



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

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Council  
Guernsey County Family and Children First Council  
627 Wheeling Avenue, Suite 300  
PO Box 5  
Cambridge, Ohio 43725

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

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Guernsey County Family and 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

October 05, 2021

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**GUERNSEY COUNTY FAMILY & CHILDREN FIRST COUNCIL  
GUERNSEY COUNTY**

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## INDEPENDENT AUDITOR'S REPORT

August 17, 2021

Guernsey County Family and Children First Council  
Guernsey County  
627 Wheeling Avenue, Suite 300  
PO Box 5  
Cambridge, OH 43725

To the Members of the Council:

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

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2020 and 2019, and related notes of the **Guernsey County Family and Children First Council**, Guernsey County, (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 of 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 fair 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  
Members: American Institute of Certified Public Accountants  
• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners • Association of Certified Anti-Money Laundering Specialists •

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

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

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

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

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

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

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

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

***Emphasis of Matter***

As discussed in Notes 7 and 8 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 7 to the 2020 financial statements, the Council made several changes to its reporting model. We did not modify our opinions regarding these matters.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 17, 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



**GUERNSEY COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
GUERNSEY COUNTY**

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

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Intergovernmental	\$ -	\$ 244,355	\$ 244,355
<i>Total Cash Receipts</i>	-	244,355	244,355
<b>Cash Disbursements</b>			
Conference and Trainings	-	2,000	2,000
Contracted Services	-	196,278	196,278
Supportive Services	-	9,931	9,931
Grant Administrative Costs	-	6	6
Miscellaneous	-	17,248	17,248
<i>Total Cash Disbursements</i>	-	225,463	225,463
<i>Net Change in Fund Cash Balances</i>	-	18,892	18,892
<i>Fund Cash Balances, January 1</i>	4,959	14,347	19,306
<i>Fund Cash Balances, December 31</i>	<u>\$ 4,959</u>	<u>\$ 33,239</u>	<u>\$ 38,198</u>

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

**GUERNSEY COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**NOTE 1 – REPORTING ENTITY**

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

1. At least three individuals representing the families in the County. Where possible, the number of members representing families shall be equal to twenty per cent 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 Addiction, 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 of 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 of 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 if 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 the 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

**GUERNSEY COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(Continued)**

**NOTE 1 – REPORTING ENTITY (CONTINUED)**

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

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

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

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

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

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***

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

***Fund Accounting***

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

**General Fund** - The General Fund is the operating fund of the Council. It is used to account for and report 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.

**GUERNSEY COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(Continued)**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Special Revenue Funds** - These funds are used to account for and report specific sources (other than from trusts or for capital projects) that are restricted or committed to expenditure for specific purposes. 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 Ohio Department of Health’s Help Me Grow Program. This fund receives federal grant monies restricted for expectant parents; newborns and their families; and infants and toddlers at risk for or with developmental delays and disabilities and their families. This Fund is to be used for outreach activities as well. Funding includes state and federal Early Intervention (Part C) funds.

**Family-Centered Services and Supports Funds** – This fund receives state and federal grant monies restricted for non-clinical services and supports to be used for maintaining children and youth in their homes and communities while addressing the multi-systemic needs of children receiving service coordination.

**Operational Capacity Building funds (OCBF)** – This fund receives all state funding. These funds are intended to support the County’s FCFC’s efforts to build community capacity, coordinate systems and services, and engage and empower families. These funds are used to provide a portion of the salary and fringe benefits for the County FCFC Coordinator/Director.

**MSY from CSB from PCSA** – Local Children Services were mandated to provide a 10% and 5% allowance over two years to assist FCFC. Funds are used to assist families with services such residential placements when additional funding isn’t available. Eligible families have an IFSP through FCFC and Creative Options.

**MSY Funding- Multi-System Youth Capacity Fund Allocation/Building Capacity 2020 Fund** – This one-time funding stream was provided to assist FCFC with improving operational capacity and providing resources for families with an IFSP through Creative Options. Educational instruction for a training of trainers was funded as well as office supply upgrades such as scanners and printers for use of direct services with the FCFC families. Families who had an IFSP were also given the opportunity to utilize the funds as a respite option dues to the lack of public respite and camp events based on restrictions from COVID-19. Families took advantage of outdoor family activities such as bikes and exercise equipment as well as indoor activities like board games, cooking kits and art supplies.

**Multi-System Youth- Custody Relinquishment** – Funds are awarded to the FCFC once an application is written and reviewed by a state panel. The funds are used to help prevent a child coming into children services custody. This source of funding allows the family to remain the custodial guardians and help plan for the well-being of the child while in the residential placement. Monthly reviews are submitted to the panel to gain continued financial support through the application. Funds can be utilized for the child only when plans are in place by the local FCFC and Creative Options team has built an IFSP for the child.

**Administrative/Fiscal Agent**

Ohio Revised Code Section 121.37(B)(5)(a) requires the Council to select an administrative agent to provide fiscal and administrative services to the Council. The Council selected the Guernsey County Department of Job and Family Services. The Council authorizes Guernsey County Department of Job and Family Services, 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 Guernsey County Department of Job and Family Services agrees to be ultimately responsible for fulfilling the fiscal and administrative obligations of the agreement.

**GUERNSEY COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(Continued)**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Basis of Accounting***

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

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

***Budgetary Process***

A Family and Children First Council established under Ohio Revised Code Section 121.37 is not a taxing authority and is not subject to Ohio Revised Code Chapter 5705. As of October 1, 1997, all Family and Children First Councils are required to file an annual budget with its administrative agent. The Council filed an estimate of financial resources and an appropriation measure with the Guernsey County Department of Job and Family Services and the office of the Guernsey County Commission as required by Ohio Law.

A summary of fiscal year 2020 budgetary activity appears in Note 3.

***Deposits and Investments***

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

***Property, Plant and Equipment***

The Council records cash disbursements for acquisitions of property, plant and equipment when paid. These items are not reflected as assets in the accompanying financial statements.

***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 nonspendable fund cash balance classification includes amounts that cannot be spent because they are not in spendable form, or are legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. 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.

**GUERNSEY COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(Continued)**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Fund Balance***

***Restricted*** - Fund balance is restricted when constraints placed on 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 or enabling legislation.

***Committed*** - The committed fund cash balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Council. Those committed amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

***Assigned*** - Amounts in the assigned fund cash balance classification are intended to be used by 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 cash balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by policies of the Council, which includes giving the administrative/fiscal agent the authority to constrain monies for intended purposes.

***Unassigned*** - Unassigned fund cash balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental fund types, the unassigned classification is used only to report a deficit fund cash balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The Council applies restricted resources first when disbursements are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund cash 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 cash balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 9.

**NOTE 3 – BUDGETARY ACTIVITY**

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

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 3,000	\$ -	\$ (3,000)
Special Revenue	241,355	244,355	3,000
Total	\$ 244,355	\$ 244,355	\$ -

**GUERNSEY COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(Continued)**

**NOTE 3 – BUDGETARY ACTIVITY (Continued)**

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ -	\$ -	\$ -
Special Revenue	263,660	232,801	30,859
Total	\$ 263,660	\$ 232,801	\$ 30,859

**NOTE 4 – DEPOSITS AND INVESTMENTS**

The Guernsey County Treasurer, as custodian of cash and investments for the Guernsey County Department of Job and Family Services, administrative and fiscal agent for the Council, maintains a cash and investments pool used by all funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments and the County Treasurer is responsible for compliance. The carrying amount of deposits and investments related to the Council at December 31 was as follows:

	2020
Demand deposits	\$ 38,198
Total deposits	\$ 38,198

The County Treasurer 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 County.

**NOTE 5 – RISK MANAGEMENT**

**Commercial Insurance**

The Council is uninsured for the following risks;

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

**NOTE 6 – CONTINGENT LIABILITIES**

Amounts grantor agencies pay to the council are subject to audit and adjustment by the grantor. 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.

**GUERNSEY COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(Continued)**

**NOTE 7 – CHANGE IN ACCOUNTING PRINCIPLE**

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

**NOTE 8 – 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 9 – FUND BALANCE**

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

Fund Balances	General	Special Revenue	Total
Nonspendable:			
Unclaimed Monies	\$0	\$0	\$0
Outstanding Encumbrances	0	7,338	7,338
Total	<u>\$0</u>	<u>\$7,338</u>	<u>\$7,338</u>

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



**GUERNSEY COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
GUERNSEY COUNTY**

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

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Intergovernmental Loan (Advances In)	\$ 15,000	\$ -	\$ 15,000
Intergovernmental	-	117,017	117,017
Local Contributions	8,000	-	8,000
	-	-	-
<i>Total Cash Receipts</i>	<u>23,000</u>	<u>117,017</u>	<u>140,017</u>
<b>Cash Disbursements</b>			
Repayment of Loan (Advances Out)	15,000	-	15,000
Conference and Trainings	50	-	50
Contracted Services	-	124,755	124,755
Supportive Services	-	804	804
Grant Administrative Costs	849	2,844	3,693
Miscellaneous	6,267	-	6,267
<i>Total Cash Disbursements</i>	<u>22,166</u>	<u>128,403</u>	<u>150,569</u>
<i>Net Change in Fund Cash Balances</i>	834	(11,386)	(10,552)
<i>Fund Cash Balances, January 1</i>	<u>4,125</u>	<u>25,733</u>	<u>29,858</u>
<b>Fund Cash Balances, December 31</b>			
Restricted	-	14,347	14,347
Unassigned	4,959	-	4,959
<i>Fund Cash Balances, December 31</i>	<u>\$ 4,959</u>	<u>\$ 14,347</u>	<u>\$ 19,306</u>

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

**GUERNSEY COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**NOTE 1 – REPORTING ENTITY**

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

1. At least three individuals representing the families in the County. Where possible, the number of members representing families shall be equal to twenty per cent 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 Addiction, 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 of 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 of 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 if 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 the 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

**GUERNSEY COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(Continued)**

**NOTE 1 – REPORTING ENTITY (CONTINUED)**

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

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

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

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

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

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***

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

***Fund Accounting***

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

***General Fund*** - The General Fund is the operating fund of the Council. It is used to account for and report 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.

**GUERNSEY COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(Continued)**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Fund Accounting (Continued)***

***Special Revenue Funds*** - These funds are used to account for and report specific sources (other than from trusts or for capital projects) that are restricted or committed to expenditure for specific purposes. 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 Ohio Department of Health’s Help Me Grow Program. This fund receives federal grant monies restricted for expectant parents; newborns and their families; and infants and toddlers at risk for or with developmental delays and disabilities and their families. This Fund is to be used for outreach activities as well. Funding includes state and federal Early Intervention (Part C) funds.

***Family-Centered Services and Supports Funds*** – This fund receives state and federal grant monies restricted for non-clinical services and supports to be used for maintaining children and youth in their homes and communities while addressing the multi-systemic needs of children receiving service coordination.

***Operational Capacity Building funds (OCBF)*** – This fund receives all state funding. These funds are intended to support the County’s FCFC’s efforts to build community capacity, coordinate systems and services, and engage and empower families. These funds are used to provide a portion of the salary and fringe benefits for the County FCFC Coordinator/Director.

***Administrative/Fiscal Agent***

Ohio Revised Code Section 121.37(B)(5)(a) requires the Council to select an administrative agent to provide fiscal and administrative services to the Council. The Council selected the Guernsey County Department of Job and Family Services. The Council authorizes Guernsey County Department of Job and Family Services, 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 Guernsey County Department of Job and Family Services 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.

**GUERNSEY COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(Continued)**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Budgetary Process***

A Family and Children First Council established under Ohio Revised Code Section 121.37 is not a taxing authority and is not subject to Ohio Revised Code Chapter 5705. As of October 1, 1997, all Family and Children First Councils are required to file an annual budget with its administrative agent. The Council filed an estimate of financial resources and an appropriation measure with the Guernsey County Department of Job and Family Services and the office of the Guernsey County Commission as required by Ohio Law.

A summary of fiscal year 2019 budgetary activity appears in Note 3.

***Deposits and Investments***

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

***Property, Plant and Equipment***

The Council records cash disbursements for acquisitions of property, plant and equipment when paid. These items are not reflected as assets in the accompanying financial statements.

***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 nonspendable fund cash balance classification includes amounts that cannot be spent because they are not in spendable form, or are legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

***Restricted*** - Fund balance is restricted when constraints placed on 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 or enabling legislation.

***Committed*** - The committed fund cash balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Council. Those committed amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**GUERNSEY COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(Continued)**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Fund Balance (Continued)***

**Assigned** - Amounts in the assigned fund cash balance classification are intended to be used by 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 cash balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by policies of the Council, which includes giving the administrative/fiscal agent the authority to constrain monies for intended purposes.

**Unassigned** - Unassigned fund cash balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental fund types, the unassigned classification is used only to report a deficit fund cash balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The Council applies restricted resources first when disbursements are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund cash 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 cash balance classifications could be used.

**NOTE 3 – BUDGETARY ACTIVITY**

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

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 3,000	\$ 23,000	\$ 20,000
Special Revenue	122,017	117,017	(5,000)
Total	\$ 125,017	\$ 140,017	\$ 15,000

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 7,166	\$ 22,166	\$ (15,000)
Special Revenue	147,710	129,404	18,306
Total	\$ 154,876	\$ 151,570	\$ 3,306

**GUERNSEY COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(Continued)**

**NOTE 4 – DEPOSITS AND INVESTMENTS**

The Guernsey County Treasurer, as custodian of cash and investments for the Guernsey County Department of Job and Family Services, administrative and fiscal agent for the Council, maintains a cash and investments pool used by all funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments and the County Treasurer is responsible for compliance. The carrying amount of deposits and investments related to the Council at December 31 was as follows:

	2019
Demand deposits	<u>\$ 19,306</u>
Total deposits	<u><u>\$ 19,306</u></u>

The County Treasurer 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 County.

**NOTE 5 – RISK MANAGEMENT**

**Commercial Insurance**

The Council is uninsured for the following risks;

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

**NOTE 6 – CONTINGENT LIABILITIES**

Amounts grantor agencies pay to the council are subject to audit and adjustment by the grantor. 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 7 – 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.

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

August 17, 2021

Guernsey County Family and Children First Council  
Guernsey County  
627 Wheeling Avenue, Suite 300  
PO Box 5  
Cambridge, OH 43725

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 **Guernsey County Family and Children First Council**, Guernsey County, (the Council) as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements and have issued our report thereon dated August 17, 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 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.

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

***Compliance and Other Matters***

As part of reasonably assuring whether the Council's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***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

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# OHIO AUDITOR OF STATE KEITH FABER



**GUERNSEY COUNTY FAMILY AND CHILDREN FIRST COUNCIL**

**GUERNSEY 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 10/19/2021**

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

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