



OHIO AUDITOR OF STATE
KEITH FABER



**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY
JUNE 30, 2020 AND 2019**

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HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY
JUNE 30, 2020 AND 2019

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Harrison County Family and Children First Council
Harrison County
100 Huskies Way
Cadiz, Ohio 43907

To the Council:

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Harrison County Family and Children First Council, Harrison County, Ohio (the Council), as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Council, as of June 30, 2020 and 2019, and the respective changes in cash financial position and the respective budgetary comparison for the General, Family Centered Services and Supports, Help Me Grow-GRF, Help Me Grow-MIECHV Grant, and MRDD/FCFC Funds as of June 30, 2020 and the General, Help Me Grow-GRF, Help Me Grow-MIECHV Grant, and MRDD/FCFC Funds as of June 30, 2019 thereof for the years then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

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

Emphasis of Matter

As discussed in Note 10 and Note 12 to the financial statements, in fiscal year 2020 and 2019, respectively, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Council. We did not modify our opinion regarding this matter.

Other Matters

Other Information

We applied no procedures to Management's Discussion and Analysis as listed in the Table of Contents. Accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 22, 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

April 22, 2021

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2020 (UNAUDITED)

The management's discussion and analysis of the Harrison County Family and Children First Council's (the "Council") financial performance provides an overall review of the Council's financial activities for the year ended June 30, 2020, within the limitations of the Council's cash basis of accounting. The intent of this discussion and analysis is to look at the Council's financial performance as a whole; readers should also review the cash-basis basic financial statements and the notes to the financial statements to enhance their understanding of the Council's financial performance.

Financial Highlights

Key financial highlights for 2020 are as follows:

- The total net cash position of the governmental activities increased \$14,638, which represents a 20.80% increase from fiscal year 2019.
- The Council had \$681,629 in cash disbursements related to governmental activities; 99.84% of these cash disbursements were offset by program specific grants or contributions. The Council had additional general revenues of \$15,750 for fiscal year 2020.
- The Council's major funds are the general fund, FCSS fund, Help Me Grow - GRF fund, Help Me Grow - MIECHV Grant fund, and the MRDD/FCFC fund.
- The general fund had cash receipts and other financing sources of \$26,851 in 2020. The cash disbursements and other financing uses of the general fund totaled \$23,753 in 2020. The general fund's cash balance increased \$3,098 from 2019 to 2020.
- The FCSS fund had cash receipts and other financing sources of \$55,670 in 2020. The cash disbursements and other financing uses of the FCSS fund totaled \$46,988 in 2020. The FCSS fund's cash balance increased \$8,682 from 2019 to 2020.
- The Help Me Grow - GRF fund had cash receipts and other financing sources of \$187,034 in 2020. The cash disbursements and other financing uses of the Help Me Grow - GRF fund totaled \$183,871 in 2020. The fund's cash balance increased \$3,163 from 2019 to 2020.
- The Help Me Grow - MIECHV Grant fund had cash receipts and other financing sources of \$468,906 in 2020. The cash disbursements and other financing uses of the Help Me Grow - MIECHV Grant fund totaled \$472,088 in 2020. The fund's cash balance decreased \$3,182 from 2019 to 2020.
- Board of Development Disabilities / Family and Children First Council (MRDD/FCFC) fund had cash receipts of \$30,535 in 2020. The cash disbursements and other financing uses of the MRDD/FCFC fund totaled \$29,246 in 2020. The fund's cash balance increased \$1,289 from 2019 to 2020.

Using these Basic Financial Statements (BFS)

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the Council's cash basis of accounting.

The Statement of Net Position - Cash Basis and Statement of Activities - Cash Basis provide information about the activities of the whole Council, presenting both an aggregate view of the Council's cash basis finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Council's most significant funds with all other nonmajor funds presented in total in one column. In the case of the Council, the general fund, FCSS fund, Help Me Grow - GRF fund, Help Me Grow - MIECHV Grant fund, and the MRDD/FCFC fund are the major governmental funds.

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2020 (UNAUDITED)

Reporting the Council as a Whole

Statement of Net Position and the Statement of Activities

The Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis answer the question, "How did we do financially during 2020?" These statements include *only net position* using the *cash basis of accounting*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This basis of accounting takes into account only the current year's receipts and disbursements if the cash is actually received or paid.

These two statements report the Council's net position and changes in net cash position on a cash basis. This change in net cash position is important because it tells the reader that, for the Council as a whole, the cash basis financial position of the Council has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the Council's facility conditions, mandated federal and State programs and other factors.

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

In the Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis, the governmental activities includes the Council's programs and services including administration and support services as well as various community and social services.

Reporting the Council's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Council, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Council can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The Council has no proprietary or fiduciary funds.

Fund financial reports provide detailed information about the Council's major funds. The Council uses several funds to account for its financial transactions. However, these financial statements focus on the Council's most significant funds. The Council's major governmental funds are the general fund, FCSS fund, Help Me Grow - GRF fund, Help Me Grow - MIECHV Grant fund, and the MRDD/FCFC fund.

Governmental Funds

The Council's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The governmental fund statements provide a detailed view of the Council's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer cash basis financial resources that can be readily spent to finance various Council programs. Since the Council is reporting on the cash basis of accounting, there are no differences in the net position and fund cash balances or changes in net position and changes in fund cash balances. Therefore, no reconciliation is necessary between such financial statements.

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020
(UNAUDITED)

Notes to the Financial Statements

The notes provide additional information that is essential to full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

Recall that the statement of net position - cash basis provides the perspective of the Council as a whole.

The table below provides a summary of the Council's net cash position for 2020 and 2019.

	Net Cash Position	
	Governmental Activities 2020	Governmental Activities 2019
<u>Assets</u>		
Equity in pooled cash and cash equivalents	\$ 85,010	\$ 70,372
Total assets	<u>85,010</u>	<u>70,372</u>
<u>Net Position</u>		
Restricted	79,052	67,512
Unrestricted	5,958	2,860
Total net position	<u>\$ 85,010</u>	<u>\$ 70,372</u>

The total net cash position of the Council's governmental activities increased \$14,638 from fiscal year 2019. The balance of government-wide unrestricted net cash position is a balance of \$5,958.

The table below shows the changes in net cash position for fiscal year 2020 and 2019.

	Change in Net Cash Position	
	Governmental Activities 2020	Governmental Activities 2019
Cash Receipts:		
Program cash receipts:		
Operating grants and contributions	\$ 680,517	\$ 726,783
Total program cash receipts	<u>680,517</u>	<u>726,783</u>
General cash receipts:		
Grants and entitlements not restricted for specific programs	<u>15,750</u>	<u>15,750</u>
Total general cash receipts	<u>15,750</u>	<u>15,750</u>
Total cash receipts	<u>696,267</u>	<u>742,533</u>

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020
(UNAUDITED)

Cash Disbursements:

Personal services	334,811	346,443
Employee retirement and insurance	144,614	132,938
Purchased services	143,650	167,089
Materials and supplies	58,478	53,231
Capital outlay	-	2,440
Other	76	10,545
	<u>681,629</u>	<u>712,686</u>
Total cash disbursements		
Change in net cash position	14,638	29,847
Net cash position at beginning of year	70,372	40,525
Net cash position at end of year	<u>\$ 85,010</u>	<u>\$ 70,372</u>

Governmental Activities

Governmental cash position increased \$14,638 in 2020 from 2019. Total governmental cash disbursements of \$681,629 were offset by program cash receipts of \$680,517. The Council also had general revenues of \$15,750.

The largest cash disbursement of the Council is for personal services. These cash disbursements totaled \$334,811 or 49.12% of total governmental cash disbursements for fiscal year 2020.

Financial Analysis of the Government's Funds

As noted earlier, the Council uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The Council's governmental funds are accounted for using the cash basis of accounting.

The Council's governmental funds reported a combined fund cash balance of \$85,010, which is \$14,638 greater than last year's total of \$70,372. The schedule below indicates the fund cash balance and the total change in fund cash balance as of June 30, 2020 and 2019, for all major and nonmajor governmental funds.

	Fund Cash Balance <u>June 30, 2020</u>	Fund Cash Balance <u>June 30, 2019</u>	<u>Change</u>
Major Funds:			
General	\$ 5,958	\$ 2,860	\$ 3,098
FCSS	12,856	4,174	8,682
Help Me Grow - GRF	35,593	32,430	3,163
Help Me Grow - MIECHV Grant	7,908	11,090	(3,182)
MRDD/FCFC	10,511	9,222	1,289
Other Nonmajor Governmental Funds	<u>12,184</u>	<u>10,596</u>	<u>1,588</u>
Total	<u>\$ 85,010</u>	<u>\$ 70,372</u>	<u>\$ 14,638</u>

General Fund

The general fund had cash receipts and other financing sources of \$26,851 in 2020. The cash disbursements and other financing uses of the general fund totaled \$23,753 in 2020. The general fund's cash balance increased \$3,098 from 2019 to 2020.

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020
(UNAUDITED)**

FCSS

The FCSS fund had cash receipts and other financing sources of \$55,670 in 2020. The cash disbursements and other financing uses of the FCSS fund totaled \$46,988 in 2020. The FCSS fund's cash balance increased \$8,682 from 2019 to 2020.

Help Me Grow - GRF

The Help Me Grow - GRF fund had cash receipts and other financing sources of \$187,034 in 2020. The cash disbursements and other financing uses of the Help Me Grow - GRF fund totaled \$183,871 in 2020. The fund's cash balance increased \$3,163 from 2019 to 2020.

Help Me Grow – MIECHV Grant

The Help Me Grow - MIECHV Grant fund had cash receipts and other financing sources of \$468,906 in 2020. The cash disbursements and other financing uses of the Help Me Grow - MIECHV Grant fund totaled \$472,088 in 2020. The fund's cash balance decreased \$3,182 from 2019 to 2020.

MRDD/FCFC

Board of Development Disabilities / Family and Children First Council (MRDD/FCFC) fund had cash receipts of \$30,535 in 2020. The cash disbursements and other financing uses of the MRDD/FCFC fund totaled \$29,246 in 2020. The fund's cash balance increased \$1,289 from 2019 to 2020.

Capital Assets and Debt Administration

Capital Assets

The Council does not record capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements.

Debt Administration

The Council had no long-term debt obligations outstanding at June 30, 2020 or June 30, 2019.

Current Financial Related Activities

The Council is reviewed by its members and the community to determine how they can realize efficiency and service gap filling. Agencies are challenged to improve the way services are delivered by striving towards a seamless service delivery system. The Council is constantly assessing needs of its members and acting to facilitate the provision of services cost-effectively.

Contacting the Council's Financial Management

This financial report is designed to provide our citizens with a general overview of the Council's finances and to show the Council's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Ms. Roxane Harding, Treasurer, Harrison Hills City School District, 100 Huskies Way, Cadiz, Ohio 43907.

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HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

STATEMENT OF NET POSITION - CASH BASIS
JUNE 30, 2020

	<u>Governmental Activities</u>
Assets:	
Equity in pooled cash and cash equivalents. . . .	<u>\$ 85,010</u>
Net position:	
Restricted for:	
Family Centered Services and Support	\$ 13,856
Help Me Grow.	54,685
Other purposes.	10,511
Unrestricted.	5,958
Total net position.	<u>\$ 85,010</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Cash</u>	<u>Program Receipts</u>	<u>Net (Disbursements) Receipts</u>
	<u>Disbursements</u>	<u>Operating Grants</u>	<u>and Changes in Net Position</u>
		<u>and Contributions</u>	<u>Governmental</u>
			<u>Activities</u>
Governmental activities:			
Personal services.	\$ 334,811	\$ 326,112	\$ (8,699)
Employees retirement and insurance.	144,614	142,424	(2,190)
Purchased services.	143,650	156,394	12,744
Materials and supplies	58,478	55,526	(2,952)
Other.	76	61	(15)
Totals	<u>\$ 681,629</u>	<u>\$ 680,517</u>	<u>(1,112)</u>
General receipts:			
Grants and entitlements not restricted to specific programs			<u>15,750</u>
Total general receipts			<u>15,750</u>
Change in net position			14,638
Net position at beginning of year			<u>70,372</u>
Net position at end of year.			<u>\$ 85,010</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

BALANCE SHEET - CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2020

	<u>General</u>	<u>FCSS</u>	<u>Help Me Grow - GRF</u>	<u>Help Me Grow - MIECHV Grant</u>	<u>MRDD/FCFC</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:							
Equity in pooled cash and cash equivalents.	\$ 5,958	\$ 12,856	\$ 35,593	\$ 7,908	\$ 10,511	\$ 12,184	\$ 85,010
Total assets	<u>\$ 5,958</u>	<u>\$ 12,856</u>	<u>\$ 35,593</u>	<u>\$ 7,908</u>	<u>\$ 10,511</u>	<u>\$ 12,184</u>	<u>\$ 85,010</u>
Fund balances:							
Restricted:							
Family Centered Services and Suppo	\$ -	\$ 12,856	\$ -	\$ -	-	\$ 1,000	\$ 13,856
Help Me Grow.	-	-	35,593	7,908	-	11,184	54,685
Other purposes.	-	-	-	-	10,511	-	10,511
Assigned	2,868	-	-	-	-	-	2,868
Unassigned	3,090	-	-	-	-	-	3,090
Total fund balances	<u>\$ 5,958</u>	<u>\$ 12,856</u>	<u>\$ 35,593</u>	<u>\$ 7,908</u>	<u>\$ 10,511</u>	<u>\$ 12,184</u>	<u>\$ 85,010</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>General</u>	<u>FCSS</u>	<u>Help Me Grow - GRF</u>	<u>Help Me Grow - MIECHV Grant</u>	<u>MRDD/FCFC</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Receipts:							
Other local revenues	\$ -	\$ -	\$ -	\$ -	\$ 27,525	\$ -	\$ 27,525
Contributions and donations	-	-	13,076	-	-	-	13,076
Intergovernmental - state	15,750	6,400	136,665	-	3,010	18,920	180,745
Intergovernmental - federal	-	19,199	-	431,512	-	24,210	474,921
Total receipts	<u>15,750</u>	<u>25,599</u>	<u>149,741</u>	<u>431,512</u>	<u>30,535</u>	<u>43,130</u>	<u>696,267</u>
Disbursements:							
Personal services	-	18,132	62,419	251,250	-	3,010	334,811
Employees retirement and insurance	-	2,701	32,134	109,213	101	465	144,614
Purchased services	8,682	7,251	42,443	43,999	4,145	37,130	143,650
Materials and supplies	-	7,757	19,451	30,333	-	937	58,478
Other	-	46	30	-	-	-	76
Total disbursements	<u>8,682</u>	<u>35,887</u>	<u>156,477</u>	<u>434,795</u>	<u>4,246</u>	<u>41,542</u>	<u>681,629</u>
Excess (deficiency) of receipts over (under) disbursements	<u>7,068</u>	<u>(10,288)</u>	<u>(6,736)</u>	<u>(3,283)</u>	<u>26,289</u>	<u>1,588</u>	<u>14,638</u>
Other financing sources (uses):							
Advances in	11,101	30,071	37,293	37,394	-	-	115,859
Advances (out)	<u>(15,071)</u>	<u>(11,101)</u>	<u>(27,394)</u>	<u>(37,293)</u>	<u>(25,000)</u>	-	<u>(115,859)</u>
Total other financing sources (uses)	<u>(3,970)</u>	<u>18,970</u>	<u>9,899</u>	<u>101</u>	<u>(25,000)</u>	-	-
Net change in fund balances	3,098	8,682	3,163	(3,182)	1,289	1,588	14,638
Fund balances at beginning of year	2,860	4,174	32,430	11,090	9,222	10,596	70,372
Fund balances at end of year	\$ 5,958	\$ 12,856	\$ 35,593	\$ 7,908	\$ 10,511	\$ 12,184	\$ 85,010

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Intergovernmental - state	\$ 14,147	\$ 15,750	\$ 15,750	-
Total receipts.	<u>14,147</u>	<u>15,750</u>	<u>15,750</u>	<u>-</u>
Disbursements:				
Current:				
Employees retirement and insurance	73	80	-	80
Purchased services.	<u>10,664</u>	<u>11,700</u>	<u>11,550</u>	<u>150</u>
Total disbursements	<u>10,737</u>	<u>11,780</u>	<u>11,550</u>	<u>230</u>
Excess (deficiency) of receipts over (under) disbursements.	<u>3,410</u>	<u>3,970</u>	<u>4,200</u>	<u>230</u>
Other financing sources (uses):				
Advances in.	11,101	11,101	11,101	-
Advances (out)	<u>-</u>	<u>(15,071)</u>	<u>(15,071)</u>	<u>-</u>
Total other financing sources (uses)	<u>11,101</u>	<u>(3,970)</u>	<u>(3,970)</u>	<u>-</u>
Net change in fund balance	14,511	-	230	230
Fund balance at beginning of year	<u>2,860</u>	<u>2,860</u>	<u>2,860</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ 17,371</u>	<u>\$ 2,860</u>	<u>\$ 3,090</u>	<u>\$ 230</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FAMILY CENTERED SERVICES AND SUPPORTS (FCSS)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Intergovernmental - state	\$ 5,749	\$ 6,400	\$ 6,400	-
Intergovernmental - federal	17,246	19,199	19,199	-
Total receipts.	<u>22,995</u>	<u>25,599</u>	<u>25,599</u>	<u>-</u>
Disbursements:				
Current:				
Personal services.	16,527	18,132	18,132	-
Employees retirement and insurance	2,462	2,700	2,700	-
Purchased services.	6,609	7,251	7,251	-
Materials and supplies	10,732	11,400	11,400	-
Capital outlay	8,102	8,890	8,890	-
Other.	42	46	46	-
Total disbursements	<u>44,474</u>	<u>48,419</u>	<u>48,419</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(21,479)</u>	<u>(22,820)</u>	<u>(22,820)</u>	<u>-</u>
Other financing sources (uses):				
Advances in.	-	30,071	30,071	-
Advances (out)	(11,101)	(11,101)	(11,101)	-
Total other financing sources (uses)	<u>(11,101)</u>	<u>18,970</u>	<u>18,970</u>	<u>-</u>
Net change in fund balance	(32,580)	(3,850)	(3,850)	-
Fund balance at beginning of year	323	323	323	-
Prior year encumbrances appropriated	3,851	3,851	3,851	-
Fund balance at end of year	<u>\$ (28,406)</u>	<u>\$ 324</u>	<u>\$ 324</u>	<u>\$ -</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 HELP ME GROW - GRF
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts:				
From local sources:				
Contributions and donations	\$ 11,745	\$ 13,076	\$ 13,076	\$ -
Intergovernmental - state.	108,095	120,339	136,665	16,326
Total receipts.	<u>119,840</u>	<u>133,415</u>	<u>149,741</u>	<u>16,326</u>
Disbursements:				
Current:				
Personal services.	56,892	62,420	62,419	1
Employees retirement and insurance	30,030	32,925	32,282	643
Purchased services.	46,609	50,816	46,366	4,450
Materials and supplies	25,616	28,073	25,611	2,462
Other.	1,167	1,280	30	1,250
Total disbursements	<u>160,314</u>	<u>175,514</u>	<u>166,708</u>	<u>8,806</u>
Excess (deficiency) of receipts over (under) disbursements.	<u>(40,474)</u>	<u>(42,099)</u>	<u>(16,967)</u>	<u>25,132</u>
Other financing sources (uses):				
Advances in.	37,293	37,293	37,293	-
Advances (out)	-	(27,394)	(27,394)	-
Total other financing sources (uses)	<u>37,293</u>	<u>9,899</u>	<u>9,899</u>	<u>-</u>
Net change in fund balance	(3,181)	(32,200)	(7,068)	25,132
Fund balance at beginning of year	28,550	28,550	28,550	-
Prior year encumbrances appropriated	3,880	3,880	3,880	-
Fund balance (deficit) at end of year	<u>\$ 29,249</u>	<u>\$ 230</u>	<u>\$ 25,362</u>	<u>\$ 25,132</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 HELP ME GROW - MIECHV GRANT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Intergovernmental - federal	\$ 387,607	\$ 431,513	\$ 431,513	\$ -
Total receipts	<u>387,607</u>	<u>431,513</u>	<u>431,513</u>	<u>-</u>
Disbursements:				
Current:				
Personal services	229,000	251,249	251,249	-
Employees retirement and insurance	99,541	109,213	109,213	-
Purchased services	46,964	50,821	50,821	-
Materials and supplies	28,904	31,421	31,076	345
Total disbursements	<u>404,409</u>	<u>442,704</u>	<u>442,359</u>	<u>345</u>
Excess (deficiency) of receipts over (under) disbursements	<u>(16,802)</u>	<u>(11,191)</u>	<u>(10,846)</u>	<u>345</u>
Other financing sources (uses):				
Advances in	-	37,394	37,394	-
Advances (out)	<u>(37,293)</u>	<u>(37,293)</u>	<u>(37,293)</u>	<u>-</u>
Total other financing sources (uses)	<u>(37,293)</u>	<u>101</u>	<u>101</u>	<u>-</u>
Net change in fund balance	(54,095)	(11,090)	(10,745)	345
Fund balance at beginning of year	821	821	821	-
Prior year encumbrances appropriated	<u>10,269</u>	<u>10,269</u>	<u>10,269</u>	<u>-</u>
Fund balance at end of year	<u>\$ (43,005)</u>	<u>\$ -</u>	<u>\$ 345</u>	<u>\$ 345</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MRDD / FCFC
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
From local sources:				
Other local revenues	\$ 24,725	\$ 27,525	\$ 27,525	\$ -
Intergovernmental - State.	-	-	3,010	3,010
Total receipts.	<u>24,725</u>	<u>27,525</u>	<u>30,535</u>	<u>3,010</u>
Disbursements:				
Current:				
Employees retirement and insurance	92	101	101	-
Purchased services.	4,996	5,482	4,145	1,337
Materials and supplies	456	500	229	271
Total disbursements	<u>5,544</u>	<u>6,083</u>	<u>4,475</u>	<u>1,608</u>
Excess (deficiency) of receipts over (under) disbursements.	<u>19,181</u>	<u>21,442</u>	<u>26,060</u>	<u>4,618</u>
Other financing uses:				
Advances (out)	-	(25,000)	(25,000)	-
Total other financing uses	<u>-</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Net change in fund balance	19,181	(3,558)	1,060	4,618
Fund balance at beginning of year	<u>9,222</u>	<u>9,222</u>	<u>9,222</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ 28,403</u>	<u>\$ 5,664</u>	<u>\$ 10,282</u>	<u>\$ 4,618</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1 - DESCRIPTION OF THE COUNCIL AND REPORTING ENTITY

A. Description of the Entity

Ohio Revised Code Section 121.37 created the Ohio Family and Children First Council and permitted counties to establish county family and children first councils. Statutory membership of a county council consists of the following individuals:

- a. At least three individuals who are not employed by an agency represented on the council and whose families are or have received services from an agency represented on the council or another county's council. Where possible, the number of members representing families shall be equal to twenty percent of the council's membership;
- b. 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;
- c. 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;
- d. The director of the county department of job and family services;
- e. The executive director of the public children services agency;
- f. The superintendent of the county board of developmental disabilities;
- g. 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 department of education, which shall notify each board of county commissioners of its determination at least biennially;
- h. 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;
- i. A representative of the municipal corporation with the largest population in the county;
- j. The president of the board of commissioners, or an individual designated by the board;
- k. A representative of the regional office of the department of youth services;
- l. A representative of the county's head start agencies, as defined in section 3301.32 of the Revised Code;
- m. 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,
- n. A representative of a local nonprofit entity that funds advocates or provides services to children and families.

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1 - DESCRIPTION OF THE COUNCIL AND 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.

A county council's statutory responsibilities include the following:

- a. Refer to the cabinet council those children for whom the council cannot provide adequate services;
- b. Make periodic 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;
- c. Develop a plan that reviews and adjusts existing programs, fills service gaps where possible, or invents new approaches to achieve better results for families and children;
- d. Participate in the development of a countywide, comprehensive, coordinated, multidisciplinary, 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 "Education of the Handicapped Act Amendments of 1986";
- e. Maintain an accountability system to monitor the Council's progress in achieving its purposes; and,
- f. Establish a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the county system.

The Harrison County Family and Children First Council's (the "Council") management believes these financial statements present all activities for which the Council is financially accountable.

1. Council Membership

The County's Council membership included Children's Services, Board of Alcohol Drug Addiction and Mental Health Services; Board of Developmental Disabilities, and the Juvenile Court. The purpose of the Family and Children First Council is to identify ways in which the Child Serving System can provide services to the community in the most efficient and effective manner. A Council Director has been hired to administer all of the Council's Programs. Because these programs affect all of the agencies within the Council membership, the salary of this employee is paid from the State administrative grant received by the Council and pooled funding derived from each of the Council agencies in the County. Grant Administration Appropriations are utilized toward the Council Director's salary.

2. Executive Finance Committee

The Executive Finance Committee is a governing and policy making body. The Council is responsible for determining the need for staff positions pursuant to established goals, objectives, and policy statements. The committee is responsible for the creation of all standing committees and task groups of the Council.

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1 - DESCRIPTION OF THE COUNCIL AND REPORTING ENTITY - (Continued)

B. Reporting Entity

A reporting entity is comprised of the primary government and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the Council consists of all fund, departments, and activities that are not legally separate from the Council. They comprise the Council's legal entity, which provides various services including human, social, health and educational services to families and children. The Council, the Executive Finance Committee, and the Director have direct responsibility for these activities.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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

The Council's Basic Financial Statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

1. Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Council as a whole. These statements include the financial activities of the primary government.

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

2. Fund Financial Statements

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

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

3. Fund Accounting

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

4. Governmental Funds

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

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

Family Centered Services and Supports (FCSS) Fund - This fund is used to account for State Family Centered Services and Supports grant monies.

Help Me Grow (GRF) Fund - This fund is used to account for State Help Me Grow grant monies.

Help Me Grow MIECHV - This fund is used to account for Maternal, Infant, and Childhood Home Visiting grant monies.

Board of Developmental Disabilities / Family and Children First Council (MRDD/FCFC) - This fund is used to account for Board of Developmental Disabilities monies.

The other governmental funds of the Council account for grants and other resources whose use is restricted for a particular purpose.

5. Measurement Focus

The Council has elected to present its financial statements on a cash basis of accounting. The basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Council's cash basis of accounting, receipts are recognized when received in cash, rather than when earned, and disbursements when paid, rather than when a liability is incurred.

6. Basis of Accounting

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

B. Cash

As required by Ohio Revised Code, the Harrison Hills City School District (the "District") is custodian for the Council's cash. The Council's assets are held in the District's cash and investment pool, and are valued at the District Treasurer's reported carrying amount.

C. Capital Assets

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

D. Long-Term Debt Obligations

The Council did not have any bonds or other long-term debt obligations.

E. Net Position

These statements report restricted net position when enabling legislation or creditors, grantors or laws or regulations of other governments have imposed limitations on their use.

The Council first applies restricted resources when incurring a disbursement for which it may use either restricted or unrestricted resources.

F. 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.

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 for 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.

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

G. Budgetary Process

Ohio Revised Code Section 121.37(5)(A) requires the Council to file an annual budget with its administrative agent which is the Harrison Hills City School District. The budget can be amended throughout the year by the Council. The legal level of budgetary control has been established by Council at the fund, function level.

The amounts reported as the original budgeted amounts on the budgetary statements reflect the estimated receipts and disbursements when the original budget was adopted by the Council. The amounts reported as the final budgeted amounts on the budgetary statements reflect the final estimated receipts and disbursements adopted by Council.

H. Accumulated Leave

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

I. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES

For fiscal year 2020, the Council has implemented GASB Statement No. 84 "*Fiduciary Activities*" and GASB Statement No. 90 "*Majority Equity Interests an amendment of GASB Statements No. 14 and No. 61*".

GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. The implementation of GASB Statement No. 84 did not have an effect on the financial statements of the Council.

GASB Statement No. 90 improves consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations. This Statement also provides guidance for reporting a component unit if a government acquires a 100 percent equity interest in that component unit. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the Council.

NOTE 4 - CASH AND CASH EQUIVALENTS

The Council's cash pool is maintained by the Harrison Hills City School District. The Ohio Revised Code prescribes allowable deposits and investments, and the District is responsible for meeting compliance. The Council's carrying amount of cash on deposit at June 30, 2020 was \$85,010.

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

The budgetary basis of as provided by law is based on accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements, and Changes in Fund Balance - Budget and Actual – (Non-GAAP Budgetary Basis) is presented for 2020 are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and cash basis is the outstanding year-end encumbrances are treated as disbursements (budgetary basis) rather than as reservation of fund balance (cash basis).

NOTE 6 - INTERFUND BALANCES

Advances for the year ended June 30, 2020, consisted of the following, as reported on the fund financial statements:

	Amount
<u>Advances from general fund to:</u>	
FCSS	\$ 15,071
<u>Advances from MRDD/FCFC to:</u>	
FCSS	15,000
Help Me Grow - MIECHV	10,000
Total advances from MRDD/FCFC	25,000
<u>Advances from FCSS fund to:</u>	
General fund	11,101
<u>Advances from Help Me Grow - MIECHV Grant fund to:</u>	
Help Me Grow - GRF	37,293
<u>Advances from Help Me Grow - GRF fund to:</u>	
Help Me Grow - MIECHV	27,394
Total	\$ 115,859

Advances between governmental funds are eliminated on the government-wide financial statements; therefore, no advances are reported in the statement of activities.

NOTE 7 - DEFINED BENEFIT PENSION PLAN

Net Pension Liability

Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the Council’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 7 - DEFINED BENEFIT PENSION PLAN - (Continued)

The Ohio Revised Code limits the Council’s obligation for this liability to annually required payments. The Council cannot control benefit terms or the manner in which pensions are financed; however, the Council does receive the benefit of employees’ services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

Plan Description - School Employees Retirement System (SERS)

Plan Description - The Council’s employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS’ fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire after August 1, 2017
Full benefits	Age 65 with 5 years of services credit; or Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially reduced benefits	Age 60 with 5 years of service credit; or Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

* Members with 25 years of service credit as of August 1, 2017 will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on years of service; 2.2% for the first thirty years of service and 2.5% for years of service credit over 30. Final average salary is the average of the highest three years of salary.

Effective January 1, 2018, SERS cost-of-living adjustment (COLA) changed from a fixed 3% annual increase to one based on the Consumer Price Index (CPI-W) with a cap of 2.5% and a floor of 0%. SERS also has the authority to award or suspend the COLA, or to adjust the COLA above or below CPI-W. SERS suspended the COLA increases for 2018, 2019 and 2020 for current retirees, and confirmed their intent to implement a four-year waiting period for the state of a COLA for future retirees.

Funding Policy - Plan members are required to contribute 10% of their annual covered salary and the Council is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10% for plan members and 14% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2020, the allocation to pension, death benefits, and Medicare B was 14.0%.

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 7 - DEFINED BENEFIT PENSION PLAN - (Continued)

The Council's contractually required contribution to SERS was \$46,873 for fiscal year 2020.

Net Pension Liability

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Council's proportion of the net pension liability was based on the Council's share of contributions to the pension plan relative to the projected contributions of all participating entities.

Following is information related to the proportionate share:

	SERS
Proportion of the net pension liability prior measurement date	0.01067326%
Proportion of the net pension liability current measurement date	<u>0.01045400%</u>
Change in proportionate share	<u>-0.00021926%</u>
Proportionate share of the net pension liability	\$ 625,464

Actuarial Assumptions - SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 7 - DEFINED BENEFIT PENSION PLAN - (Continued)

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2019, are presented below:

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
COLA or ad hoc COLA	2.50%
Investment rate of return	7.50% net of investments expense, including inflation
Actuarial cost method	Entry age normal (level percent of payroll)

For 2019, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disabled members was based upon the RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	1.00 %	0.50 %
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	<u>10.00</u>	3.00
Total	<u><u>100.00 %</u></u>	

Discount Rate - The total pension liability was calculated using the discount rate of 7.50%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50%). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 7 - DEFINED BENEFIT PENSION PLAN - (Continued)

Sensitivity of the Council's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate
- Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50%, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%), or one percentage point higher (8.50%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Council's proportionate share of the net pension liability	\$ 876,523	\$ 625,464	\$ 414,951

NOTE 8 - DEFINED BENEFIT OPEB PLAN

Net OPEB Liability

OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability represents the Council's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

The Ohio Revised Code limits the Council's obligation for this liability to annually required payments. The Council cannot control benefit terms or the manner in which OPEB are financed; however, the Council does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 8 - DEFINED BENEFIT OPEB PLAN - (Continued)

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The Council contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2020, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2020, this amount was \$19,600. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2020, the Council's surcharge obligation was \$2,719.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The Council's contractually required contribution to SERS was \$2,719 for fiscal year 2020.

Net OPEB Liability

The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Council's proportion of the net OPEB liability was based on the Council's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

Following is information related to the proportionate share:

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 8 - DEFINED BENEFIT OPEB PLAN - (Continued)

	SERS
Proportion of the net OPEB liability prior measurement date	0.01086590%
Proportion of the net OPEB liability current measurement date	<u>0.01072300%</u>
Change in proportionate share	<u>-0.00014290%</u>
Proportionate share of the net OPEB liability	\$ 269,650

Actuarial Assumptions - SERS

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2019 are presented below:

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 8 - DEFINED BENEFIT OPEB PLAN - (Continued)

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
Investment rate of return	7.50% net of investments expense, including inflation
Municipal bond index rate:	
Measurement date	3.13%
Prior measurement date	3.62%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Measurement date	3.22%
Prior measurement date	3.70%
Medical trend assumption:	
Measurement date	
Medicare	5.25 to 4.75%
Pre-Medicare	7.00 to 4.75%
Prior measurement date	
Medicare	5.375 to 4.75%
Pre-Medicare	7.25 to 4.75%

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120% of male rates and 110% of female rates. RP-2000 Disabled Mortality Table with 90% for male rates and 100% for female rates set back five years.

The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 8 - DEFINED BENEFIT OPEB PLAN - (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	1.00 %	0.50 %
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	<u>100.00 %</u>	

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2019 was 3.22%. The discount rate used to measure total OPEB liability prior to June 30, 2019 was 3.70%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and 0.50% of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.13%, as of June 30, 2019 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. A municipal bond rate of 3.62% was used as of June 30, 2018. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the Council's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.22%) and higher (4.22%) than the current discount rate (3.22%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.75%) and higher (8.00% decreasing to 5.75%) than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Council's proportionate share of the net OPEB liability	\$ 327,317	\$ 269,650	\$ 223,817
		<u>Current Trend Rate</u>	
	<u>1% Decrease</u>	<u>1% Increase</u>	
Council's proportionate share of the net OPEB liability	\$ 216,053	\$ 269,650	\$ 340,786

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 9 - RISK MANAGEMENT

A. Property and Liability

The Council is covered under the Harrison Hills City School District's (the "District") insurance policy. Coverage is provided under this policy included general liability, employee liability, and employers' liability. There has been no significant change in coverage from last year. Settled claims have not exceeded this commercial coverage in any of the past three years.

B. Health Insurance

The Council's employees are covered under the District's health insurance plan. The Council pays monthly premiums to the District for employee medical benefits.

NOTE 10 - CONTINGENCIES

A. Grants

The Council received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Council at June 30, 2020.

B. Litigation

There are currently no matters in litigation with the Council as defendant.

C. COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Council. The Council's investment portfolio and the investments of the pension and other employee benefit plans are subject to increased market volatility, which could result in a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Council's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 11 - OTHER COMMITMENTS

The Council utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end are reservations of fund balance for subsequent-year disbursements and may be reported as part of restricted, committed, or assigned classifications of fund balance. At year-end, the Council's commitments for encumbrances in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General	\$ 2,868
FCSS	12,532
Help Me Grow - GRF	10,231
Help Me Grow - MIECHV	7,563
MRDD/FCFC	<u>229</u>
Total	<u>\$ 33,423</u>

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HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2019 (UNAUDITED)

The management's discussion and analysis of the Harrison County Family and Children First Council's (the "Council") financial performance provides an overall review of the Council's financial activities for the year ended June 30, 2019, within the limitations of the Council's cash basis of accounting. The intent of this discussion and analysis is to look at the Council's financial performance as a whole; readers should also review the cash-basis basic financial statements and the notes to the financial statements to enhance their understanding of the Council's financial performance.

Financial Highlights

Key financial highlights for 2019 are as follows:

- The total net cash position of the governmental activities increased \$29,847, which represents a 73.65% increase from fiscal year 2018.
- The Council had \$712,686 in cash disbursements related to governmental activities; 101.98% of these cash disbursements were offset by program specific grants or contributions. The Council had additional general revenues of \$15,750 for fiscal year 2019.
- The Council's major funds are the general fund, Help Me Grow - GRF fund, Help Me Grow - MIECHV Grant fund, and the MRDD/FCFC fund.
- The general fund had cash receipts and other financing sources of \$27,750 in 2019. The cash disbursements and other financing uses of the general fund totaled \$26,940 in 2019. The general fund's cash balance increased \$810 from 2018 to 2019.
- The Help Me Grow - GRF fund had cash receipts and other financing sources of \$235,555 in 2019. The cash disbursements and other financing uses of the Help Me Grow - GRF fund totaled \$211,799 in 2019. The fund's cash balance increased \$23,756 from 2018 to 2019.
- The Help Me Grow - MIECHV Grant fund had cash receipts and other financing sources of \$480,909 in 2019. The cash disbursements and other financing uses of the Help Me Grow - MIECHV Grant fund totaled \$475,158 in 2019. The fund's cash balance increased \$5,751 from 2018 to 2019.
- Board of Development Disabilities / Family and Children First Council (MRDD/FCFC) fund had other financing sources of \$9,562 in 2019. The cash disbursements of the MRDD/FCFC fund totaled \$2,799 in 2019. The fund's cash balance increased \$6,763 from 2018 to 2019.

Using these Basic Financial Statements (BFS)

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the Council's cash basis of accounting.

The Statement of Net Position - Cash Basis and Statement of Activities - Cash Basis provide information about the activities of the whole Council, presenting both an aggregate view of the Council's cash basis finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Council's most significant funds with all other nonmajor funds presented in total in one column. In the case of the Council, the general fund, Help Me Grow - GRF fund, Help Me Grow - MIECHV Grant fund, and the MRDD/FCFC fund are the major governmental funds.

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2019 (UNAUDITED)

Reporting the Council as a Whole

Statement of Net Position and the Statement of Activities

The Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis answer the question, "How did we do financially during 2019?" These statements include *only net position* using the *cash basis of accounting*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This basis of accounting takes into account only the current year's receipts and disbursements if the cash is actually received or paid.

These two statements report the Council's net position and changes in net cash position on a cash basis. This change in net cash position is important because it tells the reader that, for the Council as a whole, the cash basis financial position of the Council has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the Council's facility conditions, mandated federal and State programs and other factors.

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

In the Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis, the governmental activities includes the Council's programs and services including administration and support services as well as various community and social services.

The Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis can be found on pages 43-44 of this report.

Reporting the Council's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Council, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Council can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The Council has no proprietary or fiduciary funds.

Fund financial reports provide detailed information about the Council's major funds. The Council uses several funds to account for its financial transactions. However, these financial statements focus on the Council's most significant funds. The Council's major governmental funds are the General Fund, Help Me Grow - GRF Fund, Help Me Grow - MIECHV Grant fund, and the MRDD/FCFC fund. The analysis of the Council's major governmental funds begins on page 41.

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019
(UNAUDITED)**

Governmental Funds

The Council's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The governmental fund statements provide a detailed view of the Council's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer cash basis financial resources that can be readily spent to finance various Council programs. Since the Council is reporting on the cash basis of accounting, there are no differences in the net position and fund cash balances or changes in net position and changes in fund cash balances. Therefore, no reconciliation is necessary between such financial statements. The governmental fund statements can be found on pages 45-50 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 51-67 of this report.

Government-Wide Financial Analysis

Recall that the statement of net position - cash basis provides the perspective of the Council as a whole.

The table below provides a summary of the Council's net cash position for 2019 and 2018.

	Net Cash Position	
	Governmental Activities 2019	Governmental Activities 2018
<u>Assets</u>		
Equity in pooled cash and cash equivalents	\$ 70,372	\$ 40,525
Total assets	<u>70,372</u>	<u>40,525</u>
<u>Net Position</u>		
Restricted	67,512	38,475
Unrestricted	<u>2,860</u>	<u>2,050</u>
Total net position	<u>\$ 70,372</u>	<u>\$ 40,525</u>

The total net cash position of the Council's governmental activities increased \$29,847 from fiscal year 2018. The balance of government-wide unrestricted net cash position is a balance of \$2,860.

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019
(UNAUDITED)

The table below shows the changes in net cash position for fiscal year 2019 and 2018.

	Change in Net Cash Position	
	Governmental Activities 2019	Governmental Activities 2018
	<u>2019</u>	<u>2018</u>
Cash Receipts:		
Program cash receipts:		
Operating grants and contributions	\$ 726,783	\$ 752,626
Total program cash receipts	<u>726,783</u>	<u>752,626</u>
General cash receipts:		
Grants and entitlements not restricted for specific programs	15,750	15,750
Total general cash receipts	<u>15,750</u>	<u>15,750</u>
Total cash receipts	<u>742,533</u>	<u>768,376</u>
Cash Disbursements:		
Personal services	346,443	354,074
Employee retirement and insurance	132,938	132,923
Purchased services	167,089	171,655
Materials and supplies	53,231	82,282
Capital outlay	2,440	-
Other	10,545	4,614
Total cash disbursements	<u>712,686</u>	<u>745,548</u>
Change in net cash position	29,847	22,828
Net cash position at beginning of year	<u>40,525</u>	<u>17,697</u>
Net cash position at end of year	<u>\$ 70,372</u>	<u>\$ 40,525</u>

Governmental Activities

Governmental cash position increased \$29,847 in 2019 from 2018. Total governmental cash disbursements of \$712,686 were offset by program cash receipts of \$726,783. The Council also had general revenues of \$15,750.

The largest cash disbursement of the Council is for personal services. These cash disbursements totaled \$346,443 or 48.61% of total governmental cash disbursements for fiscal year 2019.

Financial Analysis of the Government's Funds

As noted earlier, the Council uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019
(UNAUDITED)

Governmental Funds

The Council's governmental funds are accounted for using the cash basis of accounting.

The Council's governmental funds reported a combined fund cash balance of \$70,372, which is \$29,847 above last year's total of \$40,525. The schedule below indicates the fund cash balance and the total change in fund cash balance as of June 30, 2019 and 2018, for all major and nonmajor governmental funds.

	Fund Cash Balance <u>June 30, 2019</u>	Fund Cash Balance <u>June 30, 2018</u>	<u>Change</u>
Major Funds:			
General	\$ 2,860	\$ 2,050	\$ 810
Help Me Grow - GRF	32,430	8,674	23,756
Help Me Grow - MIECHV Grant	11,090	5,339	5,751
MRDD/FCFC	9,222	2,459	6,763
Other Nonmajor Governmental Funds	<u>14,770</u>	<u>22,003</u>	<u>(7,233)</u>
Total	<u>\$ 70,372</u>	<u>\$ 40,525</u>	<u>\$ 29,847</u>

General Fund

The general fund had cash receipts and other financing sources of \$27,750 in 2019. The cash disbursements and other financing uses of the general fund totaled \$26,940 in 2019. The general fund's cash balance increased \$810 from 2018 to 2019.

Help Me Grow - GRF

The Help Me Grow - GRF fund had cash receipts and other financing sources of \$235,555 in 2019. The cash disbursements and other financing uses of the Help Me Grow - GRF fund totaled \$211,799 in 2019. The fund's cash balance increased \$23,756 from 2018 to 2019.

Help Me Grow - MIECHV Grant

The Help Me Grow - MIECHV Grant fund had cash receipts and other financing sources of \$480,909 in 2019. The cash disbursements and other financing uses of the Help Me Grow - MIECHV Grant fund totaled \$475,158 in 2019. The fund's cash balance increased \$5,751 from 2018 to 2019.

MRDD/FCFC

The MRDD/FCFC fund had other financing sources of \$9,562. The cash disbursements and other financing uses of the MRDD/FCFC fund totaled \$2,799 in 2019. The fund's cash balance increased \$6,763 from 2018 to 2019.

Capital Assets and Debt Administration

Capital Assets

The Council does not record capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements.

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019
(UNAUDITED)**

Debt Administration

The Council had no long-term debt obligations outstanding at June 30, 2019 or June 30, 2018.

Current Financial Related Activities

The Council is reviewed by its members and the community to determine how they can realize efficiency and service gap filling. Agencies are challenged to improve the way services are delivered by striving towards a seamless service delivery system. The Council is constantly assessing needs of its members and acting to facilitate the provision of services cost-effectively.

Contacting the Council's Financial Management

This financial report is designed to provide our citizens with a general overview of the Council's finances and to show the Council's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Ms. Roxane Harding, Treasurer, Harrison Hills City School District, 100 Huskies Way, Cadiz, Ohio 43907.

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

STATEMENT OF NET POSITION - CASH BASIS
JUNE 30, 2019

	<u>Governmental Activities</u>
Assets:	
Equity in pooled cash and cash equivalents. . . .	<u>\$ 70,372</u>
Net position:	
Restricted for:	
Family Centered Services and Support	\$ 14,396
Help Me Grow.	53,116
Unrestricted.	2,860
Total net position.	<u>\$ 70,372</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Cash</u>	<u>Program Receipts</u>	<u>Net (Disbursements) Receipts</u>
	<u>Disbursements</u>	<u>Operating Grants</u>	<u>and Changes in Net Position</u>
		<u>and Contributions</u>	<u>Governmental</u>
			<u>Activities</u>
Governmental activities:			
Personal services.	\$ 346,443	\$ 351,367	\$ 4,924
Employees retirement and insurance.	132,938	134,606	1,668
Purchased services.	167,089	173,318	6,229
Materials and supplies	53,231	54,622	1,391
Capital outlay	2,440	2,622	182
Other.	10,545	10,248	(297)
Totals	<u>\$ 712,686</u>	<u>\$ 726,783</u>	<u>14,097</u>
General receipts:			
Grants and entitlements not restricted to specific programs			<u>15,750</u>
Total general receipts			<u>15,750</u>
Change in net position			29,847
Net position at beginning of year			<u>40,525</u>
Net position at end of year.			<u>\$ 70,372</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

BALANCE SHEET - CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2019

	<u>General</u>	<u>Help Me Grow - GRF</u>	<u>Help Me Grow - MIECHV Grant</u>	<u>MRDD/FCFC</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:						
Equity in pooled cash and cash equivalents.	\$ 2,860	\$ 32,430	\$ 11,090	\$ 9,222	\$ 14,770	\$ 70,372
Total assets	<u>\$ 2,860</u>	<u>\$ 32,430</u>	<u>\$ 11,090</u>	<u>\$ 9,222</u>	<u>\$ 14,770</u>	<u>\$ 70,372</u>
Fund balances:						
Restricted:						
Family Centered Services and Support	\$ -	\$ -	\$ -	9,222	\$ 5,174	\$ 14,396
Help Me Grow.	-	32,430	11,090	-	9,596	53,116
Unassigned	2,860	-	-	-	-	2,860
Total fund balances	<u>\$ 2,860</u>	<u>\$ 32,430</u>	<u>\$ 11,090</u>	<u>\$ 9,222</u>	<u>\$ 14,770</u>	<u>\$ 70,372</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	General	Help Me Grow - GRF	Help Me Grow - MIECHV Grant	MRDD/FCFC	Nonmajor Governmental Funds	Total Governmental Funds
Receipts:						
Other local revenues	\$ -	\$ 1,926	\$ -	\$ -	\$ -	\$ 1,926
Contributions and donations	-	21,155	-	-	-	21,155
Intergovernmental - state	15,750	164,474	-	-	10,954	191,178
Intergovernmental - federal	-	-	443,616	-	84,658	528,274
Total receipts	<u>15,750</u>	<u>187,555</u>	<u>443,616</u>	<u>-</u>	<u>95,612</u>	<u>742,533</u>
Disbursements:						
Personal services	-	69,459	260,807	-	16,177	346,443
Employees retirement and insurance	801	30,016	100,422	-	1,699	132,938
Purchased services	12,900	45,402	45,925	2,799	60,063	167,089
Materials and supplies	-	17,654	35,577	-	-	53,231
Capital outlay	-	2,440	-	-	-	2,440
Other	1,010	9,535	-	-	-	10,545
Total disbursements	<u>14,711</u>	<u>174,506</u>	<u>442,731</u>	<u>2,799</u>	<u>77,939</u>	<u>712,686</u>
Excess (deficiency) of receipts over (under) disbursements	<u>1,039</u>	<u>13,049</u>	<u>885</u>	<u>(2,799)</u>	<u>17,673</u>	<u>29,847</u>
Other financing sources (uses):						
Advances in	12,000	48,000	37,293	9,562	16,508	123,363
Advances (out)	(12,229)	(37,293)	(32,427)	-	(41,414)	(123,363)
Total other financing sources (uses)	<u>(229)</u>	<u>10,707</u>	<u>4,866</u>	<u>9,562</u>	<u>(24,906)</u>	<u>-</u>
Net change in fund balances	810	23,756	5,751	6,763	(7,233)	29,847
Fund balances at beginning of year	<u>2,050</u>	<u>8,674</u>	<u>5,339</u>	<u>2,459</u>	<u>22,003</u>	<u>40,525</u>
Fund balances at end of year	<u>\$ 2,860</u>	<u>\$ 32,430</u>	<u>\$ 11,090</u>	<u>\$ 9,222</u>	<u>\$ 14,770</u>	<u>\$ 70,372</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Intergovernmental - state	\$ 15,750	\$ 15,750	\$ 15,750	-
Total receipts.	<u>15,750</u>	<u>15,750</u>	<u>15,750</u>	<u>-</u>
Disbursements:				
Current:				
Employees retirement and insurance	882	801	801	-
Purchased services.	14,004	12,900	12,900	-
Materials and supplies	551	500	-	500
Other.	<u>1,113</u>	<u>1,010</u>	<u>1,010</u>	<u>-</u>
Total disbursements	<u>16,550</u>	<u>15,211</u>	<u>14,711</u>	<u>500</u>
Excess (deficiency) of receipts over (under) disbursements.	<u>(800)</u>	<u>539</u>	<u>1,039</u>	<u>500</u>
Other financing sources (uses):				
Advances in.	12,000	12,000	12,000	-
Advances (out)	<u>(1,128)</u>	<u>(12,278)</u>	<u>(12,229)</u>	<u>49</u>
Total other financing sources (uses)	<u>10,872</u>	<u>(278)</u>	<u>(229)</u>	<u>49</u>
Net change in fund balance	10,072	261	810	549
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>2,050</u>	<u>2,050</u>	<u>2,050</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ 12,122</u>	<u>\$ 2,311</u>	<u>\$ 2,860</u>	<u>\$ 549</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 HELP ME GROW - GRF
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
From local sources:				
Contributions and donations	\$ 21,155	\$ 21,155	\$ 21,155	\$ -
Other local revenues	1,926	1,926	1,926	-
Intergovernmental - state.	164,366	164,366	164,474	108
Total receipts.	<u>187,447</u>	<u>187,447</u>	<u>187,555</u>	<u>108</u>
Disbursements:				
Personal services.	76,529	69,459	69,459	-
Employees retirement and insurance	33,332	30,253	30,253	-
Purchased services.	56,454	51,802	48,717	3,085
Materials and supplies	19,801	17,998	17,982	16
Capital outlay	2,688	2,440	2,440	-
Other.	10,582	9,604	9,535	69
Total disbursements	<u>199,386</u>	<u>181,556</u>	<u>178,386</u>	<u>3,170</u>
Excess (deficiency) of receipts over (under) disbursements.	<u>(11,939)</u>	<u>5,891</u>	<u>9,169</u>	<u>3,278</u>
Other financing sources (uses):				
Advances in.	48,000	48,000	48,000	-
Advances (out)	-	(37,293)	(37,293)	-
Total other financing sources (uses)	<u>48,000</u>	<u>10,707</u>	<u>10,707</u>	<u>-</u>
Net change in fund balance	36,061	16,598	19,876	3,278
Fund balance at beginning of year	2,286	2,286	2,286	-
Prior year encumbrances appropriated	6,388	6,388	6,388	-
Fund balance (deficit) at end of year	<u>\$ 44,735</u>	<u>\$ 25,272</u>	<u>\$ 28,550</u>	<u>\$ 3,278</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 HELP ME GROW - MIECHV GRANT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Intergovernmental - federal	\$ 480,909	\$ 443,616	\$ 443,616	-
Total receipts	<u>480,909</u>	<u>443,616</u>	<u>443,616</u>	<u>-</u>
Disbursements:				
Personal services	287,353	260,807	260,807	-
Employees retirement and insurance	110,643	100,422	100,422	-
Purchased services	58,170	53,201	53,203	(2)
Materials and supplies	43,303	39,391	38,569	822
Total disbursements	<u>499,469</u>	<u>453,821</u>	<u>453,001</u>	<u>820</u>
Excess (deficiency) of receipts over (under) disbursements	<u>(18,560)</u>	<u>(10,205)</u>	<u>(9,385)</u>	<u>820</u>
Other financing sources (uses):				
Advances in	-	37,293	37,293	-
Advances (out)	<u>(32,427)</u>	<u>(32,427)</u>	<u>(32,427)</u>	<u>-</u>
Total other financing sources (uses)	<u>(32,427)</u>	<u>4,866</u>	<u>4,866</u>	<u>-</u>
Net change in fund balance	(50,987)	(5,339)	(4,519)	820
Fund balance at beginning of year	1	1	1	-
Prior year encumbrances appropriated	5,339	5,339	5,339	-
Fund balance (deficit) at end of year	<u>\$ (45,647)</u>	<u>\$ 1</u>	<u>\$ 821</u>	<u>\$ 820</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MRDD / FCFC
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Disbursements:				
Personal services	\$ 2,754	\$ 2,500	\$ -	\$ 2,500
Employees retirement and insurance	426	386	-	386
Purchased services	3,944	3,806	2,799	1,007
Materials and supplies	110	100	-	100
Total disbursements	<u>7,234</u>	<u>6,792</u>	<u>2,799</u>	<u>3,993</u>
Excess (deficiency) of receipts over (under) disbursements	<u>(7,234)</u>	<u>(6,792)</u>	<u>(2,799)</u>	<u>3,993</u>
Other financing sources:				
Advances in	9,562	9,562	9,562	-
Total other financing sources	<u>9,562</u>	<u>9,562</u>	<u>9,562</u>	<u>-</u>
Net change in fund balance	2,328	2,770	6,763	3,993
Fund balance at beginning of year	<u>2,459</u>	<u>2,459</u>	<u>2,459</u>	<u>-</u>
Fund balance at end of year	<u>\$ 4,787</u>	<u>\$ 5,229</u>	<u>\$ 9,222</u>	<u>\$ 3,993</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1 - DESCRIPTION OF THE COUNCIL AND REPORTING ENTITY

A. Description of the Entity

Ohio Revised Code Section 121.37 created the Ohio Family and Children First Council and permitted counties to establish county family and children first councils. Statutory membership of a county council consists of the following individuals:

- a. At least three individuals who are not employed by an agency represented on the council and whose families are or have received services from an agency represented on the council or another county's council. Where possible, the number of members representing families shall be equal to twenty percent of the council's membership;
- b. 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;
- c. 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;
- d. The director of the county department of job and family services;
- e. The executive director of the public children services agency;
- f. The superintendent of the county board of developmental disabilities;
- g. 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 department of education, which shall notify each board of county commissioners of its determination at least biennially;
- h. 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;
- i. A representative of the municipal corporation with the largest population in the county;
- j. The president of the board of commissioners, or an individual designated by the board;
- k. A representative of the regional office of the department of youth services;
- l. A representative of the county's head start agencies, as defined in section 3301.32 of the Revised Code;
- m. 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,
- n. A representative of a local nonprofit entity that funds advocates or provides services to children and families.

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1 - DESCRIPTION OF THE COUNCIL AND 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.

A county council's statutory responsibilities include the following:

- a. Refer to the cabinet council those children for whom the council cannot provide adequate services;
- b. Make periodic 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;
- c. Develop a plan that reviews and adjusts existing programs, fills service gaps where possible, or invents new approaches to achieve better results for families and children;
- d. Participate in the development of a countywide, comprehensive, coordinated, multidisciplinary, 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 "Education of the Handicapped Act Amendments of 1986";
- e. Maintain an accountability system to monitor the Council's progress in achieving its purposes; and,
- f. Establish a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the county system.

The Harrison County Family and Children First Council's (the "Council") management believes these financial statements present all activities for which the Council is financially accountable.

1. Council Membership

The County's Council membership included Children's Services, Board of Alcohol Drug Addiction and Mental Health Services; Board of Developmental Disabilities, and the Juvenile Court. The purpose of the Family and Children First Council is to identify ways in which the Child Serving System can provide services to the community in the most efficient and effective manner. A Council Director has been hired to administer all of the Council's Programs. Because these programs affect all of the agencies within the Council membership, the salary of this employee is paid from the State administrative grant received by the Council and pooled funding derived from each of the Council agencies in the County. Grant Administration Appropriations are utilized toward the Council Director's salary.

2. Executive Finance Committee

The Executive Finance Committee is a governing and policy making body. The Council is responsible for determining the need for staff positions pursuant to established goals, objectives, and policy statements. The committee is responsible for the creation of all standing committees and task groups of the Council.

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1 - DESCRIPTION OF THE COUNCIL AND REPORTING ENTITY - (Continued)

B. Reporting Entity

A reporting entity is comprised of the primary government and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the Council consists of all fund, departments, and activities that are not legally separate from the Council. They comprise the Council's legal entity, which provides various services including human, social, health and educational services to families and children. The Council, the Executive Finance Committee, and the Director have direct responsibility for these activities.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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

The Council's Basic Financial Statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

1. Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Council as a whole. These statements include the financial activities of the primary government.

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

2. Fund Financial Statements

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

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

3. Fund Accounting

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

4. Governmental Funds

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

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

Help Me Grow (GRF) Fund - This fund is used to account for State Help Me Grow grant monies.

Help Me Grow MIECHV - This fund is used to account for Maternal, Infant, and Childhood Home Visiting grant monies.

Board of Developmental Disabilities / Family and Children First Council (MRDD/FCFC) - This fund is used to account for Board of Developmental Disabilities monies.

The other governmental funds of the Council account for grants and other resources whose use is restricted for a particular purpose.

5. Measurement Focus

The Council has elected to present its financial statements on a cash basis of accounting. The basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Council's cash basis of accounting, receipts are recognized when received in cash, rather than when earned, and disbursements when paid, rather than when a liability is incurred.

6. Basis of Accounting

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

B. Cash

As required by Ohio Revised Code, the Harrison Hills City School District (the "District") is custodian for the Council's cash. The Council's assets are held in the District's cash and investment pool, and are valued at the District Treasurer's reported carrying amount.

C. Capital Assets

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

D. Long-Term Debt Obligations

The Council did not have any bonds or other long-term debt obligations.

E. Net Position

These statements report restricted net position when enabling legislation or creditors, grantors or laws or regulations of other governments have imposed limitations on their use.

The Council first applies restricted resources when incurring a disbursement for which it may use either restricted or unrestricted resources.

F. 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.

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 for 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.

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

G. Budgetary Process

Ohio Revised Code Section 121.37(5)(A) requires the Council to file an annual budget with its administrative agent which is the Harrison Hills City School District. The budget can be amended throughout the year by the Council. The legal level of budgetary control has been established by Council at the fund, function level.

The amounts reported as the original budgeted amounts on the budgetary statements reflect the estimated receipts and disbursements when the original budget was adopted by the Council. The amounts reported as the final budgeted amounts on the budgetary statements reflect the final estimated receipts and disbursements adopted by Council.

H. Accumulated Leave

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

I. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES

For fiscal year 2019, the Council has implemented GASB Statement No. 83, "Certain Asset Retirement Obligations" and GASB Statement No. 88, "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements".

GASB Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability. The implementation of GASB Statement No. 83 did not have an effect on the financial statements of the Council.

GASB Statement No. 88 improves the information that is disclosed in notes to the basic financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The implementation of GASB Statement No. 88 did not have an effect on the financial statements of the Council.

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 4 - CASH AND CASH EQUIVALENTS

The Council’s cash pool is maintained by the Harrison Hills City School District. The Ohio Revised Code prescribes allowable deposits and investments, and the District is responsible for meeting compliance. The Council’s carrying amount of cash on deposit at June 30, 2019 was \$70,372.

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

The budgetary basis of as provided by law is based on accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements, and Changes in Fund Balance - Budget and Actual – (Non-GAAP Budgetary Basis) is presented for 2019 are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and cash basis is the outstanding year-end encumbrances are treated as disbursements (budgetary basis) rather than as reservation of fund balance (cash basis).

NOTE 6 - INTERFUND BALANCES

Advances for the year ended June 30, 2019, consisted of the following, as reported on the fund financial statements:

	Amount
<u>Advances from general fund to:</u>	
Nonmajor governmental funds	\$ 12,229
<u>Advances from nonmajor governmental funds to:</u>	
General fund	12,000
Help Me Grow - GRF	25,140
Nonmajor governmental funds	4,274
Total advances from nonmajor governmental funds	41,414
<u>Advances from Help Me Grow - MIECHV Grant fund to:</u>	
Help Me Grow - GRF	22,860
MRDD/FCFC	9,562
Nonmajor governmental funds	5
Total advances from Help Me Grow-MIECHV Grant	32,427
<u>Advances from Help Me Grow - GRF fund to:</u>	
Help Me Grow - MIECHV	37,293
Total	\$ 123,363

Advances between governmental funds are eliminated on the government-wide financial statements; therefore, no advances are reported in the statement of activities.

NOTE 7 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability

Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

The net pension liability represents the Council’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

The Ohio Revised Code limits the Council’s obligation for this liability to annually required payments. The Council cannot control benefit terms or the manner in which pensions are financed; however, the Council does receive the benefit of employees’ services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

Plan Description - School Employees Retirement System (SERS)

Plan Description - The Council non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS’ fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire after August 1, 2017
Full benefits	Age 65 with 5 years of services credit; or Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially reduced benefits	Age 60 with 5 years of service credit; or Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

* Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on years of service; 2.2% for the first thirty years of service and 2.5% for years of service credit over 30. Final average salary is the average of the highest three years of salary.

Effective January 1, 2018, SERS cost-of-living adjustment (COLA) changed from a fixed 3% annual increase to one based on the Consumer Price Index (CPI-W) with a cap of 2.5% and a floor of 0%. SERS also has the authority to award or suspend the COLA, or to adjust the COLA above of below CPI-W. SERS suspended the COLA increases for 2018, 2019 and 2020 for current retirees, and confirmed their intent to implement a four-year waiting period for the state of a COLA for future retirees.

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

Funding Policy - Plan members are required to contribute 10% of their annual covered salary and the Council is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10% for plan members and 14% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2019, the allocation to pension, death benefits, and Medicare B was 13.5%. The remaining 0.5% of the employer contribution rate was allocated to the Health Care Fund.

The Council's contractually required contribution to SERS was \$46,770 for fiscal year 2019.

Net Pension Liability

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Council's proportion of the net pension liability was based on the Council's share of contributions to the pension plan relative to the projected contributions of all participating entities.

Following is information related to the proportionate share:

	SERS
Proportion of the net pension liability prior measurement date	0.00684203%
Proportion of the net pension liability current measurement date	<u>0.01067326%</u>
Change in proportionate share	<u>0.00383123%</u>
Proportionate share of the net pension liability	\$ 611,277

Actuarial Assumptions - SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2018, are presented below:

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
COLA or ad hoc COLA	2.50%, on and after April 1, 2018, COLA's for future retirees will be delayed for three years following commencement
Investment rate of return	7.50% net of investments expense, including inflation
Actuarial cost method	Entry age normal (level percent of payroll)

For 2018, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disabled members was based upon the RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash	1.00 %	0.50 %
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	<u>100.00 %</u>	

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The total pension liability was calculated using the discount rate of 7.50%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50%). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the Council's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50%, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%), or one percentage point higher (8.50%) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Council's proportionate share of the net pension liability	\$ 861,030	\$ 611,277	\$ 401,876

NOTE 8 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

The net OPEB liability represents the Council's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

The Ohio Revised Code limits the Council's obligation for this liability to annually required payments. The Council cannot control benefit terms or the manner in which OPEB are financed; however, the Council does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 8 - DEFINED BENEFIT OPEB PLANS - (Continued)

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The Council contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2019, 0.5% of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2019, this amount was \$21,600. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2019, the Council's surcharge obligation was \$6,351.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The Council's contractually required contribution to SERS was \$8,083 for fiscal year 2019.

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 8 - DEFINED BENEFIT OPEB PLANS - (Continued)

Net OPEB Liability

The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Council's proportion of the net OPEB liability was based on the Council's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share:

	SERS
Proportion of the net OPEB liability prior measurement date	0.01237034%
Proportion of the net OPEB liability current measurement date	<u>0.01086590%</u>
Change in proportionate share	<u>-0.00150444%</u>
Proportionate share of the net OPEB liability	\$ 301,450

Actuarial Assumptions - SERS

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

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HARRISON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 8 - DEFINED BENEFIT OPEB PLANS - (Continued)

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2018, are presented below:

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
Investment rate of return	7.50% net of investments expense, including inflation
Municipal bond index rate:	
Measurement date	3.62%
Prior measurement date	3.56%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Measurement date	3.70%
Prior measurement date	3.63%
Medical trend assumption:	
Medicare	5.375 to 4.75%
Pre-Medicare	7.25 to 4.75%

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120% of male rates and 110% of female rates. RP-2000 Disabled Mortality Table with 90% for male rates and 100% for female rates set back five years.

The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 8 - DEFINED BENEFIT OPEB PLANS - (Continued)

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	<u>100.00 %</u>	

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2018 was 3.70%. The discount rate used to measure total OPEB liability prior to June 30, 2018 was 3.63%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and 0.50% of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2026. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2025 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.62%, as of June 30, 2018 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. A municipal bond rate of 3.56% was used as of June 30, 2017. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the Council's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.70%) and higher (4.70%) than the current discount rate (3.70%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.5% decreasing to 3.75%) and higher (8.5% decreasing to 5.75%) than the current rate.

	1% Decrease (2.70%)	Current Discount Rate (3.70%)	1% Increase (4.70%)
Council's proportionate share of the net OPEB liability	\$ 365,785	\$ 301,450	\$ 250,508

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 8 - DEFINED BENEFIT OPEB PLANS - (Continued)

	1% Decrease (6.5 % decreasing to 3.75 %)	Current Trend Rate (7.5 % decreasing to 4.75 %)	1% Increase (8.5 % decreasing to 5.75 %)
Council's proportionate share of the net OPEB liability	\$ 243,214	\$ 301,450	\$ 378,563

NOTE 9 - RISK MANAGEMENT

A. Property and Liability

The Council is covered under the Harrison Hills City School District's (the "District") insurance policy. Coverage is provided under this policy included general liability, employee liability, and employers' liability. There has been no significant change in coverage from last year. Settled claims have not exceeded this commercial coverage in any of the past three years.

B. Health Insurance

The Council's employees are covered under the District's health insurance plan. The Council pays monthly premiums to the District for employee medical benefits.

NOTE 10 - CONTINGENCIES

A. Grants

The Council received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Council at June 30, 2019.

B. Litigation

There are currently no matters in litigation with the Council as defendant.

NOTE 11 - OTHER COMMITMENTS

The Council utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end are reservations of fund balance for subsequent-year disbursements and may be reported as part of restricted, committed, or assigned classifications of fund balance. At year-end, the Council's commitments for encumbrances in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
Help Me Grow - GRF	\$ 3,851
Help Me Grow - MIECHV	10,269
Other governmental	6,380
Total	\$ 20,500

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 12 – SUBSEQUENT EVENTS

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Council. The Council's investment portfolio and the investments of the pension and other employee benefit plan in which the Council participates fluctuate with market conditions, and due to market volatility, the amount of gains or losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Council's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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

Harrison County Family and Children First Council
Harrison County
100 Huskies Way
Cadiz, Ohio 43907

To the Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Harrison County Family and Children First Council, Harrison County, Ohio (the Council), as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements and have issued our report thereon dated April 22, 2021. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Council.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings that we consider material weaknesses. We consider findings 2020-001 and 2020-002 to be material weaknesses.

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*.

Council's Response to Findings

The Council's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. We did not subject the Council's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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

April 22, 2021

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY

SCHEDULE OF FINDINGS
JUNE 30, 2020 AND 2019

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2020-001

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.

All local public offices should maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

As a result of audit procedures performed, we noted the following errors in the Family and Children First Council's financial statements in fiscal year 2020:

- \$3,010 was improperly classified as Other Local Revenues rather than Intergovernmental-State within the MRDD/FCFC Fund.
- \$2,868 was improperly classified as Unassigned fund balance within the General Fund and should have been classified as Assigned.

The reclassifications above, with which management agrees, are reflected in the accompanying financial statements.

The Council did not have a process in place to ensure transactions/funds are accurately reported on the financial statements.

Not properly reporting financial activity could result in material misstatements occurring and remaining undetected and increases the risk that management would not be provided an accurate picture of the Council's financial position and operations.

The Council should utilize available authoritative resources to appropriately classify receipt, disbursement and fund balance transactions.

Officials' Response: The Council will work to correct this issue.

FINDING NUMBER 2020-002

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.

Budget versus actual financial statements should present the original and final estimated receipts and appropriations and should agree to the Council's ledgers or other appropriate breakdown of the allocation of these receipt and appropriation amounts.

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY**

**SCHEDULE OF FINDINGS
JUNE 30, 2020 AND 2019
(Continued)**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

**FINDING NUMBER 2020-002
(Continued)**

Material Weakness (Continued)

The financial statement compiler used a report and budget amounts that did not always agree to the Council's budgetary information in the accounting system or to approved budgetary amounts.

At June 30, 2020, the original budgeted revenue amounts on the budgetary statements did not agree to the original amended certificate. The following table details these variances:

Fund	Original Estimated Revenue from Amended Certificate	Original Estimated Revenue on budgetary statements from financial statement compiler	Variance (Under)/Over
General	\$25,248	\$14,335	(\$10,913)
FCSS	22,995	30,815	7,820
Help Me Grow -GRF	157,133	154,727	(2,406)
Help Me Grow -MIECHV Grant	387,607	414,334	26,727
MRDD/FCFC	24,725	0	(24,725)

At June 30, 2020, the original appropriation amounts on the budgetary statements did not agree to the original approved appropriations. The following table details these variances:

Fund	Original Approved Appropriations	Original Appropriations on budgetary statements from financial statement compiler	Variance (Under)/Over
General	\$10,737	\$34,756	\$24,019
FCSS	55,575	40,788	(14,787)
Help Me Grow - GRF	160,314	309,028	148,714
Help Me Grow - MIECHV Grant	441,702	238,855	(202,847)
MRDD/FCFC	5,544	9,717	4,173

At June 30, 2019, the original budgeted revenue amounts on the budgetary statements did not agree to the original amended certificate. The following table details these variances:

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY**

**SCHEDULE OF FINDINGS
JUNE 30, 2020 AND 2019
(Continued)**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

**FINDING NUMBER 2020-002
(Continued)**

Material Weakness (Continued)

Fund	Original Estimated Revenue from Amended Certificate	Original Estimated Revenue on budgetary statements from financial statement compiler	Variance (Under)/Over
General	\$27,750	\$12,000	(\$15,750)
Help Me Grow - GRF	235,447	208,000	(27,447)
Help Me Grow - MIECHV Grant	480,909	191,583	(289,326)

At June 30, 2019, the original appropriation amounts on the budgetary statements did not agree to the original approved appropriations. The following table details these variances:

Fund	Original Approved Appropriations	Original Appropriations on budgetary statements from financial statement compiler	Variance (Under)/Over
General	\$17,678	\$14,853	(\$2,825)
Help Me Grow - GRF	199,386	140,648	(58,738)
Help Me Grow - MIECHV Grant	531,896	202,036	(329,860)
MRDD/FCFC	7,234	9,614	2,380

At June 30, 2019, the final budgeted revenue amounts on the budgetary statements did not agree to the final amended certificate. The following table details these variances:

Fund	Final Estimated Revenue from Amended Certificate	Final Estimated Revenue on budgetary statements from financial statement compiler	Variance (Under)/Over
Help Me Grow - GRF	235,447	75,447	(160,000)
Help Me Grow - MIECHV Grant	480,909	289,326	(191,583)

At June 30, 2019, the final appropriation amounts on the budgetary statements did not agree to the final approved appropriations. The following table details these variances:

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY**

**SCHEDULE OF FINDINGS
JUNE 30, 2020 AND 2019
(Continued)**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

**FINDING NUMBER 2020-002
(Continued)**

Material Weakness (Continued)

Fund	Final Approved Appropriations	Final Appropriations on budgetary statements from financial statement compiler	Variance (Under)/Over
General	\$27,489	\$17,314	(\$10,175)
Help Me Grow - GRF	218,849	99,110	(119,739)
Help Me Grow - MIECHV Grant	486,248	459,093	(27,155)
MRDD/FCFC	6,792	(437)	(7,229)

The Council did not have procedures in place to ensure the budgetary statements prepared by the financial statement compiler agreed to the approved budgetary documents and/or the accounting system which could lead to inaccurate reporting of the budgetary information in the financial statements.

Adjustments to the budgetary statements as noted above, which were agreed to by management, are reflected in the accompanying financial statements.

The Council should ensure approved amounts are posted to the accounting system and should provide an accurate breakdown of original and final estimated receipts and appropriations to the financial statement compiler to ensure the amounts presented in the financial statements are accurate.

Officials' Response: The Council will take steps to ensure the financial statement compiler is using the proper allocations.

OHIO AUDITOR OF STATE KEITH FABER



HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

HARRISON 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 5/11/2021

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