



OHIO AUDITOR OF STATE
KEITH FABER



**GEAUGA COUNTY FAMILY AND CHILDREN FIRST COUNCIL
GEAUGA COUNTY**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Geauga County Family and Children First Council
Geauga County
12480 Ravenwood Drive
Chardon, Ohio 44024

To the Board of Trustees:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

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

Emphasis of Matter

As discussed in Note 10 to the 2020 financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of 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 September 14, 2021, on our consideration of the Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

September 14, 2021

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

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Intergovernmental - Local	\$0	\$21,410	\$21,410
Intergovernmental - State	0	434,912	434,912
Intergovernmental - Federal	0	199,577	199,577
Local Contributions	1,045,633	0	1,045,633
Miscellaneous	27,725	0	27,725
<i>Total Cash Receipts</i>	<u>1,073,358</u>	<u>655,899</u>	<u>1,729,257</u>
Cash Disbursements			
Personal Services	225,685	0	225,685
Contractual Services	102,591	214,862	317,453
Family Services and Support	17,940	23,457	41,397
Advertising	1,483	0	1,483
Treatment Services	587,942	173,668	761,610
Supplies and Materials	0	15,000	15,000
Other	3,663	0	3,663
<i>Total Cash Disbursements</i>	<u>939,304</u>	<u>426,987</u>	<u>1,366,291</u>
<i>Net Change in Fund Cash Balances</i>	134,054	228,912	362,966
<i>Fund Cash Balances, January 1</i>	<u>436,569</u>	<u>110,443</u>	<u>547,012</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$570,623</u></u>	<u><u>\$339,355</u></u>	<u><u>\$909,978</u></u>

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

Geauga County Family and Children First Council

Geauga County

Notes to the Financial Statements

For the Year Ended December 31, 2020

Note 1 – Reporting Entity

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

1. At least three individuals representing the interest of families in the County. Where possible, the number of members representing families shall be equal to twenty percent of the Council's remaining membership;
2. The Director of the Board of Alcohol, Drug Addiction, and Mental Health Services that serves the County, or, in the case of a County that has a Board of Alcohol and Drug Addiction Services and a Community Mental Health Board, the Directors of both Boards. If a Board of Alcohol, Drug 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;

Geauga County Family and Children First Council

Geauga County

Notes to the Financial Statements

For the Year Ended December 31, 2020

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

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

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

1. Referrals to the Cabinet Council of those children for whom the County Council cannot provide adequate services;
2. Development and implementation of a process that annually evaluates and prioritizes services, fills service gaps where possible, and invents new approaches to achieve better results for families and children;
3. Participation in the development of 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.

Public Entity Risk Pool

The Council participates in the County Risk Sharing Authority (CORSA) public entity risk pool. Note 5 to the financial statements provides additional information for this entity.

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

Geauga County Family and Children First Council

Geauga County

Notes to the Financial Statements

For the Year Ended December 31, 2020

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

Help Me Grow Grant Fund This fund receives state and federal grant monies restricted for the purpose of the grant provisions, including assistance for expectant parents, newborns and their families, and infants and toddlers at risk for or with developmental delays and disabilities and their families.

Family-Centered Services and Supports Fund This fund receives grant monies restricted for maintaining children and youth in their homes and communities by meeting the multi-systemic needs of children receiving service coordination.

Capacity Building Fund This fund receives an annual allocation of the state general funds to support the Council’s operational capacity building. The funds are used to provide a portion of the salary, fringe benefits, and travel expenses necessary to fund the County Council’s coordinators, parental involvement, administrative support, and/or technical assistance.

Multi-System Youth Fund This fund receives state general revenue funds distributed by the local public children service agency (PCSA) for the purposes of preventing parental relinquishment of custody solely for a child obtaining needed treatment; and supporting the care of children in the custody of a PCSA for congregate care and transitional services following discharge.

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 Geauga County Job and Family and Services. The Council authorizes Geauga County Job and Family and Services, 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. Geauga County Job and Family and Services agrees to be ultimately responsible for fulfilling the fiscal and administrative obligations of the agreement.

Geauga County Family and Children First Council

Geauga County

Notes to the Financial Statements

For the Year Ended December 31, 2020

Basis of Accounting

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

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

Budgetary Process

A Family and Children First Council established under Ohio Revised Code Section 121.37 is not a taxing authority and is not subject to Ohio Revised Code Chapter 5705. As of October 1, 1997, all Family and Children First Councils are required to file an annual budget with its administrative agent. The Council filed an estimate of financial resources and an appropriation measure with the Geauga County Auditor as required by Ohio law. The Council's administrative agent, Geauga County Job and Family Services, is required in May to submit a county budget for all of its funds including the Family First Council fund. This budget is certified by the Geauga County Budget Commission. By resolution, the fiscal agent may transfer appropriations from one appropriation item to another, reduce or increase any item, create new items, and make additional appropriations or reduce the total appropriations. Such appropriation modifications shall be certified by the Geauga County Budget Commission. The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the budgeted receipts and expenses reflect the amended budget and include amounts carried over from prior years.

A summary of 2020 budgetary activity appears in Note 3.

Deposits and Investments

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

Accumulated Leave

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

Geauga County Family and Children First Council

Geauga County

Notes to the Financial Statements

For the Year Ended December 31, 2020

Fund Balance

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

Nonspendable The Council classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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

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

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

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

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 9.

Note 3 – Budgetary Activity

Budgetary activity for the years ending December 31, 2020, follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,008,269	\$1,073,358	\$65,089
Special Revenue	470,237	655,899	185,662
Total	\$1,478,506	\$1,729,257	\$250,751

Geauga County Family and Children First Council

Geauga County

Notes to the Financial Statements

For the Year Ended December 31, 2020

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,522,669	\$939,304	\$583,365
Special Revenue	328,856	426,987	(98,131)
Total	\$1,851,525	\$1,366,291	\$485,234

Note 4 – Deposits and Investments

The Geauga County Auditor, as fiscal agent for the Council, maintains a cash and investments pool used by all of the Geauga County Auditor’s funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments and the Geauga County Auditor is responsible for compliance. The carrying amount of deposits and investments at December 31, 2020 was \$909,978.

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

Note 5 – Risk Management

Risk Pool Membership

The Council is a member of the County Risk Sharing Authority (CORSA). CORSA assumes the risk of loss up to the limits of the Council’s policy. CORSA covers the following risks:

- General liability and casualty;
- Public official’s liability;
- Errors and omissions;
- Law enforcement liability;
- Crime
- Property
- Vehicle;
- And excess liability.

Note 6 – Defined Benefit Pension Plans

The Council’s employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2020, OPERS members contributed 10 percent of their gross salaries, and the Council contributed an amount equaling 14 percent of participants’ gross salaries. The Council has paid all contributions required through December 31, 2020.

Geauga County Family and Children First Council

Geauga County

Notes to the Financial Statements

For the Year Ended December 31, 2020

Note 7 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, and deposits to a Health Reimbursement Arrangement, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2020.

Note 8 – 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 9 – Fund Balances

Included in fund balance are encumbrances, which are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Outstanding Encumbrances	\$255,430	\$160,015	\$415,445

The fund balance of special revenue funds is restricted. These restricted amounts in the special revenue funds would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 10 – COVID-19

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

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

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Intergovernmental	\$0	\$234,000	\$234,000
Local Contributions	1,043,312	0	1,043,312
Miscellaneous	45,194	0	45,194
<i>Total Cash Receipts</i>	<u>1,088,506</u>	<u>234,000</u>	<u>1,322,506</u>
Cash Disbursements			
Personal Services	217,754	0	217,754
Contractual Services	137,235	176,332	313,567
Treatment Services	564,386	0	564,386
Other	35,275	0	35,275
<i>Total Cash Disbursements</i>	<u>954,650</u>	<u>176,332</u>	<u>1,130,982</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>133,856</u>	<u>57,668</u>	<u>191,524</u>
<i>Fund Cash Balances, January 1</i>	<u>302,713</u>	<u>52,775</u>	<u>355,488</u>
Fund Cash Balances, December 31			
Restricted	0	110,443	110,443
Assigned	436,569	0	436,569
<i>Fund Cash Balances, December 31</i>	<u>\$436,569</u>	<u>\$110,443</u>	<u>\$547,012</u>

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

Geauga County Family and Children First Council

Geauga County

Notes to the Financial Statements

For the Year Ended December 31, 2019

Note 1 – Reporting Entity

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

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10. The President of the Board of County Commissioners or an individual designated by the Board;
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Geauga County Family and Children First Council

Geauga County

Notes to the Financial Statements

For the Year Ended December 31, 2019

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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”;
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Public Entity Risk Pool

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

Geauga County Family and Children First Council

Geauga County

Notes to the Financial Statements

For the Year Ended December 31, 2019

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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Help Me Grow Grant Fund This fund receives state and federal grant monies restricted for the purpose of the grant provisions.

Family-Centered Services and Supports Fund This fund receives grant monies restricted for maintaining children and youth in their homes and communities by meeting the multi-systemic needs of children receiving service coordination.

Capacity Building Fund Grant This fund receives an annual allocation of the state General Revenue Funds to support the Council's operational capacity building. The funds shall be used by Councils to provide a portion of the salary, fringe benefit and travel expenses necessary to fund Council coordinators, parental involvement, administrative support, and/or technical assistance. The funds shall not be used for direct services or any other costs not included above.

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 Geauga County Department of Job and Family Services (the JFS). The Council authorizes the JFS, 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 JFS agrees to be ultimately responsible for fulfilling the fiscal and administrative obligations of the agreement.

Geauga County Family and Children First Council

Geauga County

Notes to the Financial Statements

For the Year Ended December 31, 2019

Basis of Accounting

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

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

Budgetary Process

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

A summary of 2019 budgetary activity appears in Note 3.

Deposits and Investments

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

Fund Balance

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

Nonspendable The Council classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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

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

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all

Geauga County Family and Children First Council

Geauga County

Notes to the Financial Statements

For the Year Ended December 31, 2019

fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Council, which includes giving the administrative/fiscal agent the authority to constrain monies for intended purposes.

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

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

Note 3 – Budgetary Activity

Budgetary activity for the year ended December 31, 2019, follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,104,230	\$1,088,506	(\$15,724)
Special Revenue	311,752	234,000	(77,752)
Total	<u>\$1,415,982</u>	<u>\$1,322,506</u>	<u>(\$93,476)</u>

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,073,651	\$954,650	\$119,001
Special Revenue	473,405	176,332	297,073
Total	<u>\$1,547,056</u>	<u>\$1,130,982</u>	<u>\$416,074</u>

Note 4 – Deposits and Investments

The Geauga County Auditor, as fiscal agent for the Council, maintains a cash and investments pool used by all of the Geauga County Auditor’s funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments and the Geauga County Auditor is responsible for compliance. The carrying amount of deposits and investments at December 31, 2019 was \$547,012.

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

Note 5 – Risk Management

Risk Pool Membership

Geauga County Family and Children First Council

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Notes to the Financial Statements

For the Year Ended December 31, 2019

The Council is a member of the County Risk Sharing Authority (CORSA). CORSA assumes the risk of loss up to the limits of the Council's policy. CORSA covers the following risks:

- General liability and casualty;
- Public official's liability;
- Errors and omissions;
- Law enforcement liability;
- Crime
- Property
- Vehicle;
- And excess liability.

Note 6 – Defined Benefit Pension Plans

The Council's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2019, OPERS members contributed 10 percent of their gross salaries and the Council contributed an amount equaling 14 percent of participants' gross salaries. The Council has paid all contributions required through December 31, 2019.

Note 7 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which includes multiple health care plans including medical coverage, prescription drug coverage, and deposits to a Health Reimbursement Arrangement, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2019.

Note 8 – 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.

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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**

Geauga County Family and Children First Council
Geauga County
12480 Ravenwood Drive
Chardon, Ohio 44024

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the years ended December 31, 2020 and 2019, and related notes of the Geauga County Family and Children First Council, Geauga County (the Council), and have issued our report thereon dated September 14, 2021, wherein we noted the Council followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Council.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. 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 financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

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



Keith Faber
Auditor of State
Columbus, Ohio

September 14, 2021

OHIO AUDITOR OF STATE KEITH FABER



GEAUGA COUNTY FAMILY AND CHILDREN FIRST COUNCIL

GEAUGA 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 9/28/2021

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

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