Position, January 1	333,753	298,001
 Net Position, December 31	\$339,351	\$333,753

Capital Assets and Debt Administration

The Council has no capital assets or debt.

Budgetary Highlights

The Council made limited revisions to the original appropriation approved by the Council and the Council's fiscal agent, the Coshocton County Board of County Commissioners. Overall, these changes resulted in insignificant changes in the fund balance. During 2014, the Council spent about 75% of the amount appropriated in the General Fund.

Contacting the Council

This financial report is designed to provide our citizens with a general overview of the Council's finances and to reflect the Council's accountability for the monies it receives. The Coshocton County Family and Children First Council can be reached at 724 South 7th Street, Coshocton, OH 43812 or by phone at (740) 622-3760.

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Coshocton County Family and Children First Council
Coshocton County

Statement of Net Position - Cash Basis
December 31, 2014

	<u>Governmental Activities</u>
ASSETS:	
Equity in Pooled Cash and Cash Equivalents	<u>\$339,351</u>
 TOTAL ASSETS	 <u><u>\$339,351</u></u>
 Net Position:	
Unrestricted	<u>\$339,351</u>
 TOTAL NET POSITION	 <u><u>\$339,351</u></u>

See accompanying notes to the basic financial statements

Coshocton County Family and Children First Council
Coshocton County

Statement of Activities - Cash Basis
For the Year Ended December 31, 2014

	Cash Disbursements	Program Cash Receipts <hr style="border-top: 1px solid black;"/>	Net (Disbursements) Receipts and Changes in Net Position <hr style="border-top: 1px solid black;"/>
		Operating Grants & Contributions	Governmental Activities
Governmental Activities:			
Human Services	<u>\$220,355</u>	<u>\$215,903</u>	<u>(\$4,452)</u>
Total Governmental Activities	<u><u>\$220,355</u></u>	<u><u>\$215,903</u></u>	<u>(4,452)</u>
General Receipts:			
Miscellaneous			<u>10,050</u>
Total General Receipts			<u>10,050</u>
Change in Net Position			5,598
Net Position - Beginning of Year			<u>333,753</u>
Net Position - End of Year			<u><u>\$339,351</u></u>

See accompanying notes to the basic financial statements

Coshocton County Family and Children First Council
Coshocton County

Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2014

	General Fund	Total Governmental Funds
Assets		
Equity in Pooled Cash and Cash Equivalents	\$339,351	\$339,351
<i>Total Assets</i>	\$339,351	\$339,351
 Fund Balances		
Assigned	\$11,953	\$11,953
Unassigned	327,398	327,398
<i>Total Fund Balances</i>	\$339,351	\$339,351

See accompanying notes to the basic financial statements

Coshocton County Family and Children First Council
Coshocton County

Combined Statement of Cash Receipts, Cash Disbursements and
Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2014

	General Fund	Other Governmental Funds	Total Governmental Funds
Cash Receipts:			
Intergovernmental	\$176,903	\$15,000	\$191,903
Other	10,050	0	10,050
Membership Contribution	24,000	0	24,000
Total Cash Receipts	<u>210,953</u>	<u>15,000</u>	<u>225,953</u>
Cash Disbursements:			
Human Services	205,355	15,000	220,355
Total Cash Disbursements	<u>205,355</u>	<u>15,000</u>	<u>220,355</u>
Excess of Cash Receipts Over Cash Disbursements	5,598	0	5,598
Fund Cash Balance-January 1	333,753	0	333,753
Fund Cash Balance-December 31	<u><u>\$339,351</u></u>	<u><u>\$0</u></u>	<u><u>\$339,351</u></u>

See accompanying notes to the basic financial statements

Coshocton County Family and Children First Council
Coshocton County

Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Cash Receipts:				
Intergovernmental	\$207,960	\$214,903	\$176,903	(\$38,000)
Other Revenue	15,000	29,807	10,050	(19,757)
Membership Contributions	0	0	24,000	24,000
Total Cash Receipts	<u>222,960</u>	<u>244,710</u>	<u>210,953</u>	<u>(33,757)</u>
Cash Expenditures:				
Salaries	63,509	64,861	49,438	15,423
Employee Fringe Benefits	23,308	29,030	23,054	5,976
Supplies	11,000	11,111	3,522	7,589
Contract Services	114,857	143,042	110,728	32,314
Travel/Conferences	2,500	2,500	506	1,994
Other Expenses	42,738	84,738	18,107	66,631
Total Human Service Expenditures	<u>257,912</u>	<u>335,282</u>	<u>205,355</u>	<u>129,927</u>
Excess of Receipts Over (Under)				
Disbursements	(34,952)	(90,572)	5,598	96,170
Fund Balance-January 1	<u>333,753</u>	<u>333,753</u>	<u>333,753</u>	<u>0</u>
Fund Balance-December 31	<u><u>\$298,801</u></u>	<u><u>\$243,181</u></u>	<u><u>\$339,351</u></u>	<u><u>\$96,170</u></u>

See accompanying notes to the basic financial statements

Coshocton County Family and Children First Council
Coshocton County

Statement of Net Position - Cash Basis
December 31, 2013

	<u>Governmental Activities</u>
ASSETS:	
Equity in Pooled Cash and Cash Equivalents	<u>\$333,753</u>
 TOTAL ASSETS	 <u><u>\$333,753</u></u>
 Net Position	
Unrestricted	<u>\$333,753</u>
 TOTAL NET POSITION	 <u><u>\$333,753</u></u>

See accompanying notes to the basic financial statements

Coshocton County Family and Children First Council
Coshocton County

Statement of Activities - Cash Basis
For the Year Ended December 31, 2013

	Cash Disbursements	Program Revenues <u>Operating Grants & Contributions</u>	Net (Disbursements) Receipts and Changes in Net Position <u>Governmental Activities</u>
Governmental Activities:			
Human Services	<u>\$209,461</u>	<u>\$241,711</u>	<u>\$32,250</u>
Total Governmental Activities	<u><u>\$209,461</u></u>	<u><u>\$241,711</u></u>	<u>32,250</u>
 General Receipts:			
Miscellaneous			<u>3,502</u>
Total General Receipts			<u>3,502</u>
Change in Net Position			35,752
Net Position - Beginning of Year			<u>298,001</u>
Net Position - End of Year			<u><u>\$333,753</u></u>

See accompanying notes to the basic financial statements

Coshocton County Family and Children First Council
Coshocton County

Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2013

	General Fund	Total Governmental Funds
Assets		
Equity in Pooled Cash and Cash Equivalents	\$333,753	\$333,753
<i>Total Assets</i>	\$333,753	\$333,753
Fund Balances		
Assigned:	\$6,370	\$6,370
Unassigned	327,383	327,383
<i>Total Fund Balances</i>	\$333,753	\$333,753

See accompanying notes to the basic financial statements

Coshocton County Family and Children First Council
Coshocton County

Combined Statement of Cash Receipts, Cash Disbursements and
Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2013

	General Fund	Other Governmental Funds	Total Governmental Funds
Cash Receipts:			
Intergovernmental	\$205,461	\$15,000	\$220,461
Other	3,502	0	3,502
Membership Fees	21,250	0	21,250
Total Cash Receipts	<u>230,213</u>	<u>15,000</u>	<u>245,213</u>
Cash Disbursements:			
Human Services	194,461	15,000	209,461
Total Cash Disbursements	<u>194,461</u>	<u>15,000</u>	<u>209,461</u>
Excess of Receipts Over Disbursements	35,752	0	35,752
Fund Balance Beginning of Year	298,001	0	298,001
Fund Balance Year End	<u><u>\$333,753</u></u>	<u><u>\$0</u></u>	<u><u>\$333,753</u></u>

See accompanying notes to the basic financial statements

Coshocton County Family and Children First Council
Coshocton County

Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Cash Receipts:				
Intergovernmental	\$291,575	\$237,557	\$205,461	(\$32,096)
Other Revenue	0	2,563	3,502	939
Membership Contributions	0	0	21,250	21,250
Total Cash Receipts	291,575	240,120	230,213	(9,907)
Cash Expenditures:				
Salaries	71,272	72,111	51,539	20,572
Employee Fringe Benefits	26,962	26,912	20,078	6,834
Supplies	9,300	9,351	1,948	7,403
Computer Equipment	0	3,066	2,958	108
Contract Services	114,857	120,667	100,687	19,980
Travel/Conferences	2,500	2,500	1,544	956
Other Expenses	18,951	23,951	15,707	8,244
Total Human Service Expenditures	243,842	258,558	194,461	64,097
Excess of Receipts Over (Under)				
Disbursements	47,733	(18,438)	35,752	54,190
Fund Balance-January 1	298,001	298,001	298,001	0
Fund Balance-December 31	\$345,734	\$279,563	\$333,753	\$54,190

See accompanying notes to the basic financial statements

Coshocton County Family and Children First Council
Coshocton County

Notes to the Basic Financial Statements
For the Years Ended December 31, 2014 and 2013

1. DESCRIPTION OF THE REPORTING ENTITY

Section 121.37, Ohio Revised Code, created the Ohio Family and Children First Council and permitted counties to established County Family and Children First Councils. Statutory membership of a county consists of the following individuals:

1. 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;
2. The health commissioner of the board of health of each city or general health district in the county, or their designees;
3. The director of the county department of job and family services;
4. The executive director of the county agency responsible for the administration of children services pursuant to Section 5153.15 of the Revised Code;
5. The superintendent of the county board of developmental disabilities, or their designee if serving as superintendent for multiple counties;
6. 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;
7. 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;
8. A representative of the largest city in the county;
9. The chair of the board of county commissioners, or an individual designated by the board;
10. A representative of the regional office of the department of youth services;
11. A representative of the county's head start agencies, as defined in Section 3301.31 of the Revised Code;
12. 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
13. 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. In addition, 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.

Coshocton County Family and Children First Council
Coshocton County

Notes to the Basic Financial Statements
For the Years Ended December 31, 2014 and 2013

1. DESCRIPTION OF THE REPORTING ENTITY (*Continued*)

A county council's statutory responsibilities include the following:

1. Refer to the cabinet council those children for whom the council cannot provide adequate services;
2. 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;
3. Develop a plan that reviews and adjusts existing programs, fills service gaps where possible, or invests new approaches to achieve better results for families and children;
4. 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";
5. Maintain an accountability system to monitor the council's progress in achieving its purposes; and
6. Establish a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the county system.

Eighteen agencies are members of the Coshocton County Family and Children First Council of which they appoint an individual to attend the Council meetings. Only the agencies that regularly attend the meetings are voting members.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are more of the Council's accounting policies.

Reporting Entity

A reporting entity is comprised of the primary government and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the Council consists of all funds, departments, and activities that are not legally separate from the Council.

They comprise the Council's legal entity which provides various services including human, social, health, and educational services to families and children. The Council, the Board, and the Director have direct responsibility for these activities.

Coshocton County Family and Children First Council
Coshocton County

Notes to the Basic Financial Statements
For the Years Ended December 31, 2014 and 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

The Council's basic financial statements consist of government-wide statements, including a statement of net position, a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Council as a whole. These statements include the financial activities of the primary government. The statement of net position presents the financial condition of the governmental activities of the Council at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Council's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general receipts of the Council, with certain limited exceptions. The comparison of direct expenses with program receipts identifies the extent to which each governmental program is self-financing or draws from the general revenues of the Council.

Fund Financial Statements

During the year, the Council segregates transactions related to certain Council functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Council at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

Fund Accounting

The Council uses fund accounting 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. Funds are used segregate resources that are restricted as to use. The Council utilizes the governmental category of funds.

Governmental Funds

Governmental funds are those through which most governmental functions of the Council are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. The following is the Council's major governmental fund:

General Fund - The General Fund is the general operating fund. It is used to account for all financial resources except those restricted by law or contract and required to be accounted for 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 and the Charter of the Council.

The other governmental funds of the Council account for grants and other resources whose use is restricted for a particular purpose.

Coshocton County Family and Children First Council
Coshocton County

Notes to the Basic Financial Statements
For the Years Ended December 31, 2014 and 2013

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

Fiscal and Administrative Agent

As of July 1, 2004, the Coshocton County General Health District served as administrative agent and the Coshocton County Auditor serves as fiscal agent for the Council.

Measurement Focus

The Council's financial statements are prepared using the cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Receipts are recorded in the Council's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid in rather than when a liability is incurred.

Basis of Accounting

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue billed or provided services not yet collected) and certain liabilities (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Budgetary Process

The Council is required by Ohio Revised Code Section 121.37(B)(5) to file an annual budget with its administrative agent. The Council estimates revenues and expenditures for the year and submits these estimates to the Coshocton County General Health District's Board. The Council and Board approve any changes made to these estimates during the year. The Council filed the required budgets with their administrative agent for 2013 and 2014.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Council is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable Fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted Fund balance is reported as 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 Fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (Resolution) of the Council. Those committed amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process.

Coshocton County Family and Children First Council
Coshocton County

Notes to the Basic Financial Statements
For the Years Ended December 31, 2014 and 2013

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

Fund Balance (Continued)

Constraints imposed on the use of committed amounts are imposed by the council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Fund classification are amounts intended to be used by the Council for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Council or Council official delegated that authority by resolution, or by State Statute.

Unassigned Fund balance is the residual classification for the General Fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit 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.

Cash

As required by Ohio Revised Code, the County Treasurer is custodian for the Council's cash. The Council's assets are held in the county's cash and investment pool, and are valued at the County Treasurer's reported carrying amount.

Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. Acquisitions of property are not reflected as an asset under the basis of accounting the Council uses.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Council's basis of accounting.

Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Council first applies restricted resources when incurring a disbursement for which it may use either restricted or unrestricted resources.

Coshocton County Family and Children First Council
Coshocton County

Notes to the Basic Financial Statements
For the Years Ended December 31, 2014 and 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Transactions

Exchange transactions between funds are reported as cash receipts in the seller funds and as cash disbursements in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds.

Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented on the financial statements. In the government-wide statements, transfers within the governmental activities are eliminated.

Employer Contributions to Cost-Sharing Pension Plans

The Council recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. The employer contributions include portions for pension benefits and for postretirement health care benefits.

Ohio Public Employees Retirement System

The Council participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by OPERS to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor, and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. This may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4542.

For the years ended December 31, 2014 and 2013, the members of all three plans, except those in law enforcement participating in the traditional plan, contributed 10.0% of their annual covered salaries. The Council's contribution rate for pension benefits for 2014 and 2013 was 14%. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Council's required contribution for pension obligations to the traditional and combined plans for the years ended December 31, 2014, 2013 and 2012, were \$8,589, \$8,732, \$10,015, respectively. The full amount has been contributed for 2014, 2013 and 2012.

Coshocton County Family and Children First Council
Coshocton County

Notes to the Basic Financial Statements
For the Years Ended December 31, 2014 and 2013

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

Employer Contributions to Cost-Sharing Pension Plans (Continued)

Post Employment Benefits – Ohio Public Employees Retirement System

Plan Description – OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment healthcare plan which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

To qualify for post-employment health care coverage, age and service retirees under the Traditional Pension and Combined Plans must have ten years or more of qualifying Ohio service credit. The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy – The post-employment healthcare plan was established under, and is administrated in accordance with, Internal Revenue Code Section 401(h). State statute requires that public employers fund post-employment healthcare through contributions to OPERS. A portion of each employer's contribution to the Traditional or Combined Plans is set aside for the funding of post-employment health care. In 2014, the Council contributed 14% of covered payroll. Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the post-employment health care benefits. The portion of employer contributions allocated to fund post-employment health care for the members in the Traditional Plan and Combined Plan was 2% in 2014 and 1% in 2013.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. The Council's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2014, 2013 and 2012 were \$172, \$87 and \$100, respectively. The full amount has been contributed for 2014, 2013 and 2012.

Long-Term Obligations

The Council's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financ-ing source nor a capital outlay expenditure are reported at inception. Lease payments are payments are reported when paid.

Coshocton County Family and Children First Council
Coshocton County

Notes to the Basic Financial Statements
For the Years Ended December 31, 2014 and 2013

3. BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis is outstanding year-end encumbrances and are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis).

4. CASH AND CASH EQUIVALENTS

The County Treasurer is the custodian for the Council's cash and investments. The County's cash and investment pool holds the Council's cash and investments, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from the County. The Council's carrying amount of cash on deposit with the County at December 31, 2013, was \$333,753 and at December 31, 2014, was \$339,351. The Coshocton County Treasurer's Office is located at 349 Main Street, Coshocton, Ohio 43812. The phone number is (740) 622-2731.

5. RISK MANAGEMENT

The Council is exposed to various risks of property and casualty losses, and injuries to employees.

The Council insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Council provides for health insurance and dental insurance for full-time employees through a private carrier, Ault Care, Canton, Ohio.

The Council is exposed to various risks of property and casualty losses, and injuries to employees.

The Council insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Council belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2014, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

Coshocton County Family and Children First Council
Coshocton County

Notes to the Basic Financial Statements
For the Years Ended December 31, 2014 and 2013

5. RISK MANAGEMENT (Continued)

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2013 and 2014.

	<u>2013</u>	<u>2014</u>
Assets	\$34,411,883	\$35,402,177
Liabilities	(12,760,194)	(12,363,257)
Net Position	<u>\$21,651,689</u>	<u>\$23,038,920</u>

At December 31, 2013 and 2014, respectively, the liabilities above include approximately 11.6 million and \$11.1 million of estimated incurred claims payable. The assets above also include approximately \$11.1 million and \$10.8 million of unpaid claims to be billed. The Pool's membership increased from 475 members in 2013 to 488 members in 2014. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2014, the Government's share of these unpaid claims collectible in future years is approximately \$1,000.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

<u>Contributions to PEP</u>	
<u>2013</u>	<u>2014</u>
\$570	\$579

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

The Casualty Coverage assets and retained earnings above include approximately \$11.1 million of unpaid claims to be billed to approximately 475 member governments in the future, as of December 31, 2013 and \$12.6 million of unpaid claims to be billed to approximately 466 member governments in the future, as of December 31, 2012. PEP will collect these amounts in future annual contributions billings when PEP'S related liabilities are due for payment. The Council's share of these unpaid claims is approximately \$82,000 for 2014 and \$53,000 for 2013.

Coshocton County Family and Children First Council
Coshocton County

Notes to the Basic Financial Statements
For the Years Ended December 31, 2014 and 2013

5. RISK MANAGEMENT (Continued)

The Pool uses reinsurance and excess risk-sharing arrangements to reduce its exposure to loss. These agreements permit recovery of a portion of its claims from reinsurers and a risk-sharing pool; however, they do not discharge the Pool's primary liability for such payments. The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York Risk Pooling Services, Inc. (YORK). APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, the Pool retains insured risks up to an amount specified in the contracts. (At December 31, 2012 and 2013 the Pool retained \$350,000 for casualty claims and \$100,000 for property claims). The Board of Directors and YORK periodically review the financial strength of the Pool and other market conditions to determine the appropriate level of risk the Pool will retain.

At December 31, 2013, 2012, and 2011, respectively, the liabilities above include approximately \$11.6 million, \$13.1 million, and \$13.0 million of estimated incurred claims payable. The assets above also include approximately \$11.1 million, \$12.6 million, and \$12.1 million of unpaid claims to be billed to approximately 475 member governments in the future, as of December 31, 2013, 2012, and 2011, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2013, the Council's share of these unpaid claims collectible in future years is approximately \$53,000, and approximately \$58,000 as of December 31, 2012.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount financial contributions required to be made to PEP for each year of membership.

<u>Contributions to PEP</u>	
2012	570
2013	570

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing (via certified mail) 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expense become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

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.



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Coshocton County Family and Children First Council
Coshocton County
724 South Seventh Street
Coshocton, Ohio 43812

To the Council:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Coshocton County Family and Children First Council, Coshocton County, Ohio (the Council), as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements and have issued our report thereon dated December 17, 2015, wherein we noted the Council uses a special purpose framework other than generally accepted accounting principles.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Council's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Council's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Council's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings that we consider a significant deficiency. We consider finding 2014-001 to be a significant deficiency.

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, opining 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*.

Entity's Response to Finding

The Council's response to the finding identified in our audit is described in the accompanying Schedule of Findings. We did not audit the Council's response and, accordingly, we express no opinion on it.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Council's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dave Yost
Auditor of State
Columbus, Ohio

December 17, 2015

**COSHOCTON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
COSHOCTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2014 AND 2013**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2014-001

Significant Deficiency

The Family and Children First Council (the Council) should maintain an accounting system and accounting records sufficient to enable the Council to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

As a result of audit procedures performed, errors were noted in the Council's financial statements that required reclassification as follows:

- During 2013 and 2014, membership contributions of \$21,250 for 2013 and \$24,000 for 2014 were not reported separately on the annual financial report but rather included as intergovernmental revenue, miscellaneous revenue and as a transfer in;
- During 2013 and 2014, the Special Revenue Ohio Childrens' Trust Fund activity was duplicated in the General Fund requiring a \$15,000 reduction to both the receipts and expenditures of the General Fund each year; and
- During 2014, the General Fund incorrectly reported \$19,757 of miscellaneous revenue and human services expenditures in the General Fund which should have been maintained in a separate Agency Fund for money held for space camp which required a fund adjustment.

The Council's financial statements have been adjusted accordingly.

Sound financial reporting is the responsibility of the Council Fiscal Officer and is essential to help ensure the information provided to the readers of the financial statements is complete and accurate.

To help ensure the Council's financial statements are complete and accurate, the Council should adopt policies and procedures to identify and correct errors and omissions in reporting.

Officials' response: The space camp was a one-time project, and we will not be acting as the fiscal agent for this group in the future.

**COSHOCTON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
COSHOCTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2014 AND 2013**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2012-001	Posting of Receipts – material reclassifications.	No	See Finding Number 2014-001.



Dave Yost • Auditor of State

COSHOCTON FAMILY AND CHILDREN FIRST

COSHOCTON 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 29, 2015**