



OHIO AUDITOR OF STATE
KEITH FABER



**FAMILY AND CHILDREN FIRST COUNCIL
NOBLE COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Family and Children First Council
Noble County
P.O. Box 250
Caldwell, Ohio 43724

To the Council:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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 § 117.38 and Ohio Administrative 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 § 117.38 and Ohio Administrative Code 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

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

Emphasis of Matter

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2022 on our consideration of the Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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.



Keith Faber
Auditor of State
Columbus, Ohio

February 16, 2022

Noble County Family and Children First Council
Noble County, Ohio
Combined Statement of Cash Receipts, Cash 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)
Cash Receipts			
Intergovernmental - State	\$32,568	\$118,550	\$151,118
Intergovernmental - Federal	0	137,099	137,099
Miscellaneous	9,842	0	9,842
<i>Total Cash Receipts</i>	<u>42,410</u>	<u>255,649</u>	<u>298,059</u>
Cash Disbursements			
Salaries	11,811	5,100	16,911
Personnel Fringes	1,975	868	2,843
Parent Reps & Other Contract	150	182,190	182,340
Utilities, Software & building Expenses	240	0	240
Supplies	12,376	10,299	22,675
Other (audit & Misc.)	101	7,611	7,712
<i>Total Cash Disbursements</i>	<u>26,653</u>	<u>206,068</u>	<u>232,721</u>
<i>Net Change in Fund Cash Balances</i>	15,757	49,581	65,338
<i>Fund Cash Balances, January 1</i>	<u>14,252</u>	<u>108,234</u>	<u>122,486</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$30,009</u></u>	<u><u>\$157,815</u></u>	<u><u>\$187,824</u></u>

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

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**FAMILY AND CHILDREN FIRST COUNCIL
NOBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

Note 1 – Reporting Entity

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

1. At least three individuals representing the interest of families in the County. Where possible, the number of members representing families shall be equal to twenty percent of the Council's remaining membership;
2. The Director of the Board of Alcohol, Drug Addiction, and Mental Health Services that serves the County, or, in the case of a County that has a Board of Alcohol and Drug Addiction Services and a Community Mental Health Board, the Directors of both Boards. If a Board of Alcohol, Drug Addition, and Mental Health Services covers more than one County, the Director may designate a person to participate on the County's Council;
3. The Health Commissioner, or the Commissioner's designee, of the Board of Health of each City or General Health District in the County. If the County has two or more health districts, the Health Commissioner membership may be limited to the Commissioners of the two districts with the largest populations;
4. The Director of the County Department of Job and Family Services;
5. The Executive Director of the public children services agency or the County agency responsible for the administration of children services pursuant to the Ohio Revised Code § 5153.15;
6. The Superintendent of the County Board of Developmental Disabilities or if the Superintendent serves as Superintendent as more than one County Board of Developmental Disabilities, the Superintendent's designee;
7. The Superintendent of the city, exempted village, or local school district with the largest number of pupils residing in the County, as determined by the Ohio Department of Education, which shall notify each County of its determination at least biennially;
8. A School Superintendent representing all other school districts with territory in the County, as designated at a biennial meeting of the superintendents of those districts;
9. A representative of the municipal corporation with the largest population in the County;
10. The President of the Board of County Commissioners or an individual designated by the Board;
11. A representative of the regional office of the Ohio Department of Youth Services;
12. A representative of the County's Head Start agencies, as defined in Ohio Revised Code § 3301.32;

**FAMILY AND CHILDREN FIRST COUNCIL
NOBLE COUNTY**

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

Note 1 – Reporting Entity (Continued)

13. A representative of the County’s Early Intervention collaborative established pursuant to the federal early intervention program operated under the “Individuals with Disabilities Education Act of 2004”; and
14. A representative of a local nonprofit entity that funds, advocates, or provides services to children and families.

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

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

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

Public Entity Risk Pool

The Council participates in a public entity risk pool. Note 5 to the financial statements provides additional information for this entity.

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

**FAMILY AND CHILDREN FIRST COUNCIL
NOBLE COUNTY**

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

EI Outreach Fund This fund receives state and federal grant monies restricted for the purpose of the grant provisions.

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

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

NCDD Grant Fund This fund receives local grant monies restricted for the purpose of the grant provisions.

Pooled Fund This fund received local grant monies restricted for the purpose of the grant provisions.

Multi-System Youth Fund This fund receives grant monies restricted for maintaining children and youth in their homes and communities to prevent families need to give up custody to the state.

Administrative/Fiscal Agent

Ohio Revised Code § 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 Noble County Health Department as administrative agent, and Noble County Auditor is the designated fiscal agent for the Noble County Health Department.

**FAMILY AND CHILDREN FIRST COUNCIL
NOBLE COUNTY**

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

Note 2 – Summary of Significant Accounting Policies (Continued)

The Council authorizes the Noble County Health Department, as administrative agent, to subcontract with, designate, and/or seek assistance from any agencies and/or organizations that it deems necessary in order to complete the obligations set forth in the agreement. The Noble County Health Department and the Noble County Auditor agree 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 § 117.38 and Ohio Administrative Code 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 § 117.38 and Ohio Administrative Code 117-2-03(D) permit.

Budgetary Process

A Family and Children First Council established under Ohio Revised Code § 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 Noble County Auditor as required by Ohio law.

A summary of 2020 budgetary activity appears in Note 3.

Deposits and Investments

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

Capital Assets

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

Accumulated Leave

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

**FAMILY AND CHILDREN FIRST COUNCIL
NOBLE COUNTY**

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

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	\$15,000	\$42,410	\$27,410
Special Revenue	149,216	255,649	106,433
Total	\$164,216	\$298,059	\$133,843

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$34,538	\$26,653	\$7,885
Special Revenue	252,163	210,368	41,795
Total	\$286,701	\$237,021	\$49,680

Note 4 – Deposits and Investments

The Noble County Auditor, as fiscal agent for the Council, maintains a cash and investments pool used by all of Noble County Auditor’s funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments and the Noble County Auditor is responsible for compliance. The carrying amount of deposits and investments at December 31 was as follows:

Demand deposits	2020
	\$187,824

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

Note 5 – Public Entity Risk Pool

The Council is exposed to various risks of property and casualty losses, and injuries to employees. The Council insures through the County against injuries to employees through the Ohio Bureau of Worker’s Compensation.

A. Buckeye Joint-County Insurance Council

The Buckeye Joint-County Insurance Council is an insurance purchasing pool that serves Noble, Athens, Hocking, Jackson, Lawrence, Monroe, Morgan, Perry, Pike, and Vinton Counties. The Council was formed as an Ohio nonprofit corporation for the purpose of establishing an insurance pool to obtain general liability, law enforcement, professional and fleet insurance. Member counties provide operating resources to the corporation based on actuarially determined rates.

**FAMILY AND CHILDREN FIRST COUNCIL
NOBLE COUNTY**

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

Note 5 – Public Entity Risk Pool (Continued)

The Governing Board, consisting of a commissioner from each county, annually elects officers, which includes a President, Vice President, Second Vice President and two Governing Board members. The Governing Board exercises total control over the operations of the Council including budgeting, contracting, appropriating, and designating management. The degree of control exercised by any participating government is limited to its representation on the Governing Board. The expenditures and investment of funds by the officers must be approved by the Governing Board unless specific limits have been set by the Governing Board to permit otherwise.

Noble County does not have any ongoing financial interest or responsibility. The agreement between the County and the Council indicates that a voluntary withdrawal or termination of the Council shall constitute a forfeiture of any pro rata share of the Council reserve fund.

In the event of the termination of the Council, current members shall be paid in an amount that they have contributed to the Council as of the last month of the Council's existence. Current calculation of this potential residual interest is therefore not possible. During 2020, Noble County paid \$96,569 to the Council for coverage.

B. County Commissioners Association of Ohio Workers' Compensation Group Rating Plan

For 2020, the County participated in the County Commissioners' Association of Ohio Workers' Compensation Group Rating Plan (Plan) provided by the County Commissioners' Association of Ohio, a workers' compensation insurance purchasing pool. The intent of the Plan is to achieve lower workers' compensation rates while establishing safe working conditions and environments for the participants.

The workers' compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all counties in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate. In order to allocate the savings derived by formation of the Plan, and to maximize the number of participants in the Plan, annually the Plan's executive committee calculates the total savings which accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the Plan is limited to counties that can meet the Plan's selection criteria. The firm of Comp Management, Inc. provides administrative, cost control, and actuarial services to the Plan. Each year, the County pays an enrollment fee to the Plan to cover the costs of administering the Plan. The County may withdraw from the Plan if written notice is provided sixty days prior to the prescribed application deadline of the Ohio Bureau of Workers' Compensation. However, the participant is not relieved of the obligation to pay any amounts owed to the Plan prior to withdrawal, and any participant leaving the Plan allows representatives of the Plan to access loss experience for three years following the last year of participation. The County's contribution to the pool for 2020 was \$49,480.

**FAMILY AND CHILDREN FIRST COUNCIL
NOBLE COUNTY**

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

Note 6 – Defined Benefit Pension Plan

The Council's employee belongs to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2020 the OPERS member contributed 10%, of her gross salary and the Council contributed an amount equaling 14%, of the participant's gross salary. The Council has paid all contributions required through December 31, 2020.

Note 7 – Postemployment Benefits

OPERS cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, and deposits to a Health Reimbursement Arrangement, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2020. The portion of employer contributions allocated to health care for the OPERS member in the member-directed plan was 4.0 percent during calendar year 2020.

Note 8 – Contingent Liabilities

Management is not aware of any pending litigation against the Council.

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

Note 9 – 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 10 – Fund Balances

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

**FAMILY AND CHILDREN FIRST COUNCIL
NOBLE COUNTY**

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

Note 10 – Fund Balances (Continued)

<u>Fund Balances</u>	<u>Special Revenue</u>
Outstanding Encumbrances	<u><u>\$4,300</u></u>

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

Noble County Family and Children First Council

Noble 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

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts			
Intergovernmental:			
Grants	\$15,750	\$145,303	\$161,053
Other	314	0	314
	<u>16,064</u>	<u>145,303</u>	<u>161,367</u>
<i>Total Cash Receipts</i>			
	<u>16,064</u>	<u>145,303</u>	<u>161,367</u>
Cash Disbursements			
Current:			
FCFC:			
Salaries	7,196	10,327	17,523
Fringe	1,322	1,625	2,947
Contracts	950	78,167	79,117
Travel	299	0	299
Utilities and Building Expense	220	0	220
Supplies	104	9,062	9,166
Other	5,349	0	5,349
	<u>15,440</u>	<u>99,181</u>	<u>114,621</u>
<i>Total Cash Disbursements</i>			
	<u>15,440</u>	<u>99,181</u>	<u>114,621</u>
<i>Net Change in Fund Cash Balances</i>	624	46,122	46,746
<i>Fund Cash Balances, January 1 Restated-See Note 4</i>	<u>13,628</u>	<u>62,112</u>	<u>75,740</u>
Fund Cash Balances, December 31			
Restricted	0	108,234	108,234
Unassigned (Deficit)	14,252	0	14,252
	<u>14,252</u>	<u>108,234</u>	<u>122,486</u>
<i>Fund Cash Balances, December 31</i>			
	<u>\$14,252</u>	<u>\$108,234</u>	<u>\$122,486</u>

See accompanying notes to the basic financial statements

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**FAMILY AND CHILDREN FIRST COUNCIL
NOBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

Note 1 – Reporting Entity

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

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3. The Health Commissioner, or the Commissioner's designee, of the Board of Health of each City or General Health District in the County. If the County has two or more health districts, the Health Commissioner membership may be limited to the Commissioners of the two districts with the largest populations;
4. The Director of the County Department of Job and Family Services;
5. The Executive Director of the public children services agency or the County agency responsible for the administration of children services pursuant to the Ohio Revised Code § 5153.15;
6. The Superintendent of the County Board of Developmental Disabilities or if the Superintendent serves as Superintendent as more than one County Board of Developmental Disabilities, the Superintendent's designee;
7. The Superintendent of the city, exempted village, or local school district with the largest number of pupils residing in the County, as determined by the Ohio Department of Education, which shall notify each County of its determination at least biennially;
8. A School Superintendent representing all other school districts with territory in the County, as designated at a biennial meeting of the superintendents of those districts;
9. A representative of the municipal corporation with the largest population in the County;
10. The President of the Board of County Commissioners or an individual designated by the Board;
11. A representative of the regional office of the Ohio Department of Youth Services;
12. A representative of the County's Head Start agencies, as defined in Ohio Revised Code § 3301.32;
13. A representative of the County's Early Intervention collaborative established pursuant to the federal early intervention program operated under the "Individuals with Disabilities Education Act of 2004"; and

**FAMILY AND CHILDREN FIRST COUNCIL
NOBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
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:

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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;
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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.

Public Entity Risk Pool

The Council participates in a public entity risk pool. Note 5 to the financial statements provides additional information for this entity.

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).

**FAMILY AND CHILDREN FIRST COUNCIL
NOBLE COUNTY**

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

Note 2 – Summary of Significant Accounting Policies (Continued)

Basis of Presentation

Fund Accounting

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

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

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EI Outreach Fund This fund receives state and federal grant monies restricted for the purpose of the grant provisions.

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

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

NCDD Grant Fund This fund receives Local grant monies restricted for the purpose of the grant provisions.

Pooled Fund This fund received local grant monies restricted for the purpose of the grant provisions.

Multi-System Youth Fund This fund receives grant monies restricted for maintaining children and youth in their homes and communities to prevent families need to give up custody to the state.

Administrative/Fiscal Agent

Ohio Revised Code § 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 Noble County Health Department as administrative agent, and Noble County Auditor is the designated fiscal agent for the Noble County Health Department.

The Council authorizes the Noble County Health Department, as administrative agent, to subcontract with, designate, and/or seek assistance from any agencies and/or organizations that it deems necessary in order to complete the obligations set forth in the agreement.

**FAMILY AND CHILDREN FIRST COUNCIL
NOBLE COUNTY**

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

Note 2 – Summary of Significant Accounting Policies (Continued)

The Noble County Health Department and the Noble County Auditor agree 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 § 117.38 and Ohio Administrative Code § 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 § 117.38 and Ohio Administrative Code § 117-2-03(D) permit.

Budgetary Process

A Family and Children First Council established under Ohio Revised Code § 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 Noble County Health Department as required by Ohio law.

A summary of 2019 budgetary activity appears in Note 3.

Deposits and Investments

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

Capital Assets

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

Fund Balance

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

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

**FAMILY AND CHILDREN FIRST COUNCIL
NOBLE COUNTY**

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

Note 2 – Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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	\$0	\$16,064	\$16,064
Special Revenue	111,678	145,303	33,625
Total	\$111,678	\$161,367	\$49,689

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$17,443	\$15,440	\$2,003
Special Revenue	118,084	104,580	13,504
Total	\$135,527	\$120,020	\$15,507

**FAMILY AND CHILDREN FIRST COUNCIL
NOBLE COUNTY**

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

Note 4 – Prior Period Restatement

For the year ended December 31, 2019, an adjustment resulted in fund balances restatement.

Governmental Funds	Fund Balances at December 31, 2018	Restatement Amount	Fund Balances at January 1, 2019
Special Revenue	\$61,877	\$235	\$62,112

The restatement amount of \$235 represents error in prior period.

Note 5 – Deposits and Investments

The Noble County Auditor, as fiscal agent for the Council, maintains a cash and investments pool used by all of Noble County Auditor’s funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments and the Noble County Auditor is responsible for compliance. The carrying amount of deposits and investments at December 31 was as follows:

Demand deposits	2019
	\$122,486

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

Note 6 –Public Entity Risk Pools

The Council is exposed to various risks of property and casualty losses, and injuries to employees. The Council insures through the County against injuries to employees through the Ohio Bureau of Worker’s Compensation.

A. Buckeye Joint-County Insurance Council

The Buckeye Joint-County Insurance Council is an insurance purchasing pool that serves Athens, Hocking, Jackson, Lawrence, Monroe, Morgan, Noble, Perry, Pike, and Vinton, Counties. The Council was formed as an Ohio nonprofit corporation for the purpose of establishing an insurance pool to obtain general liability, law enforcement, professional and fleet insurance. Member counties provide operating resources to the corporation based on actuarially determined rates. The Governing Board, consisting of a commissioner from each county, annually elects officers, which includes a President, Vice President, Second Vice President and two Governing Board members. The Governing Board exercises total control over the operations of the Council including budgeting, contracting, appropriating, and designating management. The degree of control exercised by any participating government is limited to its representation on the Governing Board. The expenditures and investment of funds by the officers must be approved by the Governing Board unless specific limits have been set by the Governing Board to permit otherwise.

Noble County does not have any ongoing financial interest or responsibility. The agreement between the County and the Council indicates that a voluntary withdrawal or termination of the Council shall constitute a forfeiture of any pro rata share of the Council reserve fund.

**FAMILY AND CHILDREN FIRST COUNCIL
NOBLE COUNTY**

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

Note 6 –Public Entity Risk Pools (Continued)

In the event of the termination of the Council, current members shall be paid in an amount that they have contributed to the Council as of the last month of the Council's existence. Current calculation of this potential residual interest is therefore not possible. During 2019, Noble County paid \$87,953 to the Council for coverage.

B. County Commissioners Association of Ohio Workers' Compensation Group Rating Plan

For 2019, the County participated in the County Commissioners' Association of Ohio Workers' Compensation Group Rating Plan (Plan) provided by the County Commissioners' Association of Ohio, a workers' compensation insurance purchasing pool. The intent of the Plan is to achieve lower workers' compensation rates while establishing safe working conditions and environments for the participants.

The workers' compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all counties in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate. In order to allocate the savings derived by formation of the Plan, and to maximize the number of participants in the Plan, annually the Plan's executive committee calculates the total savings which accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the Plan is limited to counties that can meet the Plan's selection criteria. The firm of Comp Management, Inc. provides administrative, cost control, and actuarial services to the Plan. Each year, the County pays an enrollment fee to the Plan to cover the costs of administering the Plan. The County may withdraw from the Plan if written notice is provided sixty days prior to the prescribed application deadline of the Ohio Bureau of Workers' Compensation. However, the participant is not relieved of the obligation to pay any amounts owed to the Plan prior to withdrawal, and any participant leaving the Plan allows representatives of the Plan to access loss experience for three years following the last year of participation. The County's contribution to the pool for 2019 was \$56,355.

Note 7 – Defined Benefit Pension Plans

The Council's employee belongs to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. The OPERS member contributed 10% of her gross salary and the Council contributed an amount equaling 14% of the participant's gross salary. The Council has paid all contributions required through December 31, 2019.

Note 8 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which include multiple health care plans including medical coverage, prescription drug coverage, and deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients

**FAMILY AND CHILDREN FIRST COUNCIL
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**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019
(Continued)**

Note 8 – Postemployment Benefits (Continued)

The portion of employer contributions allocated to health care for the member in the traditional pension plan and combined plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for the member in the member-directed plan was 4.0 percent during calendar year 2019.

Note 9 – Contingent Liabilities

Management is not aware of any pending litigation against the Council.

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

Note 10 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Council. 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.

OHIO AUDITOR OF STATE KEITH FABER



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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

Family and Children First Council
Noble County
P.O. Box 250
Caldwell, Ohio 43724

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 for each governmental fund type as of and for the years ended December 31, 2020 and 2019, and related notes of the Family and Children First Council, Noble County, Ohio (the Council), and have issued our report thereon dated February 16, 2022, wherein we noted the Council followed financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures, which may impact subsequent periods of the Council.

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.

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.

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*.

Efficient • Effective • Transparent

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 report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

February 16, 2022

OHIO AUDITOR OF STATE KEITH FABER



NOBLE COUNTY FAMILY AND CHILDREN FIRST COUNCIL

NOBLE 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 3/10/2022

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

This report is a matter of public record and is available online at
www.ohioauditor.gov