



OHIO AUDITOR OF STATE
KEITH FABER



**ADAMS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
ADAMS COUNTY
DECEMBER 31, 2022 AND 2021**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2022.....	5
Notes to the Financial Statements For the Year Ended December 31, 2022.....	7
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2021.....	13
Notes to the Financial Statements For the Year Ended December 31, 2021.....	15
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	21
Schedule of Findings	23

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OHIO AUDITOR OF STATE KEITH FABER



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

INDEPENDENT AUDITOR'S REPORT

Adams County Family and Children First Council
Adams County
482 Rice Drive
West Union, Ohio 45693

To the Council:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Adams County Family and Children First Council, Adams County, Ohio (the Council), which comprises the cash balances, receipts and disbursements for each governmental fund type combined total as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type combined total as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

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* section of our report, the accompanying financial statements 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, 2022 and 2021, or the changes in financial position thereof for the years then ended.

Emphasis of Matter

As discussed in Note 8 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.

Basis for Opinions

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

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Council on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2024, on our consideration of the Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio
June 4, 2024

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**ADAMS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
ADAMS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Intergovernmental	\$ 36,836	\$ 218,143	\$ 254,979
Miscellaneous	41	1,253	1,294
	<i>Total Cash Receipts</i>	<i>219,396</i>	<i>256,273</i>
Cash Disbursements			
Current:			
Personal Services	7,875	9,600	17,475
Contractual Services	-	200,312	200,312
Fringe Benefits	1,580	1,852	3,432
Supplies and Materials	-	171	171
Other	16	-	16
	<i>Total Cash Disbursements</i>	<i>211,935</i>	<i>221,406</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>27,406</i>	<i>7,461</i>	<i>34,867</i>
<i>Net Change in Fund Cash Balances</i>	<i>27,406</i>	<i>7,461</i>	<i>34,867</i>
<i>Fund Cash Balances, January 1</i>	<i>52,403</i>	<i>46,385</i>	<i>98,788</i>
<i>Fund Cash Balances, December 31</i>	<i>\$ 79,809</i>	<i>\$ 53,846</i>	<i>\$ 133,655</i>

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

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Adams County Family and Children First Council

Notes to the Financial Statements For the Year Ended December 31, 2022

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

Adams County Family and Children First Council

*Notes to the Financial Statements
For the Year Ended December 31, 2022*

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) and are completed by the County Auditor.

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

Adams County Family and Children First Council

Notes to the Financial Statements For the Year Ended December 31, 2022

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:

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.

Early Intervention Outreach This fund receives state grant monies restricted for families with child(ren) prenatal through age 3 with developmental delays or medical diagnosis that have a high probability of resulting in developmental delays.

Administrative/Fiscal Agent

Ohio Revised Code Section 121.37(B)(5)(a) requires the Council to select an administrative agent to provide fiscal and administrative services to the Council. The Council has selected the Adams County Auditor fiscal agent and Adams 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 Adams County Auditor and Adams County Health Department 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 Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Council 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(C) 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 Adams County Board of County Commissioners for their approval and to the Adams County Auditor as required by Ohio law.

A summary of 2022 budgetary activity appears in Note 3.

Adams County Family and Children First Council

Notes to the Financial Statements For the Year Ended December 31, 2022

Deposits and Investments

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

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.

Fund Balance

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

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

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

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

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

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

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

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

Adams County Family and Children First Council

*Notes to the Financial Statements
For the Year Ended December 31, 2022*

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$17,568	\$36,877	\$19,309
Special Revenue	246,380	219,395	(26,985)
Total	\$263,948	\$256,272	(\$7,676)

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$43,119	\$9,471	\$33,648
Special Revenue	218,612	211,935	6,677
Total	\$261,731	\$221,406	\$40,325

Note 4 – Deposits and Investments

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

	2022
Demand deposits	\$133,655
Total deposits	\$133,655

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

Note 5 – Risk Management

Commercial Insurance

The Council is covered under Adams County’s insurance policy.

The Adams County Board of Commissioners has obtained commercial insurance for the following

Adams County Family and Children First Council

Notes to the Financial Statements For the Year Ended December 31, 2022

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

Note 6– Defined Benefit Pension Plans

The Council’s employees belong 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 2022, OPERS members contributed 10 percent of their gross salaries and the Council contributed an amount equaling 14 percent of participants’ gross salaries. The Council has paid all contributions required through December 31, 2022.

Note 7 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes 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 14 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2022.

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

Note 9 – 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 Council had no nonspendable funds.

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.

**ADAMS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
ADAMS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Intergovernmental	\$ 20,279	\$ 205,098	\$ 225,377
Miscellaneous	-	1,200	1,200
	<i>Total Cash Receipts</i>	<i>20,279</i>	<i>206,298</i>
	<i>20,279</i>	<i>206,298</i>	<i>226,577</i>
Cash Disbursements			
Current:			
Personal Services	15,750	19,200	34,950
Contractual Services	-	181,250	181,250
Fringe Benefits	2,835	3,123	5,958
Supplies and Materials	-	436	436
Other	2,306	1,624	3,930
	<i>Total Cash Disbursements</i>	<i>20,891</i>	<i>205,633</i>
	<i>20,891</i>	<i>205,633</i>	<i>226,524</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>(612)</i>	<i>665</i>	<i>53</i>
	<i>(612)</i>	<i>665</i>	<i>53</i>
<i>Net Change in Fund Cash Balances</i>	<i>(612)</i>	<i>665</i>	<i>53</i>
<i>Fund Cash Balances, January 1</i>	<i>53,015</i>	<i>45,720</i>	<i>98,735</i>
	<i>53,015</i>	<i>45,720</i>	<i>98,735</i>
<i>Fund Cash Balances, December 31</i>	<i>\$ 52,403</i>	<i>\$ 46,385</i>	<i>\$ 98,788</i>

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

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Adams County Family and Children First Council

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

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:

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

Adams County Family and Children First Council

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

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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.

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) and are completed by the County Auditor.

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:

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Adams County Family and Children First Council

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

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:

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.

Early Intervention Outreach This fund receives state grant monies restricted for families with child(ren) prenatal through age 3 with developmental delays or medical diagnosis that have a high probability of resulting in developmental delays.

Administrative/Fiscal Agent

Ohio Revised Code Section 121.37(B)(5)(a) requires the Council to select an administrative agent to provide fiscal and administrative services to the Council. The Council has selected the Adams County Auditor fiscal agent and Adams County Department of Job and Family Services 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 Adams County Auditor and Adams County Department of Job and Family Services 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 Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Council 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(C) 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 Adams County Board of County Commissioners for their approval and to the Adams County Auditor as required by Ohio law.

A summary of 2021 budgetary activity appears in Note 3.

Adams County Family and Children First Council

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

Deposits and Investments

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

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.

Fund Balance

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

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

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

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

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*.

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

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

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

Adams County Family and Children First Council

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

Note 3 – Budgetary Activity

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

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$17,568	\$20,279	\$2,711
Special Revenue	176,842	206,298	29,456
Total	\$194,410	\$226,577	\$32,167

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$33,416	\$20,891	\$12,525
Special Revenue	200,713	205,634	(4,921)
Total	\$234,129	\$226,525	\$7,604

Note 4 – Deposits and Investments

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

	2021
Demand deposits	\$98,788
Total deposits	\$98,788

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

Note 5 – Risk Management

Commercial Insurance

The Council is covered under Adams County's insurance policy.

The Adams County Board of Commissioners has obtained commercial insurance for the following

- Comprehensive property and general liability;

Adams County Family and Children First Council

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

- Vehicles; and
- Errors and omissions.

Note 6– Defined Benefit Pension Plans

The Council’s employees belong 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 2021, OPERS members contributed 10 percent of their gross salaries and the Council contributed an amount equaling 14 percent of participants’ gross salaries. The Council has paid all contributions required through December 31, 2021.

Note 7 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes 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 14 percent during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2021.

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 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 Council had no nonspendable funds.

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.

OHIO AUDITOR OF STATE KEITH FABER



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

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

Adams County Family and Children First Council
Adams County
482 Rice Drive
West Union, Ohio 45693

To the Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by 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 combined total as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements of the Adams County Family and Children First Council. Adams County. (the Council) and have issued our report thereon dated June 4, 2024, wherein we noted the Council followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Council.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2022-001 and 2022-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio

June 4, 2024

**ADAMS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
ADAMS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2022-001

Material Weakness

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

Due to deficiencies in the Council's financial statement monitoring and review process, the Council made the following errors in the 2021 Budgetary footnote as a result of using the accounting system amounts which did not agree to the approved amounts:

- Budgeted Revenues for the Special Revenue Funds was overstated by \$27,000.
- Budgeted Expenses for the Special Revenue Funds was overstated \$15,000.

Due to deficiencies in the Council's financial statement monitoring and review process, the Council made the following errors in the 2022 Budgetary footnote as a result of using the accounting system amounts which did not agree to the approved amounts:

- Budgeted Revenues for the Special Revenue Funds was understated \$26,985.
- Budgeted Expenses for the Special Revenue Funds was overstated 12,620.

The Council corrected the footnotes for these errors.

Failure to accurately post and report transactions could result in material errors in the Council's financial statements and reduces the Council's ability to monitor financial activity and to make sound decisions which effect the overall available cash of the Council.

The Council should accurately record financial transactions. The Council officials should update control procedures for review of financial activity so that errors can be detected and corrected in a timely manner.

Officials' Response:

The Officials' did not respond to this finding.

FINDING NUMBER 2022-002

Material Weakness

Sound accounting practices require accurately posting estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparison and to allow the Board to make informed decisions regarding budgetary matters.

**FINDING NUMBER 2022-002
(Continued)**

The Council submits a Budget to the County Commissioners for approval. The Budget and subsequent amendments establish the amounts available for expenditures and legal spending authority of the Council and the receipts and appropriation ledger provides the process by which the Council controls what is available for spending. Therefore, it is necessary the estimated receipts and amounts appropriated by the Council are precisely stated and accurately posted to the receipts ledger and appropriation ledger.

The Council did not have procedures in place to accurately post authorized budgetary measures to the accounting system. This resulted in the following errors:

- Estimated receipts recorded in the system were overstated by \$27,000 in the Systems of Care fund in 2021.
- Appropriations recorded in the system were overstated by \$15,000 in the Systems of Care fund in 2021.
- Estimated receipts recorded in the system were understated by \$5,684 in the Systems of Care fund in 2022.
- Estimated receipts recorded in the system were understated by \$21,301 in the Early Intervention fund in 2022.
- Appropriations recorded in the system were understated by \$25,551 in the General fund in 2022.
- Appropriations recorded in the system were understated by \$12,620 in the Early Intervention fund in 2022.

Failure to accurately post the appropriations and estimated resources to the ledgers could result in overspending and negative cash balances.

To effectively control the budgetary cycle and to maintain accountability over receipts and expenditures, the Council should submit a Budget, approved by Council and consisting of estimated resources and expenditures, to the County Commissioners for all of its funds and post to the ledgers, on a timely basis.. The Council should then monitor budget versus actual reports to help ensure amended receipts and appropriations have been properly posted to the ledgers.

Officials' Response:

The Officials' did not respond to this finding.

OHIO AUDITOR OF STATE KEITH FABER



ADAMS COUNTY FAMILY AND CHILDREN FIRST COUNCIL

ADAMS 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 6/20/2024

65 East State 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