



Certified Public Accountants, A.C.

**PAULDING COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
PAULDING COUNTY  
REGULAR AUDIT  
FOR THE YEAR ENDED JUNE 30, 2021**

313 Second St.  
Marietta, OH 45750  
740 373 0056

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

150 W. Main St., #A  
St. Clairsville, OH 43950  
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1310 Market St., #300  
Wheeling, WV 26003  
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749 Wheeling Ave., #300  
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OHIO AUDITOR OF STATE  
KEITH FABER



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Board of Trustees  
Paulding County Family and Children First  
202 N. Cherry St.  
Paulding, OH 45879

We have reviewed the *Independent Auditor's Report* of the Paulding County Family and Children First, Paulding County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period July 1, 2020 through June 30, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

December 22, 2021

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**PAULDING COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
PAULDING COUNTY**

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## INDEPENDENT AUDITOR'S REPORT

December 15, 2021

Paulding County Family and Children First Council  
Paulding County  
202 North Cherry Street  
P.O. Box 176  
Paulding, Ohio 45879

To the Board of Trustees:

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

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended June 30, 2021 and related notes of **Paulding County Family and Children First Council**, Paulding County, Ohio (the Council).

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

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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

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

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

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations  
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***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

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

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

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

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Council as of June 30, 2021, and the changes in financial position thereof for the year then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the year ended June 30, 2021 and related notes of the Council, in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

***Emphasis of Matter***

As discussed in Note 11 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Council. As discussed in Note 13 to the 2021 financial statements, the Council made several changes to its reporting model. We did not modify our opinions regarding these matters.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2021, on our consideration of the Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.



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



**PAULDING COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
PAULDING COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 2021**

|  | General          | Special<br>Revenue | Totals<br>(Memorandum<br>Only) |
|--|------------------|--------------------|--------------------------------|
| <b>Cash Receipts</b>                   |                  |                    |                                |
| Intergovernmental                      | \$ 15,750        | \$ 149,553         | \$ 165,303                     |
| Contributions and Donations            | 1,500            | 130,456            | 131,956                        |
| <i>Total Cash Receipts</i>             | <u>17,250</u>    | <u>280,009</u>     | <u>297,259</u>                 |
| <b>Cash Disbursements</b>              |                  |                    |                                |
| Salaries and Benefits                  | 6,669            | 101,303            | 107,972                        |
| Contractual Services                   | 3,028            | 152,070            | 155,098                        |
| Travel Reimbursements                  | 136              | 2,525              | 2,661                          |
| Supplies and Materials                 | 10               | 8,055              | 8,065                          |
| Services and Charges                   | 9,751            | 7,370              | 17,121                         |
| Other                                  | 1,286            | -                  | 1,286                          |
| <i>Total Cash Disbursements</i>        | <u>20,880</u>    | <u>271,323</u>     | <u>292,203</u>                 |
| <i>Net Change in Fund Cash Balance</i> | (3,630)          | 8,686              | 5,056                          |
| <i>Fund Cash Balances, July 1</i>      | <u>14,547</u>    | <u>132,179</u>     | <u>146,726</u>                 |
| <i>Fund Cash Balances, June 30</i>     | <u>\$ 10,917</u> | <u>\$ 140,865</u>  | <u>\$ 151,782</u>              |

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

**Paulding County Family and Children First Council**  
*Paulding County*  
*Notes to the Financial Statements*  
*For the Year Ended June 30 2021*

**NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Description of the Entity***

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

1. At least three individuals 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 the County agency responsible for the administration of children services pursuant to the Ohio Revised Code Section 5153.15;
6. The Superintendent of the County Board of Developmental Disabilities or if the Superintendent serves as Superintendent as more than one County Board of Developmental Disabilities, the Superintendent's designee;
7. The Superintendent of the city, exempted village, or local school district with the largest number of pupils residing in the County, as determined by the Ohio Department of Education, which shall notify each County of its determination at least biennially;
8. A School Superintendent representing all other school districts with territory in the County, as designated at a biennial meeting of the superintendents of those districts;
9. A representative of the municipal corporation with the largest population in the County;
10. The President of the Board of County Commissioners or an individual designated by the Board;
11. A representative of the regional office of the Ohio Department of Youth Services;
12. A representative of the County's Head Start agencies, as defined in Ohio Revised Code Section 3301.32;
13. A representative of the County's Early Intervention collaborative established pursuant to the federal early intervention program operated under the "Individuals with Disabilities Education Act of 2004"; and
14. A representative of a local nonprofit entity that funds, advocates, or provides services to children and families.

**Paulding County Family and Children First Council**  
*Paulding County*  
*Notes to the Financial Statements*  
*For the Year Ended June 30 2021*

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.

Paulding County Family and Children First Council's (the Council) management believes these financial statements present all activities for which the council is financially accountable.

See Note 9 for more information about the Council's insurance pool.

***Basis of Presentation***

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

***Fund Accounting***

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

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

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

***Help Me Grow Grant Fund*** This fund receives state and federal grant monies restricted for the purpose of the grant provisions.

**Paulding County Family and Children First Council**  
*Paulding County*  
*Notes to the Financial Statements*  
*For the Year Ended June 30 2021*

**Multi-System Youth Fund** This fund receives state and federal grant monies restricted for the purpose of the Multi-System Youth Program grant provisions.

***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 has selected the Western Buckeye Educational Service Center (Western Buckeye ESC). The Council authorizes Western Buckeye ESC, as fiscal agent and 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. The Western Buckeye ESC agrees to be ultimately responsible for fulfilling the fiscal and administrative obligations of the agreement.

***Basis of Accounting***

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

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

***Budgetary Process***

A Family and Children First Council established under Ohio Revised Code Section 121.37 is not a taxing authority and is not subject to Ohio Revised Code Chapter 5705. As of October 1, 1997, all Family and Children First Councils are required to file an annual budget with its administrative agent. No budgetary information is presented because the Council did not file an annual budget with its administrative agent.

The Council used the encumbrance method of accounting. Encumbrances outstanding at year-end are carried over, and need not be re-appropriated.

A summary of 2021 budgetary activity appears in Note 3.

***Deposits and Investments***

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

***Capital Assets***

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

***Accumulated Leave***

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**Paulding County Family and Children First Council**  
*Paulding County*  
*Notes to the Financial Statements*  
*For the Year Ended June 30 2021*

**Fund Balance**

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

**Nonspendable** The Council classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Council.

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

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

**Assigned** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

**NOTE 2 – COMPLIANCE**

Contrary to Ohio Revised Code, the Council did not file an annual budget with its administrative agent for the year ended June 30, 2021.

**NOTE 3 – BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2021, follows:

| 2021 Budgeted vs. Actual Receipts |                      |                    |            |
|-----------------------------------|----------------------|--------------------|------------|
| Fund Type                         | Budgeted<br>Receipts | Actual<br>Receipts | Variance   |
| General                           | \$ -                 | \$ 17,250          | \$ 17,250  |
| Special Revenue                   | -                    | 280,009            | 280,009    |
| Total                             | \$ -                 | \$ 297,259         | \$ 297,259 |

**Paulding County Family and Children First Council**  
*Paulding County*  
*Notes to the Financial Statements*  
*For the Year Ended June 30 2021*

| 2021 Budgeted vs. Actual Budgetary Basis Expenditures |                            |                           |              |
|---|----------------------------|---------------------------|--------------|
| Fund Type   | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance     |
| General   | \$ -                       | \$ 21,424                 | \$ (21,424)  |
| Special Revenue                                       | -                          | 298,065                   | (298,065)    |
| Total   | \$ -                       | \$ 319,489                | \$ (319,489) |

**NOTE 4 – DEPOSITS AND INVESTMENTS**

The Western Buckeye Educational Service Center, as fiscal agent for the Council, maintains a cash and investments pool used by all of the Western Buckeye Educational Service Center’s funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments and the Western Buckeye Educational Service Center’s Treasurer is responsible for compliance. The carrying amount of deposits and investments related to the Council at June 30, 2021 as follows:

|                 | 2021       |
|-----------------|------------|
| Demand deposits | \$ 151,782 |

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

**NOTE 5 – RISK MANAGEMENT**

*Property and Liability*

The Council is insured for general liability and casualty by Western Buckeye Education Service Center. Settled claims have not exceeded coverage in the past three years and coverage has not significantly decreased since the prior fiscal year.

*Health Care Benefits*

The Council participates in the Van Wert Area School Insurance Group (VWASIG), a public entity shared risk pool consisting of five members (See Note 9). Each member pays premiums to VWASIG for employee medical, dental, and life insurance benefits to the employees of the participants. VWASIG is responsible for the payment of all the VWASIG liabilities to its employees, dependents, and designated beneficiaries accruing as a result of the withdrawal. Upon termination of VWASIG, all members’ claims would be paid without regard to the member’s account balance.

**NOTE 6 – DEFINED BENEFIT PENSION PLANS**

The Council’s noncertified employees belong to the School Employees Retirement System (SERS) and the Council’s certified employees belong to the State Teachers Retirement System (STRS). SERS and STRS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plan’s benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For fiscal year, 2021 SERS members contributed 10 percent of their gross salaries. STRS members contributed 14 percent of their gross salaries.

**Paulding County Family and Children First Council**  
*Paulding County*  
*Notes to the Financial Statements*  
*For the Year Ended June 30 2021*

The Council contributed an amount equaling 14 percent of all participants' gross salaries for SERS and 14 percent all participants' gross salaries for STRS. The Council has paid all contributions required through June 30, 2021.

**NOTE 7 – POSTEMPLOYMENT BENEFITS**

Both SERS and STRS offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. None of the employer contributions were allocated to health care for SERS members for fiscal year 2021. STRS active employee members do not contribute to the health care plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium.

**NOTE 8 – CONTINGENT LIABILITIES**

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

**NOTE 9 – INSURANCE POOL – VWASIG**

The Van Wert Area School Insurance Group (VWASIG) is a public entity shared risk pool consisting of six members. VWASIG is a Voluntary Employee Benefit Association under Section 501(c)(9) of the Internal Revenue Code and provides medical, dental, and life insurance benefits to the employees of the participants. Each member appoints a representative to the Board of Trustees. The Board of Trustees is the legislative and managerial body of VWASIG. Financial information can be obtained from the Lincolnview Local School District, who serves as fiscal agent, 15945 Middle Point Road, Van Wert, Ohio 45891.

**NOTE 10 – FUND BALANCES**

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

| Fund Balances            | General | Special<br>Revenue | Total     |
|--------------------------|---------|--------------------|-----------|
| Outstanding Encumbrances | \$ 544  | \$ 26,742          | \$ 27,286 |
| Total                    | \$ 544  | \$ 26,742          | \$ 27,286 |

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

**Paulding County Family and Children First Council**  
*Paulding County*  
*Notes to the Financial Statements*  
*For the Year Ended June 30 2021*

**NOTE 11 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Council. The Council's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Council's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

**NOTE 12 – SUBSEQUENT EVENTS**

As of July 1, 2021 Buckeye ESC is no longer the fiscal agent of the Council.

**NOTE 13 – CHANGE IN ACCOUNTING PRINCIPLE**

For 2021, the Council has made changes to their cash basis reporting model. These changes include modifications to the definition of fiduciary funds and removing the fund balance classifications from the Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types.





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

December 15, 2021

Paulding County Family and Children First Council  
Paulding County  
202 North Cherry Street  
P.O. Box 176  
Paulding, Ohio 45879

To the Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' Government Auditing Standards, the financial statements of the cash balances, receipts, and disbursements by fund type of the **Paulding County Family and Children First Council**, Paulding County, (the Council) as of and for the year ended June 30, 2021, and the related notes to the financial statements and have issued our report thereon dated December 15, 2021, wherein we noted the Council followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit and the financial impact of COVID-19 and the ensuing emergency measures and the financial impact of changes to the reporting model.

***Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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***Compliance and Other Matters***

As part of reasonably assuring whether the Council's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statement. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2021-001.

***Council's Response to Finding***

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

***Purpose of this Report***

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



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

PAULDING COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
PAULDING COUNTY

SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED JUNE 30, 2021

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

FINDING NUMBER 2021-001

**Noncompliance**

**Ohio Revised Code Section 121.37** states each county council shall designate an administrative agent for the council from among the following public entities: the board of alcohol, drug addiction, and mental health services, including a board of alcohol and drug addiction or a community mental health board if the county is served by separate boards; the board of county commissioners; any board of health of the county's city and general health districts; the county department of job and family services; the county agency responsible for the administration of children services pursuant to section 5153.15 of the Revised Code; the county board of developmental disabilities; any of the county's boards of education or governing boards of educational service centers; or the county's juvenile court. Any of the foregoing public entities, other than the board of county commissioners, may decline to serve as the council's administrative agent.

A county 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, unless the board is serving as the council's administrative agent. The council's administrative agent shall ensure that all expenditures are handled in accordance with policies, procedures, and activities prescribed by state departments in rules or interagency agreements that are applicable to the council's functions.

The Council did not submit an annual budget to its administrative agent for fiscal year 2021.

We recommend the Council make and approve an annual budget of estimated receipts and expenses at the beginning of each fiscal year and certify it with the appropriate agencies.

**Management's Response** – During our fiscal year 2020 audit we were told an annual budget was no longer a requirement.

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# OHIO AUDITOR OF STATE KEITH FABER



**PAULDING COUNTY FAMILY AND CHILDREN FIRST COUNCIL**

**PAULDING 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 1/4/2022**

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](http://www.ohioauditor.gov)