



**FAMILY AND CHILDREN FIRST COUNCIL
FULTON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2021-2020

**FAMILY AND CHILDREN FIRST COUNCIL
FULTON COUNTY**

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FULTON COUNTY**

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OHIO AUDITOR OF STATE KEITH FABER



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

INDEPENDENT AUDITOR'S REPORT

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

To the Members of the Council:

Report on the Audit of the Financial Statements

Opinions

We have audited 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, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities and each major fund of the Council, as of December 31, 2021 and 2020, and the respective changes in cash-basis financial position thereof and the respective budgetary comparison for the General and Family First Restricted Funds for the years then ended in accordance with the cash-basis of accounting described in Note 2.

Basis for Opinions

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

Emphasis of Matter - Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Efficient • Effective • Transparent

Emphasis of Matter

As discussed in Note 9 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Council. We did not modify our opinion regarding this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2022, on our consideration of the Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

July 28, 2022

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Family and Children First Council
Fulton County
Statement of Net Position - Cash Basis
December 31, 2021

| | Governmental Activities |
|---------------------------|----------------------------|
| Assets | |
| Cash with Fiscal Agent | \$ 66,864 |
| Net Position | |
| Restricted for: | |
| Other Purposes | \$ 47,222 |
| Unrestricted | 19,642 |
| <i>Total Net Position</i> | <i>\$ 66,864</i> |

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, 2021

| | Cash Disbursements | Operating Grants and Contributions | Net (Disbursements) Receipts and Changes in Net Assets |
|---------------------------------------|-----------------------|--|--|
| | | | Governmental Activities |
| Governmental Activities | | | |
| General | \$ 28,760 | \$ 43,481 | \$ 14,721 |
| Family First Restricted | 24,450 | 57,563 | 33,113 |
| <i>Total Governmental Activities</i> | \$ 53,210 | \$ 101,044 | 47,834 |
| General Receipts | | | |
| Miscellaneous | | | 49 |
| Change in Net Assets | | | 47,883 |
| <i>Net Position Beginning of Year</i> | | | 18,981 |
| <i>Net Position End of Year</i> | | | \$ 66,864 |

See accompanying notes to the basic financial statements

Family and Children First Council
Fulton County
Statement of Cash Basis Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2021

| | <u>General</u> | <u>Family First Restricted</u> | <u>Total Governmental Funds</u> |
|----------------------------|------------------|------------------------------------|---|
| Assets | | | |
| Cash with Fiscal Agent | <u>\$ 19,642</u> | <u>\$ 47,222</u> | <u>\$ 66,864</u> |
| Fund Balances | | | |
| Restricted | | \$ 47,222 | \$ 47,222 |
| Unassigned | <u>\$ 19,642</u> | | <u>19,642</u> |
| <i>Total Fund Balances</i> | <u>\$ 19,642</u> | <u>\$ 47,222</u> | <u>\$ 66,864</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, 2021*

| | General | Family First Restricted | Total Governmental Funds |
|--|------------------|----------------------------|--------------------------------|
| Receipts | | | |
| Intergovernmental | \$ 34,781 | \$ 57,563 | \$ 92,344 |
| Gifts & Contributions | 8,700 | | 8,700 |
| Miscellaneous | 15 | 34 | 49 |
| <i>Total Receipts</i> | <u>43,496</u> | <u>57,597</u> | <u>101,093</u> |
| Disbursements | | | |
| Salary | 23,650 | | 23,650 |
| PERS | 3,262 | | 3,262 |
| Workers Comp | 140 | | 140 |
| Medicare | 343 | | 343 |
| Travel | 85 | | 85 |
| Contracts | 965 | | 965 |
| Supplies | 315 | | 315 |
| Other | | 24,450 | 24,450 |
| <i>Total Disbursements</i> | <u>28,760</u> | <u>24,450</u> | <u>53,210</u> |
| <i>Net Change in Fund Balances</i> | 14,736 | 33,147 | 47,883 |
| <i>Fund Balances Beginning of Year</i> | <u>4,906</u> | <u>14,075</u> | <u>18,981</u> |
| <i>Fund Balances End of Year</i> | <u>\$ 19,642</u> | <u>\$ 47,222</u> | <u>\$ 66,864</u> |

See accompanying notes to the basic financial statements

Family & 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, 2021

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---------------------------------------|-------------------------|-----------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Receipts | | | | |
| Intergovernmental | \$ 20,750 | \$ 17,568 | \$ 34,781 | |
| Gifts & Contributions | | | 8,700 | \$ 8,700 |
| Miscellaneous | <u>16,500</u> | <u>16,500</u> | <u>15</u> | <u>(16,485)</u> |
| <i>Total Receipts</i> | <u>37,250</u> | <u>34,068</u> | <u>43,496</u> | <u>(7,785)</u> |
| Disbursements | | | | |
| Salary | 28,271 | 24,739 | 23,650 | 1,089 |
| PERS | 3,958 | 3,958 | 3,262 | 696 |
| Workers Comp | 565 | 565 | 140 | 425 |
| Medicare | 411 | 411 | 343 | 68 |
| Travel | 1,500 | 1,500 | 85 | 1,415 |
| Contracts | 750 | 1,100 | 965 | 135 |
| Supplies | 1,500 | 1,500 | 315 | 1,185 |
| Other | <u>295</u> | <u>295</u> | <u></u> | <u>295</u> |
| <i>Total Disbursements</i> | <u>37,250</u> | <u>34,068</u> | <u>28,760</u> | <u>5,308</u> |
| <i>Net Change in Fund Balance</i> | | | 14,736 | (2,477) |
| <i>Fund Balance Beginning of Year</i> | <u>4,906</u> | <u>4,906</u> | <u>4,906</u> | |
| <i>Fund Balance End of Year</i> | <u>\$ 4,906</u> | <u>\$ 4,906</u> | <u>\$ 19,642</u> | <u>\$ (2,477)</u> |

See accompanying notes to the basic financial statements

Family & 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, 2021

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------------|------------------------|------------------------|---|
| | Original | Final | | |
| Receipts | | | | |
| Intergovernmental | \$33,997 | \$26,897 | \$57,563 | \$30,666 |
| Miscellaneous | \$1,000 | \$1,000 | \$34 | (966) |
| <i>Total Receipts</i> | <u>34,997</u> | <u>27,897</u> | <u>57,597</u> | <u>29,700</u> |
| Disbursements | | | | |
| Salary | 7,149 | 49 | | 49 |
| PERS | 1,001 | 1,001 | | 1,001 |
| Workers Comp | 143 | 143 | | 143 |
| Medicare | 104 | 104 | | 104 |
| Travel | 500 | 500 | | 500 |
| Advertising | 100 | 100 | | 100 |
| Contracts | 500 | 500 | | 500 |
| Supplies | 500 | 500 | | 500 |
| Other | 25,000 | 25,348 | 24,798 | 550 |
| <i>Total Disbursements</i> | <u>34,997</u> | <u>28,245</u> | <u>24,798</u> | <u>3,447</u> |
| <i>Net Change in Fund Balance</i> | | (348) | 32,799 | 33,147 |
| <i>Fund Balance Beginning of Year</i> | <u>14,075</u> | <u>14,075</u> | <u>14,075</u> | |
| <i>Fund Balance End of Year</i> | <u><u>\$14,075</u></u> | <u><u>\$13,727</u></u> | <u><u>\$46,874</u></u> | <u><u>\$33,147</u></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, 2021**

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

**Family and Children First Council
Fulton County**

**Notes to the Financial Statements
For the Year Ended December 31, 2021**

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

Public Entity Risk Pools

The Council participates in a public entity risk pool. Note 5 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.

**Family and Children First Council
Fulton County**

**Notes to the Financial Statements
For the Year Ended December 31, 2021**

Basis of Presentation

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

Government-Wide Financial Statements The statement of net position and the statement of activities display information about the Council as a whole. These statements include the financial activities of the primary government. The 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 sent back to the Ohio Department of Health. 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 all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Council for any purpose provided it is expended or transferred according to the general laws of Ohio.

Family First Restricted The Family First Restricted Fund accounts for state grant monies for the Family Centered Services and Supports (FCSS) and Multi-System Youth (MSY).

**Family and Children First Council
Fulton County**

**Notes to the Financial Statements
For the Year Ended December 31, 2021**

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.

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.

**Family and Children First Council
Fulton County**

**Notes to the Financial Statements
For the Year Ended December 31, 2021**

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 South Fulton Street, Wauseon, Ohio 43567 or by calling 419-337-9252.

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 6 and 7, 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 primarily limitations imposed by grantors.

**Family and Children First Council
Fulton County**

**Notes to the Financial Statements
For the Year Ended December 31, 2021**

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-funds 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.

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.

**Family and Children First Council
Fulton County**

**Notes to the Financial Statements
For the Year Ended December 31, 2021**

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 expenditures (budgetary basis) rather than as a reservation of fund balance (cash basis). There were no encumbrances outstanding at year-end (budgetary basis) for the 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.

Note 5 – Risk Management

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

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

Risk Pool Membership

The Council is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes risk of loss up to the limits of the Council's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

**Family and Children First Council
Fulton County**

**Notes to the Financial Statements
For the Year Ended December 31, 2021**

| | 2021 |
|-----------------------|---------------------|
| Cash and investments | \$41,996,850 |
| Actuarial liabilities | (14,974,099) |
| Net Assets | <u>\$27,022,751</u> |

Note 6 – 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, 2021**

| 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 60 with 60 months of service credit or Age 55 with 25 years of service credit | Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | Age and Service Requirements: 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 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 traditional plan 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, 2021**

| | <u>State and Local</u> |
|---|----------------------------|
| 2021 Statutory Maximum Contributions Rates | |
| Employer | 14.0 % |
| Employee | 10.0 % |
| 2021 Actual Contribution Rates | |
| Employer: | |
| Pension | 14.0 % |
| Total Employer | <u>14.0 %</u> |
| Employee | <u>10.0 %</u> |

*Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

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

The Council's contractually required contribution was \$3,262 for year 2021.

Note 7 – 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.

**Family and Children First Council
Fulton County**

**Notes to the Financial Statements
For the Year Ended December 31, 2021**

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. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

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. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report 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.

**Family and Children First Council
Fulton County**

**Notes to the Financial Statements
For the Year Ended December 31, 2021**

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 postretirement health care coverage through their contributions to OPERS. A portion of each employer's contribution to OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. 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 determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2021, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. 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 2021 was 4.0 percent.

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 0.0 percent during calendar year 2021. 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 2021 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Health District's contractually required contribution was \$255 for the year 2021.

Note 8 – 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.

Note 9 – 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. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the Council received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Council. The impact on the Council's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Family and Children First Council

Fulton County

Statement of Net Position - Cash Basis

December 31, 2020

| | Governmental Activities |
|---------------------------|----------------------------|
| Assets | |
| Cash with Fiscal Agent | \$ 18,981 |
| Net Position | |
| Restricted for: | |
| Other Purposes | \$ 14,075 |
| Unrestricted | 4,906 |
| <i>Total Net Position</i> | <u>\$ 18,981</u> |

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, 2020

| | <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 | \$ 18,480 | \$ 17,568 | \$ (912) |
| Family First Restricted | 54,834 | 52,743 | (2,091) |
| <i>Total Governmental Activities</i> | <u>\$ 73,314</u> | <u>\$ 70,311</u> | <u>(3,003)</u> |
| General Receipts | | | |
| Miscellaneous | | | <u>\$940</u> |
| Change in Net Assets | | | (2,063) |
| <i>Net Position Beginning of Year</i> | | | <u>21,044</u> |
| <i>Net Position End of Year</i> | | | <u>\$ 18,981</u> |

See accompanying notes to the basic financial statements

Family and Children First Council
Fulton County
Statement of Cash Basis Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2020

| | <u>General</u> | <u>Family First Restricted</u> | <u>Total Governmental Funds</u> |
|----------------------------|-----------------|------------------------------------|---|
| Assets | | | |
| Cash with Fiscal Agent | \$ 4,906 | \$ 14,075 | \$ 18,981 |
| Fund Balances | | | |
| Restricted | | \$ 14,075 | \$ 14,075 |
| Unassigned | \$ 4,906 | | 4,906 |
| <i>Total Fund Balances</i> | <u>\$ 4,906</u> | <u>\$ 14,075</u> | <u>\$ 18,981</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, 2020

| | General | Family First Restricted | Total Governmental Funds |
|--|-----------------|----------------------------|--------------------------------|
| Receipts | | | |
| Intergovernmental | \$ 17,568 | \$ 52,743 | \$ 70,311 |
| Miscellaneous | 940 | | 940 |
| <i>Total Receipts</i> | <u>18,508</u> | <u>52,743</u> | <u>71,251</u> |
| Disbursements | | | |
| Salary | 14,981 | | 14,981 |
| PERS | 2,090 | | 2,090 |
| Workers Comp | 168 | 5 | 173 |
| Medicare | 217 | | 217 |
| Travel | 86 | | 86 |
| Contracts | 749 | | 749 |
| Supplies | 189 | 6,833 | 7,022 |
| Equipment | | 3,130 | 3,130 |
| Other | | 44,866 | 44,866 |
| <i>Total Disbursements</i> | <u>18,480</u> | <u>54,834</u> | <u>73,314</u> |
| <i>Net Change in Fund Balances</i> | 28 | (2,091) | (2,063) |
| <i>Fund Balances Beginning of Year</i> | <u>4,878</u> | <u>16,166</u> | <u>21,044</u> |
| <i>Fund Balances End of Year</i> | <u>\$ 4,906</u> | <u>\$ 14,075</u> | <u>\$ 18,981</u> |

See accompanying notes to the basic financial statements

Family & 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, 2020

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---------------------------------------|-------------------------|-----------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Receipts | | | | |
| Intergovernmental | \$ 15,750 | \$ 15,750 | \$ 17,568 | \$ 1,818 |
| Miscellaneous | 6,665 | 6,665 | 940 | (5,725) |
| <i>Total Receipts</i> | <u>22,415</u> | <u>22,415</u> | <u>18,508</u> | <u>(3,907)</u> |
| Disbursements | | | | |
| Salary | 15,960 | 15,610 | 14,981 | 629 |
| PERS | 2,234 | 2,234 | 2,090 | 144 |
| Workers Comp | 320 | 320 | 168 | 152 |
| Medicare | 231 | 231 | 217 | 14 |
| Travel | 330 | 330 | 86 | 244 |
| Contracts | 240 | 750 | 749 | 1 |
| Supplies | 3,000 | 2,840 | 189 | 2,651 |
| Other | 100 | 100 | | 100 |
| <i>Total Disbursements</i> | <u>22,415</u> | <u>22,415</u> | <u>18,480</u> | <u>3,935</u> |
| <i>Net Change in Fund Balance</i> | | | 28 | 28 |
| <i>Fund Balance Beginning of Year</i> | <u>4,878</u> | <u>4,878</u> | <u>4,878</u> | |
| <i>Fund Balance End of Year</i> | <u>\$ 4,878</u> | <u>\$ 4,878</u> | <u>\$ 4,906</u> | <u>\$ 28</u> |

See accompanying notes to the basic financial statements

Family & 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, 2020

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------|------------------|------------------|---|
| | Original | Final | | |
| Receipts | | | | |
| Intergovernmental | \$ 27,000 | \$ 27,000 | \$ 52,743 | \$ 25,743 |
| Miscellaneous | 119,738 | 42,488 | | (42,488) |
| <i>Total Receipts</i> | <u>146,738</u> | <u>69,488</u> | <u>52,743</u> | <u>(16,745)</u> |
| Disbursements | | | | |
| Salary | 90,913 | | | |
| PERS | 12,728 | | | |
| Workers Comp | 1,818 | 1,818 | 5 | 1,813 |
| Medicare | 1,318 | 1,318 | | 1,318 |
| Insurance | 1,711 | 1,711 | | 1,711 |
| Travel | 5,000 | 5,000 | | 5,000 |
| Advertising | 1,000 | 1,000 | | 1,000 |
| Contracts | 8,250 | | | |
| Supplies | 5,000 | 10,000 | 6,833 | 3,167 |
| Equipment | | 3,774 | 3,130 | 644 |
| Other | 19,000 | 44,866 | 44,866 | |
| <i>Total Disbursements</i> | <u>146,738</u> | <u>69,488</u> | <u>54,834</u> | <u>14,654</u> |
| <i>Net Change in Fund Balance</i> | | | (2,091) | (2,091) |
| <i>Fund Balance Beginning of Year</i> | <u>16,166</u> | <u>16,166</u> | <u>16,166</u> | |
| <i>Fund Balance End of Year</i> | <u>\$ 16,166</u> | <u>\$ 16,166</u> | <u>\$ 14,075</u> | <u>\$ (2,091)</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, 2020**

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;

**Family and Children First Council
Fulton County**

**Notes to the Financial Statements
For the Year Ended December 31, 2020**

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;

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 Pools

The Council participates in a public entity risk pool. Note 5 to the financial statements provide additional information for this entity. This organization is the Public Entities Pool of Ohio (PEP).

**Family and Children First Council
Fulton County**

**Notes to the Financial Statements
For the Year Ended December 31, 2020**

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 positions and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements The statement of net position and the statement of activities display information about the Council as a whole. These statements include the financial activities of the primary government. The 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 sent back to the Ohio Department of Health. 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.

**Family and Children First Council
Fulton County**

**Notes to the Financial Statements
For the Year Ended December 31, 2020**

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 all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Council for any purpose provided it is expended or transferred according to the general laws of Ohio.

Family First Restricted The Family First Restricted Fund accounts for state grant monies for the Family Centered Services and Supports (FCSS) and Multi-System Youth (MSY).

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.

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.

**Family and Children First Council
Fulton County**

**Notes to the Financial Statements
For the Year Ended December 31, 2020**

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 South Fulton Street, Wauseon, Ohio 43567 or by calling 419-337-9252.

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.

**Family and Children First Council
Fulton County**

**Notes to the Financial Statements
For the Year Ended December 31, 2020**

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 6 and 7, 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 primarily 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-funds 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.

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.

**Family and Children First Council
Fulton County**

**Notes to the Financial Statements
For the Year Ended December 31, 2020**

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 expenditures (budgetary basis) rather than as a reservation of fund balance (cash basis). There were no encumbrances outstanding at year-end (budgetary basis) for the 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.

Note 5 – Risk Management

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

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

**Family and Children First Council
Fulton County**

**Notes to the Financial Statements
For the Year Ended December 31, 2020**

Risk Pool Membership

The Council is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes risk of loss up to the limits of the Council’s policy. The Pool covers the following risks:

- General liability and casualty
- Public official’s liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

| | 2020 |
|-----------------------|--------------|
| Cash and investments | \$40,318,971 |
| Actuarial liabilities | (14,111,510) |
| Net Assets | \$26,207,461 |

Note 6 – 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, 2020**

| 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 60 with 60 months of service credit or Age 55 with 25 years of service credit | Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | 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 traditional plan 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, 2020**

| | <u>State and Local</u> |
|---|----------------------------|
| 2020 Statutory Maximum Contributions Rates | |
| Employer | 14.0 % |
| Employee | 10.0 % |
| 2020 Actual Contribution Rates | |
| Employer: | |
| Pension | 14.0 % |
| Total Employer | <u>14.0 %</u> |
| Employee | <u>10.0 %</u> |

*Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

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

The Council's contractually required contribution was \$2,090 for year 2020.

Note 7 – 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.

**Family and Children First Council
Fulton County**

**Notes to the Financial Statements
For the Year Ended December 31, 2020**

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. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

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. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report 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.

**Family and Children First Council
Fulton County**

**Notes to the Financial Statements
For the Year Ended December 31, 2020**

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 postretirement health care coverage through their contributions to OPERS. A portion of each employer's contribution to OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. 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 0.0 percent during calendar year 2020. 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 2020 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Health District's contractually required contribution was \$150 for the year 2020.

Note 8 – 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.

Note 9 – COVID-19

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

OHIO AUDITOR OF STATE KEITH FABER



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

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 of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements and have issued our report thereon dated July 28, 2022, wherein we noted the Council uses a special purpose framework other than generally accepted accounting principles. We also noted the financial impact of COVID-19 and the continuing emergency measures, which may impact subsequent period of the Council.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Council's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2021-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio

July 28, 2022

**FAMILY AND CHILDREN FIRST COUNCIL
FULTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2021 AND 2020**

| |
|--|
| FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS |
|--|

FINDING NUMBER 2021-001

Material Weakness – Financial Reporting

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.

The following errors were identified in the accompanying financial statements:

- The Council has a subgrant agreement with Fulton County Job and Family Services. In 2021, these intergovernmental revenues were incorrectly recorded as gifts & contributions in the General Fund and as contracts in the Family First Restricted Fund in the amounts of \$17,213 and \$25,806, respectively.
- The Council paid the Fulton County Health Department \$5,713 from the Restricted Fund in 2020 and incorrectly reported this expenditure as a transfer out instead of as another expenditures.

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 notes to the financial statements have been adjusted to correct these errors. Failing to prepare accurate financial statements could result in management making misinformed decisions.

To help ensure the Council's financial statements and notes to the financial statements are complete and accurate the Fiscal Supervisor should adopt policies and procedures, including a final review of the financial statements and notes to the financial statements by the Fiscal Supervisor, to help identify and correct errors and omissions.

Officials' Response:

We did not receive a response from Officials to the finding reported above.

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OHIO AUDITOR OF STATE KEITH FABER



FULTON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

FULTON 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 8/16/2022

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