



Certified Public Accountants, A.C.

**COSHOCTON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
COSHOCTON COUNTY
Regular Audit
For the Years Ended December 31, 2018 and 2017**

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Members of Council
Coshocton Family & Children First Council
724 South Seventh Street
Coshocton, Ohio 43812

We have reviewed the *Independent Auditor's Report* of the Coshocton Family & Children First Council, Coshocton County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2017 through December 31, 2018. 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 Coshocton Family & Children First Council 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

September 24, 2019

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

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position – Cash Basis - December 31, 2018.....	3
Statement of Activities – Cash Basis - December 31, 2018.....	4
Fund Financial Statements:	
Statement of Assets and Fund Balance – Cash Basis – General Fund – December 31, 2018	5
Statement of Receipts, Disbursements and Changes in Fund Balance – Cash Basis - General Fund – For the Year Ended December 31, 2018.....	6
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – General Fund – For the Year Ended December 31, 2018	7
Notes to the Basic Financial Statements 2018	8
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position – Cash Basis - December 31, 2017.....	17
Statement of Activities – Cash Basis - December 31, 2017	18
Fund Financial Statements:	
Statement of Assets and Fund Balance – Cash Basis – General Fund – December 31, 2017	19
Statement of Receipts, Disbursements and Changes in Fund Balance –Cash Basis - General Fund – For the Year Ended December 31, 2017	20
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – General Fund – For the Year Ended December 31, 2017	21
Notes to the Basic Financial Statements 2017	22
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	32
Schedule of Prior Audit Findings.....	34

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INDEPENDENT AUDITOR'S REPORT

July 31, 2019

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

To the Members of Council:

Report on the Financial Statements

We have audited the accompanying cash basis financial statements of the governmental activities and major fund of the **Coshocton County Family and Children First Council**, Coshocton County, (the Council) as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities and major fund of Coshocton County Family and Children First Council, Coshocton County, Ohio, as of December 31, 2018 and 2017, and the respective changes in cash financial position and the budgetary comparison for the General Fund thereof for the years then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2019, 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 and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

COSHOCTON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

COSHOCTON COUNTY

Statement of Net Position - Cash Basis

December 31, 2018

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 228,038</u>
<i>Total Assets</i>	<u><u>228,038</u></u>
Net Position	
Unrestricted	<u>228,038</u>
<i>Total Net Position</i>	<u><u>\$ 228,038</u></u>

See accompanying notes to the basic financial statements

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

*Statement of Activities - Cash Basis
For the Year Ended December 31, 2018*

	<u>Cash Disbursements</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursements) Receipts and Changes in Net Position</u>
			<u>Governmental Activities</u>
Governmental Activities			
Human Services	\$ 361,025	\$ 360,768	\$ (257)
<i>Total Governmental Activities</i>	<u>\$ 361,025</u>	<u>\$ 360,768</u>	<u>(257)</u>
General Receipts:			
Miscellaneous			<u>18,386</u>
<i>Total General Receipts</i>			<u>18,386</u>
Change in Net Position			18,129
<i>Net Position Beginning of Year</i>			<u>209,909</u>
<i>Net Position End of Year</i>			<u>\$ 228,038</u>

See accompanying notes to the basic financial statements

COSHOCTON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

COSHOCTON COUNTY

Statement of Assets and Fund Balance - Cash Basis

General Fund

December 31, 2018

	<u>General</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 228,038</u>
<i>Total Assets</i>	<u>228,038</u>
Fund Balance	
Assigned	50,087
Unassigned	<u>177,951</u>
<i>Total Fund Balance</i>	<u>\$ 228,038</u>

See accompanying notes to the basic financial statements

COSHOCTON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
COSHOCTON COUNTY
Statement of Receipts, Disbursements and Changes in Fund Balance - Cash Basis
General Fund
For the Year Ended December 31, 2018

	General
Receipts	
Intergovernmental	\$ 337,018
Miscellaneous	16,886
Membership Contributions	25,250
<i>Total Receipts</i>	379,154
Disbursements	
Human Services	361,025
<i>Total Disbursements</i>	361,025
<i>Net Change in Fund Balance</i>	18,129
<i>Fund Balance Beginning of Year</i>	209,909
<i>Fund Balance End of Year</i>	\$ 228,038

See accompanying notes to the basic financial statements

COSHOCTON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

COSHOCTON COUNTY

Statement of Receipts, Disbursements and Changes

In Fund Balance - Budget and Actual - Budget Basis

General Fund

For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Intergovernmental	\$ 336,128	\$ 361,766	\$ 337,018	\$ (24,748)
Miscellaneous	5,000	17,000	16,886	(264)
Membership Contributions	25,000	25,000	25,250	250
<i>Total Receipts</i>	<u>366,128</u>	<u>403,766</u>	<u>379,154</u>	<u>(24,762)</u>
Disbursements				
Salaries	131,726	139,726	134,775	4,951
Employee Fringe Benefits	55,446	61,596	46,661	14,935
Supplies	65,700	53,526	53,411	115
Equipment	2,500	2,500	2,500	-
Contract Services	98,551	113,722	108,703	5,019
Travel/Conferences	2,500	2,500	1,408	1,092
Other	26,805	50,928	37,376	13,552
<i>Total Disbursements</i>	<u>383,228</u>	<u>424,498</u>	<u>384,834</u>	<u>39,664</u>
<i>Net Change in Fund Balance</i>	(17,100)	(20,732)	(5,680)	14,902
<i>Unencumbered Fund Balance Beginning of Year</i>	200,699	200,699	200,699	-
Prior Year Encumbrances Appropriated	<u>9,210</u>	<u>9,210</u>	<u>9,210</u>	<u>-</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 192,809</u>	<u>\$ 189,177</u>	<u>\$ 204,229</u>	<u>\$ 14,902</u>

See accompanying notes to the basic financial statements

Coshocton County Family and Children First Council
Coshocton County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 1 - Reporting Entity

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

1. The director of the board of alcohol, drug addiction, and mental health services that serves the county, or, in the case of a county that has a board of alcohol and drug addiction services and a community mental health board, the directors of both boards;
2. The Health Commissioner of the Board of Health of each city or general health district in the county, or their designees;
3. The Director of the County Department of Job and Family Services;
4. The Executive Director of the public children services agency or the County agency responsible for the administration of children services pursuant to the Ohio Revised Code Section 5153.15;
5. The Superintendent of the County Board of Developmental Disabilities or their designee if serving as superintendent for multiple counties;
6. The Superintendent of the city, exempted village, or local school district with the largest number of pupils residing in the County, as determined by the Ohio Department of Education, which shall notify each County of its determination at least biennially;
7. A School Superintendent representing all other school districts with territory in the County, as designated at a biennial meeting of the superintendents of those districts;
8. A representative of the largest city in the county;
9. The chair of the board of county commissioners or an individual designated by the board;
10. A representative of the regional office of the department of youth services;
11. A representative of the County's Head Start agencies, as defined in Ohio Revised Code Section 3301.32;
12. A representative of the County's Early Intervention collaborative established pursuant to the federal early intervention program operated under the "Individuals with Disabilities Education Act of 2004"; and
13. At least three individuals representing the interest of families in the county. Where possible, the number of members representing families shall be equal to twenty percent of the council's remaining membership. In addition, a county family and children first council may invite any other local public or private agency or group that funds, advocates, or provides services to children to have a representative become a permanent or temporary member of the council

Coshocton County Family and Children First Council
Coshocton County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 1 - Reporting Entity (Continued)

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

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

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

Twenty-eight agencies are members of the Coshocton County Family and Children First Council of which they appoint an individual to attend the Council meetings. All agencies are voting members.

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

Note 2 - Summary of Significant Accounting Policies

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

Reporting Entity

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

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

Coshocton County Family and Children First Council
Coshocton County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 2 - Summary of Significant Accounting Policies (Continued)

Basis of Presentation

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

Fund Accounting

The Council uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The Council utilizes the governmental category of funds.

Governmental Funds

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

General Fund- The General Fund is the general operating fund. It is used to account for all financial resources except those restricted by law or contract and required to be accounted for in another fund. The General Fund balance is available to the Council for any purpose provided it is expended or transferred according to the general laws of Ohio and the Charter of the Council.

Coshocton County Family and Children First Council
Coshocton County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 2 - Summary of Significant Accounting Policies (Continued)

Fiscal and Administrative Agent

From July 1, 2004 to June 30, 2017, the Coshocton County General Health District served as administrative agent and the Coshocton County Auditor serves as fiscal agent for the Council. In Resolution 2016-46, the Coshocton County Commissioners established the Coshocton County Family and Children First Council Executive Committee as administrative agent and the Coshocton County Job and Family Services as fiscal agent effective July 1, 2017.

Measurement Focus

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

Basis of Accounting

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

Budgetary Process

The Council is required by Ohio Revised Code Section 121.37(B)(5) to file an annual budget with its administrative agent. The Council and Board approve any changes made to these estimates during the year. The Council filed the required budgets with their administrative agent for 2018.

Fund Balance

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

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

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

Coshocton County Family and Children First Council
Coshocton County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 2 - Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

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

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

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

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

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

Cash

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

Capital Assets

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

Accumulated Leave

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

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

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2018*

Note 2 - Summary of Significant Accounting Policies (Continued)

Net Position

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

Employer Contributions to Cost-Sharing Pension Plans

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

Ohio Public Employees Retirement System

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 that has elements of both a defined benefit and defined contribution plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financialreports.shtml#CAFR>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377. 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):

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

Coshocton County Family and Children First Council
Coshocton County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 2 - Summary of Significant Accounting Policies (Continued)

Ohio Public Employees Retirement System (Continued)

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

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

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

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows for 2018:

	State and Local
Statutory Maximum Contribution Rates	
Employer	14%
Employee	10%
Actual Contribution Rates	
Employer:	
Pension	14%
Post-Employment Health Care Benefits	0%
Total Employer	14%
Employee	10%

The Council's required contribution for pension obligations to the traditional and combined plans for the years ended December 31, 2018, 2017 and 2016 were \$18,278, \$13,196, and \$12,175, respectively. The full amount has been contributed for 2018, 2017, and 2016.

Post Employment 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.

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 and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This 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 refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Coshocton County Family and Children First Council

Coshocton County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2018

Note 2 - Summary of Significant Accounting Policies (Continued)

Post Employment Benefits- Ohio Public Employees Retirement System (Continued)

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post

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.

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, State and Local employers contributed at a rate of 14.0% of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 10% during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0% for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2018 was 4.0%.

For the year ended December 31, 2018, the members of all three plans, except those in Law enforcement participating in the traditional plan, contributed 10% of their annual covered salaries. The District's contribution rate for pension benefits for 2018 was 14%. The Ohio Revised Code provides statutory authority for member and employer contributions.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. The Council's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2018, 2017, and 2016 were \$0, \$132, and \$244, respectively. The full amount has been contributed for 2018, 2017 and 2016.

Long-Term Obligations

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

Coshocton County Family and Children First Council
Coshocton County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

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 (Non-GAAP Budgetary Basis) presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis is outstanding year-end encumbrances and are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis).

Note 4 – Cash and Cash Equivalents

The County Treasurer is the custodian for the Council's cash and investments. The County's cash and investment pool holds the Council's cash and investments, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from the County. The Council's carrying amount of cash on deposit with the County at December 31, 2018, was \$228,038. The Coshocton County Treasurer's Office is located at 349 Main Street, Coshocton, Ohio 43812. The phone number is (740) 622-2731.

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.

The Council provides for employee health insurance through the Coshocton County Commissioners. The county's Self-Insurance Fund pays covered claims to service providers and recovers these costs from charges to other funds based on an actuarially determined cost per employee. The Council's required contribution for its employees' health insurance coverage to the county for the years ended December 31, 2018, 2017 and 2016 were \$25,741, \$21,091, and \$16,082 respectively. The full amount has been contributed for 2018, 2017 and 2016.

The Council is insured through the County, which is a member of CORSA, a risk sharing pool. The Pool assumes the risk of loss up to the limits of the County's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool:

1. General Liability and casualty
2. Public official's liability
3. Vehicle

Note 6 – Contingent Liabilities

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

COSHOCTON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

COSHOCTON COUNTY

Statement of Net Position - Cash Basis

December 31, 2017

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 209,909</u>
<i>Total Assets</i>	<u><u>209,909</u></u>
Net Position	
Unrestricted	<u>209,909</u>
<i>Total Net Position</i>	<u><u>\$ 209,909</u></u>

See accompanying notes to the basic financial statements

COSHOCTON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

COSHOCTON COUNTY

*Statement of Activities - Cash Basis
For the Year Ended December 31, 2017*

	Cash Disbursements	Operating Grants and Contributions	Net (Disbursements) Receipts and Changes in Net Position
			Governmental Activities
Governmental Activities			
Human Services	\$ 339,953	\$ 307,891	\$ (32,062)
<i>Total Governmental Activities</i>	<u>\$ 339,953</u>	<u>\$ 307,891</u>	<u>(32,062)</u>
General Receipts:			
Miscellaneous			<u>7,458</u>
<i>Total General Receipts</i>			<u>7,458</u>
Change in Net Position			(24,604)
<i>Net Position Beginning of Year - Restated, See Note 7</i>			<u>234,513</u>
<i>Net Position End of Year</i>			<u>\$ 209,909</u>

See accompanying notes to the basic financial statements

COSHOCTON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
COSHOCTON COUNTY
Statement of Assets and Fund Balance - Cash Basis
General Fund
December 31, 2017

	<u>General</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 209,909</u>
<i>Total Assets</i>	<u><u>209,909</u></u>
Fund Balance	
Assigned	29,941
Unassigned	<u>179,968</u>
<i>Total Fund Balance</i>	<u><u>\$ 209,909</u></u>

See accompanying notes to the basic financial statements

COSHOCTON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
COSHOCTON COUNTY
Statement of Receipts, Disbursements and Changes in Fund Balance - Cash Basis
General Fund
For the Year Ended December 31, 2017

	General
Receipts	
Intergovernmental	\$ 284,891
Miscellaneous	5,708
Membership Contributions	24,750
<i>Total Receipts</i>	315,349
Disbursements	
Human Services	339,953
<i>Total Disbursements</i>	339,953
<i>Excess of Receipts Over (Under) Disbursements</i>	(24,604)
<i>Fund Balance Beginning of Year (Restated, See Note 7,</i>	234,513
<i>Fund Balance End of Year</i>	\$ 209,909

See accompanying notes to the basic financial statements

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

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund*

For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Intergovernmental:	\$ 293,996	\$ 281,076	\$ 284,891	\$ 3,815
Miscellaneous	5,000	5,000	5,708	(708)
Membership Contributions	23,950	24,950	24,750	(200)
<i>Total Receipts</i>	<u>322,946</u>	<u>311,026</u>	<u>315,349</u>	<u>2,907</u>
Disbursements				
Salaries	94,703	96,856	94,910	1,946
Employee Fringe Benefits	39,785	39,532	36,295	3,237
Supplies	69,682	70,541	62,292	8,249
Contract Services	127,395	148,026	123,706	24,320
Travel/Conferences	2,500	2,660	2,640	20
Other	23,900	37,418	29,320	8,098
<i>Total Disbursements</i>	<u>357,965</u>	<u>395,033</u>	<u>349,163</u>	<u>45,870</u>
<i>Net Change in Fund Balance</i>	(35,019)	(84,007)	(33,814)	48,777
<i>Unencumbered Fund Balance Beginning of Year (Restated, See Note 7)</i>	219,243	219,243	219,243	-
Prior Year Encumbrances Appropriated	15,270	15,270	15,270	-
<i>Fund Balance End of Year</i>	<u>\$ 199,494</u>	<u>\$ 150,506</u>	<u>\$ 200,699</u>	<u>\$ 48,777</u>

See accompanying notes to the basic financial statements

Coshocton County Family and Children First Council
Coshocton County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 1 - Reporting Entity

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

1. The director of the board of alcohol, drug addiction, and mental health services that serves the county, or, in the case of a county that has a board of alcohol and drug addiction services and a community mental health board, the directors of both boards;
2. The Health Commissioner of the Board of Health of each city or general health district in the county, or their designees;
3. The Director of the County Department of Job and Family Services;
4. The Executive Director of the public children services agency or the County agency responsible for the administration of children services pursuant to the Ohio Revised Code Section 5153.15;
5. The Superintendent of the County Board of Developmental Disabilities or their designee if serving as superintendent for multiple counties;
6. The Superintendent of the city, exempted village, or local school district with the largest number of pupils residing in the County, as determined by the Ohio Department of Education, which shall notify each County of its determination at least biennially;
7. A School Superintendent representing all other school districts with territory in the County, as designated at a biennial meeting of the superintendents of those districts;
8. A representative of the largest city in the county;
9. The chair of the board of county commissioners or an individual designated by the board;
10. A representative of the regional office of the department of youth services;
11. A representative of the County's Head Start agencies, as defined in Ohio Revised Code Section 3301.32;
12. A representative of the County's Early Intervention collaborative established pursuant to the federal early intervention program operated under the "Individuals with Disabilities Education Act of 2004"; and
13. At least three individuals representing the interest of families in the county. Where possible, the number of members representing families shall be equal to twenty percent of the council's remaining membership. In addition, a county family and children first council may invite any other local public or private agency or group that funds, advocates, or provides services to children to have a representative become a permanent or temporary member of the council

Coshocton County Family and Children First Council
Coshocton County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 1 - Reporting Entity (Continued)

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

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

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

Twenty-eight agencies are members of the Coshocton County Family and Children First Council of which they appoint an individual to attend the Council meetings. All agencies are voting members.

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

Note 2 - Summary of Significant Accounting Policies

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

Reporting Entity

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

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

Coshocton County Family and Children First Council

Coshocton County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2017

Note 2 - Summary of Significant Accounting Policies (Continued)

Basis of Presentation

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

Fund Accounting

The Council uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The Council utilizes the governmental category of funds.

Governmental Funds

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

General Fund-The General Fund is the general operating fund. It is used to account for all financial resources except those restricted by law or contract and required to be accounted for in another fund. The General Fund balance is available to the Council for any purpose provided it is expended or transferred according to the general laws of Ohio and the Charter of the Council.

Coshocton County Family and Children First Council

Coshocton County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2017

Note 2 - Summary of Significant Accounting Policies (Continued)

Fiscal and Administrative Agent

From July 1, 2004 to June 30, 2017, the Coshocton County General Health District served as administrative agent and the Coshocton County Auditor serves as fiscal agent for the Council. In Resolution 2016-46, the Coshocton County Commissioners established the Coshocton County Family and Children First Council Executive Committee as administrative agent and the Coshocton County Job and Family Services as fiscal agent effective July 1, 2017.

Measurement Focus

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

Basis of Accounting

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

Budgetary Process

The Council is required by Ohio Revised Code Section 121.37(B)(5) to file an annual budget with its administrative agent. Through June 30, 2017, the Council estimated revenues and expenditures for the year and submitted these estimates to the Coshocton County General Health District's Board. The Council and Board approve any changes made to these estimates during the year. The Council filed the required budgets with their administrative agent for 2017. Effective July 1, 2017, the Council estimates revenues and expenditures for the year and submits these estimates to the Coshocton County Family and Children First Council Executive Committee and the Family and Children First Council Board of Trustees. The Council and Board approve any changes made to these estimates during the year. The Council filed the required budgets with their administrative agent for 2017.

Fund Balance

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

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

Coshocton County Family and Children First Council

Coshocton County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2017

Note 2 - Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

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

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

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

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

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

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

Cash

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

Capital Assets

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

Accumulated Leave

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

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

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2017*

Note 2 - Summary of Significant Accounting Policies (Continued)

Net Position

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

Employer Contributions to Cost-Sharing Pension Plans

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

Ohio Public Employees Retirement System

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 that has elements of both a defined benefit and defined contribution plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financialreports.shtml#CAFR>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377. 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):

Group A
Eligible to retire prior to
January 7, 2013 or five years
after January 7, 2013

State and Local
Age and Service Requirements:
Age 60 with 60 months of service credit or
Age 55 with 25 years of service credit

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

Group B
20 years of service credit
prior to January 7, 2013 or
eligible to retire ten years
after January 7, 2013

State and Local
Age and Service
Requirements: Age 60
with 60 months of service
credit or Age 55 with 25
years of service credit

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

Group C
Members not in other Groups and
members hired on or after January 7,
2013

State and Local
Age and Service
Requirements: Age 57 With 25
years of service credit or Age 62
with 5 years of service credit

Formula:
2.2% of FAS multiplied by years
of service for the first 35 years
and 2.5% for service years in
excess of 35

Coshocton County Family and Children First Council
Coshocton County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 2 - Summary of Significant Accounting Policies (Continued)

Ohio Public Employees Retirement System (Continued)

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

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

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

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows for 2018:

	State and Local
Statutory Maximum Contribution Rates	
Employer	14%
Employee	10%
Actual Contribution Rates	
Employer:	
Pension	13%
Post-Employment Health Care Benefits	1%
Total Employer	14%
Employee	10%

The Council's required contribution for pension obligations to the traditional and combined plans for the years ended December 31, 2017, 2016 and 2015 were \$13,196, \$12,175, and \$9,684, respectively. The full amount has been contributed for 2017, 2016, and 2015.

Post Employment 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.

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 and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This 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 refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Coshocton County Family and Children First Council

Coshocton County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2017

Note 2 - Summary of Significant Accounting Policies (Continued)

Post Employment Benefits- Ohio Public Employees Retirement System (Continued)

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2015 CAFR for details.

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.

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, State and Local employers contributed at a rate of 14.0% of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 10% during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2017 decreased to 1% for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2017 was 4.0%.

For the year ended December 31, 2017, the members of all three plans, except those in Law enforcement participating in the traditional plan, contributed 10% of their annual covered salaries. The District's contribution rate for pension benefits for 2017 was 14%. The Ohio Revised Code provides statutory authority for member and employer contributions.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. The Council's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2017, 2016, and 2015 were \$132, \$244, and \$194, respectively. The full amount has been contributed for 2017, 2016 and 2015.

Long-Term Obligations

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

Coshocton County Family and Children First Council
Coshocton County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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 (Non-GAAP Budgetary Basis) presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis is outstanding year-end encumbrances and are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis).

Note 4 – Cash and Cash Equivalents

The County Treasurer is the custodian for the Council's cash and investments. The County's cash and investment pool holds the Council's cash and investments, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from the County. The Council's carrying amount of cash on deposit with the County at December 31, 2017, was \$209,909. The Coshocton County Treasurer's Office is located at 349 Main Street, Coshocton, Ohio 43812. The phone number is (740) 622-2731.

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.

The Council provides for employee health insurance through the Coshocton County Commissioners. The county's Self-Insurance Fund pays covered claims to service providers and recovers these costs from charges to other funds based on an actuarially determined cost per employee. The Council's required contribution for its employees' health insurance coverage to the county for the years ended December 31, 2017, 2016 and 2015 were \$21,091, \$16,082, and \$13,760 respectively. The full amount has been contributed for 2017, 2016 and 2015.

The Council is insured through the County, which is a member of CORSA, a risk sharing pool. The Pool assumes the risk of loss up to the limits of the County's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool:

1. General Liability and casualty
2. Public official's liability
3. Vehicle

Note 6 – Contingent Liabilities

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

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

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2017*

Note 7 – Prior Period Adjustment

The following adjustment is reflected in the January 1, 2017 fund balances to account for checks deposited into an incorrect account by the Fiscal Agent:

	General Fund
Fund Balance, December 31, 2016	\$ 228,731
Adjustment for checks deposited into incorrect account	5,782
Restated Fund Balance, January 1, 2017	<u>\$ 234,513</u>

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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**

July 31, 2019

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

To the Members of 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 governmental activities and major fund of the **Coshocton County Family and Children First Council**, Coshocton County, (the Council) as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements which collectively comprise the Council's basic financial statements and have issued our report dated July 31, 2019, wherein we noted the Council uses a special purpose framework other than generally accepted accounting principles.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. 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 determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the Council's management in a separate letter dated July 31, 2019.

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 and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

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

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

Finding Number	Finding Summary	Status	Additional Information
2016-001	Financial Reporting	Partially Corrected	Repeated in Management Letter

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OHIO AUDITOR OF STATE KEITH FABER



COSHOCTON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

COSHOCTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
OCTOBER 8, 2019**