



Certified Public Accountants, A.C.

**TUSCARAWAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
TUSCARAWAS COUNTY
REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2020 - 2019**

313 Second St.
Marietta, OH 45750
740 373 0056

1907 Grand Central Ave.
Vienna, WV 26105
304 422 2203

150 W. Main St., #A
St. Clairsville, OH 43950
740 695 1569

1310 Market St., #300
Wheeling, WV 26003
304 232 1358

749 Wheeling Ave., #300
Cambridge, OH 43725
740 435 3417

OHIO AUDITOR OF STATE
KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
IPAReport@ohioauditor.gov
(800) 282-0370

Members of Council
Tuscarawas County Family and Children First Council
119 Garland Dr. SW
New Philadelphia, OH 44663

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

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

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

Keith Faber
Auditor of State
Columbus, Ohio

October 26, 2021

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**TUSCARAWAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
TUSCARAWAS COUNTY**

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INDEPENDENT AUDITOR'S REPORT

August 16, 2021

Tuscarawas County Family and Children First Council
Tuscarawas County
119 Garland Drive SW
New Philadelphia, OH 44663

To the Members of the Council:

Report on the Financial Statements

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

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations
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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, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2020 and 2019, and the related notes of the Tuscarawas County Family and Children First Council, Tuscarawas County 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 Notes 11 and 12 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Council. As discussed in Note 11 to the 2020 financial statements, the Council made several changes to its reporting model. We did not modify our opinions regarding these matters.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 16, 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.



Perry & Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**TUSCARAWAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
TUSCARAWAS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Intergovernmental - Local	\$ 27,100	\$ -	\$ 27,100
Intergovernmental - State	28,705	132,413	161,118
Intergovernmental - Federal	-	460,830	460,830
Administrative	33,587	-	33,587
Local Contributions	100,312	-	100,312
Miscellaneous	1,377	-	1,377
<i>Total Cash Receipts</i>	<u>191,081</u>	<u>593,243</u>	<u>784,324</u>
Cash Disbursements			
Personal Services	57,706	18,817	76,523
Contractual Services	10,779	481,720	492,499
Travel Reimbursements	1,651	-	1,651
Supplies and Materials	10,011	1,704	11,715
Equipment	-	4,175	4,175
<i>Total Cash Disbursements</i>	<u>80,147</u>	<u>506,416</u>	<u>586,563</u>
<i>Net Change in Fund Cash Balances</i>	110,934	86,827	197,761
<i>Fund Cash Balances, January 1</i>	<u>105,696</u>	<u>65,202</u>	<u>170,898</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 216,630</u>	<u>\$ 152,029</u>	<u>\$ 368,659</u>

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

**TUSCARAWAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
TUSCARAWAS 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 families in the County. Where possible, the number of members representing families shall be equal to twenty percent of the Council's remaining membership;
2. The Director of the Board of Alcohol, Drug Addiction, and Mental Health Services that serves the County, or, in the case of a County that has a Board of Alcohol and Drug Addiction Services and a Community Mental Health Board, the Directors of both Boards. If a Board of Alcohol, Drug Addiction, and Mental Health Services covers more than one County, the Director may designate a person to participate on the County's Council;
3. The Health Commissioner, or the 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 of 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 if the Superintendent serves as superintendent of 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 if 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 the 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

**TUSCARAWAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Continued)**

NOTE 1 – REPORTING ENTITY (CONTINUED)

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.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

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.

**TUSCARAWAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Continued)**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (CONTINUED)

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

Special Education Grant- Infants and Families (HMG-Part C) – This fund receives state and federal grant monies restricted for expectant parents; newborns and their families; and infants and toddlers at risk for or with developmental delays or disabilities and their families.

Family-Centered Services and Supports Funds – This fund receives state and federal grant monies restricted for maintaining children and youth in their homes and communities by meeting the multi-systemic needs of children receiving service coordination. An example of some of the things Council's Service Coordinator can provide youth and families is respite service (Summer and weekend camps) and wrap around services (YMCA Membership)

Miscellaneous Fund – This fund receives state and federal grant monies restricted for specific usage. Each line item in this fund represents a program.

TANF Federal Crisis Funding was added in CY 2019, but no expenditures were made. In CY 2020; the Ohio Department of Mental Health and Addictions Services indicated the allocation was sent to Tuscarawas County in error and was then returned to OhioMHAS.

Multi-System Youth Funding- State was added. This funding is for youth in need of placement outside of their home. Applications requesting funding with supporting documentation ongoing reporting must be submitted to the State in order to receive funding.

Multi-Sytem Youth Funding- Local Tuscarawas County Job and Family Services was also an additional line item in CY 2020. The purpose of these funds is the same as above but does not require an application process.

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 Alcohol, Drug Addiction & Mental Health Services Board of Tuscarawas and Carroll Counties. The Council authorizes Alcohol, Drug Addiction & Mental Health Services Board of Tuscarawas and Carroll Counties 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 Alcohol, Drug Addiction & Mental Health Services Board of Tuscarawas and Carroll Counties agrees to be ultimately responsible for fulfilling the fiscal and administrative obligations of the agreement. The Tuscarawas County Auditor serves as fiscal agent for the Council.

Basis of Accounting

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

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

**TUSCARAWAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Continued)**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (CONTINUED)

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 Tuscarawas County Auditor as required by Ohio Law.

A summary of fiscal year 2020 budgetary activity appears in Note 3.

Deposits and Investments

The Council designated the Tuscarawas County Auditor as the fiscal agent for all funds received in the name of the Council. Deposits of monies are made with the Tuscarawas County Treasurer and fund expenditures and balances are reported through the Tuscarawas County Auditor. The Tuscarawas 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.

Accumulated Leave

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

Fund Balance

Fund cash 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 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 agreements.

Assigned Assigned fund balance are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*.

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

**TUSCARAWAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Continued)**

Fund Balance (Continued)

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 cash 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 cash balance classifications could be used.

NOTE 3 – BUDGETARY ACTIVITY

Budgetary activity for the period January 1, 2020 through December 31, 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 201,482	\$ 191,081	\$ (10,401)
Special Revenue	561,445	593,243	31,798
Total	\$ 762,927	\$ 784,324	\$ 21,397

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 306,933	\$ 80,147	\$ 226,786
Special Revenue	595,087	506,416	88,671
Total	\$ 902,020	\$ 586,563	\$ 315,457

NOTE 4 – DEPOSITS AND INVESTMENTS

As required by the Ohio Revised Code, the Tuscarawas 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.

	2020
Demand deposits	\$ 368,659
Total deposits	\$ 368,659

The 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.

**TUSCARAWAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Continued)**

NOTE 5 – RISK MANAGEMENT

The Council participates in the Tuscarawas County Healthcare Consortium (the "Consortium"), which is a legally separate entity organized under Ohio Revised Code Chapter 167. The Consortium was established on January 1, 2017, formed by certain political subdivisions located within Tuscarawas County, for the purpose of obtaining medical and hospitalization benefits. The Consortium acts as a governmental risk pool for health insurance (including prescription and vision) coverage for its 29 subdivisions. The Consortium has a Board of Directors consisting of five members. The Fiscal Agent is responsible for administering the financial transactions of the Consortium. For 2020, Tuscarawas County served as Fiscal Agent for the Consortium. Member contributions are used to provide medical, hospitalization, prescription drug and vision insurance benefits as provided for in the Member's Plan Document and as established by law. The Board of Directors determines, as their discretion, the insurance benefits to be provided by or through the Consortium. Insurance limits, types of claims covered, eligibility for benefits and any deductibles shall be approved by the governing board of each member and shall be described in the Member's Plan Document. The risk of loss for loss transfers from the member subdivisions to the Consortium upon payment of the monthly premium. The Consortium's audited financial statements conform with generally accepted accounting principles, and reporting the following assets, liabilities and net position at December 31, 2019.

Assets	\$ 1,191,033
Liabilities	1,423,046
Net Position	<u>(232,013)</u>

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Board pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs (if material).

Commercial Insurance

The ADAMHS Board has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

NOTE 6 – RETIREMENT SYSTEM

Ohio Public Employees Retirement System

The Council 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. OPERS members contributed 10 percent of their gross salaries, and the Board contributed an amount equaling 14 percent of participants' gross salaries. The Board has paid all contributions required through December 31, 2020.

**TUSCARAWAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Continued)**

NOTE 7 – POSTEMPLOYMENT BENEFITS

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, 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 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 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. 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 –RELATED PARTY TRANSACTIONS

The Council is housed within the office space of the administrative agent and pays monthly rent of \$500. The administrative agent receives \$2,000 per year in administrative fees from the Council.

NOTE 10- FUND BALANCES

Included in fund balance are amounts the Council cannot spend, including the balance of unclaimed monies, which cannot be spent for five years. The Council did not hold any unclaimed monies. Encumbrances 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 the council did not hold any outstanding encumbrances.

The fund balance of special revenue funds is either restricted or committed. These restricted and committed amounts in the special revenue funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

NOTE 11- 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 Board. The Board's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Board's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

NOTE 12 – CHANGE IN ACCOUNTING PRINCIPLE

For 2020, the Council has made changes to their cash basis reporting model. These changes include modifications to the definition of fiduciary funds, adding a separate combined statement of additions, deductions, and changes in fund balances (regulatory cash basis) – all fiduciary fund types, and removing the fund balance classifications from the combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) all governmental fund types.

**TUSCARAWAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
TUSCARAWAS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Intergovernmental - Local	\$ 133,976	\$ -	\$ 133,976
Intergovernmental - State	16,578	41,639	58,217
Intergovernmental - Federal	-	144,826	144,826
Administrative	43,364	-	43,364
Local Contributions	774	-	774
Miscellaneous	0	-	-
<i>Total Cash Receipts</i>	<u>194,692</u>	<u>186,465</u>	<u>381,157</u>
Cash Disbursements			
Salaries	73,845	16,694	90,539
Supplies	883	-	883
Equipment	3,334	-	3,334
Contract Services	26,973	144,241	171,214
Insurance	24,153	-	24,153
Travel	6,242	-	6,242
OPERS	9,861	2,337	12,198
Workers Compensation	975	-	975
Other Expenses	1,599	-	1,599
Medicare	1,023	242	1,265
<i>Total Cash Disbursements</i>	<u>148,888</u>	<u>163,514</u>	<u>312,402</u>
<i>Net Change in Fund Cash Balances</i>	45,804	22,951	68,755
<i>Fund Cash Balances, January 1</i>	<u>59,892</u>	<u>42,251</u>	<u>102,143</u>
Fund Cash Balances, December 31			
Restricted	-	65,202	65,202
Assigned	73,961	-	73,961
Unassigned	31,735	-	31,735
<i>Fund Cash Balances, December 31</i>	<u>\$ 105,696</u>	<u>\$ 65,202</u>	<u>\$ 170,898</u>

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

**TUSCARAWAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)**

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 who are not employed by an agency represented on the Council and whose families are or have received services from an agency represented on the Council or another County's Council. Where possible, the number of members representing families shall be equal to twenty percent of the Council's membership;
2. The Director of the Board of Alcohol, Drug Addiction, and Mental Health Services that serves the County, or, in the case of a County that has a Board of Alcohol and Drug Addiction Services and a Community Mental Health Board, the Directors of both Boards. If a Board of Alcohol, Drug Addiction, and Mental Health Services covers more than one County, the Director may designate a person to participate on the County's Council;
3. The Health Commissioner, or the 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;
6. The Superintendent of the County Board of Developmental Disabilities;
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 if 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 the 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

**TUSCARAWAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)**

NOTE 1 – REPORTING ENTITY (CONTINUED)

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.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Fund Accounting

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

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.

**TUSCARAWAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Special Revenue Funds - These funds are used to 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 GRF This fund receives State and Federal grant monies restricted for the purpose of the grant provisions.

Special Education Grant- Infants and Families (HMG-Part C) This fund receives state and federal grant monies restricted for expectant parents; newborns and their families; and infants and toddlers at risk for or with developmental delays or disabilities and their families.

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

Home Choice Fund This fund receives Federal grant monies to assist children/ adolescents with disabilities to move from long- term services and support systems to home and community- based settings.

Miscellaneous Fund This fund receives state and federal grant monies restricted for specific usage. Each line item in this fund represents a program. In 2019, CY TANF Federal Crisis Funding was added. No expenditures were made in CY 2019.

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 Alcohol, Drug Addiction & Mental Health Services Board of Tuscarawas and Carroll Counties. The Council authorizes Alcohol, Drug Addiction & Mental Health Services Board of Tuscarawas and Carroll Counties 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 Alcohol, Drug Addiction & Mental Health Services Board of Tuscarawas and Carroll Counties agrees to be ultimately responsible for fulfilling the fiscal and administrative obligations of the agreement. The Tuscarawas County Auditor serves as fiscal agent for the Council.

Basis of Accounting

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

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

**TUSCARAWAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Shelby County Auditor as required by Ohio Law.

A summary of fiscal year 2019 budgetary activity appears in Note 3.

Deposits and Investments

The Council designated the Tuscarawas County Auditor as the fiscal agent for all funds received in the name of the Council. Deposits of monies are made with the Tuscarawas County Treasurer and fund expenditures and balances are reapplied through the Tuscarawas 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 liability for unpaid leave.

Fund Balance

Fund cash 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 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.

**TUSCARAWAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 period January 1, 2019 through December 31, 2019, follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 208,325	\$ 194,692	\$ (13,633)
Special Revenue	186,465	186,465	-
Total	\$ 394,790	\$ 381,157	\$ (13,633)

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 196,709	\$ 148,888	\$ 47,821
Special Revenue	200,002	163,514	36,488
Total	\$ 396,711	\$ 312,402	\$ 84,309

NOTE 4 – DEPOSITS AND INVESTMENTS

As required by the Ohio Revised Code, the Tuscarawas 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.

	2019
Demand deposits	\$ 170,898
Total deposits	170,898

The 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.

**TUSCARAWAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)**

NOTE 5 – RETIREMENT SYSTEM

Ohio Public Employees Retirement System

The Council 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 % of their gross salaries, and the Council contributed an amount equaling 14 % of participants' gross salaries. The Council has paid all contributions required through December 31, 2019.

NOTE 7 – POSTEMPLOYMENT BENEFITS

OPERS offer 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 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 6 – RISK MANAGEMENT

Full-time employees are provided health insurance and vision coverage through the Tuscarawas County Healthcare Consortium. Full-time employees are also provided life insurance through the Tuscarawas County Commissioners' plan. Full-time employees are also offered dental, additional vision coverage and additional voluntary life insurance through the Tuscarawas County Commissioners' plans.

Workers' Compensation coverage is provided by the State of Ohio. The Council pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs (if material).

Commercial Insurance

The Council is insured through Tuscarawas County. Tuscarawas County participates in the Public Entity Risk Consortium, a joint self-insurance pool for Ohio public entities. Coverage is maintained for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

Health Insurance

The Council offers health insurance to all employees through Tuscarawas County. The Council contributes their monthly premiums and the premiums are paid to the County.

NOTE 7 – CONTINGENT LIABILITIES

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

**TUSCARAWAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)**

NOTE 8 – RELATED PARTY TRANSACTIONS

The Council is housed within the office space of the administrative agent and pays monthly rent of \$500. The administrative agent receives \$2,000 per year in administrative fees from the Council.

Tuscarawas County Auditor serves as the Council's fiscal agent. The Council paid \$2,883 to Tuscarawas County Commissioners during 2019 under their cost allocation plan.

NOTE 9 – 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 Board. The Board's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Board's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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

August 16, 2021

Tuscarawas County Family and Children First Council
Tuscarawas County
119 Garland Drive SW
New Philadelphia, OH 44663

To the Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the **Tuscarawas County Family and Children First Council**, Tuscarawas County, (the Council) as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements and have issued our report thereon dated August 16, 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 and the financial impact of COVID-19 and the ensuing emergency measures and the financial impact of changes to the reporting model.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of audit findings that we consider a material weakness. We consider finding 2020-001 to be a material weakness.

Compliance and Other Matters

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

Purpose of this Report

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



Perry & Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**TUSCARAWAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL
TUSCARAWAS COUNTY**

**SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2020-001

Material Weakness

Financial Reporting

Accurate financial reporting is the responsibility of the Administrative Agent and is essential to ensure information provided to the readers of the financial statements is correct. Fund Balances should be properly classified based on Governmental Accounting Standards Board Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions.

Receipts, disbursements, and fund balances were not always posted or classified correctly. The following errors were noted:

- General Fund balance classification was presented as Assigned instead of Unassigned on the financial statements in 2019.
- Receipts were classified as Intergovernmental - State instead of Intergovernmental - Local in the General Fund in 2019.
- Intrafund transactions included on Hinkle Filing in 2020.

Not posting receipts and disbursements or classifying fund balances accurately resulted in the financial statements requiring reclassifications. The financial statements reflect all reclassifications. We did note reclassifications that were inconsequential to the overall financial statements of the Council for 2020 and 2019 that were not posted to the financial statements or ledgers.

To help ensure accuracy and reliability in the financial reporting process, we recommend management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues, expenditures, and fund balances are properly identified and classified on the financial statements. We recommend the Council use the available templates for financial statements and notes to the financial statements on the Auditor of State’s website to prepare an accurate annual financial report.

Officials’ Response – We did not receive a response from officials for this finding.

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OHIO AUDITOR OF STATE KEITH FABER



TUSCARAWAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL

TUSCARAWAS COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 11/9/2021

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