



**MADISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
MADISON COUNTY  
REGULAR AUDIT  
FOR THE YEARS ENDED DECEMBER 31, 2020 - 2019**

313 Second St.  
Marietta, OH 45750  
740 373 0056

1907 Grand Central Ave.  
Vienna, WV 26105  
304 422 2203

150 W. Main St., #A  
St. Clairsville, OH 43950  
740 695 1569

1310 Market St., #300  
Wheeling, WV 26003  
304 232 1358

749 Wheeling Ave., #300  
Cambridge, OH 43725  
740 435 3417

[www.perrycpas.com](http://www.perrycpas.com)



OHIO AUDITOR OF STATE  
KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
IPAReport@ohioauditor.gov  
(800) 282-0370

Members of the Council  
Madison County Family and Children First Council  
200 Midway Street  
London, OH 43140

We have reviewed the *Independent Auditor's Report* of the Madison County Family and Children First Council, Madison County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2019 through December 31, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Madison County Family and Children First Council is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

August 30, 2021

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**MADISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
MADISON COUNTY**

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## INDEPENDENT AUDITOR'S REPORT

July 16, 2021

Madison County Family and Children First Council  
Madison County  
200 Midway Street  
London, OH 43140

To the Council:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2020 and 2019, and related notes of the **Madison County Family and Children First Council**, Madison County, Ohio (the Council).

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; 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.

### ***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.

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

As described in Note 2 of the financial statements, the Council prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Council does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Council as of December 31, 2020 and 2019, and the respective changes in financial position thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2020 and 2019, and related notes of the Madison County Family and Children First Council, Madison County, in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

***Emphasis of Matter***

As discussed in Note 11 to the 2020 financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Council. As discussed in Note 12 to the 2020 financial statements, the Council made several changes to its reporting model. We did not modify our opinions regarding these matters.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 16, 2021, 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.



**Perry & Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio



**MADISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
MADISON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Intergovernmental - Local	\$ 121,954	\$ -	\$ 121,954
Intergovernmental - State	36,328	167,768	204,096
Intergovernmental - Federal	1,050	170,834	171,884
Local Contributions	20,692	-	20,692
<i>Total Cash Receipts</i>	<u>180,024</u>	<u>338,602</u>	<u>518,626</u>
<b>Cash Disbursements</b>			
Contractual Services	180,024	344,166	524,190
<i>Total Cash Disbursements</i>	<u>180,024</u>	<u>344,166</u>	<u>524,190</u>
<i>Net Change in Fund Cash Balances</i>	-	(5,564)	(5,564)
<i>Fund Cash Balances, January 1</i>	<u>-</u>	<u>5,564</u>	<u>5,564</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

**Madison County Family and Children First Council**

*Madison County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2020*

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**Note 1 – Reporting Entity**

Ohio Revised Code Section 121.37 created the Ohio Family and Children First Cabinet Council and required each Board of County Commissioners to establish a County Family and Children First Council. Statutory membership of County Council consists of the following individuals:

1. At least three individuals who are not employed by an agency represented on the Council and whose families are or have received services from an agency represented on the Council or another County's Council. Where possible, the number of members representing families shall be equal to twenty percent of the Council's remaining membership;
2. The Director of the Board of Alcohol, Drug Addiction, and Mental Health Services that serves the County, or, in the case of a County that has a Board of Alcohol and Drug Addiction Services and a Community Mental Health Board, the Directors of both Boards. If a Board of Alcohol, Drug Addition, and Mental Health Services covers more than one County, the Director may designate a person to participate on the County's Council;
3. The Health Commissioner, or the Commissioner's designee, of the Board of Health of each City or General Health District in the County. If the County has two or more health districts, the Health Commissioner membership may be limited to the Commissioners of the two districts with the largest populations;
4. The Director of the County Department of Job and Family Services;
5. The Executive Director of the public children services agency or the County agency responsible for the administration of children services pursuant to the Ohio Revised Code Section 5153.15;
6. The Superintendent of the County Board of Developmental Disabilities or if the Superintendent serves as Superintendent as more than one County Board of Developmental Disabilities, the Superintendent's designee;
7. The Superintendent of the city, exempted village, or local school district with the largest number of pupils residing in the County, as determined by the Ohio Department of Education, which shall notify each County of its determination at least biennially;
8. A School Superintendent representing all other school districts with territory in the County, as designated at a biennial meeting of the superintendents of those districts;
9. A representative of the municipal corporation with the largest population in the County;
10. The President of the Board of County Commissioners or an individual designated by the Board;
11. A representative of the regional office of the Ohio Department of Youth Services;
12. A representative of the County's Head Start agencies, as defined in Ohio Revised Code Section 3301.32;
13. A representative of the County's Early Intervention collaborative established pursuant to the federal early intervention program operated under the "Individuals with Disabilities Education Act of 2004"; and

**Madison County Family and Children First Council**  
*Madison County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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

14. A representative of a local nonprofit entity that funds, advocates, or provides services to children and families.

A County Family and Children First Council may invite any other local public or private agency or group that funds, advocates, or provides services to children to have a representative become a permanent or temporary member of the Council.

The purpose of the County Council is to streamline and coordinate existing government services for families seeking services for their children. In seeking to fulfill its purpose, a County Council shall provide for the following:

1. Referrals to the Cabinet Council of those children for whom the County Council cannot provide adequate services;
2. Development and implementation of a process that annually evaluates and prioritizes services, fills service gaps where possible, and invents new approaches to achieve better results for families and children;
3. Participation in the development of a countywide, comprehensive, coordinated, multi-disciplinary interagency system for infants and toddlers with developmental disabilities or delays and their families, as established pursuant to federal grants received and administered by the Department of Health for early intervention services under the “Individuals with Disabilities Education Act of 2004”;
4. Maintenance of an accountability system to monitor the County Council’s progress in achieving results for families and children; and
5. Establishment of a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the County system.

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

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Council’s financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis).

***Fund Accounting***

The Council uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Council are presented below:

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Council for any purpose provided it is expended or transferred according to the general laws of Ohio.

**Madison County Family and Children First Council**  
*Madison County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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

***Fund Accounting (Continued)***

***Special Revenue Funds*** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Council had the following significant Special Revenue Funds:

***Help Me Grow Grant Fund*** This fund receives state and federal grant monies restricted for the purpose of the grant provisions. These funds are used to provide outreach/child find and service coordination to families with children who need Early Intervention and other related Early Childhood services.

***Special Education Grant – Infants and Families (HMG-Part C)*** This fund receives federal grant monies restricted for expectant parents; newborns and their families; and infants and toddlers at risk for or with developmental delays and disabilities and their families.

***Special Education Grant - Infants and Families (HMG-GRF Part C)*** This fund receives state grant monies restricted for expectant parents; newborns and their families; and infants and toddlers at risk for or with developmental delays and disabilities and their families. These funds are used in accordance with specified program rules and guidelines.

***Family-Centered Services and Supports Fund*** This fund receives grant monies restricted for maintaining children and youth in their homes and communities by meeting the multi-systemic needs of children receiving service coordination.

***Strong Families Safe Communities (SFSC) Fund*** This fund receives grant monies restricted for funds to support youth through services; such as, High Fidelity Wraparound. Funds from the SFSC grant support a full-time Wraparound Coordinator, part-time System of Care Coordinator, Youth Move Coordinator and programming, training opportunities to increase quality of services delivered, and the addition of contract providers to implement programs for multi-system youth and create sustainability.

***Multi-System Youth Fund*** This fund receives federal Medicaid funding restricted to maintaining children and youth in their home or providing support, which will return children and youth to their homes. These funds may be used to provide temporary placement while family strengthening supports are established; for services which assist in providing a stable home environment to which children may return, and for staff providing the Wraparound Coordination required for this process to be successful.

***Administrative/Fiscal Agent***

Ohio Revised Code Section 121.37(B)(S)(a) requires the Council to select an administrative agent to provide fiscal and administrative services to the Council. The Council selected Madison County Commissioners as Administrative Agent. The Madison County Commissioners authorizes the Madison County Auditor, as fiscal agent. The Commissioners are authorized to subcontract with, designate, and/or seek assistance from any agencies and/or organizations that it deems necessary in order to complete the obligations set forth in the agreement. The Madison County Commissioners agree to be ultimately responsible for fulfilling the fiscal and administrative obligations of the agreement.

**Madison County Family and Children First Council**  
*Madison County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

***Budgetary Process***

A Family and Children First Council established under Ohio Revised Code Section 121.37 is not a taxing authority and is not subject to Ohio Revised Code Chapter 5705. As of October 1, 1997, all Family and Children First Councils are required to file an annual budget with its administrative agent. The Council filed an estimate of financial resources and an appropriation measure with Madison County Commissioners and the Madison County Auditor as required by Ohio law. The Council follows budgetary guidelines established by the Madison County Auditor. Annual budgets are prepared and submitted to the Auditors for approval prior to the beginning of the calendar year. Any budget modification requests must be submitted jointly to the Madison County Auditor and the Madison County Commissioners for review and approval.

A summary of 2020 budgetary activity appears in Note 3.

***Deposits and Investments***

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

***Capital Assets***

The Council records disbursements for acquisitions of property, plant and equipment when paid. The accompanying financial statements do not report these items as assets.

***Accumulated Leave***

The Madison County Family and Children First Council does not have employees. The Madison County Commissioners have established a Department of Family and Children, which receives funding from the Council through a Memorandum of Understanding. This department is responsible for providing Council related services. This Department also receives other grant funding which supports additional services for families and children not funded through Council. All staff providing services are employees of the Department and as such are considered employees of the Madison County Commissioners, and not of the Council. In certain circumstances, such as leaving employment, these employees are entitled to cash payments for unused leave. The financial statements included with this report do not include a liability for unpaid leave.

**Madison County Family and Children First Council**  
*Madison County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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

**Fund Balance**

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

**Nonspendable** The Council classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**Restricted** Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**Committed** The Council can commit amounts via formal action (resolution). The Council must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**Assigned** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Council, which includes giving the administrative/fiscal agent the authority to constrain monies for intended purposes.

**Unassigned** – Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance.

The Council applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Note 3 – Budgetary Activity**

Budgetary activity for the years ending December 31, 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 183,887	\$ 180,024	\$ (3,863)
Special Revenue	393,636	338,602	(55,034)
Total	\$ 577,523	\$ 518,626	\$ (58,897)

**Madison County Family and Children First Council**  
*Madison County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 183,887	\$ 180,024	\$ 3,863
Special Revenue	393,636	344,166	49,470
Total	\$ 577,523	\$ 524,190	\$ 53,333

**Note 4 – Deposits and Investments**

The Madison County Auditor, as fiscal agent for the Council, maintains a cash and investments pool used by all of the Madison County Auditor funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments and the Madison County Auditor is responsible for compliance.

The Council's carrying amount of deposits at December 31, 2020 was \$0.

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

**Note 5 – Risk Management**

**Commercial Insurance**

The Council is insured through the Madison County Commissioners for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

**Risk Pool Membership**

The Madison County Commissioners, as Administrative Agent for Council is a member of the County Risk Sharing Authority, (the Pool). The Pool assumes the risk of loss up to the limits of the Madison County Commissioners policy. The Pool may make supplemental assessments if the experience of the overall pool is unfavorable. The Pool covers the following risks to the assigned limits

General Liability--\$1,000,000  
 Errors and Omissions--\$1,000,000  
 Auto Liability including: owned, non-owned and hired automobiles--\$1,000,000  
 Property including all real and personal property, automobiles, and equipment \$94,828,981  
 Excess Liability--\$8,000,000  
 Crime: Employee Dishonesty/Faithful Performance--\$1,000,000

**Madison County Family and Children First Council**  
*Madison County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 6 - Defined Benefit Pension Plans**

The Madison County Family and Children First Council does not have employees. The Madison County Commissioners have established a Department of Family and Children, which receives funding from the Council through a Memorandum of Understanding. This Department is responsible for providing all Council related services. This Department also receives other grant funding which supports additional services for families and children not funded through Council. All staff providing services are employees of the Department and as such are considered employees of the Madison County Commissioners, and not of the Council. Therefore, Defined Benefit Pension Plan information is not applicable to the Madison County Family and Children First Council.

**Note 7 – Postemployment Benefits**

The Madison County Family and Children First Council does not have employees. The Madison County Commissioners have established a Department of Family and Children, which receives funding from the Council through a Memorandum of Understanding. This Department is responsible for providing all Council related services. This Department also receives other grant funding which supports additional services for families and children not funded through Council. All staff providing services are employees of the Department and as such are considered employees of the Madison County Commissioners, and not of the Council. Therefore, Postemployment Benefits information is not applicable to the Madison County Family and Children First Council.

**Note 8 – Construction and Contractual Commitments**

Madison County Family and Children First Council has no construction or contractual commitments.

**Note 9 – Contingent Liabilities**

Amounts grantor agencies pay to the Council are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Note 10 – Fund Balances**

Included in fund balance are amounts the Council cannot spend, including the balance of unclaimed monies, which cannot be spent for five years. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Nonspendable:			
Unclaimed Monies			\$0
Outstanding Encumbrances			0
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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



**Madison County Family and Children First Council**

*Madison County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2020*

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**Note 11- COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Council. In addition, the impact on the Council's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

**Note 12 – Change in Accounting Principle**

For 2020, the Council has made changes to their cash basis reporting model. These changes include modifications to the definition of fiduciary funds, adding a separate combined statement of additions, deductions, and changes in fund balances (regulatory cash basis) – all fiduciary fund types, and removing the fund balance classifications from the combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) – all governmental fund types.

**MADISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
MADISON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Intergovernmental - Local	\$ 147,089	\$ -	\$ 147,089
Intergovernmental - State	60,000	147,770	207,770
Intergovernmental - Federal	1,050	158,166	159,216
Local Contributions	19,836	-	19,836
<i>Total Cash Receipts</i>	<u>227,975</u>	<u>305,936</u>	<u>533,911</u>
<b>Cash Disbursements</b>			
Other (pass through to OFCFCA)	44,250	-	44,250
Contractual Services	183,725	319,722	503,447
<i>Total Cash Disbursements</i>	<u>227,975</u>	<u>319,722</u>	<u>547,697</u>
<i>Net Change in Fund Cash Balances</i>	-	(13,786)	(13,786)
<i>Fund Cash Balances, January 1</i>	<u>-</u>	<u>19,348</u>	<u>19,348</u>
<b>Fund Cash Balances, December 31</b>			
Restricted	<u>-</u>	<u>5,562</u>	<u>5,562</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ -</u>	<u>\$ 5,562</u>	<u>\$ 5,562</u>

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

**Madison County Family and Children First Council**

*Madison County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2019*

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**Note 1 – Reporting Entity**

Ohio Revised Code Section 121.37 created the Ohio Family and Children First Cabinet Council and required each Board of County Commissioners to establish a County Family and Children First Council. Statutory membership of County Council consists of the following individuals:

1. At least three individuals who are not employed by an agency represented on the Council and whose families are or have received services from an agency represented on the Council or another County's Council. Where possible, the number of members representing families shall be equal to twenty percent of the Council's remaining membership;
2. The Director of the Board of Alcohol, Drug Addiction, and Mental Health Services that serves the County, or, in the case of a County that has a Board of Alcohol and Drug Addiction Services and a Community Mental Health Board, the Directors of both Boards. If a Board of Alcohol, Drug Addition, and Mental Health Services covers more than one County, the Director may designate a person to participate on the County's Council;
3. The Health Commissioner, or the Commissioner's designee, of the Board of Health of each City or General Health District in the County. If the County has two or more health districts, the Health Commissioner membership may be limited to the Commissioners of the two districts with the largest populations;
4. The Director of the County Department of Job and Family Services;
5. The Executive Director of the public children services agency or the County agency responsible for the administration of children services pursuant to the Ohio Revised Code Section 5153.15;
6. The Superintendent of the County Board of Developmental Disabilities or if the Superintendent serves as Superintendent as more than one County Board of Developmental Disabilities, the Superintendent's designee;
7. The Superintendent of the city, exempted village, or local school district with the largest number of pupils residing in the County, as determined by the Ohio Department of Education, which shall notify each County of its determination at least biennially;
8. A School Superintendent representing all other school districts with territory in the County, as designated at a biennial meeting of the superintendents of those districts;
9. A representative of the municipal corporation with the largest population in the County;
10. The President of the Board of County Commissioners or an individual designated by the Board;
11. A representative of the regional office of the Ohio Department of Youth Services;
12. A representative of the County's Head Start agencies, as defined in Ohio Revised Code Section 3301.32;
13. A representative of the County's Early Intervention collaborative established pursuant to the federal early intervention program operated under the "Individuals with Disabilities Education Act of 2004"; and

**Madison County Family and Children First Council**  
*Madison County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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

14. A representative of a local nonprofit entity that funds, advocates, or provides services to children and families.

A County Family and Children First Council may invite any other local public or private agency or group that funds, advocates, or provides services to children to have a representative become a permanent or temporary member of the Council.

The purpose of the County Council is to streamline and coordinate existing government services for families seeking services for their children. In seeking to fulfill its purpose, a County Council shall provide for the following:

1. Referrals to the Cabinet Council of those children for whom the County Council cannot provide adequate services;
2. Development and implementation of a process that annually evaluates and prioritizes services, fills service gaps where possible, and invents new approaches to achieve better results for families and children;
3. Participation in the development of a countywide, comprehensive, coordinated, multi-disciplinary interagency system for infants and toddlers with developmental disabilities or delays and their families, as established pursuant to federal grants received and administered by the Department of Health for early intervention services under the “Individuals with Disabilities Education Act of 2004”;
4. Maintenance of an accountability system to monitor the County Council’s progress in achieving results for families and children; and
5. Establishment of a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the County system.

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

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Council’s financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis).

***Fund Accounting***

The Council uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Council are presented below:

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Council for any purpose provided it is expended or transferred according to the general laws of Ohio.

**Madison County Family and Children First Council**  
*Madison County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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

***Fund Accounting (Continued)***

***Special Revenue Funds*** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Council had the following significant Special Revenue Funds:

***Help Me Grow Grant Fund*** This fund receives state and federal grant monies restricted for the purpose of the grant provisions. These funds are used to provide outreach/child find and service coordination to families with children who need Early Intervention and other related Early Childhood services.

***Special Education Grant – Infants and Families (HMG-Part C)*** This fund receives federal grant monies restricted for expectant parents; newborns and their families; and infants and toddlers at risk for or with developmental delays and disabilities and their families.

***Special Education Grant - Infants and Families (HMG-GRF Part C)*** This fund receives state grant monies restricted for expectant parents; newborns and their families; and infants and toddlers at risk for or with developmental delays and disabilities and their families. These funds are used in accordance with specified program rules and guidelines.

***Family-Centered Services and Supports Fund*** This fund receives grant monies restricted for maintaining children and youth in their homes and communities by meeting the multi-systemic needs of children receiving service coordination.

***Strong Families Safe Communities (SFSC) Fund*** This fund receives grant monies restricted for funds to support youth through services; such as, High Fidelity Wraparound. Funds from the SFSC grant support a full-time Wraparound Coordinator, part-time System of Care Coordinator, Youth Move Coordinator and programming, training opportunities to increase quality of services delivered, and the addition of contract providers to implement programs for multi-system youth and create sustainability.

***Multi-System Youth Fund*** This fund receives federal Medicaid funding restricted to maintaining children and youth in their home or providing support, which will return children and youth to their homes. These funds may be used to provide temporary placement while family strengthening supports are established; for services which assist in providing a stable home environment to which children may return, and for staff providing the Wraparound Coordination required for this process to be successful.

***Administrative/Fiscal Agent***

Ohio Revised Code Section 121.37(B)(S)(a) requires the Council to select an administrative agent to provide fiscal and administrative services to the Council. The Council selected Madison County Commissioners as Administrative Agent. The Madison County Commissioners authorizes the Madison County Auditor, as fiscal agent. The Commissioners are authorized to subcontract with, designate, and/or seek assistance from any agencies and/or organizations that it deems necessary in order to complete the obligations set forth in the agreement. The Madison County Commissioners agree to be ultimately responsible for fulfilling the fiscal and administrative obligations of the agreement.

**Madison County Family and Children First Council**  
*Madison County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

***Budgetary Process***

A Family and Children First Council established under Ohio Revised Code Section 121.37 is not a taxing authority and is not subject to Ohio Revised Code Chapter 5705. As of October 1, 1997, all Family and Children First Councils are required to file an annual budget with its administrative agent. The Council filed an estimate of financial resources and an appropriation measure with Madison County Commissioners and the Madison County Auditor as required by Ohio law. The Council follows budgetary guidelines established by the Madison County Auditor. Annual budgets are prepared and submitted to the Auditors for approval prior to the beginning of the calendar year. Any budget modification requests must be submitted jointly to the Madison County Auditor and the Madison County Commissioners for review and approval.

A summary of 2019 budgetary activity appears in Note 3.

***Deposits and Investments***

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

***Capital Assets***

The Council records disbursements for acquisitions of property, plant and equipment when paid. The accompanying financial statements do not report these items as assets.

***Accumulated Leave***

The Madison County Family and Children First Council does not have employees. The Madison County Commissioners have established a Department of Family and Children, which receives funding from the Council through a Memorandum of Understanding. This department is responsible for providing Council related services. This Department also receives other grant funding which supports additional services for families and children not funded through Council. All staff providing services are employees of the Department and as such are considered employees of the Madison County Commissioners, and not of the Council. In certain circumstances, such as leaving employment, these employees are entitled to cash payments for unused leave. The financial statements included with this report do not include a liability for unpaid leave.

**Madison County Family and Children First Council**  
*Madison County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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

**Fund Balance**

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

**Nonspendable** The Council classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**Restricted** Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**Committed** The Council can commit amounts via formal action (resolution). The Council must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**Assigned** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Council, which includes giving the administrative/fiscal agent the authority to constrain monies for intended purposes.

**Unassigned** – Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance.

The Council applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Note 3 – Budgetary Activity**

Budgetary activity for the years ending December 31, 2019, follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 228,857	\$ 227,975	\$ (882)
Special Revenue	377,951	305,936	(72,015)
Total	\$ 606,808	\$ 533,911	\$ (72,897)

**Madison County Family and Children First Council**  
*Madison County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 228,857	\$ 227,975	\$ 882
Special Revenue	377,951	319,722	58,229
Total	\$ 606,808	\$ 547,697	\$ 59,111

**Note 4 – Deposits and Investments**

The Madison County Auditor, as fiscal agent for the Council, maintains a cash and investments pool used by all of the Madison County Auditor funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments and the Madison County Auditor is responsible for compliance.

The Council's carrying amount of deposits at December 31, 2019 was \$5,562.

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

**Note 5 – Risk Management**

**Commercial Insurance**

The Council is insured through the Madison County Commissioners for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

**Risk Pool Membership**

The Madison County Commissioners, as Administrative Agent for Council is a member of the County Risk Sharing Authority, (the Pool). The Pool assumes the risk of loss up to the limits of the Madison County Commissioners policy. The Pool may make supplemental assessments if the experience of the overall pool is unfavorable. The Pool covers the following risks to the assigned limits

General Liability--\$1,000,000  
 Errors and Omissions--\$1,000,000  
 Auto Liability including: owned, non-owned and hired automobiles--\$1,000,000  
 Property including all real and personal property, automobiles, and equipment \$94,828,981  
 Excess Liability--\$8,000,000  
 Crime: Employee Dishonesty/Faithful Performance--\$1,000,000



**Madison County Family and Children First Council**

*Madison County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2019*

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**Note 6 - Defined Benefit Pension Plans**

The Madison County Family and Children First Council does not have employees. The Madison County Commissioners have established a Department of Family and Children, which receives funding from the Council through a Memorandum of Understanding. This Department is responsible for providing all Council related services. This Department also receives other grant funding which supports additional services for families and children not funded through Council. All staff providing services are employees of the Department and as such are considered employees of the Madison County Commissioners, and not of the Council. Therefore, Defined Benefit Pension Plan information is not applicable to the Madison County Family and Children First Council.

**Note 7 – Postemployment Benefits**

The Madison County Family and Children First Council does not have employees. The Madison County Commissioners have established a Department of Family and Children, which receives funding from the Council through a Memorandum of Understanding. This Department is responsible for providing all Council related services. This Department also receives other grant funding which supports additional services for families and children not funded through Council. All staff providing services are employees of the Department and as such are considered employees of the Madison County Commissioners, and not of the Council. Therefore, Postemployment Benefits information is not applicable to the Madison County Family and Children First Council.

**Note 8 – Construction and Contractual Commitments**

Madison County Family and Children First Council has no construction or contractual commitments.

**Note 9 – Contingent Liabilities**

Amounts grantor agencies pay to the Council are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Note 10 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Council. In addition, the impact on the Council's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.



313 Second St.  
Marietta, OH 45750  
740.373.0056

1907 Grand Central Ave.  
Vienna, WV 26105  
304.422.2203

150 West Main St.  
St. Clairsville, OH 43950  
740.695.1569

1310 Market Street, Suite 300  
Wheeling, WV 26003  
304.232.1358

749 Wheeling Ave., Suite 300  
Cambridge, OH 43725  
740.435.3417

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

July 16, 2021

Madison County Family and Children First Council  
Madison County  
200 Midway Street  
London, OH 43140

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 financial statements of the cash balances, receipts, and disbursements by fund type of **Madison County Family and Children First Council**, Madison County, (the Council) as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements and have issued our report thereon dated July 16, 2021, wherein we noted the Council followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit and the financial impact of COVID-19 and the ensuing emergency measures and the financial impact of changes to the reporting model.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Council's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinion 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.

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***Internal Control Over Financial Reporting (Continued)***

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 audit findings that we consider a material weakness. We consider finding 2020-001 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 financial statements. 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 that we must report under *Government Auditing Standards*.

***Council's Response to Findings***

The Council's response to the findings identified in our audit are described in the accompanying schedule of audit findings. We did not subject the Council's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

***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.



**Perry & Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

**MADISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
MADISON COUNTY**

**SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2020-001**

**Material Weakness**

**Financial Reporting**

The Council should have procedures and controls in place to help prevent and detect errors in financial reporting.

The following posting errors were noted:

- Intergovernmental Receipts were classified as local contributions in 2020;
- Contract Services disbursements were reported as transfers in 2019 and 2020; and
- In 2020, aspects of the notes to the financial statements were corrected from the Hinkle filing to include all necessary note disclosures.

Not posting receipts accurately resulted in the financial statements requiring reclassifications. The financial statements reflect these reclassifications.

To help ensure accuracy and reliability in the financial reporting process, we recommend that management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues are properly identified and classified on the financial statements.

We also recommend the Fiscal Officer refer to Auditor of State resources for guidance to determine the proper establishment of receipt accounts and posting of receipts. We also recommend the Council use the available templates for financial statements and notes to the financial statements on the Auditor of State's website to prepare an accurate annual financial report.

**Management's Response** – *Funds identified are local levy funds received by the Mental Health Recovery Board of Clark, Greene, and Madison Counties. The Clark County Auditor provides fiscal services to the Board. Although these are a local levy, rather than state or federal funds, we will comply and identify these as intergovernmental funds.*

**MADISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
MADISON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

Finding Number	Finding Summary	Status	Additional Information
2018-001	Financial Reporting	Partially Corrected	Repeated as finding 2020-001

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# OHIO AUDITOR OF STATE KEITH FABER



**MADISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL**

**MADISON COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 9/9/2021**

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

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