



**FAIRFIELD COUNTY FAMILY, ADULT AND CHILDREN FIRST COUNCIL
FAIRFIELD COUNTY
DECEMBER 31, 2018 AND 2017**

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INDEPENDENT AUDITOR'S REPORT

Fairfield County Family, Adult and Children First Council
Fairfield County
831 College Avenue, Suite C
Lancaster, Ohio 43130

To the Executive Committee:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Fairfield County Family, Adult and Children First Council, Fairfield County, Ohio (the Council) as of and for the year ended December 31, 2018 and the period July 1 through December 31, 2017.

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, 2018 and 2017, and the respective changes in financial position thereof for the year and period 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 by fund type, and related notes of the Fairfield County Family, Adult and Children First Council, Fairfield County as of December 31, 2018 and 2017, and for the year and period then ended 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 3 to the financial statements for 2017, the Council changed its fiscal year end from June 30 to December 31; therefore the financial statements for 2017 include cash basis activity for the period of July 1, 2017 through December 31, 2017. 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 23, 2019, 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 23, 2019

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Family, Adult and Children First Council
Fairfield 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, 2018

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Intergovernmental	\$21,695	\$957,575	\$979,270
Charges for Services	5,700	0	5,700
County Contributions	0	432,750	432,750
Donations	0	6,117	6,117
Miscellaneous	2,152	2,195	4,347
<i>Total Cash Receipts</i>	<u>29,547</u>	<u>1,398,637</u>	<u>1,428,184</u>
Cash Disbursements			
Personal Services	12,472	226,592	239,064
Fringe Benefits	6,553	96,828	103,381
Contractual Services	5,796	996,686	1,002,482
Advertising and Printing	841	2,652	3,493
Travel/Travel	100	2,063	2,163
Supplies and Materials	3,374	14,488	17,862
Other	17,080	0	17,080
<i>Total Cash Disbursements</i>	<u>46,216</u>	<u>1,339,309</u>	<u>1,385,525</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(16,669)</u>	<u>59,328</u>	<u>42,659</u>
<i>Fund Cash Balances, January 1 Restated</i> <i>See Note 3</i>	<u>45,981</u>	<u>131,044</u>	<u>177,025</u>
Fund Cash Balances, December 31:			
Restricted	39,994	326,541	366,535
Unassigned (Deficit)	(10,682)	(136,169)	(146,851)
<i>Fund Cash Balances, December 31</i>	<u>\$29,312</u>	<u>\$190,372</u>	<u>\$219,684</u>

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

Family, Adult and Children First Council

Fairfield County

Notes to the Financial Statements

For the Year Ended December 31, 2018

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;
3. The Health Commissioner, or the Commissioner's designee, of the Board of Health of each City or General Health District in the County;
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;
7. The Superintendent of the city, exempted village, or local school district with the largest number of pupils residing in the County, as determined by the Ohio Department of Education, which shall notify each County of its determination at least biennially;
8. A School Superintendent representing all other school districts with territory in the County, as designated at a biennial meeting of the superintendents of those districts;
9. A representative of the municipal corporation with the largest population in the County;
10. The President of the Board of County Commissioners or an individual designated by the Board;
11. A representative of the regional office of the Ohio Department of Youth Services;
12. A representative of the County's Head Start agencies, as defined in Ohio Revised Code Section 3301.32;
13. A representative of the County's Early Intervention collaborative established pursuant to the federal early intervention program operated under the "Individuals with Disabilities Education Act of 2004"; and
14. A representative of a local nonprofit entity that funds, advocates, or provides services to children and families.

Family, Adult and Children First Council

Fairfield County

Notes to the Financial Statements

For the Year Ended December 31, 2018

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;
5. Establishment of a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the County system; and
6. Make annual reports to the Cabinet Council regarding the number of children referred to the County Council and the progress made in meeting the needs of each child.

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

Jointly Governed Organization and Public Entity Risk Pool

The Council participates in jointly governed organization and a public entity risk pool. Notes 10 and 11 to the financial statements provides additional information for these entities.

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).

Family, Adult and Children First Council

Fairfield County

Notes to the Financial Statements

For the Year Ended December 31, 2018

Note 2 – Summary of Significant Accounting Policies (continued)

Fund Accounting

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

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

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

Help Me Grow Early Intervention Federal Fund This fund receives federal grant monies restricted for the purpose of the grant provisions.

Help Me Grow Early Intervention State Fund This fund receives state grant monies restricted for the purpose of the grant provisions.

Multi System Youth General Pool This fund receives state grants restricted for the purpose of the grant provisions.

Multi System Youth Out of Home This fund receives state grants and County contributions for the purpose of the grant provisions.

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 Fairfield County Auditor as its fiscal agent and the Fairfield County Commissioners as its administrative agent. The Council authorizes Fairfield County Commissioners as administrative agent, to subcontract with, designate, and/or seek assistance from any agencies and/or organizations that it deems necessary in order to complete the obligations set forth in the agreement. The Fairfield County Commissioners agrees to be ultimately responsible for fulfilling the fiscal and administrative obligations of the agreement.

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.

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

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 Fairfield County Commissioners as required by the Memorandum of Understanding.

A summary of 2018 budgetary activity appears in Note 4.

Deposits and Investments

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

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

Nonspendable The Council classifies assets as *nonspendable* when 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.

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

Note 2 – Summary of Significant Accounting Policies (continued)

Fund Balance (continued)

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Council, which includes giving the administrative/fiscal agent the authority to constrain monies for intended purposes.

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

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

Note 3 – Restatement of Prior Year’s Fund Balance

Governmental Accounting Standard Board (GASB) Statement No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions” was implemented in fiscal year 2011. GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarch based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. This statement resulted in the reclassification of a special revenue fund and restatement of the Council’s financial statement.

	General	Special Revenue Funds	Total
Fund Balance at			
December 31, 2017	\$45,892	\$131,133	\$177,025
Change in Fund Structure	89	(89)	0
Adjusted Fund Balance at			
December 31, 2017	\$45,981	\$131,044	\$177,025

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

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2018, follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$21,750	\$29,547	\$7,797
Special Revenue	2,917,272	1,398,637	(1,518,635)
Total	\$2,939,022	\$1,428,184	(\$1,510,838)

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$67,486	\$38,679	\$28,807
Special Revenue	2,964,299	1,346,846	1,617,453
Total	\$3,031,785	\$1,385,525	\$1,646,260

Note 5 – Deposits and Investments

The Fairfield County Treasurer, as fiscal agent for the Council, maintains a cash and investments pool used by all of the Fairfield County Treasurer’s funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments and the Fairfield County Treasurer is responsible for compliance. The Council’s carrying amount of cash on deposit with the County at December 31, 2018 was \$219,684.

The Fairfield County Treasurer is responsible for maintaining adequate depository collateral for all funds in the Treasurer’s pooled and deposit accounts. All risks associated with the above deposits are the responsibility of the Fairfield County Treasurer.

Note 6 – Risk Management

The Council is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; employee injuries, and natural disaster. By contracting with the County Risk Sharing Authority (CORSA) for liability, property, and crime insurance, the Council has addressed these various types of risk.

The CORSA program has a \$5,000 deductible which is applicable to all insured coverages, including property, automobile, and a \$25,000 deductible for insured liability coverages, including general and professional liability, except for employee dishonesty/faithful performance which has no deductible. General liability insurance is maintained in the amount of \$1,000,000 for each occurrence, no annual aggregate. Other liability insurance includes \$1,000,000 for Ohio Stop Gap, which provides additional coverage beyond the State Workers’ Compensation program, \$1,000,000 for errors and omissions liability

Family, Adult and Children First Council

Fairfield County

Notes to the Financial Statements

For the Year Ended December 31, 2018

Note 6 – Risk Management (continued)

wrongful acts, \$1,000,000 for automobile liability, \$1,000,000 for employee benefit liability, \$250,000 for uninsured/under insured motorist liability, and \$10,000,000 in excess liability (except for crime coverage and cyber liability). Crime insurance for potential employee dishonesty is held in the amount of \$1,000,000.

Privacy and Security liability coverage is \$5,000,000 per occurrence with an annual aggregate of \$5,000,000. Coverage does contain some sub limits, which are included in aggregate for \$500,000 privacy response expense, \$250,000 for claims expense, regulatory proceedings, penalties, and \$250,000 for PCI-DSS assessments.

Self-Insurance

The County has a limited risk health insurance and prescription insurance program for employees. Premiums for the County plan are paid into the Self-Funded Health Insurance Internal Service Fund by other funds that are available to pay claims, claim reserves, and administrative costs. The County's Self-Funded Health Insurance Internal Service Fund makes monthly payments directly to the third party administrator. Health is provided by United Health Care and drug is provided by OptumRX.

Note 7 – Defined Benefit Pension Plan

Plan Description – Council employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. While members (e.g. Council employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the tradition plan were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

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

Note 7 – Defined Benefit Pension Plans (continued)

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

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

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

When a traditional plan benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

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

Note 7 – Defined Benefit Pension Plans (continued)

	State and Local
FY 2018 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
 FY 2018 Actual Contribution Rates	
Employer (July 1, 2017 - December 31, 2017):	
Pension	13.0 %
Post-employment Health Care Benefits ****	1.0
Total Employer	14.0 %
 Employer (Effective January 1, 2018):	
Pension	14.0 %
Post-employment Health Care Benefits ****	0.0
Total Employer	14.0 %
 Employee	 10.0 %

**** This employer health care rate is for the traditional plan.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. For 2018, the Council’s contractually required contribution was \$32,520 for the traditional plan. For 2018, 94% has been contributed with the balance contributed in January 2019.

Note 8 – Postemployment Benefits

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. While members (e.g. Council employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

Family, Adult and Children First Council

Fairfield County

Notes to the Financial Statements

For the Year Ended December 31, 2018

Note 8 – Postemployment Benefits (continued)

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of the traditional pension plan.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension plan must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2018, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Note 9 – Other Employer Benefits

The Council also provides dental, vision, and Employee Assistance Program (EAP) for all eligible employees. Dental is provided by Delta Dental, vision is provided by Vision Service Plan, and EAP is provided by United Behavioral Health.

The Council provides life insurance and accidental death and dismemberment insurance to most employees through the Guardian Insurance Company.

Family, Adult and Children First Council

Fairfield County

Notes to the Financial Statements

For the Year Ended December 31, 2018

Note 10 – Jointly Governed Organization

A jointly governed organization is a regional government or other multigovernmental arrangement that is governed by representatives from each of the governments that create the organization, but that is not a joint venture because the participants do not retain an ongoing financial interest or responsibility.

The Council is reported as a jointly organization created under Ohio Revised Code Section 121.37, in the County’s Comprehensive Annual Financial Report. See the Reporting Entity note for the Council members. The Council’s revenues consist of operating grants along with pooled funding from other government sources. For 2018, the Council received \$861,755 from the County for contract services, grant administration, and allocations. Continued existence of the Council is not dependent on the County’s continued participation and no equity interest exists.

Note 11 – Public Entity Risk Pool

The County Risk Sharing Authority, Inc. (CORSA) is a shared risk pool among sixty-six counties in Ohio. CORSA was formed as an Ohio non-profit corporation for the purpose of establishing the CORSA Insurance/Self Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA. The coverage includes comprehensive general liability, automobile liability, certain property insurance, and public officials' errors and omissions liability insurance.

Each member has one vote on all matters requiring a vote, which will be cast by a designated representative. An elected board of not more than nine trustees manages the affairs of the Corporation. Only County Commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member’s control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the members’ obligations to make coverage payments to CORSA. The participating members have no responsibility for the payment of the certificates. The Council does not have an equity interest in CORSA.

Note 12 - Leases

The Council leases a copier under a noncancelable lease. The Council disbursed \$1,248 to pay lease costs for the year ended December 31, 2018. Future lease payments, including interest, are as follows:

Year Ending December 31:	Leases
2019	\$ 1,248
2020	1,248
2021	1,248
2022	312
Total	<u>\$ 4,056</u>

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

Note 13 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Council is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the general fund and all other special revenue funds at December 31, 2018 is presented below:

Fund Balances	General	Special Revenue Funds	Total
<i>Restricted for</i>			
Community Services	\$ 39,994	\$ -	\$ 39,994
Help Me Grow Early Intervention-Federal	-	20,808	20,808
Help Me Grow Central Coordination	-	5,327	5,327
Help Me Grow Early Intervention Outreach	-	3,785	3,785
Parent Ed - ADAMH Grant	-	2,173	2,173
Safe Kids Partners	-	14,125	14,125
South Central Power	-	2,894	2,894
Multi-System Youth Pool FCSS-State	-	10,700	10,700
Multi-System Youth Pool General	-	101,135	101,135
Multi-System Pool Out of Home	-	133,936	133,936
Sharing Hope/Bridges	-	6,744	6,744
Children's Trust	-	9,282	9,282
Children's Committee	-	9,659	9,659
SPFSIG	-	5,973	5,973
Total Restricted	39,994	326,541	366,535
<i>Unassigned (Deficit)</i>	(10,682)	(136,169)	(146,851)
<i>Total Fund Balances</i>	\$ 29,312	\$ 190,372	\$ 219,684

Note 14 – 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.

Family, Adult and Children First Council
Fairfield County, Ohio
Combined Statement of Cash Receipts, Cash Disbursements
And Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Period July 1, 2017 - December 31, 2017

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Intergovernmental	\$17,250	\$653,418	\$670,668
Charges for Services	-	2,685	2,685
County Contribution	-	100,000	100,000
Donations	-	777	777
Miscellaneous	889	1,006	1,895
<i>Total Cash Receipts</i>	<u>18,139</u>	<u>757,886</u>	<u>776,025</u>
Cash Disbursements			
Personal Services	4,488	101,313	105,801
Fringe Benefits	2,949	43,983	46,932
Contractual Services	48	496,051	496,099
Advertising and Printing	-	425	425
Training/Travel	132	1,526	1,658
Supplies and Materials	348	12,632	12,980
<i>Total Cash Disbursements</i>	<u>7,965</u>	<u>655,930</u>	<u>663,895</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>10,174</u>	<u>101,956</u>	<u>112,130</u>
<i>Fund Cash Balances, July 1 Restated</i> <i>See Note 3</i>	<u>35,718</u>	<u>29,177</u>	<u>64,895</u>
Fund Cash Balances, December 31:			
Restricted	58,394	302,553	360,947
Unassigned (Deficit)	(12,502)	(171,420)	(183,922)
<i>Fund Cash Balances, December 31</i>	<u>\$45,892</u>	<u>\$131,133</u>	<u>\$177,025</u>

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

Family, Adult and Children First Council
Fairfield County
Notes to the Financial Statements
For the Period July 1, 2017 - December 31, 2017

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;
3. The Health Commissioner, or the Commissioner's designee, of the Board of Health of each City or General Health District in the County.
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;
7. The Superintendent of the city, exempted village, or local school district with the largest number of pupils residing in the County, as determined by the Ohio Department of Education, which shall notify each County of its determination at least biennially;
8. A School Superintendent representing all other school districts with territory in the County, as designated at a biennial meeting of the superintendents of those districts;
9. A representative of the municipal corporation with the largest population in the County;
10. The President of the Board of County Commissioners or an individual designated by the Board;
11. A representative of the regional office of the Ohio Department of Youth Services;
12. A representative of the County's Head Start agencies, as defined in Ohio Revised Code Section 3301.32;
13. A representative of the County's Early Intervention collaborative established pursuant to the federal early intervention program operated under the "Individuals with Disabilities Education Act of 2004"; and
14. A representative of a local nonprofit entity that funds, advocates, or provides services to children and families.

Family, Adult and Children First Council
Fairfield County
Notes to the Financial Statements
For the Period July 1, 2017 - December 31, 2017

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;
5. Establishment of a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the County system; and
6. Make annual reports to the Cabinet Council regarding the number of children referred to the County Council and the progress made in meeting the needs of each child.

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

Jointly Governed Organization and Public Entity Risk Pool

The Council participates in jointly governed organization and a public entity risk pool. Notes 10 and 11 to the financial statements provides additional information for these entities.

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).

Family, Adult and Children First Council
Fairfield County
Notes to the Financial Statements
For the Period July 1, 2017 - December 31, 2017

Note 2 – Summary of Significant Accounting Policies (continued)

Fund Accounting

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

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

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

Help Me Grow Early Intervention Federal Fund This fund receives federal grant monies restricted for the purpose of the grant provisions.

Help Me Grow Early Intervention State Fund This fund receives state grant monies restricted for the purpose of the grant provisions.

Multi System Youth General Pool This fund receives state grants restricted for the purpose of the grant provisions.

Multi System Youth Out of Home This fund receives state grants and County contributions for the purpose of the grant provisions.

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 Fairfield County Auditor as its fiscal agent and the Fairfield County Commissioners as its administrative agent. The Council authorizes Fairfield County Commissioners as administrative agent, to subcontract with, designate, and/or seek assistance from any agencies and/or organizations that it deems necessary in order to complete the obligations set forth in the agreement. The Fairfield County Commissioners agrees to be ultimately responsible for fulfilling the fiscal and administrative obligations of the agreement.

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.

Family, Adult and Children First Council
Fairfield County
Notes to the Financial Statements
For the Period July 1, 2017 - December 31, 2017

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 Fairfield County Commissioners as required by the Memorandum of Understanding.

A summary of July 1 – December 31, 2017 budgetary activity appears in Note 4.

Deposits and Investments

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

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

Nonspendable The Council classifies assets as *nonspendable* when 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.

Family, Adult and Children First Council
Fairfield County
Notes to the Financial Statements
For the Period July 1, 2017 - December 31, 2017

Note 2 – Summary of Significant Accounting Policies (continued)

Fund Balance (continued)

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Council, which includes giving the administrative/fiscal agent the authority to constrain monies for intended purposes.

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

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

Note 3 – Change in Fiscal Year/Restatement of Prior Year’s Fund Balance

The Council changed its fiscal year end from June 30 to December 31; therefore the financial statements for 2017 include cash basis activity for the period of July 1, 2017 through December 31, 2017. Governmental Accounting Standard Board (GASB) Statement No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions” was implemented in fiscal year 2011. GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarch based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. This statement resulted in the reclassification of a special revenue fund and restatement of the Council’s financial statement.

	General	Special Revenue Funds	Total
Fund Balance at			
June 30, 2017	\$37,458	\$27,437	\$64,895
Change in Fund Structure	(1,740)	1,740	0
Adjusted Fund Balance at			
June 30, 2017	\$35,718	\$29,177	\$64,895

Family, Adult and Children First Council
Fairfield County
Notes to the Financial Statements
For the Period July 1, 2017 - December 31, 2017

Note 4 – Budgetary Activity

Budgetary activity for July 1- December 31, 2017, follows:

July 1 - December 2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$46,750	\$18,139	(\$28,611)
Special Revenue	690,161	757,886	67,725
Total	\$736,911	\$776,025	\$39,114

July 1 - December 2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$12,397	\$8,067	\$4,330
Special Revenue	613,402	726,593	(113,191)
Total	\$625,799	\$734,660	(\$108,861)

Note 5 – Deposits and Investments

The Fairfield County Treasurer, as fiscal agent for the Council, maintains a cash and investments pool used by all of the Fairfield County Treasurer’s funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments and the Fairfield County Treasurer is responsible for compliance. The Council’s carrying amount of cash on deposit with the County at December 31, 2017 was \$177,025.

The Fairfield County Treasurer is responsible for maintaining adequate depository collateral for all funds in the Treasurer’s pooled and deposit accounts. All risks associated with the above deposits are the responsibility of the Fairfield County Treasurer.

Note 6 – Risk Management

The Council is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; employee injuries, and natural disaster. By contracting with the County Risk Sharing Authority (CORSA) for liability, property, and crime insurance, the Council has addressed these various types of risk.

The CORSA program has a \$5,000 deductible which is applicable to all insured coverages, including property, automobile, and a \$25,000 deductible for insured liability coverages, including general and professional liability, except for employee dishonesty/faithful performance which has no deductible. General liability insurance is maintained in the amount of \$1,000,000 for each occurrence, no annual aggregate. Other liability insurance includes \$1,000,000 for Ohio Stop Gap, which provides additional coverage beyond the State Workers’ Compensation program, \$1,000,000 for errors and omissions liability

Family, Adult and Children First Council
Fairfield County
Notes to the Financial Statements
For the Period July 1, 2017 - December 31, 2017

Note 6 – Risk Management (continued)

wrongful acts, \$1,000,000 for automobile liability, \$1,000,000 for employee benefit liability, \$250,000 for uninsured/under insured motorist liability, and \$10,000,000 in excess liability (except for crime coverage and cyber liability). Crime insurance for potential employee dishonesty is held in the amount of \$1,000,000.

Cyber liability coverage is included in the amount of \$4,000,000 per cyber occurrence with an annual aggregate of \$4,000,000 per member. Coverage does contain some sub limits, which are included in aggregate for \$500,000 privacy response expense, \$250,000 for claims expense, regulatory proceedings, penalties, and \$250,000 for PCI-DSS assessments.

Self-Insurance

Effective January 1, 2017, the County established a limited risk health insurance and prescription insurance program for employees. Premiums for the County plan are paid into the Self-Funded Health Insurance Internal Service Fund by other funds that are available to pay claims, claim reserves, and administrative costs. The County's Self-Funded Health Insurance Internal Service Fund makes monthly payments directly to the third party administrator. Health is provided by United Health Care and drug is provided by OptumRX.

Note 7 – 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 July 1- December 31, 2017 OPERS members contributed 10 percent of their gross salaries and the Council contributed an amount equaling 14 percent of participants' gross salaries. At December 31, 2017, 87% has been contributed with the balance contributed in January 2018.

Note 8 – Postemployment Benefits

OPERS offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during July 1, 2017 – December 31, 2017.

Note 9 – Other Employer Benefits

The Council also provides dental, vision, and Employee Assistance Program (EAP) for all eligible employees. Dental is provided by Delta Dental, vision is provided by Vision Service Plan, and EAP is provided by United Behavioral Health.

The Council provides life insurance, short-term and long-term disability, and accidental death and dismemberment insurance to most employees through the Guardian Insurance Company.

Family, Adult and Children First Council
Fairfield County
Notes to the Financial Statements
For the Period July 1, 2017 - December 31, 2017

Note 10 – Jointly Governed Organization

A jointly governed organization is a regional government or other multigovernmental arrangement that is governed by representatives from each of the governments that create the organization, but that is not a joint venture because the participants do not retain an ongoing financial interest or responsibility.

The Council is reported as a jointly governed organization created under Ohio Revised Code Section 121.37, in the County's Comprehensive Annual Financial Report. See the Reporting Entity note for the Council members. The Council's revenues consist of operating grants along with pooled funding from other government sources. From July 1, 2017 – December 31, 2017, the Council received \$359,581 from the County for contract services, grant administration, and allocations. Continued existence of the Council is not dependent on the County's continued participation, no equity interest exists, and no debt is outstanding.

Note 11 – Public Entity Risk Pool

The County Risk Sharing Authority, Inc. (CORSA) is a shared risk pool among sixty-five counties in Ohio. CORSA was formed as an Ohio non-profit corporation for the purpose of establishing the CORSA Insurance/ Self Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA. The coverage includes comprehensive general liability, automobile liability, certain property insurance, and public officials' errors and omissions liability insurance.

Each member has one vote on all matters requiring a vote, which will be cast by a designated representative. An elected board of not more than nine trustees manages the affairs of the Corporation. Only County Commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the members' obligations to make coverage payments to CORSA. The participating members have no responsibility for the payment of the certificates. The Council does not have an equity interest in CORSA.

Note 12 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Council is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the general fund and all other special revenue funds at December 31, 2017 is presented below:

Family, Adult and Children First Council
Fairfield County
Notes to the Financial Statements
For the Period July 1, 2017 - December 31, 2017

Note 12 – Fund Balances (continued)

Fund Balances	General	Special Revenue Funds	Total
<i>Restricted for</i>			
Community Services	\$ 58,394	\$ -	\$ 58,394
Help Me Grow Early Intervention-Federal	-	17,932	17,932
Help Me Grow Central Coordination	-	5,269	5,269
Help Me Grow Early Intervention Outreach	-	6,981	6,981
Safe Kids Partners	-	13,395	13,395
AEP Ohio	-	163	163
South Central Power	-	178	178
Multi-System Youth Pool FCSS-State	-	8,942	8,942
Multi-System Youth Pool General	-	79,018	79,018
Multi-System Pool Out of Home	-	80,603	80,603
Sharing Hope/Bridges	-	7,320	7,320
Children's Trust	-	9,095	9,095
Healthier Buckeye	-	58,079	58,079
Children's Committee	-	9,659	9,659
Prevention Works Partners	-	5,919	5,919
Total Restricted	58,394	302,553	360,947
<i>Unassigned (Deficit)</i>	(12,502)	(171,420)	(183,922)
<i>Total Fund Balances</i>	\$ 45,892	\$ 131,133	\$ 177,025

Note 13 – Other Commitments

The Council utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At December 31, 2017, the Council's commitments for encumbrances in the governmental funds were as follows:

Fund	Encumbrances
General	\$ 102
Special Revenue	70,663
Total	\$ 70,765

Family, Adult and Children First Council
Fairfield County
Notes to the Financial Statements
For the Period July 1, 2017 - December 31, 2017

Note 14 – 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.

OHIO AUDITOR OF STATE KEITH FABER



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

Fairfield County Family, Adult and Children First Council
Fairfield County
831 College Avenue, Suite C
Lancaster, Ohio 43130

To the Executive Committee:

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 Fairfield County Family, Adult and Children First Council, Fairfield County, (the Council) as of and for the year ended December 31, 2018 and the period July 1, 2017 through December 31, 2017, and the related notes to the financial statements, and have issued our report thereon dated September 23, 2019, 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 Council changed its fiscal year end from June 30 to December 31; therefore, the financial statements for 2017 include cash basis activity for the period of July 1, 2017 through December 31, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Keith Faber
Auditor of State

Columbus, Ohio

September 23, 2019

OHIO AUDITOR OF STATE KEITH FABER



FAIRFIELD COUNTY FAMILY, AUDIT AND CHILDREN FIRST COUNCIL

FAIRFIELD COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 7, 2019**