



OHIO AUDITOR OF STATE  
**KEITH FABER**





**FAIRFIELD COUNTY FAMILY, ADULT AND CHILDREN FIRST COUNCIL  
FAIRFIELD COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types FYE 12/31/2020 .....	3
Notes to the Financial Statements FYE 12/31/2020.....	4
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types FYE 12/31/2019.....	17
Notes to the Financial Statements FYE 12/31/2019.....	18
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	31

**THIS PAGE INTENTIONALLY LEFT BLANK**

# OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street, 5<sup>th</sup> Floor  
Columbus, Ohio 43215-3506  
(614) 466-3402 or (800) 443-9275  
CentralRegion@ohioauditor.gov

## INDEPENDENT AUDITOR'S REPORT

Fairfield County Family, Adult and Children First Council  
Fairfield County  
831 College Avenue, Suite C  
Lancaster, Ohio 43130

To the Executive Committee:

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

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

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

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

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

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

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

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

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

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

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

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

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Council, as of December 31, 2020 and 2019, 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 combined total as of and for the year ended December 31, 2020 and for each governmental fund type combined total as of and for the year ended December 31, 2019, and related notes of the Council, in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 1, 2021, on our consideration of the Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

September 1, 2021

**Family, Adult and Children First Council**  
*Fairfield County*  
**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)
<b>Cash Receipts</b>			
Intergovernmental	\$33,220	\$1,314,227	\$1,347,447
Charges for Services	-	-	-
County Contributions	-	100,000	100,000
Donations	5,255	9,523	14,778
Miscellaneous	3,989	1,856	5,845
<i>Total Cash Receipts</i>	<u>42,464</u>	<u>1,425,606</u>	<u>1,468,070</u>
<b>Cash Disbursements</b>			
Personal Services	12,322	186,436	198,758
Fringe Benefits	5,207	67,559	72,766
Contractual Services	2,946	898,459	901,405
Advertising and Printing	356	3,918	4,274
Travel/Travel	-	802	802
Supplies and Materials	5,945	20,568	26,513
Capital Outlay	3,707	2,177	5,884
Other	-	52,203	52,203
<i>Total Cash Disbursements</i>	<u>30,483</u>	<u>1,232,122</u>	<u>1,262,605</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>11,981</u>	<u>193,484</u>	<u>205,465</u>
<i>Fund Cash Balances, January 1</i>	<u>53,531</u>	<u>409,352</u>	<u>462,883</u>
<i>Fund Cash Balances, December 31</i>	<u><u>65,512</u></u>	<u><u>602,836</u></u>	<u><u>668,348</u></u>

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

**Family, Adult and Children First Council**

*Fairfield County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2020*

---

**Note 1 – Reporting Entity**

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

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



**Family, Adult and Children First Council**

*Fairfield County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2020*

---

**Note 1 – Reporting Entity (continued)**

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

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

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

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

***Jointly Governed Organization and Public Entity Risk Pool***

The Council participates in jointly governed organization and a public entity risk pool. Notes 9 and 10 to the financial statements provides additional information for these entities.

**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, Adult and Children First Council**  
*Fairfield County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

---

**Note 2 – Summary of Significant Accounting Policies (continued)**

***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:

***Help Me Grow Early Intervention Federal Fund*** - This fund receives federal grant monies restricted for the purpose of the grant provisions.

***Multi System Youth General Pool*** - This fund may receive state grants restricted for the purpose of the grant provisions.

***Administrative / Fiscal Agent***

Ohio Revised Code Section 121.37(B)(5)(a) requires the Council to select an administrative agent to provide fiscal and administrative services to the Council. The Council selected the Fairfield County Auditor as its fiscal agent and the Fairfield County Commissioners as its administrative agent. The Council authorizes Fairfield County Commissioners 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 Fairfield County Commissioners agrees to be ultimately responsible for fulfilling the fiscal and administrative obligations of the agreement.

***Basis of Accounting***

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

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

***Budgetary Process***

A Family and Children First Council established under Ohio Revised Code Section 121.37 is not a taxing authority and is not subject to Ohio Revised Code Chapter 5705. As of October 1, 1997, all Family and Children First Councils are required to file an annual budget with its administrative agent. The Council filed

**Family, Adult and Children First Council**  
*Fairfield County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

---

**Note 2 – Summary of Significant Accounting Policies (continued)**

***Budgetary Process (continued)***

an estimate of financial resources and an appropriation measure with the Fairfield County Commissioners as required by the Memorandum of Understanding.

A summary of 2020 budgetary activity appears in Note 3.

***Deposits and Investments***

The Council designated the Fairfield County Auditor as the fiscal agent for all funds received in the name of the Council. Deposits of monies are made with the Fairfield County Treasurer and fund expenditures and balances are reported through the Fairfield 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.

***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.

**Family, Adult and Children First Council**

*Fairfield County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2020*

---

**Note 2 – Summary of Significant Accounting Policies (continued)**

***Fund Balance (continued)***

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

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 12.

**Note 3 – Budgetary Activity**

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

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$52,902	\$42,464	(\$10,438)
Special Revenue	1,975,376	1,425,606	(549,770)
Total	\$2,028,278	\$1,468,070	(\$560,208)

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$58,899	\$31,137	\$27,762
Special Revenue	1,747,016	1,248,258	498,758
Total	\$1,805,915	\$1,279,395	\$526,520

**Note 4 – Deposits and Investments**

The Fairfield County Treasurer, as fiscal agent for the Council, maintains a cash and investments pool used by all of the Fairfield County Treasurer’s funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments and the Fairfield County Treasurer is responsible for compliance. The Council’s carrying amount of cash on deposit with the County at December 31, 2020 was \$668,348.

**Family, Adult and Children First Council**  
*Fairfield County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

---

**Note 4 – Deposits and Investments (continued)**

The Fairfield County Treasurer is responsible for maintaining adequate depository collateral for all funds in the Treasurer's pooled and deposit accounts. All risks associated with the above deposits are the responsibility of the Fairfield County Treasurer.

**Note 5 – Risk Management**

The Council is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; employee injuries, and natural disaster. By contracting with the County Risk Sharing Authority (CORSA) for liability, property, and crime insurance, the Council has addressed these various types of risk.

The CORSA program has a \$5,000 deductible which is applicable to all insured coverages, including property, automobile, and a \$25,000 deductible for insured liability coverages, including general and professional liability, except for employee dishonesty/faithful performance which has no deductible. General liability insurance is maintained in the amount of \$1,000,000 for each occurrence, no annual aggregate. Other liability insurance includes \$1,000,000 for Ohio Stop Gap, which provides additional coverage beyond the State Workers' Compensation program, \$1,000,000 for errors and omissions liability, wrongful acts, \$1,000,000 for automobile liability, \$1,000,000 for employee benefit liability, \$250,000 for uninsured/under insured motorist liability, and \$10,000,000 in excess liability (except for crime coverage and cyber liability). Crime insurance for potential employee dishonesty is held in the amount of \$1,000,000.

Privacy and Security liability coverage is \$5,000,000 per occurrence with an annual aggregate of \$5,000,000. Coverage does contain some sub limits, which are included in aggregate for \$500,000 privacy response expense, \$250,000 for claims expense, regulatory proceedings, penalties, and \$250,000 for PCI-DSS assessments.

***Self-Insurance***

The County has a limited risk health insurance and prescription insurance program for employees. Premiums for the County plan are paid into the Self-Funded Health Insurance Internal Service Fund by other funds that are available to pay claims, claim reserves, and administrative costs. The County's Self-Funded Health Insurance Internal Service Fund makes monthly payments directly to the third-party administrator. Health is provided by United Health Care and prescription drug coverage is provided by OptumRX.

**Note 6 – Defined Benefit Pension Plan**

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

Plan Description – Commission employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. While members (e.g. Commission employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

**Family, Adult and Children First Council**  
*Fairfield County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

**Note 6 – Defined Benefit Pension Plan (continued)**

***Ohio Public Employees Retirement System (OPERS) (continued)***

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS’ fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS comprehensive annual financial report referenced above for additional information, including requirements for reduced and unreduced benefits):

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

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

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

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, current law provides for a 3 percent COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

**Family, Adult and Children First Council**  
*Fairfield County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

---

**Note 6 – Defined Benefit Pension Plan (continued)**

***Ohio Public Employees Retirement System (OPERS) (continued)***

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

**Family, Adult and Children First Council**  
*Fairfield County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

**Note 7 – Postemployment Benefits**

***Ohio Public Employees Retirement System (OPERS)***

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

	State and Local
<b>2020 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee *	10.0 %
 <b>2020 Actual Contribution Rates</b>	
Employer:	
Pension ****	13.0 %
Post-employment Health Care Benefits ****	1.0
Total Employer	14.0 %
 Employee	 10.0 %

\* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

\*\*\*\* These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. For 2020, the Commission’s contractually required contribution was \$27,826 for the traditional plan. For 2020, 96% has been contributed with the balance contributed in January 2021.

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.



**Family, Adult and Children First Council**  
*Fairfield County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

---

**Note 7 – Postemployment Benefits (continued)**

***Ohio Public Employees Retirement System (OPERS) (continued)***

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' comprehensive annual financial report referenced below for additional information.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care was no longer being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, beginning January 1, 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2020 was 4.0 percent. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

**Note 8 – Other Employer Benefits**

The Council also provides dental, vision and Employee Assistance Program (EAP) for all eligible employees. Dental is provided by Delta Dental vision is provided by Vision Service Plan, and EAP is provided by United Behavioral Health.

The Council provides life insurance and accidental death and dismemberment insurance to most employees through the Guardian Insurance Company.

**Family, Adult and Children First Council**

*Fairfield County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2020*

---

**Note 9 – Jointly Governed Organization**

A jointly governed organization is a regional government or other multigovernmental arrangement that is governed by representatives from each of the governments that create the organization, but that is not a joint venture because the participants do not retain an ongoing financial interest or responsibility.

The Council is reported as a jointly organization created under Ohio Revised Code Section 121.37, in the County’s Comprehensive Annual Financial Report. See the Reporting Entity note for the Council members. The Council’s revenues consist of operating grants along with pooled funding from other government sources. For 2020, the Council received \$425,961 from the County for contract services, grant administration, and allocations. Continued existence of the Council is not dependent on the County’s continued participation and no equity interest exists.

**Note 10 – Public Entity Risk Pool**

The County Risk Sharing Authority, Inc. (CORSA) is a shared risk pool among sixty-six counties in Ohio. CORSA was formed as an Ohio non-profit corporation for the purpose of establishing the CORSA Insurance/Self Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA. The coverage includes comprehensive general liability, automobile liability, certain property insurance, and public officials' errors and omissions liability insurance.

Each member has one vote on all matters requiring a vote, which will be cast by a designated representative. An elected board of not more than nine trustees manages the affairs of the Corporation. Only County Commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member’s control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the members’ obligations to make coverage payments to CORSA. The participating members have no responsibility for the payment of the certificates. The Council does not have an equity interest in CORSA.

**Note 11 - Leases**

The Council leases a copier under a noncancelable lease. The Council disbursed \$1,248 to pay lease costs for the year ended December 31, 2020. Future lease payments, including interest, are as follows:

Year Ending	
December 31:	Leases
2021	1,248
2022	312
Total	<u>\$ 1,560</u>

**Family, Adult and Children First Council**  
*Fairfield County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

---

**Note 12 – Fund Balance**

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

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue Funds</u>	<u>Total</u>
<i>Nonspendable</i>			
Unclaimed Monies	\$ -	\$ -	\$ -
Outstanding Encumbrances	\$ 654	\$ 16,136	\$ 16,790

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.

**Note 13 – Contingent Liabilities**

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

**THIS PAGE INTENTIONALLY LEFT BLANK**

**Family, Adult and Children First Council**  
*Fairfield County*  
**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, 2019*

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Intergovernmental	\$34,391	\$991,733	\$1,026,124
Charges for Services	-	7,448	7,448
County Contributions	-	210,000	210,000
Donations	587	8,346	8,933
Miscellaneous	2,686	-	2,686
<i>Total Cash Receipts</i>	<u>37,664</u>	<u>1,217,527</u>	<u>1,255,191</u>
<b>Cash Disbursements</b>			
Personal Services	5,745	178,233	183,978
Fringe Benefits	5,258	85,490	90,748
Contractual Services	312	709,400	709,712
Advertising and Printing	-	1,402	1,402
Travel/Travel	105	4,348	4,453
Supplies and Materials	1,039	20,660	21,699
<i>Total Cash Disbursements</i>	<u>12,459</u>	<u>999,533</u>	<u>1,011,992</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>25,205</u>	<u>217,994</u>	<u>243,199</u>
<i>Fund Cash Balances, January 1 - restated</i> <i>See Note 3</i>	<u>28,326</u>	<u>191,358</u>	<u>219,684</u>
<b>Fund Cash Balances, December 31:</b>			
Restricted	65,206	546,289	611,495
Unassigned (Deficit)	(11,675)	(136,937)	(148,612)
<i>Fund Cash Balances, December 31</i>	<u>\$53,531</u>	<u>\$409,352</u>	<u>\$462,883</u>

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

## **Family, Adult and Children First Council**

*Fairfield County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2019*

---

### **Note 1 – Reporting Entity**

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

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

## **Family, Adult and Children First Council**

*Fairfield County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2019*

---

### **Note 1 – Reporting Entity (continued)**

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

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

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

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

### ***Jointly Governed Organization and Public Entity Risk Pool***

The Council participates in jointly governed organization and a public entity risk pool. Notes 10 and 11 to the financial statements provides additional information for these entities.

### **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, Adult and Children First Council**  
*Fairfield County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

---

**Note 2 – Summary of Significant Accounting Policies (continued)**

***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:

***Help Me Grow Early Intervention Federal Fund*** This fund receives federal grant monies restricted for the purpose of the grant provisions.

***Multi System Youth General Pool*** This fund receives state grants restricted for the purpose of the grant provisions.

***Administrative / Fiscal Agent***

Ohio Revised Code Section 121.37(B)(5)(a) requires the Council to select an administrative agent to provide fiscal and administrative services to the Council. The Council selected the Fairfield County Auditor as its fiscal agent and the Fairfield County Commissioners as its administrative agent. The Council authorizes Fairfield County Commissioners 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 Fairfield County Commissioners agrees to be ultimately responsible for fulfilling the fiscal and administrative obligations of the agreement.

***Basis of Accounting***

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

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



**Family, Adult and Children First Council**  
*Fairfield County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

---

**Note 2 – Summary of Significant Accounting Policies (continued)**

***Budgetary Process***

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

A summary of 2019 budgetary activity appears in Note 4.

***Deposits and Investments***

The Council designated the Fairfield County Auditor as the fiscal agent for all funds received in the name of the Council. Deposits of monies are made with the Fairfield County Treasurer and fund expenditures and balances are reported through the Fairfield 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.

***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.

***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.

**Family, Adult and Children First Council**  
*Fairfield County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

**Note 2 – Summary of Significant Accounting Policies (continued)**

***Fund Balance (continued)***

**Assigned** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Council, which includes giving the administrative/fiscal agent the authority to constrain monies for intended purposes.

**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 – Restatement of Prior Year’s Fund Balance**

Governmental Accounting Standard Board (GASB) Statement No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions” was implemented in fiscal year 2011. GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. This statement resulted in the reclassification of a special revenue fund and restatement of the Council’s financial statement.

	General	Special Revenue Funds	Total
Fund Balance at			
December 31, 2018	\$29,312	\$190,372	\$219,684
Change in Fund Structure	(986)	986	0
Adjusted Fund Balance at			
December 31, 2018	\$28,326	\$191,358	\$219,684

**Family, Adult and Children First Council**  
*Fairfield County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

**Note 4 – Budgetary Activity**

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

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$15,750	\$37,664	\$21,914
Special Revenue	3,390,356	1,217,527	(2,172,829)
Total	\$3,406,106	\$1,255,191	(\$2,150,915)

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$16,301	\$12,459	\$3,842
Special Revenue	3,391,156	1,211,995	2,179,161
Total	\$3,407,457	\$1,224,454	\$2,183,003

**Note 5 – Deposits and Investments**

The Fairfield County Treasurer, as fiscal agent for the Council, maintains a cash and investments pool used by all of the Fairfield County Treasurer’s funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments and the Fairfield County Treasurer is responsible for compliance. The Council’s carrying amount of cash on deposit with the County at December 31, 2019 was \$462,883.

The Fairfield County Treasurer is responsible for maintaining adequate depository collateral for all funds in the Treasurer’s pooled and deposit accounts. All risks associated with the above deposits are the responsibility of the Fairfield County Treasurer.

**Note 6 – Risk Management**

The Council is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; employee injuries, and natural disaster. By contracting with the County Risk Sharing Authority (CORSA) for liability, property, and crime insurance, the Council has addressed these various types of risk.

The CORSA program has a \$5,000 deductible which is applicable to all insured coverages, including property, automobile, and a \$25,000 deductible for insured liability coverages, including general and professional liability, except for employee dishonesty/faithful performance which has no deductible. General liability insurance is maintained in the amount of \$1,000,000 for each occurrence, no annual aggregate. Other liability insurance includes \$1,000,000 for Ohio Stop Gap, which provides additional coverage beyond the State Workers’ Compensation program, \$1,000,000 for errors and omissions liability

**Family, Adult and Children First Council**

*Fairfield County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2019*

---

**Note 6 – Risk Management (continued)**

wrongful acts, \$1,000,000 for automobile liability, \$1,000,000 for employee benefit liability, \$250,000 for uninsured/under insured motorist liability, and \$10,000,000 in excess liability (except for crime coverage and cyber liability). Crime insurance for potential employee dishonesty is held in the amount of \$1,000,000.

Privacy and Security liability coverage is \$5,000,000 per occurrence with an annual aggregate of \$5,000,000. Coverage does contain some sub limits, which are included in aggregate for \$500,000 privacy response expense, \$250,000 for claims expense, regulatory proceedings, penalties, and \$250,000 for PCI-DSS assessments.

***Self-Insurance***

The County has a limited risk health insurance and prescription insurance program for employees. Premiums for the County plan are paid into the Self-Funded Health Insurance Internal Service Fund by other funds that are available to pay claims, claim reserves, and administrative costs. The County's Self-Funded Health Insurance Internal Service Fund makes monthly payments directly to the third-party administrator. Health insurance is provided by United Health Care and prescription drug coverage is provided by OptumRX.

**Note 7 – Defined Benefit Pension Plan**

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

Plan Description – Commission employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. While members (e.g. Commission employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS comprehensive annual report referenced above for additional information, including requirements for reduced and unreduced benefits):

**Family, Adult and Children First Council**  
*Fairfield County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

**Note 7 – Defined Benefit Pension Plan (continued)**

***Plan Description – Ohio Public Employees Retirement System (OPERS) (continued)***

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

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

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

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, current law provides for a 3 percent COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member’s contributions plus or minus the investment gains or losses resulting from the member’s investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members’ contributions, vested employer contributions and investment gains or losses resulting from the members’ investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

**Family, Adult and Children First Council**  
*Fairfield County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

**Note 7 – Defined Benefit Pension Plan (continued)**

***Plan Description – Ohio Public Employees Retirement System (OPERS) (continued)***

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

	State and Local
<b>2019 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee *	10.0 %
<b>2019 Actual Contribution Rates</b>	
Employer:	
Pension ****	13.0 %
Post-employment Health Care Benefits ****	1.0
Total Employer	14.0 %
Employee	10.0 %

\* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

\*\*\*\* These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. For 2019, the Commission’s contractually required contribution was \$25,757 for the traditional plan. For 2019, 93% has been contributed with the balance contributed in January 2020.

**Note 8 – Postemployment Benefits**

***Ohio Public Employees Retirement System (OPERS)***

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional

**Family, Adult and Children First Council**  
*Fairfield County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

---

**Note 8 – Postemployment Benefits (continued)**

***Ohio Public Employees Retirement System (OPERS) (continued)***

pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' comprehensive annual financial report referenced below for additional information.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care was no longer being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, beginning January 1, 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

## **Family, Adult and Children First Council**

*Fairfield County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2019*

---

### **Note 9 – Other Employer Benefits**

The Council also provides dental, vision, and Employee Assistance Program (EAP) for all eligible employees. Dental is provided by Delta Dental vision is provided by Vision Service Plan, and EAP is provided by United Behavioral Health.

The Council provides life insurance and accidental death and dismemberment insurance to most employees through the Guardian Insurance Company.

### **Note 10 – Jointly Governed Organization**

A jointly governed organization is a regional government or other multigovernmental arrangement that is governed by representatives from each of the governments that create the organization, but that is not a joint venture because the participants do not retain an ongoing financial interest or responsibility.

The Council is reported as a jointly organization created under Ohio Revised Code Section 121.37, in the County's Comprehensive Annual Financial Report. See the Reporting Entity note for the Council members. The Council's revenues consist of operating grants along with pooled funding from other government sources. For 2019, the Council received \$676,789 from the County for contract services, grant administration, and allocations. Continued existence of the Council is not dependent on the County's continued participation and no equity interest exists.

### **Note 11 – Public Entity Risk Pool**

The County Risk Sharing Authority, Inc. (CORSA) is a shared risk pool among sixty-six counties in Ohio. CORSA was formed as an Ohio non-profit corporation for the purpose of establishing the CORSA Insurance/Self Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA. The coverage includes comprehensive general liability, automobile liability, certain property insurance, and public officials' errors and omissions liability insurance.

Each member has one vote on all matters requiring a vote, which will be cast by a designated representative. An elected board of not more than nine trustees manages the affairs of the Corporation. Only County Commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the members' obligations to make coverage payments to CORSA. The participating members have no responsibility for the payment of the certificates. The Council does not have an equity interest in CORSA.



**Family, Adult and Children First Council**  
*Fairfield County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

**Note 12 - Leases**

The Council leases a copier under a noncancelable lease. The Council disbursed \$1,248 to pay lease costs for the year ended December 31, 2019. Future lease payments, including interest, are as follows:

Year Ending December 31:	Leases
2020	1,248
2021	1,248
2022	312
Total	<u>\$ 2,808</u>

**Note 13 – Fund Balances**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Council is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the general fund and all other special revenue funds at December 31, 2019 is presented below:

<b><u>Fund Balances</u></b>	<b><u>General</u></b>	<b><u>Special Revenue Funds</u></b>	<b><u>Total</u></b>
<b><i>Restricted for</i></b>			
Community Services	\$ 65,206	\$ -	\$ 65,206
Help Me Grow Early Intervention-Federal	-	48,986	48,986
Help Me Grow Central Coordination	-	5,327	5,327
Help Me Grow Early Intervention Outreach	-	4,378	4,378
Parent Ed - ADAMH Grant	-	3,114	3,114
Safe Kids Partners	-	15,396	15,396
South Central Power	-	134	134
Multi-System Youth Pool FCSS-State	-	5,641	5,641
Multi-System Youth Pool General	-	123,511	123,511
Multi-System Pool Out of Home	-	301,572	301,572
Sharing Hope/Bridges	-	5,520	5,520
Older Adult Network	-	712	712
Children's Trust	-	9,282	9,282
Children's Committee	-	11,477	11,477
SPFSIG	-	5,973	5,973
Family & Youth in Crisis	-	755	755
Parent Ed-Triple P	-	4,511	4,511
<b>Total Restricted</b>	<b>65,206</b>	<b>546,289</b>	<b>611,495</b>
<b><i>Unassigned (Deficit)</i></b>			
	<b>(11,675)</b>	<b>(136,937)</b>	<b>(148,612)</b>
<b>Total Fund Balances</b>	<b>\$ 53,531</b>	<b>\$ 409,352</b>	<b>\$ 462,883</b>

**Family, Adult and Children First Council**

*Fairfield County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2019*

---

**Note 14 – Other Commitments**

The Council utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At fiscal year ended December 31, 2019 the Council’s commitments for encumbrances in the governmental funds were as follows:

Fund	Encumbrances
Special Revenue	\$ 212,461
Total	\$ 212,461

**Note 15 – Contingent Liabilities**

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

# OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street, 5<sup>th</sup> Floor  
Columbus, Ohio 43215-3506  
(614) 466-3402 or (800) 443-9275  
CentralRegion@ohioauditor.gov

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

Fairfield County Family, Adult and Children First Council  
Fairfield County  
831 College Avenue, Suite C  
Lancaster, Ohio 43130

To the Executive Committee:

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 combined total as of and for the year ended December 31, 2020 and for each governmental fund type as of and for the year ended December 31, 2019, and related notes of the Fairfield County Family, Adult and Children First Council, Fairfield County, (the Council) and have issued our report thereon dated September 1, 2021, wherein we noted the Council followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

### ***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*.

***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

September 1, 2021

# OHIO AUDITOR OF STATE KEITH FABER



**FAIRFIELD COUNTY FAMILY, ADULT AND CHILDREN FIRST COUNCIL**

**FAIRFIELD COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 10/7/2021**

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

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