



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

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2022

**LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
LUCAS COUNTY
DECEMBER 31, 2022**

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OHIO AUDITOR OF STATE KEITH FABER



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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 Audit of the Financial Statements

Opinions

We have audited 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, 2022, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Council, as of December 31, 2022, and the respective changes in cash-basis financial position thereof for the year then ended in accordance with the cash-basis of accounting described in Note 2.

Basis for Opinions

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

Emphasis of Matter - Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Emphasis of Matter

As discussed in Note 3 to the financial statements, the Council restated the beginning fund balances in the General, Help Me Grow, Early Head Start CCP, Early Head Start. OMHAS, Intersystem Coordination, and Other Governmental Funds due to the Council no longer receiving project funding directly from Ohio Mental Health Addiction Services (OMHAS). Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

Our audit was conducted to opine on the financial statements as a whole that collectively comprise the Council's basic financial statements.

The Schedule of Expenditures of Federal Awards 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 is presented for purposes of additional analysis and is not a required part of the financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied to the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures 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 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.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2023, on our consideration of the Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

August 30, 2023

Lucas County Family and Children First Council
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2022

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, 2022, 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 2022 are as follows:

- 1) **Total Annual Receipts:** Overall, receipts increased from \$5,709,328 in 2021 to \$6,621,394 in 2022, an increase of 16%. The largest share of receipts the Council received in FY 2022 were from Help Me Grow, Early Head Start, and Intersystem Care Coordination, each of which accounted for over \$1million in total receipts, and over \$5 million dollars together.
- 2) **Total Annual Expenditures:** Total expenditures decreased from \$6,551,321 in 2021 to \$6,275,001 in 2022; a decrease of 4%.
- 3) **Net Position at the end of 2021:** The Council's net position increased from \$283,053 at the end of 2021 to \$629,446 in 2022. This is an increase of \$346,393 or a 122% increase. 2022 Fiscal reports reflect an ending balance of \$629,446 as of December 31, 2022, which includes a \$990,000 advance provided by the Board of Lucas County Commissioners to cover negative balances as funding sources are predominately cost-reimbursement. While there was both a marked increase in revenue and decrease in expenditures in 2022, this significant increase in net position at the end of the year reflects a growing time gap between the incurring of expenses and actual reimbursement for those expenses. Council leadership staff will focus on assessing and working to improve this gap in 2023.
- 4) **Outstanding Commitments:** Outstanding commitments of the whole Council at the end of 2022 totaled \$355,241.
- 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
• General Fund	\$241,454	4%
• Help Me Grow (CI&R and Early Intervention)	2,005,807	30%
• Early Head Start – Birth to Five	1,201,740	18%
• Early Head Start – Child Care Partnerships	1,516,734	23%
• Intersystem Care Coordination, FCSS, SFSC	1,200,303	18%
• Other: Bridges out of Poverty (BOP) (TANF) and small BOP Projects	455,356	7%

- 6) **Early Intervention Funding:** The Ohio Department of Developmental Disabilities provided \$1,208,927 in federal in 2022, which included \$356,027 in federal Part C and \$793,071 in State General funds, and \$59,829 in federal ARP for the Help Me Grow Early Intervention program for the calendar year 2022.
- 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 2023 (July 1, 2022 – June 30, 2023) decreased from \$470,000 in SFY 2022 (initial approved budget) to \$465,600, a 0.9% decrease.

Lucas County Family and Children First Council
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2022

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 2022, 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 also includes a comparison to the revenue and disbursement activity during 2021.

Table 1 provides a summary of the Council's net position for 2022 compared to 2021 on a cash basis.

**Table 1
Net Position**

	2022	2021
Assets		
Cash and Equivalents	\$629,446	\$283,053
Net Position		
Unassigned (Deficit)	(651,564)	(1,072,137)
Restricted	1,281,010	1,355,190
Total Net Position	\$629,446	\$283,053

Lucas County Family and Children First Council
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2022

Table 2 reflects the changes in net position during 2022. This table also shows a comparison with changes in net position for 2021.

Table 2
Statement of Activities

	2022	2021
Operating Grants and Contribution		
General Government	\$241,454	\$242,251
Social Services	6,379,940	5,467,077
Total Receipts	6,621,394	5,709,328
Disbursements		
General Government	227,936	242,341
Social Services	6,047,065	6,308,980
Total Disbursements	6,275,001	6,551,321
Other Financing Source (Use)		
County Advance In	990,000	990,000
County Advances Out	(990,000)	(875,000)
Total Other Financing Source (Use)		115,000
Changes in Net Position	346,393	(726,993)
Net Position, beginning of year	283,053	1,010,046
Net Position, end of year	\$629,446	\$283,053

Intergovernmental revenue represented 96%, \$6,379,940, of total receipts, \$6,621,394 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. Miscellaneous receipts under General, Intersystem Care Coordination, and Other Restricted account for 4% of total receipts, or \$241,454.

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 are 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.

Lucas County Family and Children First Council
Management's Discussion and Analysis (Unaudited)
For the Year Ended December 31, 2022

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@lucasfcdc.org

Lori Herrick, Fiscal Officer
lherrick@lucasfcdc.org

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, 2022

	<u>Governmental Activities</u>
Assets	
Cash and Cash Equivalents	<u>\$629,446</u>
Net Position	
Restricted	1,281,010
Unrestricted	<u>(651,564)</u>
<i>Total Net Position</i>	<u><u>\$629,446</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, 2022

	Cash Disbursements	Program Cash Receipts	Net (Disbursements) Receipts and Changes in Net Position
		Operating Grants and Contributions	Governmental Activities
Governmental Activities			
General Government	\$227,936	\$241,454	\$13,518
Social Services	6,047,065	6,379,940	332,875
<i>Total Governmental Activities</i>	<u>\$6,275,001</u>	<u>\$6,621,394</u>	<u>346,393</u>
General Receipts:			
Advances In			990,000
Advances Out			<u>(990,000)</u>
Change in Net Position			346,393
<i>Net Position Beginning of Year</i>			<u>283,053</u>
<i>Net Position End of Year</i>			<u><u>\$629,446</u></u>

See accompanying notes to the basic financial statements

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Lucas County Family and Children First Council
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2022

	<u>General</u>	<u>Help Me Grow</u>	Early Head Start <u>CCP</u>	<u>Early Head Start</u>	<u>Intersystem</u>	<u>LCFC Reserve</u>
Assets						
Cash and Cash Equivalents	<u>\$112,142</u>	<u>(\$255,853)</u>	<u>(\$200,829)</u>	<u>(\$271,735)</u>	<u>\$284,357</u>	<u>\$996,653</u>
<i>Total Assets</i>	<u><u>\$112,142</u></u>	<u><u>(\$255,853)</u></u>	<u><u>(\$200,829)</u></u>	<u><u>(\$271,735)</u></u>	<u><u>\$284,357</u></u>	<u><u>\$996,653</u></u>
Fund Balances						
Restricted					284,357	996,653
Unassigned (Deficit)	<u>112,142</u>	<u>(255,853)</u>	<u>(200,829)</u>	<u>(271,735)</u>		
<i>Total Fund Balances</i>	<u><u>\$112,142</u></u>	<u><u>(\$255,853)</u></u>	<u><u>(\$200,829)</u></u>	<u><u>(\$271,735)</u></u>	<u><u>\$284,357</u></u>	<u><u>\$996,653</u></u>

See accompanying notes to the basic financial statements

Other Governmental Funds	Total Governmental Funds
(\$35,289)	\$629,446
<u>(\$35,289)</u>	<u>\$629,446</u>
(35,289)	1,281,010 (651,564)
<u>(\$35,289)</u>	<u>\$629,446</u>

Lucas County Family
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2022

	General	Help Me Grow	Early Head Start CCP	Early Head Start	Intersystem
Receipts					
Intergovernmental	\$19,350	\$2,005,807	\$1,201,740	\$1,516,734	\$1,032,152
Miscellaneous	222,104				168,151
<i>Total Receipts</i>	<u>241,454</u>	<u>2,005,807</u>	<u>1,201,740</u>	<u>1,516,734</u>	<u>1,200,303</u>
Disbursements					
Salaries	150,356	402,279	305,523	341,799	160,568
OPERS	20,369	53,648	42,842	46,215	22,939
Medicare	2,162	5,665	4,443	4,853	2,299
Workers Compensation	930	2,501	2,225	2,325	1,843
Health Insurance	26,350	82,738	84,427	94,943	34,166
Allowances-Part Rep Stipends	1,936				
Contract Services	15	1,273,159	538,802	581,727	88,465
Contract Services Other		11,581	23,096	7,316	182,988
Parent / Family Engagement	34		3,441	4,060	
Documentation Destruction	1,665	48	41	44	39
Contract Projects					270,421
Administrative Agent Fee / Admin LCFC	141	19,539	62,983	64,297	52,385
Mileage / Parking		5,217	445	111	
Supplies	519				
Office Supplies	4,694	2,600	3,857	1,968	332
Postage	472	2,666	19		
Program Supplies	23	10,446	67,443	67,755	
Advertising & Printing	419	23,199			
Copying	6,331	603	674	696	463
Rent	1,322	23,406	17,736	17,720	14,680
IT Services / Support	1,933	4,494	3,605	3,689	3,064
Desk Phones / Fax Lines	951	735	1,461	1,634	674
Cell Phones	1,101	3,753	4,056	4,525	1,609
Email		2,874	1,937	1,898	1,647
Training	264		351	247	
Conference	1,319	25	15,342	14,300	
Staff Development	2,187		3,732	3,245	
Membership Dues & Subscription		246	2,524	2,507	570
Training Travel Costs	297	195	4,279	5,677	
Liability Insurance	842	573	503	470	420
Annual Audit	1,304	2,530	2,303	2,153	1,772
Miscellaneous			335	119,143	198,113
Equipment				23,220	
<i>Total Disbursements</i>	<u>227,936</u>	<u>1,934,720</u>	<u>1,198,425</u>	<u>1,418,537</u>	<u>1,039,457</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>13,518</u>	<u>71,087</u>	<u>3,315</u>	<u>98,197</u>	<u>160,846</u>
Other Financing Sources (Uses)					
County Advances In					
County Advances Out					
<i>Total Other Financing Sources (Uses)</i>					
<i>Net Change in Fund Balances</i>	13,518	71,087	3,315	98,197	160,846
<i>Fund Balances Beginning of Year (Restated)</i>	<u>98,624</u>	<u>(326,940)</u>	<u>(204,144)</u>	<u>(369,932)</u>	<u>123,511</u>
<i>Fund Balances End of Year</i>	<u>\$112,142</u>	<u>(\$255,853)</u>	<u>(\$200,829)</u>	<u>(\$271,735)</u>	<u>\$284,357</u>

See accompanying notes to the basic financial statements

LCFC Reserve	Other Governmental Funds	Total Governmental Funds
	\$448,410	\$6,224,193
	6,946	397,201
	455,356	6,621,394
	249,169	1,609,694
	35,083	221,096
	3,581	23,003
	2,240	12,064
	54,102	376,726
		1,936
	18,749	2,500,917
	7,855	232,836
		7,535
	32	1,869
		270,421
	45,527	244,872
	294	6,067
		519
	1,534	14,985
		3,157
	9,924	155,591
		23,618
	530	9,297
	12,638	87,502
	2,592	19,377
	901	6,356
	1,480	16,524
	2,663	11,019
		862
		30,986
		9,164
	1,667	7,514
	3,505	13,953
	145	2,953
	1,715	11,777
		317,591
		23,220
	455,926	6,275,001
	(570)	346,393
	990,000	990,000
(990,000)		(990,000)
	(570)	346,393
996,653	(34,719)	283,053
\$996,653	(\$35,289)	\$629,446

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1. 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 (ORC) 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 of 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 under the ORC Section 5153.15;
- The Superintendent of the County Board of 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 under 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 3301.2232 of the Revised Code;
- A representative of the County's Early Intervention collaborative established under 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.
- A representative of a local nonprofit entity that funds, advocates, or provides services to children and families.

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, 2022

Note 1. Reporting Entity (continued)

The Council's membership includes all members specified by ORC 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 provision of services for the community's families. In seeking to fulfill its purpose, the Council shall provide for the following:

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

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:

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1. Reporting Entity (continued)

Program Area	Funding Sources supporting the Program Area
Intersystem Care Coordination (ISCC)	<ul style="list-style-type: none"> • Pooled Fund Group • Family-Centered Services and Supports • Strong Families Safe Communities
General Administration	<ul style="list-style-type: none"> • Ohio Capacity Building Fund • Administrative Charges to each of the programs/funding sources
Help Me Grow (HMG)	<ul style="list-style-type: none"> • Central Intake and Referral • Early Intervention <ul style="list-style-type: none"> ○ Federal ○ State General Revenue Funds ○ American Rescue Plan (ARP) Funding
Bridges Out of Poverty	<ul style="list-style-type: none"> • TANF Funding from Lucas County Dept of Job and Family Services (LCDJFS) • Bridges out of Poverty Training (Local Authorized Consultant) • Training & Technical Assistance Contracts with community organizations.
Early Head Start (EHS)	<ul style="list-style-type: none"> • EHS – Child Care Partnerships (CCP) Grant • EHS Birth to Five Grant • ARP Funding under each grant • Coronavirus Response and Relief Supplemental Appropriations (CRRSA) funding under the CCP grant
Community Initiatives	<ul style="list-style-type: none"> • 2-Generational Approach (LCDJFS provides TANF Funds for the formative evaluation work)

All of the above programs/funding sources 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.

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

These financial statements follow the cash basis of accounting.

The Council's financial statements consist of management's discussion and analysis, government-wide statements, including a statement of net position, a statement of activities, a combined statement of cash basis assets and fund balances, and a combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis).

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Council as a whole. These statements include the financial activities of the primary government.

The statement of net position presents the financial condition of the governmental activities of the Council at year-end. The statement of activities presents a comparison between direct 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.

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2. Summary of Significant Accounting Policies (continued)

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 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" 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.

HMG Fund – The 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 a 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).

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

- **EHS-Child Care Partnership Fund-** In 2015, the council became a delegate for the EHS-Child Care Partnership grant for Great Lakes Community Action Partnership, as a grantee. This fund is used to provide high-quality child development services to eligible EHS children, ages 6 months to 3 years old residing in the county from low-income families, and quality services to their families by the Head Start Act, as amended by other regulations.

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2. Summary of Significant Accounting Policies (continued)

- **EHS (Birth to Five Grant) Fund** - This fund is used to provide high-quality child development services to eligible EHS children, ages 6 months to 3 years old residing in the county from low-income families and quality services to their families by the Head Start Act, as amended by other regulations.

ISCC Fund – ISCC 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. ISCC in Lucas County is defined in the County-wide ISCC Plan, as required by ORC 121.37 (C-F). Key components of the ISCC Plan include:

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

Decisions about access to ISCC, System of Care development, and funding are made through the Intersystem Resource Team, convened by the Council. ISCC includes multiple funding sources which include the following:

- **Pooled Funding:** 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 ISCC process. The Pooled Fund Contributors include the following:
 - Mental Health Recovery Services Board of Lucas County
 - Lucas County Children Services
 - Lucas County Board of Developmental Disabilities
 - Lucas County Juvenile Court
 - Lucas County Department of Job and Family Services
 - Toledo Public Schools
- **Family-Centered Services and 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).
- **Multi-System Youth – Public Children Service Agency (MSY-PCSA) Flexible Funding:** This is funding that is made available through the Ohio Department of Job and Family Services to local PCSA, 10% of which is to then be transferred to the local Family and Children First Council for the purpose of the following activities:
 - Prevent parental relinquishment of custody to the PCSA solely for a child to obtain needed treatment.
 - Support the care of children in a PCSA for congregate care.
 - Provide the services and supports necessary to ensure the child's successful transition from a congregate-care facility following discharge.

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

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2. Summary of Significant Accounting Policies (continued)

Other Funds - 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:** The mission of this program is to 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.
- **Cross-System Ombudsman Services:** This service independently reviews 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. In early 2022, the Ohio legislature enacted legislation to form a statewide Ombudsman Office for Child Welfare and Foster Youth. In the transition to a statewide Ombudsman Office, the Ohio Governor’s Office hired the Lucas County Ombudsman to help lead the new office. Consequential to this change, the Lucas County Ombudsman Office was fully closed down by June 30, 2022.

Administrative and Fiscal Agent

ORC Section 121.37(B)(5)(a) requires the Council to select an administrative agent to provide fiscal and administrative services to the Council. Council selected the Board of Lucas County Commissioners to serve as the administrative and fiscal agent for the Council. The Council authorizes the Board of Lucas County Commissioners as fiscal agent and administrative agent, to subcontract with, designate, and/or seek assistance from any agencies and/or organizations that it deems necessary in order to complete the obligations set forth in the agreement. The Board of Lucas County Commissioners agrees to be ultimately responsible for fulfilling the fiscal and administrative obligations of the agreement. The funds are maintained in a separate special revenue fund and broken down by sub-fund (programs) by the Lucas County Auditor.

Basis of Accounting

The Council’s financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Township’s financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Township are described in the appropriate section in this note.

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 and Deposits

As required by ORC, 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.

Deposits of monies are made with the Lucas County Treasurer and fund expenditures and balances are reported through the Lucas County Auditor. 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.

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2. Summary of Significant Accounting Policies (continued)

The Lucas County Commissioners maintain a cash pool used by all of the County's funds, including those of the Council. At December 31, 2022, the carrying amount of the Council's deposits with the Lucas County Commissioners was \$629,446.

Budgetary Process

The Family and Children First Council established under ORC Section 121.37 is not a taxing authority and therefore not subject to ORC Chapter 5705. All funds are required to be budgeted and appropriated. The major documents prepared are the budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The Council must annually file a budget with its administrative agent. The certificate of estimated resources establishes a limit on the amount the Council may appropriate. The appropriations resolution is the Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Council. The legal level of budgetary control has been established by the Council at the fund level.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Executive Director.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources.

Capital Assets

The Council records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payment for unused leave. Unpaid leave is not reflected as liability 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.

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.

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.

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2. Summary of Significant Accounting Policies (continued)

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. Adjustments to Fund Balances

The Council no longer receives project funding directly from Ohio Mental Health Addiction Services (OMHAS). Opening Fund Balances were adjusted in 2022 to reflect this change. Additional Fund rebalancing was done so that Fund, Department and Project Balances mirror the opening balances and subsequent receipt and disbursement activity as tracked by the Council's Fiscal Agent, Lucas County.

Fund	FY 2021 Ending Balance	Adjustment Amount	FY 2022 Opening Balance
General	\$ 98,604	\$ 20	\$ 98,624
Help Me Grow	(292,007)	(34,933)	(326,940)
Early Head Start (CCP)	(204,123)	(21)	(204,144)
Early Head Start	(369,937)	5	(369,932)
OMHAS	(266,653)	266,653	-
Intersystem Coordination	358,537	(235,026)	123,511
LCFC Reserve	996,653		996,653
Other Governmental Funds	(38,021)	3,302	(34,719)
Total Amount	\$ 283,053	\$ -	\$ 283,053

Note 4. 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 \$629,446 which includes a \$990,000 intergovernmental 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.

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 5. Risk Management

The Council is covered under the County's 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 over the 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.

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.

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 6. Defined Benefit Pension Plan (continued)

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

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

	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2022 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee ***	10.0 %	*	**
2022 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 \$221,096 for the year 2022.

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
Notes to the Financial Statements
For the Year Ended December 31, 2022

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.

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 2022, 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 2022 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 2022 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 2022.

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 8. Contractual Commitment

On December 31, 2022, the Council had \$355,241 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 a 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, 2022, it does not mean they will translate into an actual liability, but rather what was encumbered on December 31, 2022.

<u>Vendor</u>	<u>Amount</u>
Adams Street Publishing, Co.	\$ 650
Alexa Owens	525
Andrea Jaworski	4,950
Angelita Jackson	525
Bright Horizons Advocacy & Consulting LLC	959
Catholic Club	4,516
Ceaira Kynard	5,181
County of Ottawa	7,129
Early Childhood, LLC	9,234
East Toledo Family Center, Inc.	85,652
Educational Service Center of Lake Erie	1,530
Enterprise Holdings, Inc	80
Erie County	1,082
Family and Child Abuse Prevention Center	40,415
First Book	1,798
Flaghouse, Inc.	2,230
Harbor, Inc.	23,385
Itsavy LLC	1,130
Jayla Owens	525
Jennifer L. Gilliland	2,299
Justin Coffey	3,840
Karing Handz Daycare 2	4,501
Keziah Flunder	8,547
Lateaia Watson	12,177
LaToya Rivers	525
Little Ugly LLC	250
Lonyae Kynard	15,629
Mary B. Bockert	10,947
Medline Industries, Inc.	98
Mercy Health Foundation - Greater Toledo	58,854
Michael's Gourmet Catering, Inc.	291
Neil Brown Consulting, Inc.	6,750
North Central Ohio Educational Service	62

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 8. Contractual Commitment (continued)

ODP Business Solutions LLC	154
Office Deport, Inc.	8
Ohio Head Start Association	2,000
Panera Bread	1,025
Resolute Interpreting, LLC	3,200
Sandusky County	45
Seantae Fletcher	525
Staples Contract & Commercial LLC	50
Tamia Green	525
Taylor-made Productions, LLC	165
Teachstone Training, LLC	660
The Buckeye Ranch, Inc.	203
Toledo Day Nursery	8,492
Viaquest Residential Services, Inc.	5,072
Wyandot County	136
Young Services, Inc.	14,715
Youth Advocate Programs, Inc.	2,000
Total	<u>\$ 355,241</u>

Note 9. Long Term Commitment

The Council entered into a 10-year office space lease agreement with Toledo Business Technology Center, LLP on December 21st, 2016. This agreement moved the council's operation to a new location which was effective 60 days after the lease signature date. This agreement has two components to it: the rent and improvements 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% 90 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. The obligation as of December 31st, 2022 equals \$64,500 of \$150,000 in total.

Note 10. Contingent Liabilities

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

Note 11. Intergovernmental Advance In

At the end of the period, the Council ending balance cannot have a negative balance. In December of each period, The Board of Lucas County Commissioners evaluates the current fund balance related to the Council. At this time, a cash advance to the Council is made. Subsequently, in January, repayment of the cash advancement from the previous fiscal period is completed.

During January 2022, repayment of the 2021 cash advance was made in the amount of \$990,000. During December 2022, the Board of Lucas County Commissioners advanced \$990,000. Therefore, the net activity of cash advancement from the Board of Lucas County Commissioners is \$0.

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 12. Related Party Transactions

Several board members work for companies and organizations from which the Council does business. The Council paid the following related parties during the fiscal year.

<u>Vendor</u>	<u>Amount</u>
Lucas County Board of Developmental Disabilities	\$ 555,623
Educational Service Center of Lake Erie West	19,389
Lydia Robinson	640
Fred Smith	368
Sherri Rogers	634
Mario Duncan	294
Toledo Public Schools	136,640
Mercy Health Foundation	263,262
Total	<u>\$ 976,850</u>

Note 13. Miscellaneous Revenue

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

LUCAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
LUCAS COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Provided to Subrecipients	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	H181A200024	\$ 255,042	\$ 272,190
Special Education - Grants for Infants and Families	84.181X	H181X210024	92,568	157,207
Total AL # 84.181			<u>347,610</u>	<u>429,397</u>
Total U.S. Department of Education			<u>347,610</u>	<u>429,397</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Passed Through Great Lakes Community Action Partnership:</i>				
<u>Head Start Cluster:</u>				
Head Start	93.600	05HP0001072-01		1,159,458
Total Head Start Cluster				<u>1,159,458</u>
Provider Relief Fund	93.498	05HE000430		38,967
<i>Passed Through Lucas County Department of Job and Family Services:</i>				
Temporary Assistance for Needy Families	93.558	48-23-TANF-08		74,300
Temporary Assistance for Needy Families	93.558	48-22-TANF-08		246,687
Total AL # 93.558				<u>320,987</u>
Social Services Block Grant	93.667	48-21-TANF-30		7,000
Social Services Block Grant	93.667			14,901
Total AL # 93.667				<u>21,901</u>
<i>Passed Through Ohio Department of Mental Health:</i>				
Stephanie Tubbs Jones Child Welfare Services Program	93.645	5AU-20-C0048		3,663
Promoting Safe and Stable Families	93.556	5AU-20-C0048		29,636
Total U.S. Department of Health and Human Services				<u>1,574,612</u>
Total Expenditures of Federal Awards			<u>\$ 347,610</u>	<u>\$ 2,004,009</u>

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, 2022**

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, 2022. 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 – SUBRECIPIENTS

The Council passes certain federal awards received from the United States Department of Education to other governments or not-for-profit agencies (subrecipients). As Note B describes, the Council reports expenditures of Federal awards to subrecipients when paid in cash.

NOTE E – 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.

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OHIO AUDITOR OF STATE KEITH FABER



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

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 the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by 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, 2022, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements and have issued our report thereon dated August 30, 2023, wherein we noted the Council uses a special purpose framework other than generally accepted accounting principles. We also noted the Council restated beginning fund balances to better report the activity and purpose.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio

August 30, 2023

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

Opinion on the Major Federal Program

We have audited Lucas County Family and Children First Council, Lucas County, Ohio's (Council) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Lucas County Family and Children First Council's major federal program for the year ended December 31, 2022. Lucas County Family and Children First Council's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Lucas County Family and Children First Council complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2022.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by 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). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Council and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Council's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The Council's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Council's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Council's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Council's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Council's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Council's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *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 type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program 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 *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

August 30, 2023

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

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2022**

1. SUMMARY OF AUDITOR'S RESULTS

(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)?	No
(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**

None

3. FINDINGS FOR FEDERAL AWARDS

None



Lucas County Family Council

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS 2 CFR 200.511(b) DECEMBER 31, 2022

Finding Number	Finding Summary	Status	Additional Information
2021-001	Finding was first issued in the 2020 audit. Material weakness due to errors in financial reporting.	Fully corrected.	

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 9/12/2023

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