



OHIO AUDITOR OF STATE  
**KEITH FABER**





**FAMILY AND CHILDREN FIRST COUNCIL  
FULTON COUNTY**

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## INDEPENDENT AUDITOR'S REPORT

Family and Children First Council  
Fulton County  
606 South Shoop Avenue  
Wauseon, Ohio 43567-1712

To the Members of the Council:

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

We have audited the accompanying cash-basis financial statements of the governmental activities and each major fund of the Family and Children First Council, Fulton County, Ohio (the Council), as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities and each major fund of the Family and Children First Council, Fulton County, Ohio, as of December 31, 2019 and 2018, and the respective changes in cash financial position and the respective budgetary comparison for the General and Family First Restricted Funds thereof for the years then ended in accordance with the accounting basis described in Note 2.

***Accounting Basis***

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

***Emphasis of Matter***

As discussed in Notes 9 and 10 to the financial statements for the years ended December 31, 2019 and 2018, respectively, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent 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 16, 2020, on our consideration of the Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State

Columbus, Ohio

June 16, 2020

**Family and Children First Council**  
**Fulton County**  
*Statement of Net Position - Cash Basis*  
*December 31, 2019*

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	<u>Governmental Activities</u>
<b>Assets</b>	
Cash with Fiscal Agent	\$ 21,044
<b>Net Position</b>	
Restricted for:	
Other Purposes	\$ 16,166
Unrestricted	4,878
<i>Total Net Position</i>	<u>\$ 21,044</u>

See accompanying notes to the basic financial statements

**Family and Children First Council**  
**Fulton County**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2019*

			Net (Disbursements) Receipts and Changes in Net Assets
	Disbursements	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>			
General	\$ 21,159	\$ 15,750	\$ (5,409)
Family First Restricted	164,263	165,460	1,197
<i>Total Governmental Activities</i>	<u>\$ 185,422</u>	<u>\$ 181,210</u>	<u>(4,212)</u>
<b>General Receipts</b>			
Miscellaneous			1,696
<i>Total General Receipts</i>			<u>1,696</u>
Change in Net Assets			(2,516)
<i>Net Position Beginning of Year</i>			<u>23,560</u>
<i>Net Position End of Year</i>			<u>\$ 21,044</u>

See accompanying notes to the basic financial statements



**Family and Children First Council**  
**Fulton County**  
*Statement of Assets and Fund Balances - Cash Basis*  
*Governmental Funds*  
*December 31, 2019*

	<u>General</u>	<u>Family First Restricted</u>	<u>Total Governmental Funds</u>
<b>Assets</b>			
Cash with Fiscal Agent	<u>\$ 4,878</u>	<u>\$ 16,166</u>	<u>\$ 21,044</u>
<b>Fund Balances</b>			
Restricted		\$ 16,166	\$ 16,166
Unassigned	<u>\$ 4,878</u>		<u>4,878</u>
<i>Total Fund Balances</i>	<u>\$ 4,878</u>	<u>\$ 16,166</u>	<u>\$ 21,044</u>

See accompanying notes to the basic financial statements

**Family and Children First Council**  
**Fulton County**  
*Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis*  
*Governmental Funds*  
*For the Year Ended December 31, 2019*

	General	Family First Restricted	Total Governmental Funds
<b>Receipts</b>			
Intergovernmental	\$ 15,750	\$ 151,960	\$ 167,710
Contracts		12,500	12,500
Gifts & Contributions		1,000	1,000
Miscellaneous	213	1,483	1,696
<i>Total Receipts</i>	<u>15,963</u>	<u>166,943</u>	<u>182,906</u>
<b>Disbursements</b>			
Salary	16,148	72,400	88,548
PERS	2,247	11,369	13,616
Workers Comp	141	943	1,084
Medicare	235	1,037	1,272
Insurance		1,136	1,136
Travel	1,204	21,805	23,009
Advertising		4,527	4,527
Contracts	380	7,680	8,060
Supplies	804	15,761	16,565
Other		27,605	27,605
<i>Total Disbursements</i>	<u>21,159</u>	<u>164,263</u>	<u>185,422</u>
<i>Net Change in Fund Balances</i>	(5,196)	2,680	(2,516)
<i>Fund Balances Beginning of Year</i>	<u>10,074</u>	<u>13,486</u>	<u>23,560</u>
<i>Fund Balances End of Year</i>	<u>\$ 4,878</u>	<u>\$ 16,166</u>	<u>\$ 21,044</u>

See accompanying notes to the basic financial statements

**Family and Children First Council**  
**Fulton County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Intergovernmental	\$ 15,750	\$ 15,750	\$ 15,750	
Miscellaneous	1,808	5,758	213	\$ (5,545)
<i>Total Receipts</i>	<u>17,558</u>	<u>21,508</u>	<u>15,963</u>	<u>(5,545)</u>
<b>Disbursements</b>				
Salary	14,000	16,148	16,148	
PERS	1,960	2,339	2,247	92
Workers Comp	280	280	141	139
Medicare	203	235	235	
Travel	275	1,258	1,204	54
Contracts	240	380	380	
Supplies	500	867	804	63
Other	100			
<i>Total Disbursements</i>	<u>17,558</u>	<u>21,507</u>	<u>21,159</u>	<u>348</u>
<i>Net Change in Fund Balance</i>		1	(5,196)	(5,197)
<i>Fund Balance Beginning of Year</i>	<u>10,074</u>	<u>10,074</u>	<u>10,074</u>	
<i>Fund Balance End of Year</i>	<u>\$ 10,074</u>	<u>\$ 10,075</u>	<u>\$ 4,878</u>	<u>\$ (5,197)</u>

See accompanying notes to the basic financial statements

**Family and Children First Council**  
**Fulton County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*Family First Restricted Fund*  
*For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Intergovernmental	\$ 130,000	\$ 130,000	\$ 151,960	\$ 21,960
Contracts			12,500	12,500
Gifts & Contributions			1,000	1,000
Miscellaneous	51,000	51,000	1,483	(49,517)
<i>Total Receipts</i>	<u>181,000</u>	<u>181,000</u>	<u>166,943</u>	<u>(14,057)</u>
<b>Disbursements</b>				
Salary	76,500	72,400	72,400	
PERS	10,710	11,369	11,369	
Workers Comp	1,530	1,530	943	587
Medicare	1,109	1,109	1,037	72
Insurance	1,700	1,700	1,136	564
Travel	9,451	25,316	21,805	3,511
Advertising	1,000	4,606	4,527	79
Contracts	9,000	9,000	7,680	1,320
Supplies	28,000	21,470	15,761	5,709
Equipment	2,000			
Other	40,000	32,500	27,605	4,895
<i>Total Disbursements</i>	<u>181,000</u>	<u>181,000</u>	<u>164,263</u>	<u>16,737</u>
<i>Net Change in Fund Balances</i>			2,680	2,680
<i>Fund Balances Beginning of Year</i>	<u>13,786</u>	<u>13,786</u>	<u>13,486</u>	
<i>Fund Balances End of Year</i>	<u>\$ 13,786</u>	<u>\$ 13,786</u>	<u>\$ 16,166</u>	<u>\$ 2,680</u>

See accompanying notes to the basic financial statements

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

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**Note 1 – Reporting Entity**

Ohio Revised Code 121.37 created the Ohio Family and Children First Cabinet Council and required each Board of County Commissioners to establish County Family and Children First Council. Statutory membership of a 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 Addition, 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 Commissioner's designee, of the Board of Health of each City or General Health District in the County. If the County has two or more health districts, the Health Commissioner membership may be limited to the Commissioners of the two districts with the largest populations;
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 Superintendent's 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;
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.

**Family and Children First Council**  
*Fulton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*  
*(Continued)*

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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 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.

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

***Public Entity Risk Pool***

The Council participates in a public entity risk pool. Note 5 to the financial statements provide additional information for this entity. This organization is the Public Entities Pool of Ohio (PEP).

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

As discussed further in “Basis of Accounting” section of this note, these financial statements are presented on the cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Council’s accounting policies.

***Basis of Presentation***

The Council’s basic financial statements consist of government-wide financial statements, including a statement of net positions and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

***Government-Wide Financial Statements*** The statement of net position and the statement of activities display information about the Council as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the Council that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Council has no business-type activities.

The statement of net position presents the cash balance of the governmental and business-type activities of the Council at year end. The statement of activities compares disbursements and program receipts for each program or function of the Council’s governmental activities. Disbursements are reported by function. A function is a group of related

**Family and Children First Council**  
*Fulton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*  
*(Continued)*

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activities designed to accomplish a major service or regulatory program for which the Council is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be sent back to the Ohio Department of Health. Receipts which are not classified as program receipts are presented as general receipts of the Council, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a cash basis or draws from the general receipts of the Council.

***Fund Financial Statements***

During the year, the Council segregates transactions related to certain Council functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present 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.

***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. Funds are used to segregate resources that are restricted as to use. The funds of the Council are presented in one category: governmental.

***Governmental Funds*** - Governmental funds are those through which most governmental functions of the Council are financed. The following are the Council's major governmental funds:

***General*** 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.

***Family First Restricted*** The Family First Restricted Fund accounts for state grant monies for the Drug Free Communities, and Family Centered Services and Supports (FCSS).

***Administrative/Fiscal Agent***

Ohio Revised Code Section 121.37(B)(5)(a) requires the Council to select an administrative agent to provide fiscal and administrative services to the Council. The Council selected the Fulton County Board of Health. The Council authorizes Fulton County Board of Health, as administrative agent, to subcontract with, designate, and/or seek assistance from any agencies and/or organizations that it deems necessary in order to complete the obligations set forth in the agreement. Fulton County serves as the fiscal agent for the Council. Fulton County Board of Health agrees to be ultimately responsible for fulfilling the administrative obligations of the agreement. Fulton County agrees to be ultimately responsible for fulfilling the fiscal obligation of the agreement.

***Basis of Accounting***

The Council's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Council'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 Council are described in the appropriate section in this note.

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and their related expenses) are not recorded in these financial statements.

**Family and Children First Council**  
*Fulton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*  
*(Continued)*

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***Budgetary Process***

All funds are legally required to be budgeted and appropriated. The major documents prepared are the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is the Council's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the Council. The legal level of control has been established by the Council at the object level for all funds.

ORC Section 121.37(B) establishes budgetary requirements for the Council. The Council's administrative agent shall serve as the Council's appointing authority for any employees of the Council. The Council shall file an annual budget with its administrative agent, with copies filed with the County Auditor and with the Board of County Commissioners. Subject to estimated resources, Council's administrative agent, on behalf of Council may, by resolution, transfer appropriations from one appropriation item to another, reduce or increase any item, create new items, and make additional appropriations or reduce the total appropriation. Such appropriation modifications shall be certified to the county budget commission for approval.

The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources in effect when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Council.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budget reflect the first appropriation resolution that covered the entire year, including amounts automatically carried forward from prior years. The amount reported as the final budgeted amounts represents the final appropriations passed by the Council during the year.

***Cash and Investments***

The County Treasurer is the custodian for the Council's cash and investments. The County's cash and investment pool holds the Council's cash, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained by writing Charlene E Lee, Fulton County Treasurer, 152 S Fulton Street, Wauseon, Ohio 43567 or by calling 419-337-9252.

***Inventory and Prepaid Items***

The Council reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

***Capital Assets***

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

***Interfund Receivables/Payables***

The Council reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements. Interfund balances are eliminated in the statement of net position.

***Accumulated Leave***

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



**Family and Children First Council**  
*Fulton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*  
*(Continued)*

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***Employer Contributions to Cost-Sharing Pension Plans***

The Council recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 6 and 7, the employer contributions include portions for pension benefits and for postretirement health care benefits.

***Net Position***

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes primarily limitations imposed by grantors.

The Council's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

***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 the resources in the governmental-funds resources. The classifications are as follows:

***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

***Restricted*** Fund balance is reported as 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 committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Council. Those committed amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the Council for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not 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 contained 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 unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Family and Children First Council**  
*Fulton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*  
*(Continued)*

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***Interfund Transactions***

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented in the financial statements.

**Note 3 – Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the General Fund and Family First Restricted fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year-end encumbrances are treated as expenditures (budgetary basis) rather than as a reservation of fund balance (cash basis). There were no encumbrances outstanding at year-end (budgetary basis) for the general fund and the restricted fund.

**Note 4 – Deposits and Investments**

As required by the Ohio Revised Code, the Fulton County Treasurer is custodian for the Council’s deposits. The County’s deposit and investment pool holds the Council’s assets, valued at the Treasurer’s reported carrying amount.

**Note 5 – Risk Management**

The Council is exposed to various risks of property and casualty losses and injuries to employees.

The Council insures against injuries to employees through the Ohio Bureau of Worker’s Compensation.

**Risk Pool Membership**

The Council is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Council’s) policy. The Pool covers the following risks:

- General liability and casualty
- Public official’s liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31, 2018 (the latest available information):

	<u>2018</u>
Cash and investments	\$ 35,381,789
Actuarial liabilities	\$12,965,015

**Family and Children First Council**  
*Fulton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*  
*(Continued)*

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**Note 6 – Defined Benefit Pension Plans**

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

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 cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Health Department employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. 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 were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

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

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

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

When a traditional plan benefit recipient has received benefits for 12 months, 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. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual

**Family and Children First Council**  
*Fulton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*  
*(Continued)*

COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

	State and Local
<b>2019 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee*	10.0 %
 <b>2019 Actual Contribution Rates</b>	
Employer:	
Pension	14.0 %
 Total Employer	14.0 %
 Employee	10.0 %

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

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

The Council’s contractually required contribution was \$13,616 for year 2019.

**Note 7 – Postemployment Benefits**

***Ohio Public Employees Retirement System***

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

OPERS maintains a cost-sharing multiple employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage. OPERS funds a Retiree Medical Account (RMA) for participants in the Member- Directed Plan. At retirement or refund, participants can be reimbursed for qualified medical expenses from their vested RMA balance.

In order to qualify for post-employment 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. 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.

**Family and Children First Council**  
*Fulton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*  
*(Continued)*

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Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain by visiting <https://www.opers.org/financial/reports.shtml> or 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 that statutory authority requiring public employees to fund postretirement health care coverage through their contributions to OPERS. A portion of each employer's contribution to OPERS health care plans.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2019, 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 members contributions do not fund health care.

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2018, 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 2018 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Health District's contractually required contribution was \$885 for the year 2019.

**Note 8 – Contingent Liabilities**

Amounts grantor agencies pay to the Council are subject to audit and adjustment by the grantor, principally the state government. Grantors 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 9 – Subsequent Event**

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

**Family and Children First Council**  
**Fulton County**  
*Statement of Net Position - Cash Basis*  
*December 31, 2018*

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	<u>Governmental Activities</u>
<b>Assets</b>	
Cash with Fiscal Agent	\$ 23,560
<b>Net Position</b>	
Restricted for:	
Other Purposes	\$ 13,486
Unrestricted	<u>10,074</u>
<i>Total Net Position</i>	<u>\$ 23,560</u>

See accompanying notes to the basic financial statements

**Family and Children First Council**  
**Fulton County**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2018*

			Net (Disbursements) Receipts and Changes in Net Assets
	Disbursements	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>			
General	\$ 20,074	\$ 17,750	\$ (2,324)
Family First Restricted	211,525	215,972	4,447
<i>Total Governmental Activities</i>	<u>\$ 231,599</u>	<u>\$ 233,722</u>	<u>2,123</u>
<b>General Receipts</b>			
Gifts & Contributions			1,202
Miscellaneous			1,588
<i>Total General Receipts</i>			<u>2,790</u>
Change in Net Position			4,913
<i>Net Position Beginning of Year</i>			<u>18,647</u>
<i>Net Position End of Year</i>			<u>\$ 23,560</u>

See accompanying notes to the basic financial statements

**Family and Children First Council**  
**Fulton County**  
*Statement of Assets and Fund Balances - Cash Basis*  
*Governmental Funds*  
*December 31, 2018*

	<u>General</u>	<u>Family First Restricted</u>	<u>Total Governmental Funds</u>
<b>Assets</b>			
Cash with Fiscal Agent	<u>\$ 10,074</u>	<u>\$ 13,486</u>	<u>\$ 23,560</u>
<b>Fund Balances</b>			
Restricted		\$ 13,486	\$ 13,486
Unassigned	<u>\$ 10,074</u>	<u>                    </u>	<u>10,074</u>
<i>Total Fund Balances</i>	<u>\$ 10,074</u>	<u>\$ 13,486</u>	<u>\$ 23,560</u>

See accompanying notes to the basic financial statements



**Family and Children First Council  
Fulton County**

*Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis  
Governmental Funds  
For the Year Ended December 31, 2018*

	General	Family First Restricted	Total Governmental Funds
<b>Receipts</b>			
Intergovernmental	\$ 15,750	\$ 190,972	\$ 206,722
Contracts	2,000	25,000	27,000
Gifts & Contributions		1,202	1,202
Miscellaneous	142	1,446	1,588
<i>Total Receipts</i>	<u>17,892</u>	<u>218,620</u>	<u>236,512</u>
<b>Disbursements</b>			
Salary	14,396	95,682	110,078
PERS	1,854	13,014	14,868
Workers Comp	113	1,005	1,118
Medicare	209	1,385	1,594
Insurance		1,430	1,430
Travel	326	17,060	17,386
Advertising		12,245	12,245
Contracts	240	8,250	8,490
Supplies	2,936	35,102	38,038
Other		26,352	26,352
<i>Total Disbursements</i>	<u>20,074</u>	<u>211,525</u>	<u>231,599</u>
<i>Net Change in Fund Balances</i>	(2,182)	7,095	4,913
<i>Fund Balances Beginning of Year</i>	<u>12,256</u>	<u>6,391</u>	<u>18,647</u>
<i>Fund Balances End of Year</i>	<u>\$ 10,074</u>	<u>\$ 13,486</u>	<u>\$ 23,560</u>

See accompanying notes to the basic financial statements

**Family and Children First Council**  
**Fulton County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Receipts</b>				
Intergovernmental	\$ 15,750	\$ 17,750	\$ 15,750	\$ (2,000)
Contracts			2,000	2,000
Miscellaneous	2,125	3,725	142	(3,583)
<i>Total Receipts</i>	<u>17,875</u>	<u>21,475</u>	<u>17,892</u>	<u>(3,583)</u>
<b>Disbursements</b>				
Salary	13,000	14,552	14,396	156
PERS	1,820	1,895	1,854	41
Workers Comp	260	113	113	
Medicare	189	209	209	
Travel	275	575	326	249
Contracts	280	380	240	140
Supplies	1,951	3,651	2,936	715
Other	100	100		100
<i>Total Disbursements</i>	<u>17,875</u>	<u>21,475</u>	<u>20,074</u>	<u>1,401</u>
<i>Net Change in Fund Balance</i>			(2,182)	(2,182)
<i>Fund Balance Beginning of Year</i>	<u>12,256</u>	<u>12,256</u>	<u>12,256</u>	
<i>Fund Balance End of Year</i>	<u>\$ 12,256</u>	<u>\$ 12,256</u>	<u>\$ 10,074</u>	<u>\$ (2,182)</u>

See accompanying notes to the basic financial statements

**Family and Children First Council  
Fulton County**

*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual -Budget Basis  
Family First Restricted Fund  
For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Intergovernmental	\$ 347,489	\$ 201,115	\$ 190,972	\$ (10,143)
Contracts			25,000	25,000
Gifts & Contributions			1,202	1,202
Miscellaneous	29,000	29,000	1,446	(27,554)
<i>Total Receipts</i>	<u>376,489</u>	<u>230,115</u>	<u>218,620</u>	<u>(11,495)</u>
<b>Disbursements</b>				
Salary	92,380	95,682	95,682	
PERS	2,233	14,732	13,014	1,718
Workers Comp	1,847	1,847	1,005	842
Medicare	1,357	1,385	1,385	
Insurance	3,479	3,479	1,430	2,049
Travel	6,200	19,600	17,060	2,540
Advertising	1,200	13,600	12,245	1,355
Contracts	208,843	8,250	8,250	
Supplies	3,750	43,500	35,102	8,398
Equipment	2,000	2,000		2,000
Other	53,595	18,802	26,352	(7,550)
<i>Total Disbursements</i>	<u>376,884</u>	<u>222,877</u>	<u>211,525</u>	<u>11,352</u>
<i>Net Change in Fund Balance</i>	(395)	7,238	7,095	(143)
<i>Prior year encumbrances Appropriated</i>	95	95	95	
<i>Fund Balance Beginning of Year</i>	<u>6,296</u>	<u>6,296</u>	<u>6,296</u>	
<i>Fund Balance End of Year</i>	<u>\$ 5,996</u>	<u>\$ 13,629</u>	<u>\$ 13,486</u>	<u>\$ (143)</u>

See accompanying notes to the basic financial statements

**Family and Children First Council**  
*Fulton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 1 – Reporting Entity**

Ohio Revised Code 121.37 created the Ohio Family and Children First Cabinet Council and required each Board of County Commissioners to establish County Family and Children First Council. Statutory membership of a 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 Addition, 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 Commissioner's designee, of the Board of Health of each City or General Health District in the County. If the County has two or more health districts, the Health Commissioner membership may be limited to the Commissioners of the two districts with the largest populations;
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 Superintendent's 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;
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.

**Family and Children First Council**  
*Fulton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*  
*(Continued)*

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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 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.

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

***Public Entity Risk Pool***

The Council participates in a public entity risk pool. Note 6 to the financial statements provide additional information for this entity. This organization is the Public Entities Pool of Ohio (PEP).

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

As discussed further in “Basis of Accounting” section of this note, these financial statements are presented on the cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Council’s accounting policies.

***Basis of Presentation***

The Council’s basic financial statements consist of government-wide financial statements, including a statement of net positions and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

***Government-Wide Financial Statements*** The statement of net position and the statement of activities display information about the Council as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the Council that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Council has no business-type activities.

The statement of net position presents the cash balance of the governmental and business-type activities of the Council at year end. The statement of activities compares disbursements and program receipts for each program or function of the Council’s governmental activities. Disbursements are reported by function. A function is a group of related

**Family and Children First Council**  
*Fulton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*  
*(Continued)*

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activities designed to accomplish a major service or regulatory program for which the Council is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be sent back to the Ohio Department of Health. Receipts which are not classified as program receipts are presented as general receipts of the Council, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a cash basis or draws from the general receipts of the Council.

***Fund Financial Statements***

During the year, the Council segregates transactions related to certain Council functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present 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.

***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. Funds are used to segregate resources that are restricted as to use. The funds of the Council are presented in one category: governmental.

***Governmental Funds*** Governmental funds are those through which most governmental functions of the Council are financed. The following are the Council's major governmental funds:

***General*** 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.

***Family First Restricted*** The Family First Restricted Fund accounts for state grant monies for the Help Me Grow Program, Drug Free Communities, and Family Centered Services and Supports (FCSS).

***Administrative/Fiscal Agent***

Ohio Revised Code Section 121.37(B)(5)(a) requires the Council to select an administrative agent to provide fiscal and administrative services to the Council. The Council selected the Fulton County Board of Health. The Council authorizes Fulton County Board of Health, as administrative agent, to subcontract with, designate, and/or seek assistance from any agencies and/or organizations that it deems necessary in order to complete the obligations set forth in the agreement. Fulton County serves as the fiscal agent for the Council. Fulton County Board of Health agrees to be ultimately responsible for fulfilling the administrative obligations of the agreement. Fulton County agrees to be ultimately responsible for fulfilling the fiscal obligation of the agreement.

***Basis of Accounting***

The Council's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Council'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 Council are described in the appropriate section in this note.

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and their related expenses) are not recorded in these financial statements.

**Family and Children First Council**  
*Fulton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*  
*(Continued)*

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***Budgetary Process***

All funds are legally required to be budgeted and appropriated. The major documents prepared are the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is the Council's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the Council. The legal level of control has been established by the Council at the object level for all funds.

ORC Section 121.37(B) establishes budgetary requirements for the Council. The Council's administrative agent shall serve as the Council's appointing authority for any employees of the Council. The Council shall file an annual budget with its administrative agent, with copies filed with the County Auditor and with the Board of County Commissioners. Subject to estimated resources, Council's administrative agent, on behalf of Council may, by resolution, transfer appropriations from one appropriation item to another, reduce or increase any item, create new items, and make additional appropriations or reduce the total appropriation. Such appropriation modifications shall be certified to the county budget commission for approval.

The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources in effect when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Council.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budget reflect the first appropriation resolution that covered the entire year, including amounts automatically carried forward from prior years. The amount reported as the final budgeted amounts represents the final appropriations passed by the Council during the year.

***Cash and Investments***

The County Treasurer is the custodian for the Council's cash and investments. The County's cash and investment pool holds the Council's cash, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained by writing Charlene E Lee, Fulton County Treasurer, 152 S Fulton Street, Wauseon, Ohio 43567 or by calling 419-337-9252.

***Inventory and Prepaid Items***

The Council reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

***Capital Assets***

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

***Interfund Receivables/Payables***

The Council reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements. Interfund balances are eliminated in the statement of net position.

***Accumulated Leave***

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

**Family and Children First Council**  
*Fulton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*  
*(Continued)*

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***Employer Contributions to Cost-Sharing Pension Plans***

The Council recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

***Net Position***

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes primarily limitations imposed by grantors.

The Council's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

***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 the resources in the governmental-funds resources. The classifications are as follows:

***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

***Restricted*** Fund balance is reported as 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 committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Council. Those committed amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the Council for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not 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 contained 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 unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.



**Family and Children First Council**  
*Fulton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*  
*(Continued)*

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***Interfund Transactions***

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented in the financial statements.

**Note 3 – Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the General Fund and Family First Restricted fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year-end encumbrances are treated as expenditures (budgetary basis) rather than as a reservation of fund balance (cash basis). There were no encumbrances outstanding at year-end (budgetary basis) for the general fund and the restricted fund.

**Note 4 – Deposits and Investments**

As required by the Ohio Revised Code, the Fulton County Treasurer is custodian for the Council’s deposits. The County’s deposit and investment pool holds the Council’s assets, valued at the Treasurer’s reported carrying amount.

**Note 5 – Advance from Board of Health**

During 2018, the Council repaid \$7,550 to the Board of Health which was used temporary funding for grant activities.

**Note 6 – Risk Management**

The Council is exposed to various risks of property and casualty losses and injuries to employees.

The Council insures against injuries to employees through the Ohio Bureau of Worker’s Compensation.

**Risk Pool Membership**

The Council is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Council’s policy. The Pool covers the following risks:

- General liability and casualty
- Public official’s liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31, 2018:

**Family and Children First Council**  
*Fulton County*  
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*For the Year Ended December 31, 2018*  
*(Continued)*

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	<u>2018</u>
Cash and investments	\$ 35,381,789
Actuarial liabilities	\$12,965,015

**Note 7 – Defined Benefit Pension Plan**

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

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 cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Health Department employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. 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 were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

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

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

**Family and Children First Council**  
*Fulton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*  
*(Continued)*

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

When a traditional plan benefit recipient has received benefits for 12 months, 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. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

	State and Local
<b>2018 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee*	10.0 %
 <b>2018 Actual Contribution Rates</b>	
Employer:	
Pension	14.0 %
Total Employer	14.0 %
Employee	10.0 %

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

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

The Council’s contractually required contribution was \$14,868 for year 2018.

**Note 8 – Postemployment Benefits**

***Ohio Public Employees Retirement System***

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

OPERS maintains a cost-sharing multiple employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage. OPERS funds a Retiree Medical Account (RMA) for participants in the Member- Directed Plan. At retirement or refund, participants can be reimbursed for qualified medical expenses from their vested RMA balance.

**Family and Children First Council**  
*Fulton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*  
*(Continued)*

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In order to qualify for post-employment 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. 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 by visiting <https://www.opers.org/financial/reports.shtml> or 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 that statutory authority requiring public employees to fund postretirement health care coverage through their contributions to OPERS. A portion of each employer's contribution to OPERS health care plans.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2018, 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 members contributions do not fund health care.

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2018, 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 2018 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 \$1,100 for the year 2018.

**Note 9 – Contingent Liabilities**

Amounts grantor agencies pay to the Council are subject to audit and adjustment by the grantor, principally the state government. Grantors 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 10 – Subsequent Event**

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



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NorthwestRegion@ohioauditor.gov

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

Family and Children First Council  
Fulton County  
606 South Shoop Avenue  
Wauseon, Ohio 43567-1712

To the Members of Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the cash-basis financial statements of the governmental activities and each major fund of the Family and Children First Council, Fulton County, Ohio, (the Council) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements and have issued our report thereon dated June 16, 2020, wherein we noted the Council uses a special purpose framework other than generally accepted accounting principles. We also noted the financial impact of COVID-19 and the 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) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Council's internal control. Accordingly, we have not opined on it.

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

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

***Compliance and Other Matters***

As part of reasonably assuring whether the Council's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Council's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Council's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State

Columbus, Ohio

June 16, 2020

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**DECEMBER 31, 2019 AND 2018**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2017-001	Material weakness for lack of monitoring of financial transactions resulting in errors in the financial statements.	Fully corrected.	

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# OHIO AUDITOR OF STATE KEITH FABER



**FULTON COUNTY FAMILY AND CHILDREN FIRST COUNCIL**

**FULTON COUNTY**

## **CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 14, 2020**