



Dave Yost • Auditor of State

**FAMILY AND CHILDREN FIRST COUNCIL
FULTON COUNTY
DECEMBER 31, 2017 AND 2016**

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FULTON COUNTY
DECEMBER 31, 2017 AND 2016**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Family and Children First Council
Fulton County
606 South Shoop Avenue
Wauseon, Ohio 43567-1712

To the Members of the Council:

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities and each major fund of the Family and Children First Council, Fulton County, Ohio (the Council), as of and for the years ended December 31, 2017 and 2016, 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 such 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 and each major fund of the Family and Children First Council, Fulton County, Ohio, as of December 31, 2017 and 2016, and the respective changes in cash financial position and the respective budgetary comparison for the General and Family First Restricted Funds 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2018, 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

May 10, 2018

Family and Children First Council
Fulton County
Statement of Net Position - Cash Basis
December 31, 2017

	Governmental Activities
Assets	
Cash with Fiscal Agent	\$ 18,647
Net Position	
Restricted for:	
Other Purposes	\$ 6,391
Unrestricted	12,256
<i>Total Net Position</i>	\$ 18,647

See accompanying notes to the basic financial statements

Family and Children First Council
Fulton County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2017

	<u>Disbursements</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
			<u>Governmental Activities</u>
Governmental Activities			
General	\$ 11,942	\$ 15,750	\$ 3,808
Family First Restricted	518,625	365,889	(152,736)
<i>Total Governmental Activities</i>	<u>\$ 530,567</u>	<u>\$ 381,639</u>	<u>(148,928)</u>
General Receipts			
Gifts & Contributions			3,884
Miscellaneous			2,576
<i>Total General Receipts</i>			<u>6,460</u>
Change in Net Position			(142,468)
<i>Net Position Beginning of Year</i>			<u>161,115</u>
<i>Net Position End of Year</i>			<u>\$ 18,647</u>

Family and Children First Council
Fulton County
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2017

	<u>General</u>	<u>Family First Restricted</u>	<u>Total Governmental Funds</u>
Assets			
Cash with Fiscal Agent	<u>\$ 12,256</u>	<u>\$ 6,391</u>	<u>\$ 18,647</u>
Fund Balances			
Restricted		\$ 6,391	\$ 6,391
Unassigned	<u>\$ 12,256</u>		<u>12,256</u>
<i>Total Fund Balances</i>	<u>\$ 12,256</u>	<u>\$ 6,391</u>	<u>\$ 18,647</u>

See accompanying notes to the basic financial statements

**Family and Children First Council
Fulton County**

*Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds*

For the Year Ended December 31, 2017

	General	Family First Restricted	Total Governmental Funds
Receipts			
Intergovernmental	\$ 15,750	\$ 365,889	\$ 381,639
Gifts & Contributions		3,884	3,884
Miscellaneous	169	2,407	2,576
<i>Total Receipts</i>	<u>15,919</u>	<u>372,180</u>	<u>388,099</u>
Disbursements			
Salary	9,436	83,928	93,364
PERS	1,385	11,801	13,186
Workers Comp	191	1,021	1,212
Medicare	136	1,209	1,345
Insurance		2,074	2,074
Travel	226	10,101	10,327
Contracts	220	165,167	165,387
Supplies	348	48,872	49,220
Equipment		1,395	1,395
Other		47,057	47,057
<i>Total Disbursements</i>	<u>11,942</u>	<u>372,625</u>	<u>384,567</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>3,977</u>	<u>(445)</u>	<u>3,532</u>
Other Financing Uses			
Repayment of Advance Received from Board of Health		(146,000)	(146,000)
<i>Net Change in Fund Balances</i>	3,977	(146,445)	(142,468)
<i>Fund Balances Beginning of Year</i>	<u>8,279</u>	<u>152,836</u>	<u>161,115</u>
<i>Fund Balances End of Year</i>	<u>\$ 12,256</u>	<u>\$ 6,391</u>	<u>\$ 18,647</u>

See accompanying notes to the basic financial statements

Family and Children First Council
Fulton County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$ 15,750	\$ 15,750	\$ 15,750	
Miscellaneous	916	916	169	\$ (747)
<i>Total Receipts</i>	<u>16,666</u>	<u>16,666</u>	<u>15,919</u>	<u>(747)</u>
Disbursements				
Salary	13,525	9,436	9,436	
PERS	1,894	1,894	1,385	509
Workers Comp	271	191	191	
Medicare	196	196	136	60
Travel	250	380	226	154
Contracts	280	280	220	60
Supplies	150	350	348	2
Other	100	50		50
<i>Total Disbursements</i>	<u>16,666</u>	<u>12,777</u>	<u>11,942</u>	<u>835</u>
<i>Excess of Receipts Over Disbursements</i>		<u>3,889</u>	<u>3,977</u>	<u>88</u>
<i>Net Change in Fund Balance</i>		3,889	3,977	88
<i>Fund Balance Beginning of Year</i>	<u>8,279</u>	<u>8,279</u>	<u>8,279</u>	
<i>Fund Balance End of Year</i>	<u>\$ 8,279</u>	<u>\$ 12,168</u>	<u>\$ 12,256</u>	<u>\$ 88</u>

See accompanying notes to the basic financial statements

Family and Children First Council
Fulton County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Family First Restricted Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$ 433,301	\$ 433,301	\$ 365,889	\$ (67,412)
Gifts & Contributions			3,884	3,884
Miscellaneous	43,354	85,784	2,707	(83,077)
<i>Total Receipts</i>	<u>476,655</u>	<u>519,085</u>	<u>372,480</u>	<u>(146,605)</u>
Disbursements				
Salary	83,200	83,928	83,928	
PERS	11,648	11,801	11,801	
Workers Comp	1,664	1,021	1,021	
Medicare	1,206	1,215	1,209	6
Insurance	2,795	2,074	2,074	
Travel	11,750	10,101	10,101	
Advertising	1,200			
Contracts	278,415	165,167	165,167	
Supplies	37,277	48,873	48,872	1
Equipment	2,000	1,395	1,395	
Other	45,800	48,207	47,452	755
<i>Total Disbursements</i>	<u>476,955</u>	<u>373,782</u>	<u>373,020</u>	<u>762</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(300)</u>	<u>145,303</u>	<u>(540)</u>	<u>(145,843)</u>
Other Financing Uses				
Repayment of Advance Received from Board of Health		(146,000)	(146,000)	
<i>Net Change in Fund Balance</i>	(300)	(697)	(146,540)	(145,843)
<i>Prior year encumbrances Appropriated</i>	300	300	300	
<i>Fund Balance Beginning of Year</i>	<u>152,536</u>	<u>152,536</u>	<u>152,536</u>	
<i>Fund Balance End of Year</i>	<u>\$ 152,536</u>	<u>\$ 152,139</u>	<u>\$ 6,296</u>	<u>\$ (145,843)</u>

See accompanying notes to the basic financial statements

**FAMILY AND CHILDREN FIRST COUNCIL
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 1 – Reporting Entity

Ohio Revised Code 121.37 created the Ohio Family and Children First Cabinet Council and required each Board of County Commissioners to establish County Family and Children First Council. Statutory membership of a 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 County agency responsible for the administration of children services pursuant to 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;

**FAMILY AND CHILDREN FIRST COUNCIL
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(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.

Public Entity Risk Pool

The Council participates in a public entity risk pool. Note 6 to the financial statements provide additional information for this entity. This organization is the Public Entities Pool of Ohio (PEP).

Note 2 - Summary of Significant Accounting Policies

As discussed further in "Basis of Accounting" section of this note, these financial statements are presented on the 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 the more significant of the Council's accounting policies.

Basis of Presentation

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

**FAMILY AND CHILDREN FIRST COUNCIL
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

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 statements distinguish between those activities of the Council that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Council has no business-type activities.

The statement of net position presents the cash balance of the governmental and business-type activities of the Council at year end. The statement of activities compares disbursements and program receipts for each program or function of the Council's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Council is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program. Receipts which are not classified as program receipts are presented as general receipts of the Council, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a cash basis or draws from the general receipts 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.

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. Funds are used to segregate resources that are restricted as to use. The funds of the Council are presented in one category: governmental.

Governmental Funds Governmental funds are those through which most governmental functions of the Council are financed. The following are the Council's major governmental funds:

General 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.

Family First Restricted The Family First Restricted Fund accounts for state grant monies for the Help Me Grow Program, Drug Free Communities, and Family Centered Services and Supports (FCSS).

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 selected the Fulton County Board of Health. The Council authorizes Fulton County Board of Health, as 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. Fulton County serves as the fiscal agent for the Council. Fulton County Board of Health agrees to be ultimately responsible for fulfilling the administrative obligations of the agreement. Fulton County agrees to be ultimately responsible for fulfilling the fiscal obligation of the agreement.

**FAMILY AND CHILDREN FIRST COUNCIL
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

Basis of Accounting

The Council's financial statements are prepared using the cash basis of accounting. 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 rather than when a liability is incurred. Any such modifications made by the Council are described in the appropriate section in this note.

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and their related expenses) are not recorded in these financial statements.

Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is the Council's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the Council. The legal level of control has been established by the Council at the object level for all funds.

ORC Section 121.37(B) establishes budgetary requirements for the Council. The Council's administrative agent shall serve as the Council's appointing authority for any employees of the Council. The Council shall file an annual budget with its administrative agent, with copies filed with the County Auditor and with the Board of County Commissioners. Subject to estimated resources, Council's administrative on behalf of Council may, by resolution, transfer appropriations from one appropriation item to another, reduce or increase any item, create new items, and make additional appropriations or reduce the total appropriation. Such appropriation modifications shall be certified to the county budget commission for approval.

The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources in effect when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Council.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budget reflect the first appropriation resolution that covered the entire year, including amounts automatically carried forward from prior years. The amount reported as the final budgeted amounts represents the final appropriations passed by the Council during the year.

Cash and Investments

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, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained by writing Charlene E Lee, Fulton County Treasurer, 152 S Fulton Street, Wauseon, OH 43567 or by calling 419-337-9252.

**FAMILY AND CHILDREN FIRST COUNCIL
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

Inventory and Prepaid Items

The Council reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Capital Assets

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

Interfund Receivables/Payables

The Council reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements. Interfund balances are eliminated in the statement of net position.

Accumulated Leave

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

Employer Contributions to Cost-Sharing Pension Plans

The Council recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

Net Position

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes includes resources restricted primarily by limitations imposed by grantors.

The Council's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

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 the resources in the governmental-fund resources. The classifications are as follows:

Nonspendable The 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 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.

**FAMILY AND CHILDREN FIRST COUNCIL
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

Committed The 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. 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 Amounts in the assigned fund balance classification are 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 a Council official delegated that authority by resolution, or by State Statute.

Unassigned 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.

Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies 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 in the financial statements.

Note 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 – Budget Basis presented for the General Fund and Family First Restricted Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis). The encumbrances outstanding at year-end (budgetary basis) amounted to \$395 for the Family First Restricted Fund.

Note 4 – Deposits and Investments

As required by the Ohio Revised Code, the Fulton County Treasurer is custodian for the Council's deposits. The County's deposit and investment pool holds the Council's assets, valued at the Treasurer's reported carrying amount.

**FAMILY AND CHILDREN FIRST COUNCIL
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

Note 5 – Advance from Board of Health

During 2017, the Council repaid \$153,550 to the Board of Health which was used temporary funding for grant activities

Note 6 - 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 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. 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 York. 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, 2016, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

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 auditor's) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2016 (the latest information available):

	2016
Assets	\$42,182,281
Liabilities	(13,396,700)
Net Assets	\$28,785,581

At December 31, 2016, the liabilities above include approximately \$12 million of estimated incurred claims payable. The assets above also include approximately \$11.5 million of unpaid claims to be billed. The Pool's membership increased to 520 members in 2016. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2016, the Council's share of these unpaid claims collectible in future years is approximately \$1,780.

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>2017 Contributions to PEP</u> \$890

**FAMILY AND CHILDREN FIRST COUNCIL
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

After one year of membership, members may withdraw on each anniversary of the date of joining PEP, 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 budgetary 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.

Note 7 - Defined Benefit Pension Plan

Ohio Public Employees Retirement System (OPERS)

Plan Description – Council employees, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Health Department employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

**FAMILY AND CHILDREN FIRST COUNCIL
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	State and Local Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	State and Local Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

**FAMILY AND CHILDREN FIRST COUNCIL
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

	State and Local	
2017 Statutory Maximum Contribution Rates		
Employer	14.0	%
Employee	10.0	%
2017 Actual Contribution Rates		
Employer:		
Pension	13.0	%
Post-employment Health Care Benefits	1.0	
Total Employer	14.0	%
Employee	10.0	%

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Council's contractually required contribution was \$13,186 for year 2017.

Note 8 - Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate all health care assets into the OPERS 115 Health Care Trust. Transition to the new health care trust structure was completed July 1, 2016. OPERS maintains a cost-sharing multiple employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage. OPERS funds a Retiree Medical Account (RMA) for participants in the Member-Directed Plan. At retirement or refund, participants can be reimbursed for qualified medical expenses from their vested RMA balance.

In order to qualify for post-employment health care coverage, age-and-service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit OPEB as described in GASB Statement 45. See OPERS' CAFR referenced below for additional information.

**FAMILY AND CHILDREN FIRST COUNCIL
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain by visiting <https://www.opers.org/financial/reports.shtml> or writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides that statutory authority requiring public employees to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2017, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0 percent during calendar year 2016, and was 1.0 percent during calendar year 2017. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2017 was 4.0 percent.

Substantially all of the Council's contribution allocated to fund post-employment health care benefits relates to the cost-sharing, multiple employer trusts. The corresponding contribution for the years ended December 31, 2017, 2016, and 2015 were \$728, \$1,827, and \$1,677 respectively. The full amount has been contributed for all three years.

Note 9 - Contingent Liabilities

Amounts grantor agencies pay to the Council are subject to audit and adjustment by the grantor, principally the state government. Grantors 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.

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Family and Children First Council
Fulton County
Statement of Net Position - Cash Basis
December 31, 2016

	Governmental Activities
Assets	
Cash with Fiscal Agent	\$ 161,115
 Net Position	
Restricted for:	
Other Purposes	\$ 152,836
Unrestricted	8,279
<i>Total Net Position</i>	\$ 161,115

See accompanying notes to the basic financial statements

Family and Children First Council
Fulton County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2016

	Disbursements	Program Receipts		Net (Disbursements)
		Charges for Services and Sales	Operating Grants and Contributions	Receipts and Changes in Net Assets
				Governmental Activities
Governmental Activities				
General	\$ 17,583		\$ 17,750	\$ 167
Family First Restricted	422,158	\$ 500	371,277	(50,381)
<i>Total Governmental Activities</i>	<u>\$ 439,741</u>	<u>\$ 500</u>	<u>\$ 389,027</u>	<u>(50,214)</u>
		General Receipts		
		Gifts & Contributions		6,028
		Miscellaneous		7,659
		Advance Received from Board of Health		153,550
		<i>Total General Receipts</i>		<u>167,237</u>
		Change in Net Position		117,023
		<i>Net Position Beginning of Year</i>		<u>44,092</u>
		<i>Net Position End of Year</i>		<u>\$ 161,115</u>

Family and Children First Council
Fulton County
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2016

	General	Family First Restricted	Total Governmental Funds
Assets			
Cash with Fiscal Agent	\$ 8,279	\$ 152,836	\$ 161,115
Fund Balances			
Restricted		\$ 152,836	\$ 152,836
Unassigned	\$ 8,279		8,279
<i>Total Fund Balances</i>	\$ 8,279	\$ 152,836	\$ 161,115

See accompanying notes to the basic financial statements

Family and Children First Council
Fulton County
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2016

	General	Family First Restricted	Total Governmental Funds
Receipts			
Intergovernmental	\$ 17,750	\$ 371,277	\$ 389,027
Contracts		500	500
Gifts & Contributions		6,028	6,028
Miscellaneous	116	7,543	7,659
<i>Total Receipts</i>	<u>17,866</u>	<u>385,348</u>	<u>403,214</u>
Disbursements			
Salary	12,772	80,346	93,118
PERS	1,777	11,015	12,792
Workers Comp	189	1,012	1,201
Medicare	185	1,154	1,339
Insurance		2,500	2,500
Travel	267	5,098	5,365
Contracts	280	211,832	212,112
Supplies	2,113	47,115	49,228
Equipment		10,056	10,056
Other		52,030	52,030
<i>Total Disbursements</i>	<u>17,583</u>	<u>422,158</u>	<u>439,741</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>283</u>	<u>(36,810)</u>	<u>(36,527)</u>
Other Financing Sources			
Advance Received from Board of Health		153,550	153,550
<i>Net Change in Fund Balances</i>	283	116,740	117,023
<i>Fund Balances Beginning of Year</i>	<u>7,996</u>	<u>36,096</u>	<u>44,092</u>
<i>Fund Balances End of Year</i>	<u>\$ 8,279</u>	<u>\$ 152,836</u>	<u>\$ 161,115</u>

See accompanying notes to the basic financial statements

Family and Children First Council
Fulton County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$ 15,750	\$ 15,750	\$ 17,750	\$ 2,000
Miscellaneous	817	1,161	116	(1,045)
<i>Total Receipts</i>	<u>16,567</u>	<u>16,911</u>	<u>17,866</u>	<u>955</u>
Disbursements				
Salary	13,126	13,256	12,772	484
PERS	1,838	1,838	1,777	61
Workers Comp	263	189	189	
Medicare	190	215	185	30
Travel	750	794	267	527
Contracts	150	300	280	20
Supplies	150	2,300	2,113	187
Other	100	100		100
<i>Total Disbursements</i>	<u>16,567</u>	<u>18,992</u>	<u>17,583</u>	<u>1,409</u>
<i>Excess of Receipts Over (Under) Disbursements</i>		<u>(2,081)</u>	<u>283</u>	<u>2,364</u>
Other Financing Sources				
Transfers In		2,081		(2,081)
<i>Net Change in Fund Balance</i>			283	283
<i>Fund Balance Beginning of Year</i>	<u>7,996</u>	<u>7,996</u>	<u>7,996</u>	
<i>Fund Balance End of Year</i>	<u>\$ 7,996</u>	<u>\$ 7,996</u>	<u>\$ 8,279</u>	<u>\$ 283</u>

See accompanying notes to the basic financial statements

Family and Children First Council
Fulton County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Family First Restricted Fund
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$ 343,061	\$ 392,488	\$ 371,277	\$ (21,211)
Contracts			500	500
Gifts & Contributions			6,028	6,028
Miscellaneous	5,024	43,024	7,543	(35,481)
<i>Total Receipts</i>	<u>348,085</u>	<u>435,512</u>	<u>385,348</u>	<u>(50,164)</u>
Disbursements				
Salary	67,749	80,656	80,346	310
PERS	9,485	11,019	11,015	4
Workers Comp	1,355	1,012	1,012	
Medicare	982	1,242	1,154	88
Insurance	2,388	2,500	2,500	
Travel	10,000	5,539	5,098	441
Advertising	250			
Contracts	174,882	234,843	211,832	23,011
Supplies	35,000	47,200	47,115	85
Equipment	2,000	10,056	10,056	
Other	53,876	53,745	52,330	1,415
<i>Total Disbursements</i>	<u>357,967</u>	<u>447,812</u>	<u>422,458</u>	<u>25,354</u>
<i>Excess of Disbursements Over Receipts</i>	<u>(9,882)</u>	<u>(12,300)</u>	<u>(37,110)</u>	<u>(24,810)</u>
Other Financing Sources				
Advance Received from Board of Health			153,550	153,550
<i>Net Change in Fund Balance</i>	(9,882)	(12,300)	116,440	128,740
<i>Prior year encumbrances Appropriated</i>	9,882	9,882	9,882	
<i>Fund Balance Beginning of Year</i>	<u>26,214</u>	<u>26,214</u>	<u>26,214</u>	
<i>Fund Balance End of Year</i>	<u>\$ 26,214</u>	<u>\$ 23,796</u>	<u>\$ 152,536</u>	<u>\$ 128,740</u>

See accompanying notes to the basic financial statements

**FAMILY AND CHILDREN FIRST COUNCIL
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 1 – Reporting Entity

Ohio Revised Code 121.37 created the Ohio Family and Children First Cabinet Council and required each Board of County Commissioners to establish County Family and Children First Council. Statutory membership of a 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 County agency responsible for the administration of children services pursuant to 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.

**FAMILY AND CHILDREN FIRST COUNCIL
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(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:

6. Referrals to the Cabinet Council of those children for whom the County Council cannot provide adequate services;
7. 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;
8. 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";
9. Maintenance of an accountability system to monitor the County Council's progress in achieving results for families and children; and
10. 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.

Public Entity Risk Pool

The Council participates in a public entity risk pool. Note 6 to the financial statements provide additional information for this entity. This organization is the Public Entities Pool of Ohio (PEP).

Note 2 - Summary of Significant Accounting Policies

As discussed further in "Basis of Accounting" section of this note, these financial statements are presented on the 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 the more significant of the Council's accounting policies.

Basis of Presentation

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

**FAMILY AND CHILDREN FIRST COUNCIL
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Continued)**

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 statements distinguish between those activities of the Council that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Council has no business-type activities.

The statement of net position presents the cash balance of the governmental and business-type activities of the Council at year end. The statement of activities compares disbursements and program receipts for each program or function of the Council's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Council is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program. Receipts which are not classified as program receipts are presented as general receipts of the Council, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a cash basis or draws from the general receipts 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.

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. Funds are used to segregate resources that are restricted as to use. The funds of the Council are presented in one category: governmental.

Governmental Funds Governmental funds are those through which most governmental functions of the Council are financed. The following are the Council's major governmental funds:

General 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.

Family First Restricted The Family First Restricted Fund accounts for state grant monies for the Help Me Grow Program, Ohio Children's Trust Fund, Drug Free Communities, and Family Centered Services and Supports (FCSS).

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 selected the Fulton County Board of Health. The Council authorizes Fulton County Board of Health, as 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. Fulton County serves as the fiscal agent for the Council. Fulton County Board of Health agrees to be ultimately responsible for fulfilling the administrative obligations of the agreement. Fulton County agrees to be ultimately responsible for fulfilling the fiscal obligation of the agreement.

**FAMILY AND CHILDREN FIRST COUNCIL
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Continued)**

Basis of Accounting

The Council's financial statements are prepared using the cash basis of accounting. 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 rather than when a liability is incurred. Any such modifications made by the Council are described in the appropriate section in this note.

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and their related expenses) are not recorded in these financial statements.

Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is the Council's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the Council. The legal level of control has been established by the Council at the object level for all funds.

ORC Section 121.37(B) establishes budgetary requirements for the Council. The Council's administrative agent shall serve as the Council's appointing authority for any employees of the Council. The Council shall file an annual budget with its administrative agent, with copies filed with the County Auditor and with the Board of County Commissioners. Subject to estimated resources, Council's administrative on behalf of Council may, by resolution, transfer appropriations from one appropriation item to another, reduce or increase any item, create new items, and make additional appropriations or reduce the total appropriation. Such appropriation modifications shall be certified to the county budget commission for approval.

The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources in effect when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Council.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budget reflect the first appropriation resolution that covered the entire year, including amounts automatically carried forward from prior years. The amount reported as the final budgeted amounts represents the final appropriations passed by the Council during the year.

Cash and Investments

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, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained by writing Charlene E Lee, Fulton County Treasurer, 152 S Fulton Street, Wauseon, OH 43567 or by calling 419-337-9252.

**FAMILY AND CHILDREN FIRST COUNCIL
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Continued)**

Inventory and Prepaid Items

The Council reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Capital Assets

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

Interfund Receivables/Payables

The Council reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements. Interfund balances are eliminated in the statement of net position.

Accumulated Leave

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

Employer Contributions to Cost-Sharing Pension Plans

The Council recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

Net Position

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes includes resources restricted primarily by limitations imposed by grantors.

The Council's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

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 the resources in the governmental-fund resources. The classifications are as follows:

Nonspendable The 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 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.

**FAMILY AND CHILDREN FIRST COUNCIL
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Continued)**

Committed The 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. 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 Amounts in the assigned fund balance classification are 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 a Council official delegated that authority by resolution, or by State Statute.

Unassigned 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.

Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies 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 in the financial statements.

Note 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 – Budget Basis presented for the General Fund and Restricted Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$300 for the Family First Restricted Fund.

Note 4 – Deposits and Investments

As required by the Ohio Revised Code, the Fulton County Treasurer is custodian for the Council's deposits. The County's deposit and investment pool holds the Council's assets, valued at the Treasurer's reported carrying amount.

**FAMILY AND CHILDREN FIRST COUNCIL
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Continued)**

Note 5 – Advance from Board of Health

During 2016, the Council received \$153,550 from the Fulton County Board of Health to provide temporary funding for grant activities.

Note 6 - 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 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. 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 York. 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, 2016, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

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 auditor’s) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2016:

	2016
Assets	\$42,182,281
Liabilities	(13,396,700)
Net Assets	\$28,785,581

At December 31, 2016, the liabilities above include approximately \$12 million of estimated incurred claims payable. The assets above also include approximately \$11.5 million of unpaid claims to be billed. The Pool’s membership increased to 520 members in 2016. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2016, the Council’s share of these unpaid claims collectible in future years is approximately \$1,460.

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>2016 Contributions to PEP</u>
\$730

**FAMILY AND CHILDREN FIRST COUNCIL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Continued)**

After one year of membership, members may withdraw on each anniversary of the date of joining PEP, 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 budgetary 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.

Note 7 - Defined Benefit Pension Plan

Ohio Public Employees Retirement System (OPERS)

Plan Description – Council employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Health Department employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements:	Age and Service Requirements:	Age and Service Requirements:
Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula:	Formula:	Formula:
2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

**FAMILY AND CHILDREN FIRST COUNCIL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Continued)**

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local	
2016 Statutory Maximum Contribution Rates		
Employer	14.0	%
Employee	10.0	%
2016 Actual Contribution Rates		
Employer:		
Pension	12.0	%
Post-employment Health Care Benefits	2.0	
Total Employer	14.0	%
Employee	10.0	%

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Council's contractually required contribution was \$12,792 for year 2016.

Note 8 - Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan—a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan—a defined contribution plan; and the combined plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

**FAMILY AND CHILDREN FIRST COUNCIL
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Continued)**

OPERS maintains two cost-sharing multiple-employer defined benefit postemployment health care trusts, which funded multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

In order to qualify for post-employment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund post-employment health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2016, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

At the beginning of 2016, OPERS maintained three health care trusts. The two cost-sharing, multiple employer trusts, the 401(h) Health Care Trust (401(h) Trust) and the 115 Health Care Trust (115 Trust), worked together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. Each year, the OPERS Board of Trustees determines the portion of the employer contributions rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0 percent for both the Traditional Pension and Combined plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) Trust that provides funding for a Retiree Medical Account (RMA) for Member-Directed Plan members. The employer contribution as a percentage of covered payroll deposited to the RMAs for 2016 was 4.0 percent.

In March 2016, OPERS received two favorable rulings from the IRS allowing OPERS to consolidate all health care assets into the 115 Trust. Transition to the new health care trust structure occurred during 2016. OPERS Combining Statements of Changes in Fiduciary Net Position for the year ended December 31, 2016, will reflect a partial year of activity in the 401(h) Trust and VEBA Trust prior to the termination of these trusts as of end of business day June 30, 2016, and the assets and liabilities, or net position, of these trusts being consolidated into the 115 Trust on July 1, 2016.

**FAMILY AND CHILDREN FIRST COUNCIL
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Continued)**

The Council's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2016, 2015, and 2014 were \$1,827, \$1,677, and \$1,483 respectively; 100 percent has been contributed for 2016, 2015, and 2014.

Note 9 - Contingent Liabilities

Amounts grantor agencies pay to the Council are subject to audit and adjustment by the grantor, principally the state government. Grantors 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.

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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*

Family and Children First Council
Fulton County
606 South Shoop Avenue
Wauseon, Ohio 43567-1712

To the Members of 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 and each major fund of the Family and Children First Council, Fulton County, Ohio (the Council) as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements and have issued our report thereon dated May 10, 2018, 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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2017-001 to be a material weakness.

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*.

Council's Response to Findings

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 report is not suitable for any other purpose.



Dave Yost
Auditor of State

Columbus, Ohio

May 10, 2018

**FAMILY AND CHILDREN FIRST COUNCIL
FULTON COUNTY**

**SCHEDULE OF FINDINGS
FISCAL YEARS ENDED DECEMBER 31, 2017 AND 2016**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2017-001

Financial Reporting – Material Weakness

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. We identified the following error requiring adjustment to the financial statements for the year ended December 31, 2017:

- The Council improperly reported the Family First Restricted Fund balance of \$17,264 as Unassigned when it should have been reported as Restricted in accordance with Governmental Accounting Standards Board (GASB) Statement No. 54 because the balance represents grant monies with a constraint externally imposed by the grantor.

We also identified the following errors requiring adjustment to the financial statements for the year ended December 31, 2016:

- The Council improperly reported the Family First Restricted Fund balance of \$152,840 as Unassigned when it should have been reported as Restricted in accordance with GASB Statement No. 54 because the balance represents grant monies with a constraint externally imposed by the grantor; and
- The Council received \$2,000 from another government unit. These monies were grouped and reported as Miscellaneous revenues in the Council's General Fund instead of Intergovernmental revenues.

These errors were not identified and corrected prior to the Council preparing its financial statements due to deficiencies in the Council's internal controls over financial statement monitoring. The accompanying financial statements have been adjusted to reflect these changes. Additional errors were noted in smaller relative amounts.

To help ensure the Council's financial statements and notes to the statements are complete and accurate, the Council should adopt policies and procedures, including a final review of the statements and notes by the Fiscal Officer Supervisor and Council, to help identify and correct errors and omissions. The Fiscal Officer Supervisor can refer to Auditor of State Bulletin 2011-004 at the following website address for information on Governmental Accounting Standards Board Statement No. 54:
<http://www.ohioauditor.gov/publications/bulletins/2011/2011-004.pdf>.

Officials' Response:

Fulton County Health Department, as administrative agent for Fulton County Family and Children First Council (FCFCFC) has reviewed the findings of the FCFCFC Audit (2016-2017). Efforts will be made to classify the fund balances according to the correct classifications. In addition, efforts will be made to correctly classify revenue received.

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FULTON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

FULTON 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
MAY 24, 2018**