



**LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
LUCAS COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2020

**LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
LUCAS COUNTY
DECEMBER 31, 2020**

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INDEPENDENT AUDITOR'S REPORT

Lucas County Family and Children First Council
Lucas County
1946 North 13th Street, Suite 420
Toledo, Ohio 43604

To the Members of 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 Lucas County Family and Children First Council, Lucas County, Ohio (the Council), as of and for the year ended December 31, 2020, 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 December 31, 2020, and the respective changes in cash financial position thereof for the year 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 13 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Council. We did not modify our opinion regarding this matter.

Other Matters

Supplementary Information

Our audit was conducted to opine on the financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

We applied no procedures to management's discussion & analysis as listed in the table of contents. Accordingly, we express no opinion or any other assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 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

October 6, 2021

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Lucas County Family and Children First Council
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2020

This discussion and analysis of the Lucas County Family and Children First Council's (Council) financial performance provide an overall review of the Council's financial activities for the year ended December 31, 2020, within the limitations of the Council's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Council's financial performance.

Financial Highlights

Key highlights for 2020 are as follows:

- 1) **Total Annual Receipts:** Overall, receipts decreased from \$5,849,549 in 2019 to \$6,135,624 in 2020, an increase of 4.89%. The majority of our reimbursement receipts came from both the Early Head Start (EHS) Grants which include the Early Head Start Partnerships Grant in which WSOS is the Lead Grantee and the Birth to Five Grant in which Toledo Public Schools is the Lead Grantee. Council is considered a Delegate on both grants.
- 2) **Total Annual Expenditures:** Total expenditures decreased from \$5,717,420 in 2019 to \$5,545,468 in 2020; a decrease of 3.0%.
- 3) **Net Position at the end of 2020:** The Council's net position increased from \$419,890 at the end of 2019 to \$1,010,046 in 2020. 2020 fiscal reports reflect an ending balance of \$1,010,046 which includes an \$875,000 advance provided by the Board of Lucas County Commissioners to cover negative balances as funding sources are predominately cost-reimbursement.
- 4) **Outstanding Commitments:** Outstanding commitments of the whole Council at the end of 2020 totaled \$736,626.
- 5) **Funding Sources:** There are multiple sources of council revenues. The following percentages represent the proportion of each program to the total revenue of the council:

Program	Revenue	Percent
• Help Me Grow (CI&R)	\$1,746,687	33.2%
• Early Head Start-Birth to Five	1,183,503	22.5%
• Early Head Start-Childcare Partnerships	966,727	18.4%
• Other: Bridges out of Poverty (TANF), Health Professional Opportunity Program (HPOG), and small BOP Projects	529,873	10.1%
• OMHAS: FCSS/SFSC	309,486	5.9%
• Central Office	262,003	5.0%
• Intersystem Care Coordination	262,345	5.0%
• LCFC Reserve	0	0.0%

- 6) **Early Intervention Funding:** The Ohio Department Developmental Disabilities provided \$1,315,821 in federal Part C and \$376,440 in State General funds for the Help Me Grow Early Intervention program for the calendar year 2020.
- 7) **Help Me Grow Central Intake and Referral:** Since July 1, 2018, the Council has continued to provide Help Me Grow Central Intake and Referral as a subgrantee to Bright Beginnings, the Early Childhood Initiative in Cuyahoga County which is housed with the Educational Service Center of Northeast Ohio and which is the single Statewide Provider to the Ohio Department of Health. As a subgrantee, the Council is responsible for Central Intake and Referral functions in 17 NW Ohio Counties. Funding for SFY 2021 (beginning July 1, 2020) decreased from \$403,176 (SFY 2020 which ended June 30, 2020) to \$386,611, -4.1%.

Lucas County Family and Children First Council
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2020

- 8) **Health Profession Opportunity Grant:** Contracted by Zepf Center, a Behavioral Health Organization which is the lead grantee on Health Profession Opportunity Grant (HPOG). This grant is awarded by the U.S. Department of Health and Human Services to provide *Bridges out of Poverty and Getting Ahead training* for and on behalf of the grantee. For both FFY's 2020 and 2021 the total allocation remained flat at \$83,000 each year.

Overview of the Financial Statements

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

Report Components

The statement of net position and the statement of activities provide information about the Council's cash position and the changes in cash position at the entity-wide level. The statement of cash basis assets and fund balances and the statement of cash receipts, disbursements, and changes in cash basis fund balances report the Council's cash position and the changes in cash position by the fund. The statement of cash basis assets and fund balances and the statement of cash receipts, disbursements, and changes in cash basis fund balances highlight the cash position and the changes in the cash position by the major fund. The notes to the financial statements are an integral part of the financial statements and provide expanded explanations and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. These financial statements follow the cash basis of accounting. This 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.

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.

Reporting the Government as a Whole

The statement of net position and the statement of activities reflect how the Council did financially during 2020, within the limits of cash basis accounting. The statement of net assets presents the cash balances of the Council at year end. The statement of activities presents the revenue and disbursement activity during 2019.

Table 1 provides a summary of the Council's net position for 2020 compared to 2019 on a cash basis. As mentioned previously, in 2020 net position increased by \$590,156 representing a 140.6% increase compared to 2019. All numbers are shown rounded in table.

**Table 1
Net Position**

	December 31	
	2020	2019
Assets		
Cash and Equivalents	\$1,010,046	\$419,890
Net Position		
Unrestricted (Deficit)	(177,079)	(91,070)
Restricted	1,187,125	510,960
Total Net Position	\$1,010,046	\$419,890

Lucas County Family and Children First Council
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2020

Table 2 reflects the changes in net position during 2020. This table also shows a comparison with changes in net position for 2019. All numbers rounded in table.

Table 2
Statement of Activities

	2020	2019
Operating Grants and Contribution		
General Government	\$262,003	221,867
Social Services	4,998,621	5,627,682
Total Receipts	5,260,624	5,849,549
Disbursements		
General Government	230,106	221,193
Social Services	5,315,362	5,946,227
Total Disbursements	5,545,468	5,717,420
Other Financing Source		
County Advance In	875,000	
Changes in Net Position	590,156	132,130
Net Position, beginning of year	419,890	287,761
Net Position, end of year	\$1,010,046	\$419,890

Intergovernmental revenue represented 86% of total receipts and is primarily comprised of federal, state, and county government receipts. The largest category of disbursements was for specific restricted grant services provided to support the Help Me Grow, Early Head Start, Early Head Start Childcare Partnership and the intersystem Care Coordination programs through contractors in the community.

These statements report the Council's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, these changes are one way to measure the Council's financial health. Over time, increases or decreases in the Council's cash position is one indicator of whether the Council's financial health is improving or deteriorating. When evaluating the Council's financial condition, other nonfinancial factors should be considered as well as the condition of the Council's capital assets and infrastructure, the extent of the Council's reliance on nonlocal financial resources for operations and the need for continued growth in other local revenue sources.

Capital Assets and Debt Administration

The Council has no capital assets and no debt.

Request for Information

This financial report is designed to provide our citizens and taxpayers with a general overview of the Council's finances and to reflect the Council's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to:

David Kontur, Executive Director
dkontur@nwoca.net

Karen Dameron, Fiscal Officer
kdameron@nwoca.net

Lucas County Office of Family and Children First
1946 N. 13th Street, Suite 420
Toledo, Ohio 43604.

Lucas County Family and Children First Council

Statement of Net Position - Cash Basis

December 31, 2020

	<u>Governmental Activities</u>
Assets	
Cash and Cash Equivalents	<u>\$1,010,046</u>
Net Position	
Restricted	1,187,125
Unrestricted	<u>(177,079)</u>
<i>Total Net Position</i>	<u><u>\$1,010,046</u></u>

See accompanying notes to the basic financial statements

Lucas County Family and Children First Council
Statement of Activities - Cash Basis
For the Year Ended December 31, 2020

	Cash Disbursements	Program Cash Receipts	Net (Disbursements) Receipts and Changes in Net Position
		Operating Grants and Contributions	Governmental Activities
Governmental Activities			
General Government	\$ 230,106	\$ 262,003	\$ 31,897
Social Services	5,315,362	4,998,621	(316,741)
<i>Total Governmental Activities</i>	<u>\$5,545,468</u>	<u>\$5,260,624</u>	(284,844)
General Receipts:			
County Advances In			875,000
Change in Net Position			590,156
<i>Net Position Beginning of Year</i>			<u>419,890</u>
<i>Net Position End of Year</i>			<u><u>\$1,010,046</u></u>

See accompanying notes to the basic financial statements

Lucas County Family and Children First Council
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2020

	<u>General</u>	<u>Help Me Grow</u>	<u>Early Head Start CCP</u>	<u>Early Head Start</u>	<u>OMHAS</u>
Assets					
Cash and Cash Equivalents	<u>\$98,694</u>	<u>(\$31,587)</u>	<u>\$14,948</u>	<u>(\$135,969)</u>	<u>(\$39,648)</u>
<i>Total Assets</i>	<u><u>\$98,694</u></u>	<u><u>(\$31,587)</u></u>	<u><u>\$14,948</u></u>	<u><u>(\$135,969)</u></u>	<u><u>(\$39,648)</u></u>
Fund Balances					
Restricted			14,948		
Unassigned (Deficit)	<u>98,694</u>	<u>(31,587)</u>	<u></u>	<u>(135,969)</u>	<u>(39,648)</u>
<i>Total Fund Balances</i>	<u><u>\$98,694</u></u>	<u><u>(\$31,587)</u></u>	<u><u>\$14,948</u></u>	<u><u>(\$135,969)</u></u>	<u><u>(\$39,648)</u></u>

See accompanying notes to the basic financial statements

<u>Intersystem</u>	<u>LCFC Reserve</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>\$281,020</u>	<u>\$891,157</u>	<u>(\$68,569)</u>	<u>\$1,010,046</u>
<u>\$281,020</u>	<u>\$891,157</u>	<u>(\$68,569)</u>	<u>\$1,010,046</u>
<u>281,020</u>	<u>891,157</u>	<u>(68,569)</u>	<u>1,187,125 (177,079)</u>
<u>\$281,020</u>	<u>\$891,157</u>	<u>(\$68,569)</u>	<u>\$1,010,046</u>

Lucas County Family
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2020

	General	Help Me Grow	Early Head Start CCP	Early Head Start	OMHAS
Receipts					
Intergovernmental	\$17,568	\$1,746,687	\$966,727	\$1,183,329	\$303,836
Miscellaneous	244,435			174	5,650
<i>Total Receipts</i>	<u>262,003</u>	<u>1,746,687</u>	<u>966,727</u>	<u>1,183,503</u>	<u>309,486</u>
Disbursements					
Salaries	149,125	284,155	267,384	309,400	64,830
OPERS	20,276	39,644	34,229	46,762	9,407
Medicare	2,147	4,059	3,800	4,400	913
Unemployment	7,748			1,440	412
Workers Compensation	1,108	2,043	2,521	2,673	562
Health Insurance	25,580	72,604	73,463	83,358	23,922
Allowances	752				
Allowances Mileage		6,873	(202)	800	
Allowances Education Reimbursement	3,000		1,867	5,499	
Contract Services		1,247,223	442,100	575,470	1,243
Contract Services Other			6,894	18,194	8,757
Contract Services BOE Sp	17	52	53	52	
BDD Lot Services/Shredding					207,900
Contract Projects/Indirect Costs	1,640	4,900	4,360	5,243	
Professional Services/Admin LCFC		6,117	53,239	60,934	
Supplies	913	1,683	54		
Office Supplies	1,744	2,154	4,390	6,487	
Postage		3,015			
Program Supplies		5,519	12,065	36,323	
Advertising & Printing		19,940			
Copying	360	710	701	645	
Rent Other Buildings	7,445	20,034	17,601	20,432	
Telecommunications	1,074	3,319	2,937	3,446	
Desk Phones / Fax Lines	1,798	1,623	1,635	1,991	
Cell Phones	1,013	3,721	2,437	6,227	
Pagers/Email	2,165	2,040	815	815	
Training			2,014	7,930	
Conferences			9,850	14,730	
Staff Development	885		5,732	997	
Memberships Dues & Subscription	495	596	2,469	2,842	
County Training/Car Rental			2,058	4,121	
Liability Insurance	88	169	151	181	
Miscellaneous	733			247	
<i>Total Disbursements</i>	<u>230,106</u>	<u>1,732,193</u>	<u>954,617</u>	<u>1,221,639</u>	<u>317,946</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>31,897</u>	<u>14,494</u>	<u>12,110</u>	<u>(38,136)</u>	<u>(8,460)</u>
Other Financing Sources					
County Advances In					
<i>Net Change in Fund Balances</i>	31,897	14,494	12,110	(38,136)	(8,460)
<i>Fund Balances Beginning of Year</i>	<u>66,797</u>	<u>(46,081)</u>	<u>2,838</u>	<u>(97,833)</u>	<u>(31,188)</u>
<i>Fund Balances End of Year</i>	<u>\$98,694</u>	<u>(\$31,587)</u>	<u>\$14,948</u>	<u>(\$135,969)</u>	<u>(\$39,648)</u>

See accompanying notes to the basic financial statements

<u>Intersystem</u>	<u>LCFC Reserve</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$262,345		\$487,011	\$4,967,503
		42,862	293,121
<u>262,345</u>		<u>529,873</u>	<u>5,260,624</u>
172,425		320,374	1,567,693
23,670		44,347	218,335
2,455		4,587	22,361
			9,600
2,085		3,374	14,366
51,743		80,863	411,533
			752
235			7,706
	\$29		10,395
4,306		19,200	2,289,542
133,100			166,945
41		45	260
40,379			248,279
4,190		4,668	25,001
47,737		50,959	218,986
			2,650
594		7,309	22,678
		55	3,070
20		7,120	61,047
			19,940
516		659	3,591
16,194		17,655	99,361
2,709		3,031	16,516
687		1,819	9,553
2,367		2,614	18,379
815		3,596	10,246
			9,944
12		2,598	27,190
			7,614
862		6,208	13,472
		441	6,620
144		130	863
			980
<u>507,286</u>	<u>29</u>	<u>581,652</u>	<u>5,545,468</u>
<u>(244,941)</u>	<u>(29)</u>	<u>(51,779)</u>	<u>(284,844)</u>
	875,000		875,000
(244,941)	874,971	(51,779)	590,156
525,961	16,186	(16,790)	419,890
<u>\$281,020</u>	<u>\$891,157</u>	<u>(\$68,569)</u>	<u>\$1,010,046</u>

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LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 1 - Description of the Council and Reporting Entity

Description of the Entity

The Lucas County Family and Children First Council (the Council) was established in April 1993 as one of the pilot sites of the Ohio Family and Children First Initiative. The Council is a statutorily established collaborative body focused on improving outcomes for the children and families of Lucas County. The mission of the Council is “to coordinate a system of services that support the wellbeing of children and families in Lucas County.”

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

- The director of the board 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 [In Lucas County this is the Lucas County Mental Health and Recovery Services Board];
- The health commissioner of the board of health of each city or general health Council in the county, or their designees;
- The director of the county department of Job and Family Services;
- The executive director of the county agency responsible for the administration of children services pursuant to section 5153.15 of the Revised Code;
- The superintendent of the county board of mental retardation and developmental disabilities;
- The county's juvenile court judge senior in service or another judge of the juvenile court designated by the administrative judge or, where there is no administrative judge, by the judge senior in service shall serve as the judicial advisor to the county family and children first council. The judge may advise the county council on the court's utilization of resources, services, or programs provided by the entities represented by the members of the county council and how those resources, services, or programs assist the court in its administration of justice. The service of a judge as a judicial advisor pursuant to this section is a judicial function. NOTE: The Advisory role of the Judge is a result of Ohio Supreme Court Opinion 8-9-02.
- The superintendent of the city, exempted village, or local school Council with the largest number of pupils residing in the county, as determined by the department of education, which shall notify each county of its determination at least biennially;
- A school superintendent representing all other school Councils with territory in the county, as designated at a biennial meeting of the superintendents of those Councils;
- A representative of the largest city in the county;
- The chair of the board of county commissioners, or an individual designated by the board;
- A representative of the regional office of the department of youth services;
- A representative of the county's head start agencies, as defined in section 3301.31 of the Revised Code;
- 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";
- At least three individuals representing the interests of families in the county. Where possible, the number of members representing families shall be equal to 20% of the Council's remaining membership.

The 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.

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
Notes to the Financial Statements
For the Year Ended December 31, 2020
(Continued)

The Council's membership includes all members specified by Ohio Revised Code 121.37, as well as additional at large members, including family representatives, advocates, and other community leaders. At large members serve a maximum of two successive three-year terms. The primary purpose of the Council is to improve child and family well-being through identifying and facilitating opportunities for improved coordination and collaboration in a manner that results in the efficient and effective provisions of services for the community's families.

The Council's statutory responsibilities include the following:

- Refer to the cabinet council those children for whom the council cannot provide adequate services;
- 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;
- Participation 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 Individuals with Disabilities Education Act of 2004";
- Maintain an accountability system to monitor the Council's progress in achieving its purposes;
- Establish a mechanism to ensure ongoing input from a board of representation of families who are receiving services within the county system.

Additionally, in 2006 the following mandates were added pursuant to House Bill 289:

Develop and implement the following:

- An interagency process to establish local indicators and monitor the county's progress toward increasing child well-being;
- An interagency process to identify local priorities to increase child well-being, and an annual plan that identifies the county's interagency efforts to increase child well-being.

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 funds, departments, and activities that are not legally separate from the Council. They comprise the Council's legal entity which provides for Intersystem Care Coordination, ENGAGE 2.0, General Administration, Help Me Grow services, Head Start/Early Start program, Early Head Start- Childcare Partnership program, Strengthen Families, Bridges out of Poverty, Lucas County Healthier Buckeye program, Health Professionals Opportunity program and Cross-System Ombudsman Services that all seek to promote the wellbeing of children and families in Lucas County. The Council, the Executive Committee, and the Executive Director have direct responsibility for these activities.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

These financial statements follow the cash basis of accounting.

The Council's basic financial statements consist of management's discussion and analysis, government-wide statements, including a statement of net position, a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

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.

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
Notes to the Financial Statements
For the Year Ended December 31, 2020
(Continued)

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 disbursements and receipts for each program or function of the Council's governmental activities. Direct disbursements are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program receipts 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. Receipts that are not classified as program receipts are presented as general receipts of the Council, with certain limited exceptions.

The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing or draws from the general receipts of the Council.

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 the 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 and others aggregated in another column called "Other Governmental Funds" which represents funds that are not considered major funds.

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. Most of the Council's programs are on a cost-reimbursement basis. As a result, a number of our programs ended with deficit fund balances at year-end. Because of the size of the council's General Fund, it is impossible to cover the deficits with "Advances" from the general fund.

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 Charter of the Council.

Help Me Grow (HMG) Fund – The Help Me Grow (HMG) Fund is used to account for revenue received from Federal, State, and local funding and expended to support family-centered services for infants and toddlers to age 3 with developmental delay, disability, or a medical condition likely to result in a delay or disability through the Ohio Department of Developmental Disability's Early Intervention Program. State Funding also supports the operation of the Help Me Grow Central Intake and Referral functions for 17 NW Ohio Counties as a subgrantee to Bright Beginnings out of Cuyahoga County (they are the lead grantee funded by the Ohio Department of Health).

Early Head Start Fund – This Fund includes 2 separate Early Head Start Grants, on both of which the LCFC is considered a Delegate (sub-recipient). The following provides information about each grant:

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
Notes to the Financial Statements
For the Year Ended December 31, 2020
(Continued)

- **Early Head Start-Child Care Partnership** - In 2015, the council became a delegate for the Early Head Start-Child Care Partnership grant for WSOS Community Action Commission, Inc., as a grantee. This fund is used to provide high-quality child development services to eligible Early Head Start children, ages 6 months to 3 years old residing in the county from low-income families and quality services to their families in accordance with the Head Start Act, as amended by other regulations.
- **Head Start/Early Head Start (Birth to Five Grant)** - This fund is used to provide high-quality child development services to eligible Pregnant Women, and Early Head Start children, ages 0 to 3 years old residing in the county from low-income families and quality services to their families in accordance with the Head Start Act, as amended by other regulations.

Ohio Department of Mental Health and Addiction Services (OMHAS) Fund - This fund includes an additional array of funding that is targeted toward multi-system involved children and youth and their families. Funding under the OMHAS Fund includes the following:

- **Family-Centered Services, Supports(FCSS)/Strong Family Safe Communities (SFSC)** - This funding provides maintenance to children and youth in their homes through the provision of non-clinical, community-based services. Funding is provided through Ohio Family and Children First (FCSS) and/or OMHAS (SFSC).

Intersystem Care Coordination (ISCC) – The Intersystem Care Coordination Fund is used to account for revenue received from local Pooled Funding Agencies, including, Lucas County Children Services, the Mental Health and Recovery Services Board of Lucas County, Lucas County Juvenile Court, Lucas County Board of Developmental Disabilities, and Toledo Public Schools and expended for children/youth and their families referred for intersystem coordination of services.

Intersystem Care Coordination provides a cross-system mechanism to ensure the coordination of care for Lucas County children/youth, through the age of 21, and their families who have multi-systemic and complex needs. Intersystem Care Coordination in Lucas County is defined in the County-wide Intersystem Care Coordination Plan, as required by ORC 121.37 (C-F). Key components of the Intersystem Care Coordination Plan include –

- Information and Referral
- Community-Based Services and Supports Funding
- Wraparound/Service Coordination
- Funding for Intersystem Placements

Decisions about access to Intersystem Care Coordination, System of Care development and funding are made through the Intersystem Resource Team, convened by the Lucas County Family and Children First Council. Five public agencies, which comprise the Pooled Fund Group, are dedicated to the funding of services for children and youth identified as eligible through the Intersystem Care Coordination process. Other sources of funding to ISCC

LCFC Reserve - This was used to account for “Advance In” receipt to avoid a negative fund balance at the end of the year.

Other – Programs grouped under “Other” in our financial statement are those that did not pass the major fund test. However, these programs are separately tracked in our financial system.

- **Bridges out of Poverty**: help people to develop an effective understanding of poverty and how this impacts their lives and focus on strategies that build community capacity to move people out of poverty.

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
Notes to the Financial Statements
For the Year Ended December 31, 2020
(Continued)

- **Health Profession Opportunity Grant (HPOG):** a grant to facilitate how training opportunities can help people improve their skills and find better jobs.
- **Cross-System Ombudsman Services:** assistance provided to independently review complaints from persons that have either been denied or are challenging the outcome of services and supports from Lucas County Children Services and the Lucas County Job and Family Services and provide recommendations to each agency based on a completed investigation.

Administrative and Fiscal Agent

The Board of Lucas County Commissioners serves as the administrative and fiscal agent for the Council. The funds are maintained in a separate special revenue fund and broken down by sub-fund (programs) by the Lucas County Auditor.

Measurement Focus

The Council has elected to present its financial statements on a cash basis of accounting. This 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.

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.

Cash

As required by Ohio Revised Code, Lucas County (the County) Treasurer is the custodian for the Council's cash. As the custodian, the County requires the Council to participate in its investment pool. The Council's assets are held in the County's cash and investment pool and are valued at fair value. The fair value of the position in the pool is the same as the value of the pool shares.

The County is permitted by Ohio law to deposit or invest County funds provided that they mature or are redeemable within two years from the date of purchase. The County is permitted to invest or deposit in the following classification of obligations:

- Obligations of, or backed by the faith of, the United States Government.
- Obligations issued by the Federal agency.
- Deposits in institutions eligible under Ohio law. All deposits are collateralized with eligible securities, as described by state statutes, which are pledged to a collateral pool for each financial institution, in amounts equal to at least 105% of the carrying value of all public deposits held by each institution.
- Obligations of the State.
- Repurchase agreements with institutions eligible under Ohio law not to exceed 30 days, where the institution agrees unconditionally to repurchase any of the securities listed in (1) or (2).
- Commercial paper issued by any corporation incorporated under the laws of the United States or a state if both of the following conditions apply. Two nationally recognized rating agencies rank the commercial paper in either of their two highest categories; the total amount invested in commercial paper at any time does not exceed five percent of the county's total average portfolio, as determined and calculated by the investing authority.

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
Notes to the Financial Statements
For the Year Ended December 31, 2020
(Continued)

- Bankers acceptances, if the following conditions are met: the acceptances mature in two hundred seventy days or fewer from the date of settlement; the acceptances are eligible for purchase by the federal reserve system; the total amount invested in bankers acceptances at any time does not exceed ten percent of the county's total average portfolio, as determined and calculated by the investing authority.
- The State Treasurer's Investment pool (STAR Ohio). Investment authority for the State Treasurer's Investment pool is established by the State Legislature and reflected in the Ohio Revised Code.
- No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.

The Council does not have investment policies relating to credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk. The County handles all aspects regarding investments.

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 cash basis of accounting utilized by the Council.

Long-Term Debt Obligations

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

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.

Budgetary Process

A Family and Children First Council established under Ohio Revised Code Section 121.37 is not a taxing authority and is not subject to Ohio Revised Code Chapter 5705. As of October 1, 1997, all Family and Children First Councils are required to file an annual budget with its administrative agent. No budgetary information is presented because the budget is not established by ordinance or resolution of Council prior to filing with its administrative agent.

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 liability under the cash basis of accounting utilized by the Council.

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 non-spendable when legally or contractually required to maintain the amounts intact.

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
Notes to the Financial Statements
For the Year Ended December 31, 2020
(Continued)

Restricted

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

Committed

The Council can commit amounts via formal action (resolution). The Council must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfying 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 or committed. In the general fund, *assigned* amounts represent intended uses established by the Council or a Council official delegated that authority by resolution, or by State Statute.

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 used only to report a deficit balance.

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

Note 3 - Cash and Cash Equivalents

The Lucas County Commissioners maintain a cash pool used by all of the County's funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments. At year-end, the carrying amount of the Council's deposits with the Lucas County Commissioners was \$1,010,046 which includes an \$875,000 advance from the Lucas County Board of Commissioners. The Lucas County Board of Commissioners is responsible for maintaining adequate depositor collateral for all funds in the County's pooled cash and deposit accounts.

Note 4 - Contractual Commitments

On December 31, 2020, the Council had \$736,628 in contractual commitments for services provided to children and families. These contracts will be funded by federal, state and local program grants, whose funding follows different fiscal year rather than the Council's calendar fiscal year. While all of the itemized commitments in the following list were outstanding encumbrances as of December 31, 2020, it does not mean they will translate into an actual liability, but rather what was encumbered at December 31, 2020.

Vendor	Amount
aha ! Process, Inc.	\$638
American Bar Association	140
Caregiver Grove Behavioral Health, LLC	1,254
Catholic Club	155,522
East Toledo Family Center, Inc.	248,031
Family and Child Abuse Prevention Center	230,453

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
Notes to the Financial Statements
For the Year Ended December 31, 2020
(Continued)

Vendor	Amount
Gracehaven, Inc.	8,280
Harbor, Inc.	26,694
Jennifer L. Gilliland	1,648
Loving Guidance, Inc.	112
Mercy Health Foundation - Greater Toledo	1,152
MNJ Technologies Direct, Inc.	2,388
Neil Brown Consulting, Inc.	10,775
Office Depot, Inc.	836
Ohio Teaching Family Association	3,135
Resolute Interpreting, LLC	13,483
Smartsheet, Inc.	267
Staples Contract & Commercial, Inc.	50
The Buckeye Ranch, Inc.	11,452
The Consulting House LLC	1,121
The Village Network	6,525
Toledo Day Nursery	9,955
Western Kentucky University Research	415
Williams Homes, LLC	2,150
Zoom Video Communications, Inc.	150
Total	\$736,626

Note 5 - Risk Management

The Council is covered under Lucas County's (County) insurance policies. The County is self-funded for dental, prescription drugs, and health benefits. For the workers' compensation program, the County pays premiums to the State Bureau of Workers' Compensation for claims in excess of coverage provided by the Fund. The Council is charged for its proportionate share of the cost for covered employees. The County accounts for its risk management activities in its Internal Service funds.

Note 6 - Defined Benefit Pension Plan

Plan Description – Council employees, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan, and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
Notes to the Financial Statements
For the Year Ended December 31, 2020
(Continued)

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group.

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

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

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

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

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

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
Notes to the Financial Statements
For the Year Ended December 31, 2020
(Continued)

	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2020 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee ***	10.0 %	*	**
2020 Actual Contribution Rates			
Employer:			
Pension	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits ****	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

* This rate is determined by OPERS' Board and has no maximum rate established by ORC.

** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

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

**** This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Council's contractually required contribution was \$218,335 for the year 2020.

Note 7 - Postemployment Benefits

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

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

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

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

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
Notes to the Financial Statements
For the Year Ended December 31, 2020
(Continued)

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

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by the OPERS Board of Trustees, a portion of each employer’s contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2020 OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2020 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Council’s contractually required contribution was \$0 for the year 2020.

Note 8 - Contingencies/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 a condition specified in the grant agreements and is 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 on December 31, 2020.

Note 9 - Long Term Commitment

The Council entered into a 10-year office space lease agreement with Toledo Business Technology Center, LLP on December 21, 2016. This agreement moved the council’s operation to a new location which was effective sixty days after the lease signature date. This agreement has two components to it; the rent and Improvement to the space portion. The Council can exercise the right to terminate the rent portion without any financial obligation if total funding falls below 50% ninety days after the lease termination notice is delivered to the lessor. However, the Council has a financial obligation to pay the unamortized cost of the improvement of the space portion as of that date. That obligation as of December 31, 2020 equals \$93,750 of \$150,000 in total.

Note 10 - Intergovernmental Advance In

At the end of 2020, the Board of Lucas County Commissioners advanced \$875,000 in county general fund dollars to cover any negative balances and outstanding obligations at the end of the fiscal period. The Council paid back the advance to the County in early 2021.

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
Notes to the Financial Statements
For the Year Ended December 31, 2020
(Continued)

Note 11 - Related Party Transactions

A member of management is part of the Board of a company from which the Council acquires training materials during the year. The Council paid \$9,165 during the fiscal year for materials from Aha! Process, Inc.

Note 12 - Miscellaneous Revenue

General Fund and Remaining Fund Information miscellaneous receipts consisted primarily of refunds for workers comp and proceeds from Council offered training.

Note 13 - 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 continuing emergency measures may impact subsequent periods of the Council. 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.

**LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
LUCAS COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Education			
<i>Passed Through Ohio Department of Developmental Disabilities:</i>			
Special Education - Grants for Infants and Families	84.181	H181A190024	\$ 904,115
Total U.S. Department of Education			904,115
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed Through WSOS Community Action Commission:</i>			
<u>Head Start Cluster:</u>			
Head Start	93.600	05HP000308-01-00	241,095
Head Start	93.600	05-HP0019-04-01	713,523
Total Head Start Cluster			954,618
<i>Passed Through Lucas County Department of Job and Family Services:</i>			
Temporary Assistance for Needy Families	93.558	48-21-TANF-08	54,033
Temporary Assistance for Needy Families	93.558	48-20-TANF-08	220,708
Temporary Assistance for Needy Families	93.558	48-20-TANF-30	7,000
Total CFDA # 93.558			281,741
Social Services Block Grant	93.667	48-20-TXX-03	4,332
<i>Passed Through Ohio Department of Mental Health:</i>			
Stephanie Tubbs Jones Child Welfare Services Program	93.645	5AU-20-C0048	3,186
Stephanie Tubbs Jones Child Welfare Services Program	93.645	5AU-19-C0048	2,748
Total CFDA # 93.645			5,934
Promoting Safe and Stable Families	93.556	5AU-20-C0048	25,782
Promoting Safe and Stable Families	93.556	5AU-19-C0048	22,230
Total CFDA # 93.556			48,012
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104	1900716	1,037
Total U.S. Department of Health and Human Services			1,295,674
Total Expenditures of Federal Awards			\$2,199,789

The accompanying notes are an integral part of this schedule.

**LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
LUCAS COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Lucas County Family and Children First Council, Lucas County, Ohio (the Council) under programs of the federal government for the year ended December 31, 2020. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Council, it is not intended to and does not present the fund balances or changes in fund balances of the Council.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The Council has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D – MATCHING REQUIREMENTS

Certain Federal programs require the Council to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Council has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

OHIO AUDITOR OF STATE KEITH FABER



One Government Center, Suite 1420
Toledo, Ohio 43604-2246
(419) 245-2811 or (800) 443-9276
NorthwestRegion@ohioauditor.gov

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

Lucas County Family and Children First Council
Lucas County
1946 North 13th Street, Suite 420
Toledo, Ohio 43604

To the Members of 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 Lucas County Family and Children First Council, Lucas County, Ohio (the Council) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements and have issued our report thereon dated October 6, 2021, wherein we noted the Council uses a special purpose framework other than generally accepted accounting principles. 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 a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2020-001 to be a material weakness.

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 response to the finding identified in our audit is described in the accompanying schedule of findings and corrective action plan. We did not subject the Council's response to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

October 6, 2021

OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Lucas County Family and Children First Council
Lucas County
1946 North 13th Street, Suite 420
Toledo, Ohio 43604

To the Members of Council:

Report on Compliance for the Major Federal Program

We have audited Lucas County Family and Children First Council, Lucas County, Ohio's (the Council) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect Lucas County Family and Children First Council's major federal program for the year ended December 31, 2020. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Council's major federal program.

Management's Responsibility

The Council's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the Council's compliance for the Council's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Council's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Council's major program. However, our audit does not provide a legal determination of the Council's compliance.

Opinion on the Major Federal Program

In our opinion, Lucas County Family and Children First Council complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2020.

Report on Internal Control Over Compliance

The Council's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Council's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Council's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

October 6, 2021

**LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
LUCAS COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2020**

1. SUMMARY OF AUDITOR'S RESULTS
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(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Head Start Cluster
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

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

FINDING NUMBER 2020-001

Material Weakness - Financial Reporting

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. In addition, Governmental Accounting Standards Board (GASB) Statement No. 54 (codified as GASB Cod 1800.165-.179) requires fund balance be divided into one of five classifications based on the extent to which constraints are imposed upon the resources.

The following errors requiring adjustments to the financial statements and/or notes to the financial statements were identified:

- Early Head Start CCP unrestricted fund balance in the amount of \$14,947 was reclassified to restricted and the Ohio Department of Mental Health and Addiction Services (OMHAS) restricted fund balance in the amount of (\$8,499) was reclassified to unrestricted in accordance with GASB 54.
- Ohio Department of Mental Health and Addiction Services (OMHAS) beginning fund balance in the amount of \$31,149 was incorrectly overstated while Help Me Grow fund balance was incorrectly understated by the same amount.

These errors were not identified and corrected prior to the Council preparing its financial statements and notes to the financial statements due to deficiencies in the Council's internal controls over financial statement monitoring. Failing to prepare accurate financial statements could lead the Members of Council to make misinformed decisions. The accompanying financial statements, notes to the financial statements, and where applicable, the Council's accounting records have been adjusted to reflect these changes.

To help ensure the Council's financial statements and notes to the financial statements are complete and accurate, the Council should adopt policies and procedures over financial reporting, including a final review of the financial statements and notes to the financial statements by the Director, Fiscal Officer and Members of Council to help identify and correct errors and omissions.

Officials' Response:

See Corrective Action Plan.

3. FINDINGS FOR FEDERAL AWARDS

None



Lucas County Family Council

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Sandra Frisch, Chairperson
Breda Osburn, Chair-Elect
David Kontur, Director

CORRECTIVE ACTION PLAN 2 CFR § 200.511(c) Fiscal Year Ending December 31, 2020

Finding Number: 2020-001

Planned Corrective Action:

In the Federal Audit conducted by the Ohio Auditor of State's Office, two errors were identified requiring adjustments to the financial statements in which communication of this issue under prior audits was not done in an effective manner. While these have since been corrected, the Auditor has also recommended that the Council should develop and adopt policies and procedures regarding financial reporting, including a final review of the financial statements and notes to the financial statements by the Director, Fiscal Officer and Members of the Council to help identify and correct errors and omissions. Unrealistic as they do not have enough working knowledge of our books – policy is not effective as we follow county policies - of which there is not one that I am aware of – this would be a guideline only – not a policy.

The LCFC will take the following steps to correct this deficiency in internal control:

Council Director and Fiscal Officer will establish guidelines to strengthen internal controls by establishing a joint review of prepared financial statements and notes to the audit for errors, appropriate assignments and for any misclassifications prior to submission of documents. These guidelines will be established and followed by February 1, 2022.

Anticipated Completion Date: February 1, 2022
Responsible Contact Person: David Kontur, Director
dkontur@nwoca.net
Karen Dameron, Fiscal Officer
kdameron@nwoca.net

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OHIO AUDITOR OF STATE KEITH FABER



LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL

LUCAS 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 11/4/2021

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

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