



Certified Public Accountants, A.C.

**TUSCARAWAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
TUSCARAWAS COUNTY  
Regular Audit  
For the Years Ended December 31, 2018 and 2017**

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Marietta, OH 45750  
740 373 0056

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OHIO AUDITOR OF STATE  
KEITH FABER



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Members of Council  
Tuscarawas County Family and Children First Council  
PO Box 1017  
New Philadelphia, OH 44663

We have reviewed the *Independent Auditor's Report* of the Tuscarawas County Family and Children First Council, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2017 through December 31, 2018. 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 cursive script that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

July 30, 2019

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

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## INDEPENDENT AUDITOR'S REPORT

May 3, 2019

Tuscarawas County Family and Children First Council  
Tuscarawas County  
P.O. Box 1017  
New Philadelphia, OH 44663

To the Members of Council:

### ***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 **Tuscarawas County Family and Children First Council**, Tuscarawas County, (the Council) as of and for the years ended December 31, 2018 and 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.

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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 the 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 statement 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 permitted 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, 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 combined cash balances of Tuscarawas County Family and Children First Council, Tuscarawas County, as of December 31, 2018 and 2017, and its combined cash receipts and disbursements for the years 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.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 3, 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.



**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio



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

**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**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>			
Intergovernmental - Local	\$ 61,280	\$ 116	\$ 61,396
Intergovernmental - State	94,606	20,393	114,999
Intergovernmental - Federal	-	218,822	218,822
Administrative	27,580	-	27,580
Local Contributions	2,400	-	2,400
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	185,866	239,331	425,197
<b>Cash Disbursements:</b>			
Salaries	85,231	29,596	114,827
Supplies	2,139	1,010	3,149
Equipment	680	300	980
Contracted Services	9,758	209,625	219,383
Insurance	32,986	-	32,986
Travel	3,639	-	3,639
OPERS	11,121	4,143	15,264
Workers Compensation	794	140	934
Other Expenses	85	-	85
Medicare	1,183	428	1,611
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	147,616	245,242	392,858
Net Change in Fund Cash Balancee	38,250	(5,911)	32,339
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	21,641	48,163	69,804
<b>Fund Cash Balances, December 31:</b>			
Restricted	-	42,252	42,252
Assigned	15,734	-	15,734
Unassigned	44,157	-	44,157
	<hr/>	<hr/>	<hr/>
<i>Fund Cash Balances, December 31</i>	<u>\$ 59,891</u>	<u>\$ 42,252</u>	<u>\$ 102,143</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, 2018*

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**Note 1 - Reporting Entity**

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

1. At least three individuals representing the interest of families in the County. Where possible, the number of members representing families shall be equal to twenty percent of the Council's remaining membership;
2. The Director of the Board of Alcohol, Drug Addiction, and Mental Health Services that serves the County, or, in the case of a County that has a Board of Alcohol and Drug Addiction Services and a Community Mental Health Board, the Directors of both Boards. If a Board of Alcohol, Drug Addition, and Mental Health Services covers more than one county, the Director may designate a person to participate on the County's Council;
3. The Health Commissioner, or the Commissioner's designee, of the Board of Health of each City or General Health District in the County. If the County has two or more health districts, the Health Commissioner membership may be limited to the Commissioners of the two districts with the largest populations;
4. The Director of the County Department of Job and Family Services;
5. The Executive Director of the public children services agency or the County agency responsible for the administration of children services pursuant to the Ohio Revised Code Section 5153.15;
6. The Superintendent of the County Board of Developmental Disabilities or if the Superintendent serves as Superintendent as more than one County Board of Developmental Disabilities, the Superintendent's designee;
7. The Superintendent of the city, exempted village, or local school district with the largest number of pupils residing in the County, as determined by the Ohio Department of Education, which shall notify each County of its determination at least biennially;
8. A School Superintendent representing all other school districts with territory in the County, as designated at a biennial meeting of the superintendents of those districts;
9. A representative of the municipal corporation with the largest population in the County;
10. The President of the Board of County Commissioners or an individual designated by the Board;
11. A representative of the regional office of the Ohio Department of Youth Services;
12. A representative of the County's Head Start agencies, as defined in Ohio Revised Code Section 3301.32;
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, 2018*

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**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) for all governmental fund types organized on a fund type 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 is the operating fund of the Council. It is used to account for and report all financial resources not accounted for and reported in another fund.

**Tuscarawas County Family and Children First Council**  
**Tuscarawas County**

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

***Fund Accounting (Continued)***

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

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

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

***Family-Centered Services and Supports Fund*** This fund receives 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.

***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 has selected the Alcohol, Drug Addiction & Mental Health Services Board of Tuscarawas & Carroll Counties. The Council authorizes Alcohol, Drug Addiction & Mental Health Services Board of Tuscarawas & Carroll Counties 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 Alcohol, Drug Addiction & Mental Health Services Board of Tuscarawas & Carroll Counties agrees to be ultimately responsible for fulfilling the fiscal and administrative obligations of the agreement. The Tuscarawas County Auditor serves as the 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 Council 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, 2018*

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**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 Tuscarawas County Auditor.

A summary of 2018 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. Deposits and investments are made in accordance with the Ohio Revised Code and are valued at the fiscal agent's carrying amount.

***Property, Plant and Equipment***

The Council records cash disbursements for acquisitions of property, plant and equipment when paid. These items are not reflected as assets in the accompanying financial statements.

***Accumulated Leave***

In certain circumstances, such as leaving employment or retirement, employees are entitled to cash payouts 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*** Council classified assets as nonspendable when legally or contractually required to maintain the amount 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 or enabling legislation.

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

**Tuscarawas County Family and Children First Council**  
**Tuscarawas 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** Amounts in the assigned fund balance classification are intended to be used by Council for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by policies of 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 all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from the overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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 years ending December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 190,934	\$ 185,866	\$ (5,068)
Special Revenue	239,292	239,331	39
Total	\$ 430,226	\$ 425,197	\$ (5,029)

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 182,575	\$ 147,616	\$ 34,959
Special Revenue	250,255	245,242	5,013
Total	\$ 432,830	\$ 392,858	\$ 39,972

**Tuscarawas County Family and Children First Council**  
**Tuscarawas County**

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 4 - Deposits and Investments**

The Tuscarawas County Treasurer, as fiscal agent for the Council, maintains a cash and investments pool used by all of the Tuscarawas County Auditor's funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments and the Tuscarawas County Auditor is responsible for compliance. The carrying amount of deposits and investments at December 31, 2018 was as follows:

	2018
Demand deposits	<u>\$ 102,143</u>
Total deposits	<u><u>\$ 102,143</u></u>

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.

**Note 5 - 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.

**Tuscarawas County Family and Children First Council**  
**Tuscarawas County**

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 6 - Defined Benefit Pension Plans**

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

The Ohio Revised Code also prescribes contribution rates. For 2018, 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, 2018.

**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, 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 OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2018. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2018.

**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.

Tuscarawas County Auditor serves as the Council's fiscal agent. The Council paid \$2,649 to Tuscarawas County Commissioners during 2018 under their cost allocation plan.



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

**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, 2017**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>			
Intergovernmental - Local	\$ 46,739	\$ -	\$ 46,739
Intergovernmental - State	49,866	38,895	88,761
Intergovernmental - Federal	-	126,130	126,130
Administrative	37,264	-	37,264
Local Contributions	1,009	-	1,009
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	134,878	165,025	299,903
<b>Cash Disbursements:</b>			
Salaries	78,991	35,785	114,776
Supplies	2,177	540	2,717
Equipment	-	3,726	3,726
Contracted Services	8,871	151,296	160,167
Insurance	32,772	-	32,772
Travel	6,267	-	6,267
OPERS	11,060	5,010	16,070
Workers Compensation	940	69	1,009
Other Expenses	310	-	310
Medicare	1,109	512	1,621
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	142,497	196,938	339,435
Net Change in Fund Cash Balancee	(7,619)	(31,913)	(39,532)
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	29,260	80,076	109,336
<b>Fund Cash Balances, December 31:</b>			
Restricted	-	48,163	48,163
Unassigned	21,641	-	21,641
	<hr/>	<hr/>	<hr/>
<i>Fund Cash Balances, December 31</i>	<u>\$ 21,641</u>	<u>\$ 48,163</u>	<u>\$ 69,804</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, 2017*

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**Note 1 - Reporting Entity**

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

1. At least three individuals representing the interest of families in the County. Where possible, the number of members representing families shall be equal to twenty percent of the Council's remaining membership;
2. The Director of the Board of Alcohol, Drug Addiction, and Mental Health Services that serves the County, or, in the case of a County that has a Board of Alcohol and Drug Addiction Services and a Community Mental Health Board, the Directors of both Boards. If a Board of Alcohol, Drug Addition, and Mental Health Services covers more than one county, the Director may designate a person to participate on the County's Council;
3. The Health Commissioner, or the Commissioner's designee, of the Board of Health of each City or General Health District in the County. If the County has two or more health districts, the Health Commissioner membership may be limited to the Commissioners of the two districts with the largest populations;
4. The Director of the County Department of Job and Family Services;
5. The Executive Director of the public children services agency or the County agency responsible for the administration of children services pursuant to the Ohio Revised Code Section 5153.15;
6. The Superintendent of the County Board of Developmental Disabilities or if the Superintendent serves as Superintendent as more than one County Board of Developmental Disabilities, the Superintendent's designee;
7. The Superintendent of the city, exempted village, or local school district with the largest number of pupils residing in the County, as determined by the Ohio Department of Education, which shall notify each County of its determination at least biennially;
8. A School Superintendent representing all other school districts with territory in the County, as designated at a biennial meeting of the superintendents of those districts;
9. A representative of the municipal corporation with the largest population in the County;
10. The President of the Board of County Commissioners or an individual designated by the Board;
11. A representative of the regional office of the Ohio Department of Youth Services;
12. A representative of the County's Head Start agencies, as defined in Ohio Revised Code Section 3301.32;
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, 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; 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) for all governmental fund types organized on a fund type 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 is the operating fund of the Council. It is used to account for and report all financial resources not accounted for and reported in another fund.

**Tuscarawas County Family and Children First Council**  
**Tuscarawas County**

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

***Fund Accounting (Continued)***

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

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

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

***Family-Centered Services and Supports Fund*** This fund receives 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.

***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 has selected the Alcohol, Drug Addiction & Mental Health Services Board of Tuscarawas & Carroll Counties. The Council authorizes Alcohol, Drug Addiction & Mental Health Services Board of Tuscarawas & Carroll Counties 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 Alcohol, Drug Addiction & Mental Health Services Board of Tuscarawas & Carroll Counties agrees to be ultimately responsible for fulfilling the fiscal and administrative obligations of the agreement. The Tuscarawas County Auditor serves as the 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 Council 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, 2017*

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**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 Tuscarawas County Auditor.

A summary of 2017 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. Deposits and investments are made in accordance with the Ohio Revised Code and are valued at the fiscal agent's carrying amount.

***Property, Plant and Equipment***

The Council records cash disbursements for acquisitions of property, plant and equipment when paid. These items are not reflected as assets in the accompanying financial statements.

***Accumulated Leave***

In certain circumstances, such as leaving employment or retirement, employees are entitled to cash payouts 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*** Council classified assets as nonspendable when legally or contractually required to maintain the amount 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 or enabling legislation.

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

**Tuscarawas County Family and Children First Council**  
**Tuscarawas County**

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

**Note 2 - Summary of Significant Accounting Policies (Continued)**

***Fund Balance (Continued)***

**Assigned** Amounts in the assigned fund balance classification are intended to be used by Council for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by policies of 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 all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from the overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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 years ending December 31, 2017 follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 130,225	\$ 134,878	\$ 4,653
Special Revenue	164,392	165,025	633
Total	\$ 294,617	\$ 299,903	\$ 5,286

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 159,027	\$ 142,497	\$ 16,530
Special Revenue	207,237	196,938	10,299
Total	\$ 366,264	\$ 339,435	\$ 26,829

**Tuscarawas County Family and Children First Council**  
**Tuscarawas County**

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**Note 4 - Deposits and Investments**

The Tuscarawas County Treasurer, as fiscal agent for the Council, maintains a cash and investments pool used by all of the Tuscarawas County Auditor's funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments and the Tuscarawas County Auditor is responsible for compliance. The carrying amount of deposits and investments at December 31, 2018 was as follows:

	2017
Demand deposits	<u>\$ 69,804</u>
Total deposits	<u><u>\$ 69,804</u></u>

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.

**Note 5 - 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.

**Tuscarawas County Family and Children First Council**  
**Tuscarawas County**

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**Note 6 - Defined Benefit Pension Plans**

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

The Ohio Revised Code also prescribes contribution rates. For 2017, 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, 2017.

**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, 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 OPERS members in the traditional pension plan and combined plan was 1 percent during calendar year 2017. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2017.

**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.

Tuscarawas County Auditor serves as the Council's fiscal agent. The Council paid \$2,375 to Tuscarawas County Commissioners during 2017 under their cost allocation plan.





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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**

May 3, 2019

Tuscarawas County Family and Children First Council  
Tuscarawas County  
P.O. Box 1017  
Tuscarawas, OH 44663

To the Members of 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, 2018 and 2017, and the related notes to the financial statements and have issued our report thereon dated May 3, 2019 wherein we noted the Council followed financial provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code 117-2-03(D) permit.

***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.

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***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*.

We also noted certain matters not requiring inclusion in this report that we reported to the Council's management in a separate letter dated May 3, 2019.

***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 and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

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

**SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

Finding Number	Finding Summary	Status	Additional Information
2016-001	Financial Reporting	Partially Corrected	Repeated in Management Letter

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# OHIO AUDITOR OF STATE KEITH FABER



**TUSCARAWAS COUNTY FAMILY AND CHILDREN FIRST COUNCIL**

**TUSCARAWAS 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  
AUGUST 13, 2019**