



**bhm cpa group, inc.**  
CERTIFIED PUBLIC ACCOUNTANTS

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OTTAWA COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
OTTAWA COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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OHIO AUDITOR OF STATE  
KEITH FABER



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Members of Council  
Ottawa County Family and Children First Council  
315 Madison Street, Room 103  
Port Clinton, Ohio 43452-1993

We have reviewed the *Independent Auditor's Report* of the Ottawa County Family and Children First Council, Ottawa County, prepared by BHM CPA Group, Inc., for the audit period January 1, 2019 through December 31, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Ottawa County Family and Children First Council is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

August 26, 2021

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**OTTAWA COUNTY FAMILY AND CHILDREN FIRST COUNCIL**  
**OTTAWA COUNTY**

*For the Years Ended December 31, 2020 and 2019*  
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**INDEPENDENT AUDITOR'S REPORT**

Ottawa County Family and Children First Council  
Ottawa County  
315 Madison Street, Room 103  
Port Clinton, Ohio 43452-1993

To the Members of Council:

***Report on the Financial Statements***

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

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

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

***Auditor's Responsibility***

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

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

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

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

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

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

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

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

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

***Opinion on Regulatory Basis of Accounting***

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

***Emphasis of Matter***

As discussed in Note 8 to the 2020 financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact future periods of the Council. We did not modify our opinion regarding this matter.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 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.



BHM CPA Group, Inc.  
Piketon, Ohio  
June 30, 2021



**Ottawa Family and Children First Council**  
*Ottawa County, Ohio*  
**Combined Statement of Receipts, Disbursements and**  
**Changes in Fund Balances (Regulatory Cash Basis)**  
*All Governmental Fund Types*  
**For the Year Ended December 31, 2020**

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Intergovernmental	\$15,750	\$313,891	\$329,641
Local Contributions	12,368	-	12,368
<i>Total Cash Receipts</i>	<u>28,118</u>	<u>313,891</u>	<u>342,009</u>
<b>Cash Disbursements</b>			
Contractual Services	15,750	266,970	282,720
Other	3,527	798	4,325
<i>Total Cash Disbursements</i>	<u>19,277</u>	<u>267,768</u>	<u>287,045</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	8,841	46,123	54,964
<i>Fund Cash Balances, January 1</i>	<u>79,202</u>	<u>84,130</u>	<u>163,332</u>
<i>Fund Cash Balances, December 31</i>	<u>\$88,043</u>	<u>\$130,253</u>	<u>\$218,296</u>

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

**Ottawa County Family and Children First Council**

*Ottawa County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2020*

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**Note 1 – Reporting Entity**

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

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

**Ottawa County Family and Children First Council**

*Ottawa County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2020*

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

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

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

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

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

## **Note 2 – Summary of Significant Accounting Policies**

### ***Basis of Presentation***

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

**Ottawa County Family and Children First Council**

*Ottawa County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2020*

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***Fund Accounting***

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

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

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

***DODD Early Intervention General Revenue Fund*** – This fund receives State and Federal grant money restricted for the purpose of the grant provisions for infants and toddlers at risk for or with developmental delays and disabilities and their families.

***DODD Early Intervention Federal FAIN*** – This fund receives Federal grant money restricted for infants and toddlers at risk for or with developmental delays and disabilities and their families.

***Family Centered Services & Supports*** – This fund receives State funds to maintain children and youth in their own homes through the provision of non-clinical, community-based services with a foundation in the System of Care Model.

***Strong Families Safe Communities*** – This fund receives State funds for High Fidelity Wrap Around, care coordination and crisis stabilization for youth ages 8-24, who exhibit aggressive or violent behavior and are at risk for out-of-home placement, including youth with intellectual/developmental disabilities.

***Operational Capacity Building Funds*** – This fund receives State funds to provide a portion of the salary, fringe benefits and travel expenses necessary to fund the County FCFC Coordinator, parental involvement, administrative support and/or technical assistance.

***Multi System Youth (MSY)*** – This fund receives Ohio Department of Medicaid (ODM) for multi-system youth custody relinquishment funding. The fund is requested to support children and youth who are at risk and enrolled in wraparound for custody relinquishment or have already been relinquished and need services and/or supports to transition to community and/or non-custody settings. Applications are vetted by a multi-system team composed of child/youth serving state agencies, and funding is authorized (or not authorized) by ODM.

**Ottawa County Family and Children First Council**

*Ottawa County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2020*

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**Multi System Youth (MYS) Mini-Grant** – This fund receives State General Revenue Funds (GRF) and the funds are intended to support the county FCFC’s efforts to build capacity for county Family and Children First Councils and their local partner agencies to adequately serve and meet the needs of multi-system Youth. This funding is intended to assist councils to build this capacity through cross-system and cross-county collaboration by providing or taking part in targeted training and technical assistance opportunities. These funds are intended to ensure that multi-system youth remain connected to their healthcare providers and families during this time of quarantine; this includes the acquisition of certain personal protective equipment and technology to ensure continued connection, engagement and service delivery to families.

***Administrative/Fiscal Agent***

Ohio Revised Code Section 121.37(B) (5) (a) requires the Council to select an administrative agent to provide fiscal and administrative services to the Council. Effective July 1, 2017, the Council’s fiscal agent is the Ottawa County Commissioners. The Council authorizes the Ottawa County Commissioners to subcontract with, designate and/or seek assistance from any agencies and/or organizations that it deems necessary in order to complete the obligations set forth in its agreements.

***Basis of Accounting***

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

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

***Budgetary Process***

A Family and Children First Council established under Ohio Revised Code Section 121.37 is not a taxing authority and are not subject to Ohio Revised Code Chapter 5705. As of October 1, 1997, all Family and Children First Councils are required to file an annual budget with its administrative agent. The Council filed an estimate of financial resources and an appropriation measure with the Ottawa County Commissioners in 2020.

A summary 2020 budgetary activity appears in Note 3.

**Ottawa County Family and Children First Council**

*Ottawa County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2020*

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***Deposits and Investments***

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

***Accumulated Leave***

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

***Fund Balance***

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

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

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

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

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

***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.

**Ottawa County Family and Children First Council**

*Ottawa County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2020*

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The Council applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could not be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 7.

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2020 as follows:

**2020 Budgeted vs. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 137,047	\$ 28,118	\$ (108,929)
Special Revenue	238,937	313,891	74,954
Total	<u>\$ 375,984</u>	<u>\$ 342,009</u>	<u>\$ (33,975)</u>

**2020 Budgeted vs. Actual Budgetary Basis Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 174,620	\$ 19,277	\$ 155,343
Special Revenue	351,638	267,768	83,870
Total	<u>\$ 526,258</u>	<u>\$ 287,045</u>	<u>\$ 239,213</u>

**Note 4 - Deposits and Investments**

The Ottawa County Commissioners, as fiscal agent for the Council, maintains a cash and investments pool used by all of Ottawa County Auditor's funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments and the Ottawa County Auditor is responsible for compliance. The carrying amount of deposits and investments as December 31, 2020 was \$218,296.

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

**Ottawa County Family and Children First Council**

*Ottawa County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2020*

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**Note 5 – Risk Management**

The Council is insured for comprehensive property, general liability and errors and omissions by the Ottawa County Commissioners.

During 2020, the Council did not pay for losses that exceeded insurance coverage.

There has not been a significant reduction in this coverage from the prior year.

**Note 6 – Contingent Liabilities**

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

**Note 7 – Fund Balances**

The fund balance of special revenue funds is either restricted or committed.

**Note 8 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Council. In addition, the impact on the Council's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.



**Ottawa Family and Children First Council**  
*Ottawa County, Ohio*  
**Combined Statement of Receipts, Disbursements and**  
**Changes in Fund Balances (Regulatory Cash Basis)**  
*All Governmental Fund Types*  
**For the Year Ended December 31, 2019**

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Intergovernmental	\$15,750	\$150,143	\$165,893
Local Contributions	9,541	-	9,541
<i>Total Cash Receipts</i>	<u>25,291</u>	<u>150,143</u>	<u>175,434</u>
<b>Cash Disbursements</b>			
Contractual Services	15,750	117,542	133,292
Supplies and Materials	3,340	11,033	14,373
Capital Outlay	-	228	228
Other	1,358	-	1,358
<i>Total Cash Disbursements</i>	<u>20,448</u>	<u>128,803</u>	<u>149,251</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>4,843</u>	<u>21,340</u>	<u>26,183</u>
<i>Fund Cash Balances, January 1 (Restated - see Note 7)</i>	<u>74,359</u>	<u>62,790</u>	<u>137,149</u>
<b>Fund Cash Balances, December 31:</b>			
Restricted	-	84,130	84,130
Unassigned (Deficit)	79,202	-	79,202
<i>Fund Cash Balances, December 31</i>	<u><u>\$79,202</u></u>	<u><u>\$84,130</u></u>	<u><u>\$163,332</u></u>

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

**Ottawa County Family and Children First Council**

*Ottawa County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2019*

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**Note 1 – Reporting Entity**

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

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

**Ottawa County Family and Children First Council**

*Ottawa County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2019*

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

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

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

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

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

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

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

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***Fund Accounting***

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

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

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

***Help Me Grow Early Intervention General Revenue Fund*** – This fund receives State and Federal grant money restricted for the purpose of the grant provisions for infants and toddlers at risk for or with developmental delays and disabilities and their families.

***Help Me Grow Early Intervention Federal FAIN*** – This fund receives Federal grant money restricted for infants and toddlers at risk for or with developmental delays and disabilities and their families.

***Respite Grant*** – This fund receives State funds for children and youth who have a mental health diagnosis, for treatment and support services not covered by Medicaid, Medicare or private insurance.

***Family Centered Services & Supports*** – This fund receives State funds to maintain children and youth in their own homes through the provision of non-clinical, community-based services with a foundation in the System of Care Model.

***Strong Families Safe Communities*** – This fund receives State funds for High Fidelity Wrap Around, care coordination and crisis stabilization for youth ages 8-24, who exhibit aggressive or violent behavior and are at risk for out-of-home placement, including youth with intellectual/developmental disabilities.

***Operational Capacity Building Funds*** – This fund receives State funds to provide a portion of the salary, fringe benefits and travel expenses necessary to fund the County FCFC Coordinator, parental involvement, administrative support and/or technical assistance.

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

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***Administrative/Fiscal Agent***

Ohio Revised Code Section 121.37(B) (5) (a) requires the Council to select an administrative agent to provide fiscal and administrative services to the Council. Effective July 1, 2017, the Council's fiscal agent is the Ottawa County Commissioners. The Council authorizes the Ottawa County Commissioners to subcontract with, designate and/or seek assistance from any agencies and/or organizations that it deems necessary in order to complete the obligations set forth in its agreements.

***Basis of Accounting***

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

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

***Budgetary Process***

A Family and Children First Council established under Ohio Revised Code Section 121.37 is not a taxing authority and are not subject to Ohio Revised Code Chapter 5705. As of October 1, 1997, all Family and Children First Councils are required to file an annual budget with its administrative agent. The Council filed an estimate of financial resources and an appropriation measure with the Ottawa County Commissioners in 2019.

A summary of 2019 budgetary activity appears in Note 3.

***Deposits and Investments***

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

***Accumulated Leave***

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

## Ottawa County Family and Children First Council

Ottawa County

Notes to the Financial Statements

For the Year Ended December 31, 2019

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### **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 legal 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 or committed. In the general fund, *assigned* amounts represent intended uses established by the Council, which includes giving the administrative/fiscal agent the authority to constrain monies for intended purposes.

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

The Council applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could not be used.

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

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**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2019 as follows:

**2019 Budgeted vs. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 49,818	\$ 25,291	\$ (24,527)
Special Revenue	134,733	150,143	15,410
<b>Total</b>	<b>\$ 184,551</b>	<b>\$ 175,434</b>	<b>\$ (9,117)</b>

**2019 Budgeted vs. Actual Budgetary Basis Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 67,718	\$ 20,448	\$ 47,270
Special Revenue	161,454	128,803	32,651
<b>Total</b>	<b>\$ 229,172</b>	<b>\$ 149,251</b>	<b>\$ 79,921</b>

**Note 4 – Deposits and Investments**

The Ottawa County Commissioners, as fiscal agent for the Council, maintains a cash and investments pool used by all of Ottawa County Auditor's funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments and the Ottawa County Auditor is responsible for compliance. The carrying amount of deposits and investments as December 31, 2019 was \$163,332.

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

**Note 5 – Risk Management**

The Council is insured for comprehensive property, general liability and errors and omissions by the Ottawa County Commissioners.

During 2019, the Council did not pay for losses that exceeded insurance coverage.

There has not been a significant reduction in this coverage from the prior year.

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

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**Note 6 – Contingent Liabilities**

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

**Note 7 – Restatement of Beginning Balances**

The beginning fund balances for the General Fund and Special Revenue funds were restated as follows:

	General Fund:	Special Revenue:
<b>2019 Beginning Fund Balances:</b>	\$ 54,461	\$ 38,066
Prior period accounting errors:	<u>24,741</u>	<u>46,064</u>
<b>2019 Restated Beginning Fund Balances:</b>	\$ 79,202	\$ 84,130





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

Ottawa County Family and Children First Council  
Ottawa County  
315 Madison Street, Room 103  
Port Clinton, Ohio 43452-1993

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 financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the year ended December 31, 2020 and for each governmental fund type as of and for the year ended December 31, 2019, and related notes of the Ottawa County Family and Children First Council, Ottawa County, (the Council) and have issued our report thereon dated June 30, 2021, wherein we noted the Council followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures will 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 opinion 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 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*.

***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.

A handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and somewhat stylized.

BHM CPA Group, Inc.  
Piketon, Ohio  
June 30, 2021

**Ottawa County Family and Children First Council**  
**Ottawa County**  
**Schedule of Findings**  
**December 31, 2020 and 2019**

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**1. SUMMARY OF AUDITOR'S RESULTS**

**FINDING NUMBER 2020-001**

**Financial Reporting – Material Weakness**

Sound financial reporting is the responsibility of the fiscal officer and Family and Children First Council and is essential to ensure information provided to the readers of the financial statements is complete and accurate.

Material misstatements were identified during the course of the audit which have not been prevented or detected by the Council's internal controls over financial reporting. Misstatements were identified in the following areas:

- Other Financing Disbursements
- Fund Balances
- Notes disclosures required corrections and updates

We recommend the Council's management take steps to ensure the accurate posting of all transactions to the ledgers and the financial statements. By exercising accuracy in recording financial activity, the Council can reduce posting errors and increase the reliability of the financial data throughout the year.

**Officials' Response:** We did not receive a response to this finding.

**Ottawa County Family and Children First Council**  
**Ottawa County**  
**Schedule of Prior Audit Findings**  
**December 31, 2020 and 2019**

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<b>Finding Number</b>	<b>Finding Summary</b>	<b>Fully Corrected?</b>	<b>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:</b>
2018-001	Material Weakness – Financial Reporting	No	Reissued as 2020-001

# OHIO AUDITOR OF STATE KEITH FABER



**OTTAWA COUNTY FAMILY AND CHILDREN FIRST COUNCIL**

**OTTAWA 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 9/7/2021**

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

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