



OHIO AUDITOR OF STATE  
**KEITH FABER**





**WARREN COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
WARREN COUNTY**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Warren County Family and Children First Council  
Warren County  
1879 Deerfield Road  
Lebanon, Ohio 45036

To the Council:

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

We have audited the accompanying cash-basis financial statements of the governmental activities and each major fund of the Warren County Family and Children First Council, Warren County, Ohio (the Council), as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities and each major fund of the Council, as of June 30, 2021 and 2020, and the respective changes in cash financial position thereof for the years then ended in accordance with the accounting basis described in Note 2.

**Accounting Basis**

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

**Emphasis of Matter**

As discussed in Note 6 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Council. We did not modify our opinion regarding this matter.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2021, on our consideration of the Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio  
November 8, 2021

Family and Children First Council, Warren County  
Statement of Net Position - Cash Basis  
June 30, 2021

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	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	<u>\$55,162</u>
Total Assets	<u>55,162</u>
Net Position:	
Restricted for:	
Grants	10,604
Unrestricted	<u>44,558</u>
Total Net Position	<u><u>\$55,162</u></u>

See accompanying notes to the basic financial statements.

Family and Children First Council, Warren County  
Statement of Activities - Cash Basis  
For the Fiscal Year Ended June 30, 2021

	Cash Disbursements	Program Cash Receipts Operating Grants and Contributions	Net (Disbursements) Receipts and Changes in Net Position Governmental Activities
Governmental Activities:			
Health	\$605,146	\$600,703	(\$4,443)
Totals	\$605,146	\$600,703	(4,443)
		Change in Net Position	(4,443)
		Net Position - Beginning of Period	59,605
		Net Position - End of Period	\$55,162

See accompanying notes to the basic financial statements.



Family and Children First Council, Warren County  
Statement of Assets and Fund Balances - Cash Basis  
Governmental Funds  
June 30, 2021

	General	Help Me Grow	Systems of Care Grant	Kinship Grant	JFS Flexible MSY Pooled Funds	MSY FUNDS FY20	SFY 2020 MSY FUNDS	Total Governmenta Funds
Assets:								
Equity in Pooled Cash and Cash Equivalents	\$44,558	\$0	\$0	\$1,098	\$506	\$9,000	\$0	\$55,162
Total Assets	44,558	0	0	1,098	506	9,000	0	55,162
Fund Balances:								
Restricted	0	0	0	1,098	506	9,000	0	10,604
Assigned	8,317	0	0	0	0	0	0	8,317
Unassigned	36,241	0	0	0	0	0	0	36,241
Total Fund Balances	\$44,558	\$0	\$0	\$1,098	\$506	\$9,000	\$0	\$55,162
Total Liabilities, Deferred Inflows and Fund Bal:	\$44,558	\$0	\$0	\$1,098	\$506	\$9,000	\$0	\$55,162

See accompanying notes to the basic financial statements.

Family and Children First Council, Warren County  
Statement of Receipts, Disbursements  
and Changes in Fund Balances - Cash Basis  
Governmental Funds  
For the Fiscal Year Ended June 30, 2021

	General	Help Me Grow	Systems of Care Grant	Kinship Grant	JFS Flexible MSY Pooled Funds	MSY FUNDS FY20	SFY 2020 MSY FUNDS	Total Governmental Funds
Receipts:								
Intergovernmental	\$29,800	\$488,363	\$24,511	\$0	\$29,103	\$18,300	\$10,626	\$600,703
Total Receipts	29,800	488,363	24,511	0	29,103	18,300	10,626	600,703
Disbursements:								
Current:								
Health	21,281	488,363	24,511	0	43,149	21,500	6,342	605,146
Total Disbursements	21,281	488,363	24,511	0	43,149	21,500	6,342	605,146
Excess of Receipts Over (Under) Disbursement	8,519	0	0	0	(14,046)	(3,200)	4,284	(4,443)
Other Financing Sources (Uses):								
Advances In	4,284	0	0	0	0	0	0	4,284
Advances (Out)	0	0	0	0	0	0	(4,284)	(4,284)
Total Other Financing Sources (Uses)	4,284	0	0	0	0	0	(4,284)	0
Net Change in Fund Balance	12,803	0	0	0	(14,046)	(3,200)	0	(4,443)
Fund Balance - Beginning of Period	31,755	0	0	1,098	14,552	12,200	0	59,605
Fund Balance - End of Period	\$44,558	\$0	\$0	\$1,098	\$506	\$9,000	\$0	\$55,162

See accompanying notes to the basic financial statements.

**Family and Children First Council, Warren County**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2021**

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**Note 1 – Reporting Entity**

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Section 121.37, Ohio Revised Code, created the Ohio Family and Children First Cabinet Council and permitted counties to establish county family and children first councils. For the year ended June 30, 2021, the Family and Children First Council, Warren County, Ohio (the Council), was a custodial fund of the Warren County Educational Service Center in Warren County, Ohio (the ESC). Statutory membership of a county council consists of the following individuals:

- a. 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;
- b. The health commissioner of the board of health of each city or general health district in the county, or their designees;
- c. The director of the county department of human services;
- d. The executive director of the county agency responsible for the administration of children services pursuant to section 5153.15 of the Revised Code;
- e. The superintendent of the county board of developmental disabilities;
- f. The county’s juvenile court judge senior in service;
- g. 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 department of education, which shall notify each county of its determination at least biennially;
- h. 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;
- i. A representative of the largest city in the county;
- j. The chair of the board of county commissioners, or an individual designated by the board;
- k. A representative of the regional office of the department of youth services;
- l. A representative of the county’s head start agencies, as defined in section 3301.31 of the Revised Code;
- m. A representative of the county’s early intervention collaborative established pursuant to the federal early intervention program operated under the “Education of the Handicapped Act Amendments of 1986;” and,
- n. At least three individuals representing the interests 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.

A county family and children first council may invite any other local public or private agency or group that funds, advocates, or provides services to children to have a representative become a permanent or temporary member of the council.

**Family and Children First Council, Warren County**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2021**

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A county council's statutory responsibilities include the following:

- a. Refer to the cabinet council those children for whom the council cannot provide adequate services;
- b. Make periodic 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;
- c. Develop a plan that reviews and adjusts existing programs, fills service gaps where possible, or invents new approaches to achieve better results for families and children;
- d. Participate in the development of a county-wide, 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 "Education of the Handicapped Act Amendments of 1986;"
- e. Maintain an accountability system to monitor the council's progress in achieving its purposes; and,
- f. Establish 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.

**Council Membership**

The County's Council membership included Children's Services, Board of Alcohol & Drug Addiction Services, Board of Mental Health, Board of Developmental Disabilities, Board of County Commissioners, Juvenile Court, Department of Job & Family Services, family representatives, and the educational community. The purpose of the Family and Children First Council is to identify ways in which the child serving systems can provide services to the community in the most efficient and effective manner. A Council Coordinator has been hired to administer all of the Family and Children First programs. This person is employed on a contracted service basis with Warren County Children Services. Because these programs affect all of the agencies within the Council membership, the cost of this employee is paid from a Collaborative Fee Agreement derived from the agencies in the County. The cost of this employee is paid from the State Administrative grant received by the Council and contributions made by each of the Council agencies in the County.

**Administrative Council**

The Administrative Council is a governing and policy-making body. The Council is responsible for determining the need for staff positions pursuant to established goals, objectives, and policy statements. The Administrative Council is also responsible for the creation of all standing committees and task groups of the Council.

**Fiscal Agent**

The Warren County Educational Service Center became the Council's administrative agent on July 1, 2012. The Warren County Educational Service Center, the Council's fiscal agent, maintains Council funds in a separate custodial fund.

**Family and Children First Council, Warren County**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2021**

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**Budgetary Process**

The Council approves the budget each year and the funds are maintained within the books of the Warren County Educational Service Center.

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

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

**Basis of Presentation**

The Council’s basic financial statements consist of government-wide statements, including a statement of net position – cash basis and a statement of activities – cash basis, and fund financial statements that provide a more detailed level of financial information.

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Council as a whole. These statements include the financial activities of the primary government.

The Statement of Net Position – Cash Basis presents the financial condition of the governmental activities for the Council at year end. The Statement of Activities – Cash Basis presents a comparison between disbursements and program receipts for each program or function of the Council’s governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Council is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program. Receipts which are not classified as program receipts are presented as general receipts of the Council, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a cash basis or draws from the general receipts of the Council.

Fund Financial Statements

During the year, the Council segregates transactions related to certain Council functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Council at this more detailed level. The focus of governmental financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

**Family and Children First Council, Warren County**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2021**

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**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 in one category; governmental.

Governmental Funds

Governmental funds are those through which most governmental functions of the Council are financed. Governmental fund reporting focuses on the sources, use and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Council's major governmental funds:

General Fund

This fund accounts for the general operating receipts and disbursements of the Council not recorded elsewhere. 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.

Help Me Grow Special Revenue Fund

This fund is used to account for receipts and disbursements of programs that provide time-limited assistance to families with children so that the children can be cared for in their own homes or in the homes of relatives; end dependence of parents on government benefits by promoting job preparation, work, and marriage; prevent and reduce out-of-wedlock pregnancies, including establishing prevention and reduction goals; and encourage the formation and maintenance of two-parent families.

Systems of Care Grant Fund

This fund is used to account for receipts and disbursements of programs that provide assisted living services to help children to remain within the community.

Kinship Grant Fund

This fund is used to account for receipts and disbursements of for donated funds for the annual kinship conference to support children's programs.

JFS Flexible MSY Pooled Funds

This fund is used to account for receipts and disbursements of the monies used to pay for residential placement, mentoring, respite, parent education and other services.

MSY Funds FY20 Fund

This fund is used to account for receipts and disbursements of the monies applied to a particular youth and approved to pay for residential treatment.

SFY 2020 MSY Funds

This fund is used to account for receipts and disbursements of the monies used to pay for COVID-19 supplies and computer equipment.

**Family and Children First Council, Warren County**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2021**

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The other governmental funds of the Council account for and report grants and other resources, whose use is restricted, committed or assigned to a particular purpose.

**Basis of Accounting**

The Council's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Council's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

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

**Cash and Cash Equivalents**

The Warren County Educational Service Center (the ESC) is the custodian for the Council's cash and cash equivalents. The ESC's cash pool holds the Council's cash and cash equivalents, which are reported at the ESC's carrying amount. Deposit disclosures for the ESC as a whole may be obtained from the Treasurer's Office of Warren County Educational Service Center, 1879 Deerfield Road, Lebanon, Ohio 45036.

**Capital Assets**

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

**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 amend 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 and Children First Council, Warren County**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2021**

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**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, or by State Statute.

**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 used only to report a deficit balance.

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

**Net Position**

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Council's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

**Note 3 – Risk Management**

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The Council is covered under the Warren County Educational Service Center's insurance policy.

**Note 4 – Contingent Liabilities**

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Amounts received from grantor agencies are subject to audit and adjustment by the grantor. Any disallowed costs may require refunding to the grantor. Amounts that might be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

**Note 5 – Interfund Advances**

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Activity for the year ending June 30, 2021:

Fund	Advance In	Advance Out
General Fund	\$4,284	\$0
SFY 2020 MSY Fund	0	(4,284)
	\$4,284	(\$4,284)

The advance from the SFY 2020 MSY Fund to the General Fund was for repayment of money borrowed to cover negative cash balance in the previous year.



**Family and Children First Council, Warren County**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2021**

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**Note 6 – COVID-19**

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The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June of 2021 while the national state of emergency continues. During fiscal year 2021, the Council received Coronavirus Aid, Relief, and Economic Security (CARES) Act funding. Additional funding has been made available through the Consolidated Appropriations Act, 2021, passed by Congress on December 21, 2020 and/or the American Rescue Plan Act, passed by Congress on March 11, 2021.

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Family and Children First Council, Warren County  
Statement of Net Position - Cash Basis  
June 30, 2020

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	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	<u>\$59,605</u>
Total Assets	<u>59,605</u>
Net Position:	
Restricted for:	
Grants	27,850
Unrestricted	<u>31,755</u>
Total Net Position	<u>\$59,605</u>

See accompanying notes to the basic financial statements.

Family and Children First Council, Warren County  
Statement of Activities - Cash Basis  
For the Fiscal Year Ended June 30, 2020

	Cash Disbursements	Program Cash Receipts Operating Grants and Contributions	Net (Disbursements) Receipts and Changes in Net Position Governmental Activities
Governmental Activities:			
Health	\$541,409	\$587,092	\$45,683
Totals	<u>\$541,409</u>	<u>\$587,092</u>	<u>45,683</u>
		Change in Net Position	45,683
		Net Position - Beginning of Period	<u>13,922</u>
		Net Position - End of Period	<u>\$59,605</u>

See accompanying notes to the basic financial statements.

Family and Children First Council, Warren County  
Statement of Assets and Fund Balances - Cash Basis  
Governmental Funds  
June 30, 2020

	General	Help Me Grow	Systems of Care Grant	Kinship Grant	MOU Grant	JFS Flexible MSY Pooled Funds	MSY FUNDS FY20	SFY 2020 MSY FUNDS	Total Governmenta Funds
Assets:									
Equity in Pooled Cash and Cash Equivalents	\$31,755	\$0	\$0	\$1,098	\$0	\$14,552	\$12,200	\$0	\$59,605
<b>Total Assets</b>	<b>31,755</b>	<b>0</b>	<b>0</b>	<b>1,098</b>	<b>0</b>	<b>14,552</b>	<b>12,200</b>	<b>0</b>	<b>59,605</b>
Fund Balances:									
Restricted	0	0	0	1,098	0	14,552	12,200	0	27,850
Assigned	7,526	0	0	0	0	0	0	0	7,526
Unassigned	24,229	0	0	0	0	0	0	0	24,229
<b>Total Fund Balances</b>	<b>\$31,755</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,098</b>	<b>\$0</b>	<b>\$14,552</b>	<b>\$12,200</b>	<b>\$0</b>	<b>\$59,605</b>
<b>Total Liabilities, Deferred Inflows and Fund Bal</b>	<b>\$31,755</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,098</b>	<b>\$0</b>	<b>\$14,552</b>	<b>\$12,200</b>	<b>\$0</b>	<b>\$59,605</b>

See accompanying notes to the basic financial statements.

Family and Children First Council, Warren County  
Statement of Receipts, Disbursements  
and Changes in Fund Balances - Cash Basis  
Governmental Funds  
For the Fiscal Year Ended June 30, 2020

	General	Help Me Grow	Systems of Care Grant	Kinship Grant	MOU Grant	JFS Flexible MSY Pooled Funds	MSY FUNDS FY20	SFY 2020 MSY FUNDS	Total Governmental Funds
<b>Receipts:</b>									
Intergovernmental	\$56,200	\$445,239	\$40,891	\$0	\$15,000	\$14,552	\$12,200	\$3,010	\$587,092
<b>Total Receipts</b>	<b>56,200</b>	<b>445,239</b>	<b>40,891</b>	<b>0</b>	<b>15,000</b>	<b>14,552</b>	<b>12,200</b>	<b>3,010</b>	<b>587,092</b>
<b>Disbursements:</b>									
<b>Current:</b>									
Health	46,900	445,239	26,976	0	15,000	0	0	7,294	541,409
<b>Total Disbursements</b>	<b>46,900</b>	<b>445,239</b>	<b>26,976</b>	<b>0</b>	<b>15,000</b>	<b>0</b>	<b>0</b>	<b>7,294</b>	<b>541,409</b>
Excess of Receipts Over (Under) Disbursements	9,300	0	13,915	0	0	14,552	12,200	(4,284)	45,683
<b>Other Financing Sources (Uses):</b>									
Advances In	13,915	0	0	0	0	0	0	4,284	18,199
Advances (Out)	(4,284)	0	(13,915)	0	0	0	0	0	(18,199)
<b>Total Other Financing Sources (Uses)</b>	<b>9,631</b>	<b>0</b>	<b>(13,915)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,284</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>18,931</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,552</b>	<b>12,200</b>	<b>0</b>	<b>45,683</b>
Fund Balance - Beginning of Period	12,824	0	0	1,098	0	0	0	0	13,922
<b>Fund Balance - End of Period</b>	<b>\$31,755</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,098</b>	<b>\$0</b>	<b>\$14,552</b>	<b>\$12,200</b>	<b>\$0</b>	<b>\$59,605</b>

See accompanying notes to the basic financial statements.

**Family and Children First Council, Warren County**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2020**

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**Note 1 – Reporting Entity**

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Section 121.37, Ohio Revised Code, created the Ohio Family and Children First Cabinet Council and permitted counties to establish county family and children first councils. For the year ended June 30, 2020, the Family and Children First Council, Warren County, Ohio (the Council), was an agency fund of the Warren County Educational Service Center in Warren County, Ohio (the ESC). Statutory membership of a county council consists of the following individuals:

- a. 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;
- b. The health commissioner of the board of health of each city or general health district in the county, or their designees;
- c. The director of the county department of human services;
- d. The executive director of the county agency responsible for the administration of children services pursuant to section 5153.15 of the Revised Code;
- e. The superintendent of the county board of developmental disabilities;
- f. The county's juvenile court judge senior in service;
- g. 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 department of education, which shall notify each county of its determination at least biennially;
- h. 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;
- i. A representative of the largest city in the county;
- j. The chair of the board of county commissioners, or an individual designated by the board;
- k. A representative of the regional office of the department of youth services;
- l. A representative of the county's head start agencies, as defined in section 3301.31 of the Revised Code;
- m. A representative of the county's early intervention collaborative established pursuant to the federal early intervention program operated under the "Education of the Handicapped Act Amendments of 1986;" and,
- n. At least three individuals representing the interests 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.

A county family and children first council may invite any other local public or private agency or group that funds, advocates, or provides services to children to have a representative become a permanent or temporary member of the council.

**Family and Children First Council, Warren County**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2020**

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A county council's statutory responsibilities include the following:

- a. Refer to the cabinet council those children for whom the council cannot provide adequate services;
- b. Make periodic 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;
- c. Develop a plan that reviews and adjusts existing programs, fills service gaps where possible, or invents new approaches to achieve better results for families and children;
- d. Participate in the development of a county-wide, 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 "Education of the Handicapped Act Amendments of 1986;"
- e. Maintain an accountability system to monitor the council's progress in achieving its purposes; and,
- f. Establish 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.

**Council Membership**

The County's Council membership included Children's Services, Board of Alcohol & Drug Addiction Services, Board of Mental Health, Board of Developmental Disabilities, Board of County Commissioners, Juvenile Court, Department of Job & Family Services, family representatives, and the educational community. The purpose of the Family and Children First Council is to identify ways in which the child serving systems can provide services to the community in the most efficient and effective manner. A Council Coordinator has been hired to administer all of the Family and Children First programs. This person is employed on a contracted service basis with Warren County Children Services. Because these programs affect all of the agencies within the Council membership, the cost of this employee is paid from a Collaborative Fee Agreement derived from the agencies in the County. The cost of this employee is paid from the State Administrative grant received by the Council and contributions made by each of the Council agencies in the County.

**Administrative Council**

The Administrative Council is a governing and policy-making body. The Council is responsible for determining the need for staff positions pursuant to established goals, objectives, and policy statements. The Administrative Council is also responsible for the creation of all standing committees and task groups of the Council.

**Fiscal Agent**

The Warren County Educational Service Center became the Council's administrative agent on July 1, 2012. The Warren County Educational Service Center, the Council's fiscal agent, maintains Council funds in a separate agency fund.



**Family and Children First Council, Warren County**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2020**

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**Budgetary Process**

The Council approves the budget each year and the funds are maintained within the books of the Warren County Educational Service Center.

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

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

**Basis of Presentation**

The Council’s basic financial statements consist of government-wide statements, including a statement of net position – cash basis and a statement of activities – cash basis, and fund financial statements that provide a more detailed level of financial information.

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Council as a whole. These statements include the financial activities of the primary government.

The Statement of Net Position – Cash Basis presents the financial condition of the governmental activities for the Council at year end. The Statement of Activities – Cash Basis presents a comparison between disbursements and program receipts for each program or function of the Council’s governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Council is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program. Receipts which are not classified as program receipts are presented as general receipts of the Council, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a cash basis or draws from the general receipts of the Council.

Fund Financial Statements

During the year, the Council segregates transactions related to certain Council functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Council at this more detailed level. The focus of governmental financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

**Family and Children First Council, Warren County**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2020**

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**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 in one category; governmental.

Governmental Funds

Governmental funds are those through which most governmental functions of the Council are financed. Governmental fund reporting focuses on the sources, use and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Council's major governmental funds:

General Fund

This fund accounts for the general operating receipts and disbursements of the Council not recorded elsewhere. 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.

Help Me Grow Special Revenue Fund

This fund is used to account for receipts and disbursements of programs that provide time-limited assistance to families with children so that the children can be cared for in their own homes or in the homes of relatives; end dependence of parents on government benefits by promoting job preparation, work, and marriage; prevent and reduce out-of-wedlock pregnancies, including establishing prevention and reduction goals; and encourage the formation and maintenance of two-parent families.

Systems of Care Grant Fund

This fund is used to account for receipts and disbursements of programs that provide assisted living services to help children to remain within the community.

Kinship Grant Fund

This fund is used to account for receipts and disbursements of for donated funds for the annual kinship conference to support children's programs.

MOU Grant Fund

This fund is used to account for receipts and disbursements of the monies from the Warren County Department of Job and Family Services.

JFS Flexible MSY Pooled Funds

This fund is used to account for receipts and disbursements of the monies used to pay for residential placement, mentoring, respite, parent education and other services.

MSY Funds FY20 Fund

This fund is used to account for receipts and disbursements of the monies applied to a particular youth and approved to pay for residential treatment.

**Family and Children First Council, Warren County**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2020**

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SFY 2020 MSY Funds

This fund is used to account for receipts and disbursements of the monies used to pay for COVID-19 supplies and computer equipment.

The other governmental funds of the Council account for and report grants and other resources, whose use is restricted, committed or assigned to a particular purpose.

**Basis of Accounting**

The Council's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Council's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

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

**Cash and Cash Equivalents**

The Warren County Educational Service Center (the ESC) is the custodian for the Council's cash and cash equivalents. The ESC's cash pool holds the Council's cash and cash equivalents, which are reported at the ESC's carrying amount. Deposit disclosures for the ESC as a whole may be obtained from the Treasurer's Office of Warren County Educational Service Center, 1879 Deerfield Road, Lebanon, Ohio 45036.

**Capital Assets**

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

**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.

**Family and Children First Council, Warren County**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2020**

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**Committed**

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

**Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Council, or by State Statute.

**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 used only to report a deficit balance.

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

**Net Position**

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Council's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

**Note 3 – Risk Management**

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The Council is covered under the Warren County Educational Service Center's insurance policy.

**Note 4 – Contingent Liabilities**

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Amounts received from grantor agencies are subject to audit and adjustment by the grantor. Any disallowed costs may require refunding to the grantor. Amounts that might be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

**Family and Children First Council, Warren County**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2020**

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**Note 5 – Interfund Advances**

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Activity for the year ending June 30, 2020:

Fund	Advance In	Advance Out
General Fund	\$13,915	(\$4,284)
Systems of Care Grant Fund	0	(13,915)
SFY 2020 MSY Funds	4,284	0
	\$18,199	(\$18,199)

The advance from the General Fund to the SFY 2020 MSY Fund was to cover the negative fund cash balance. The advance from the Systems of Care Grant Fund to the General Fund was for repayment of money borrowed to cover negative cash balance in the previous year.

**Note 6 – COVID-19**

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The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June of 2021 while the national state of emergency continues. During fiscal year 2021, the Council received Coronavirus Aid, Relief, and Economic Security (CARES) Act funding. Additional funding has been made available through the Consolidated Appropriations Act, 2021, passed by Congress on December 21, 2020 and/or the American Rescue Plan Act, passed by Congress on March 11, 2021.

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# OHIO AUDITOR OF STATE KEITH FABER



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11117 Kenwood Road  
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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*

Warren County Family and Children First Council  
Warren County  
1879 Deerfield Road  
Lebanon, Ohio 45036

To the Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the cash-basis financial statements of the governmental activities and each major fund of the Warren County Family and Children First Council, Warren County, (the Council) as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements and have issued our report thereon dated November 8, 2021, wherein we noted the Council uses a special purpose framework other than generally accepted accounting principles. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Council.

### ***Internal Control Over Financial Reporting***

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

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

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

### ***Compliance and Other Matters***

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

***Purpose of this Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio  
November 8, 2021



# OHIO AUDITOR OF STATE KEITH FABER



**WARREN COUNTY FAMILY AND CHILDREN FIRST COUNCIL**

**WARREN COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 11/30/2021**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)