

**RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
RICHLAND COUNTY, OHIO**

Financial Statements

For The Year Ended
December 31, 2016

**RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
RICHLAND COUNTY, OHIO**

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Julian & Grube, Inc.
Serving Ohio Local Governments

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Accountant's Compilation Report

To the Richland County Family and Children First Council
Mansfield, Ohio

Management is responsible for the accompanying financial statements of Richland County Family and Children First Council, which comprise the statements listed in the table of contents as of December 31, 2016 and for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed the compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on the financial statements.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, on pages 2 through 7 be presented to supplement the basic financial statements for purposes of additional analysis. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. This information is the representation of management. The information was subject to our compilation engagement, however, we have not audited or reviewed the information and, accordingly, do not express an opinion, conclusion, nor provide any assurance on such information.

Julian & Grube, Inc.

January 20, 2017

**RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
RICHLAND COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(SEE ACCOUNTANT'S COMPILATION REPORT)

The management's discussion and analysis of the Richland County Family and Children First Council's (the "Council") financial performance provides an overall review of the Council's financial activities for the year ended December 31, 2016, within the limitations of the Council's cash basis of accounting. The intent of this discussion and analysis is to look at the Council's financial performance as a whole; readers should also review the cash-basis basic financial statements and the notes to the financial statements to enhance their understanding of the Council's financial performance.

Financial Highlights

Key financial highlights for 2016 are as follows:

- The total net cash position of the governmental activities increased \$144,635, which represents a 13.47% increase from fiscal year 2015.
- The Council had \$1,554,787 in cash disbursements related to governmental activities; all of these cash disbursements were offset by program specific grants or contributions.
- The Council's major funds are the General Fund and the Help Me Grow Fund. The General Fund had cash receipts of \$1,478,809 in 2016. The cash disbursements of the General Fund totaled \$1,270,136 in 2016. The General Fund's cash balance increased \$208,673 from 2015 to 2016.
- The Help Me Grow Fund had cash receipts of \$179,612 in 2016 and cash disbursements of \$263,686. The Help Me Grow Fund's cash balance decreased \$84,074.

Using these Basic Financial Statements (BFS)

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the Council's cash basis of accounting.

The Statement of Net Position - Cash Basis and Statement of Activities - Cash Basis provide information about the activities of the whole Council, presenting both an aggregate view of the Council's cash basis finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Council's most significant funds with all other nonmajor funds presented in total in one column. In the case of the Council, the General Fund and the Help Me Grow fund are the only two major governmental funds. The Council had one nonmajor governmental fund.

Reporting the Council as a Whole

Statement of Net Position and the Statement of Activities

The Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis answer the question, "How did we do financially during 2016?" These statements include *only net position* using the *cash basis of accounting*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This basis of accounting takes into account only the current year's receipts and disbursements if the cash is actually received or paid.

**RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
RICHLAND COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(SEE ACCOUNTANT'S COMPILATION REPORT)

These two statements report the Council's net position and changes in net cash position on a cash basis. This change in net cash position is important because it tells the reader that, for the Council as a whole, the cash basis financial position of the Council has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the Council's facility conditions, mandated federal and State programs and other factors.

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not collected) and 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. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

In the Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis, the governmental activities includes the Council's programs and services including subsidy services and other community services.

The Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis can be found on pages 8-9 of this report.

Reporting the Council's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Council, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Council can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The Council has no proprietary or fiduciary funds.

Fund financial reports provide detailed information about the Council's major funds. The Council uses several funds to account for its financial transactions. However, these financial statements focus on the Council's most significant funds. The Council's only major governmental funds are the General Fund and the Help Me Grow Fund. The analysis of the Council's major governmental funds begins on page 6.

Governmental Funds

The Council's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The governmental fund statements provide a detailed view of the Council's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer cash basis financial resources that can be readily spent to finance various Council programs. Since the Council is reporting on the cash basis of accounting, there are no differences in the net position and fund cash balances or changes in net position and changes in fund cash balances. Therefore, no reconciliation is necessary between such financial statements. The governmental fund statements can be found on pages 10-11 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 12-17 of this report.

**RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
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MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(SEE ACCOUNTANT'S COMPILATION REPORT)

Government-Wide Financial Analysis

Recall that the statement of net position - cash basis provides the perspective of the Council as a whole.

The table below provides a summary of the Council's net cash position for 2016 and 2015.

	Net Cash Position	
	Governmental Activities 2016	Governmental Activities 2015
<u>Assets</u>		
Equity in pooled cash and cash equivalents	\$ 1,218,071	\$ 1,073,436
Total assets	<u>1,218,071</u>	<u>1,073,436</u>
<u>Net Position</u>		
Restricted	-	59,251
Unrestricted	<u>1,218,071</u>	<u>1,014,185</u>
Total net position	<u><u>\$ 1,218,071</u></u>	<u><u>\$ 1,073,436</u></u>

The total net cash position of the Council's governmental activities increased \$144,635 from fiscal year 2015. The balance of government-wide unrestricted net cash position of \$1,218,071 may be used to meet the Council's ongoing obligations to citizens and creditors.

The table below shows the changes in net cash position for fiscal year 2016 and 2015.

	Change in Net Cash Position	
	Governmental Activities 2016	Governmental Activities 2015
Cash Receipts:		
Program cash receipts:		
Operating grants and contributions	<u>\$ 1,699,422</u>	<u>\$ 1,312,059</u>
Total program cash receipts	<u>1,699,422</u>	<u>1,312,059</u>
Total cash receipts	<u>1,699,422</u>	<u>1,312,059</u>
Cash Disbursements:		
Subsidy services	1,539,429	1,165,953
Other community services	<u>15,358</u>	<u>18,645</u>
Total cash disbursements	<u>1,554,787</u>	<u>1,184,598</u>
Change in net cash position	144,635	127,461
Net cash position at beginning of year	<u>1,073,436</u>	<u>945,975</u>
Net cash position at end of year	<u><u>\$ 1,218,071</u></u>	<u><u>\$ 1,073,436</u></u>

**RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
RICHLAND COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(SEE ACCOUNTANT'S COMPILATION REPORT)

Governmental Activities

Governmental cash position increased \$144,635 in 2016 from 2015. Total governmental cash disbursements of \$1,554,787 were offset by program cash receipts of \$1,699,422.

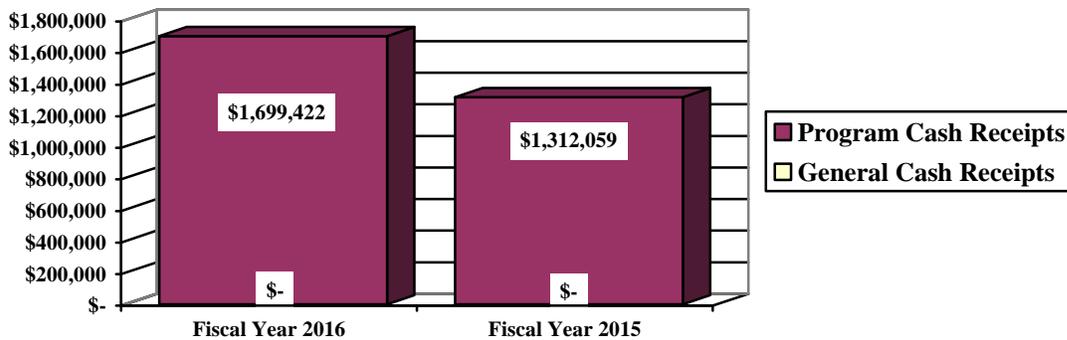
The primary sources of cash receipts for governmental activities are derived from operating grants and contributions.

The largest cash disbursement of the Council is for subsidy services. These cash disbursements totaled \$1,539,429 or 99.01% of total governmental cash disbursements for fiscal year 2016.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2016 and 2015.

	Governmental Activities			
	Total Cost of Services 2016	Net Cost of Services 2016	Total Cost of Services 2015	Net Cost of Services 2015
Cash disbursements:				
Subsidy services	\$ 1,539,429	\$ (145,386)	\$ 1,165,953	\$ (124,683)
Other community services	<u>15,358</u>	<u>751</u>	<u>18,645</u>	<u>(2,778)</u>
Total	<u><u>\$ 1,554,787</u></u>	<u><u>\$ (144,635)</u></u>	<u><u>\$ 1,184,598</u></u>	<u><u>\$ (127,461)</u></u>

Governmental Activities - General and Program Cash Receipts



**RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
RICHLAND COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(SEE ACCOUNTANT'S COMPILATION REPORT)

Financial Analysis of the Government's Funds

As noted earlier, the Council uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The Council's governmental funds are accounted for using the cash basis of accounting.

The Council's governmental funds reported a combined fund cash balance of \$1,218,071 which is \$144,635 above last year's total of \$1,073,436. The schedule below indicates the fund cash balance and the total change in fund cash balance as of December 31, 2015 and 2016, for all major and nonmajor governmental funds.

	Fund Cash Balance (Deficit) <u>December 31, 2016</u>	Fund Cash Balance (Deficit) <u>December 31, 2015</u>	Increase <u>(Decrease)</u>
Major Funds:			
General	\$ 1,258,563	\$ 1,049,890	\$ 208,673
Help Me Grow	(24,823)	59,251	(84,074)
Other Nonmajor Governmental Funds	<u>(15,669)</u>	<u>(35,705)</u>	<u>20,036</u>
Total	<u>\$ 1,218,071</u>	<u>\$ 1,073,436</u>	<u>\$ 144,635</u>

General Fund

The General Fund had cash receipts of \$1,478,809 in 2016. The cash disbursements of the General Fund totaled \$1,270,136 in 2016. The General Fund's cash balance increased \$208,673 from 2015 to 2016.

Help Me Grow Fund

The Help Me Grow Fund, a Council major fund had cash receipts of \$179,612 in 2016. The Help Me Grow Fund had cash disbursements of \$263,686 in 2016. The Help Me Grow Fund cash balance decreased \$84,074 from 2015 to 2016. The Help Me Grow Fund had a decrease in cash receipts of \$96,170 from \$275,782 to \$179,612 and a decrease in cash disbursements of \$3,824 from 2015 to 2016.

Capital Assets and Debt Administration

Capital Assets

The Council does not record capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements. The Council had no capital outlay disbursements during fiscal year 2016.

Debt Administration

The Council had no long-term debt obligations outstanding at December 31, 2016 and 2015.

**RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
RICHLAND COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(SEE ACCOUNTANT'S COMPILATION REPORT)

Current Financial Related Activities

The Council is reviewed by its members and the community to determine how they can realize efficiency and service gap filling. Agencies are challenged to improve the way services are delivered by striving towards a seamless service delivery system. The Council is constantly assessing needs of its members and acting to facilitate the provision of services cost-effectively.

Contacting the Council's Financial Management

This financial report is designed to provide our citizens with a general overview of the Council's finances and to show the Council's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Carmen Torrence, Business Administrator, Richland County Job and Family Services, 171 Park Avenue East, Mansfield, Ohio 44902.

**CASH BASIS BASIC
FINANCIAL STATEMENTS**

**RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
RICHLAND COUNTY**

STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2016
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>Governmental Activities</u>
Assets:	
Equity in pooled cash and cash equivalents.	<u>\$ 1,218,071</u>
Net cash position:	
Unrestricted.	<u>\$ 1,218,071</u>
Total net cash position	<u>\$ 1,218,071</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
RICHLAND COUNTY**

STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>Cash Disbursements</u>	<u>Program Cash Receipts</u>	<u>Net (Cash Disbursements) Cash Receipts and Changes in Net Cash Position</u>
		<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities:			
Subsidy services	\$ 1,539,429	\$ 1,684,815	\$ 145,386
Other community services . . .	15,358	14,607	(751)
Totals.	<u>\$ 1,554,787</u>	<u>\$ 1,699,422</u>	<u>144,635</u>
Change in net cash position			144,635
Net cash position at beginning of year.			<u>1,073,436</u>
Net cash position at end of year			<u>\$ 1,218,071</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
RICHLAND COUNTY**

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2016
(SEE ACCOUNTANT'S COMPILATION REPORT)

	General	Help Me Grow	Other Governmental Fund	Total Governmental Funds
Cash assets:				
Equity (deficit) in pooled cash and cash equivalents.	\$ 1,258,563	\$ (24,823)	\$ (15,669)	\$ 1,218,071
Fund cash balances:				
Unassigned (deficit)	\$ 1,258,563	\$ (24,823)	\$ (15,669)	\$ 1,218,071
Total fund cash balances (deficit)	\$ 1,258,563	\$ (24,823)	\$ (15,669)	\$ 1,218,071

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
RICHLAND COUNTY**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>General</u>	<u>Help Me Grow</u>	<u>Other Governmental Fund</u>	<u>Total Governmental Funds</u>
Cash receipts:				
Federal receipts	\$ 298,721	\$ 112,583	\$ 30,750	\$ 442,054
State receipts	893,563	67,029	10,251	970,843
Local agency receipts	286,525	-	-	286,525
Total cash receipts	<u>1,478,809</u>	<u>179,612</u>	<u>41,001</u>	<u>1,699,422</u>
Cash disbursements:				
Subsidy services	1,254,778	263,686	20,965	1,539,429
Other community services	15,358	-	-	15,358
Total cash disbursements	<u>1,270,136</u>	<u>263,686</u>	<u>20,965</u>	<u>1,554,787</u>
Net change in fund cash balances.	208,673	(84,074)	20,036	144,635
Fund cash balances (deficit) at beginning of year .	<u>1,049,890</u>	<u>59,251</u>	<u>(35,705)</u>	<u>1,073,436</u>
Fund cash balances (deficit) at end of year . .	<u>\$ 1,258,563</u>	<u>\$ (24,823)</u>	<u>\$ (15,669)</u>	<u>\$ 1,218,071</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
RICHLAND COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 1 - DESCRIPTION OF THE COUNCIL

Ohio Revised Code Section 121.37, created the Ohio Family and Children First Cabinet Council and permitted counties to establish county family and children first councils. Statutory membership of a county council consists of the following individuals:

- a. 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;
- b. The director of the Board of Alcohol, Drug Addiction and Mental Health Services that serves the county, or, in the case of a county that has a Board of Alcohol and Drug Addiction Services and a Community Mental Health Board, the Directors of both Boards. If a Board of Alcohol, Drug Addiction, and Mental Health Services covers more than one County, the Director may designate a person to participate on the County's Council;
- c. 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;
- d. The Director of the County Department of Job and Family Services;
- e. The Executive Director of the public children service agency or the County agency responsible for the administration of children service pursuant to Ohio Revised Code Section 5153.15;
- f. The Superintendent of the County Board of Mental Retardation and Developmental Disabilities;
- 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 Ohio 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 municipal corporation with the largest population in the County;
- j. The President of the Board of County Commissioners or an individual designated by the Board;
- k. A representative of the regional office of the Ohio Department of Youth Services;
- l. A representative of the County's Head Start agencies, as defined in Ohio Revised Code Section 3301.32;
- m. 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;
- n. A representative of a local nonprofit entity that funds, advocates, or provides services to children and families.

**RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
RICHLAND COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 1 - DESCRIPTION OF THE COUNCIL - (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 the following:

- a. Referrals to the Cabinet Council those children for whom the County Council cannot provide adequate services;
- b. 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 of children;
- c. 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 "Individuals with Disabilities Education Act of 2004";
- d. Maintenance of an accountability system to monitor the County Council's progress in achieving results for families and children; and,
- e. Establishment of a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the County system.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 2.B., these financial statements for the Richland County Family and Children First Council (the "Council") 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). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In cases where these cash basis statements contain items that are the same as, or similar to, those items in the financial statements prepared in conformity with GAAP, similar informative disclosures are provided. Following are the more significant of the Council's accounting policies:

A. Reporting Entity

A reporting entity is comprised of the primary government and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the Council consists of all funds, departments and activities that are not legally separate from the Council. They comprise the Council's legal entity which provides various services including human, social, health and educational services to families and children. The Council, the Executive Committee and the Executive Director have direct responsibility for these activities.

**RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
RICHLAND COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

B. 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. These statements include adequate disclosure of material matters, in accordance with the basis of accounting described in this paragraph.

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.

C. Fund Accounting

The Council uses funds to maintain its financial records during the year. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts. The Council reports only governmental funds.

Governmental Funds - The Council classifies funds financed primarily from intergovernmental receipts (e.g. grants) and other nonexchange transactions as governmental funds. The following are the Council's major governmental funds:

General - The general fund is the operating fund of the Council. It is used to account for all financial resources except those required to be accounted for in another fund.

Help Me Grow - This fund receives Federal and State funds to implement and maintain a coordinated, community-based infrastructure that promotes trans-disciplinary, family-centered services for expectant parents, newborns, infants and toddlers and their families.

Other governmental funds of the Council are used to account for grants and other resources whose use is restricted to an expenditure for specified purposes.

D. Basis of Presentation and Measurement Focus

Government-wide Statement of Activities - Cash Basis - This statement displays information about the Council as a whole. The government-wide statement of activities - cash basis compares disbursements with program receipts for each function or program of the Council's governmental activities. These disbursements are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program receipts include grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Receipts which are not classified as program receipts are presented as general receipts of the Council. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on the cash basis or draws from the general receipts of the Council.

**RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
RICHLAND COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Fund Financial Statements - Fund financial statements report detailed information about the Council. The focus of governmental fund 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.

E. Budgetary Process

The Ohio Revised Code Section 121.37 (B)(4) requires the Council to file an annual budget with its administrative agent. For fiscal year 2016, a budget was prepared and filed based on the administrative agency (Richland County Job and Family Services) fiscal year, July 1, 2015 through June 30, 2016.

F. Administrative/Fiscal Agent

Section 121.37 (B)(5)(a) of the Ohio Revised Code, requires each county council to designate an administrative agent for the council. Richland County Job and Family Services (the "County") serves as the Council's administrative agent. The County maintains the Council as an agency fund on their financial records. The administrative agent agrees to:

1. Serve as the Council's appointing authority;
2. Exercise spending authority within the limits of the annual budget developed and approved by the Council; and,
3. Perform the following on behalf of Council; but only upon the expressed approval of and direction by Council;
 - Enter into written agreements or administer contracts with public or private entities to fulfill specific Council business.
 - Provide financial stipends, reimbursements or both to family representatives for expenses related to Council activity.
 - Receive by gift, grant, devise or bequest any moneys, land or other property for the purposes for which the Council is established.

G. Capital Assets

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

H. Fund Cash Balance

The Council reports classifications of fund cash balance based on the extent to which the Council is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The following categories are used:

Nonspendable - amounts that cannot be spent because they are either (a) not in spendable form or (b) legally required to be maintained intact.

Restricted - amounts that have constraints placed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

**RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Committed - amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Council's highest level of decision-making authority, Cabinet Council.

Assigned - amounts that are constrained by the Council's intent to be used for specific purpose, but are neither restricted nor committed. Assigned amounts include those approved through the Council's formal purchasing procedure by the fiscal agent. Through the Council's purchasing policy, the Cabinet Council has given the fiscal agent the authority to constrain monies for intended purposes.

Unassigned - residual fund balance within the general fund that is in spendable form that is not restricted, committed, or assigned.

The Council applies restricted resources first when an expense is incurred for purposes for which restricted and unrestricted fund balance is available. The Council considers committed, assigned, and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

I. Net Position

Net position is reported as restricted when enabling legislation or creditors, grantors or laws or regulations of other governments have imposed limitations on their use. The Council has no net position restricted by enabling legislation.

The Council first applies restricted resources when a disbursement is incurred for purposes for which both restricted and unrestricted net position are available.

J. Contracted Services

The Council director is an employee of Richland County and paid directly by the Council. The assistant of the Council is a paid employee of the City of Mansfield and the Council reimburses the cost of her payroll to the City of Mansfield. The funds used to pay their salaries are derived from a State Administrative grant and local agency membership contributions received by the Council and maintained by the County.

NOTE 3 - EQUITY IN POOLED CASH

The Richland County Treasurer's Office maintains a depository which includes the funds of the Council. The Ohio Revised Code prescribes allowable deposits and investments. The Council's carrying amount of cash on deposit with the fiscal agent at December 31, 2016, was \$1,218,071. The fiscal agent for the Council is responsible for maintaining adequate depository collateral for all funds in the County's investment accounts.

NOTE 4 - CONTINGENT LIABILITIES

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

**RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
RICHLAND COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 5 - RISK MANAGEMENT

Insurance for comprehensive property and general liability is provided by the Council's administrative agent.

NOTE 6 – CHANGE IN ACCOUNTING PRINCIPLES

For fiscal year 2016, the Council has implemented GASB Statement No. 72, "Fair Value Measurement and Application", GASB Statement No. 73 "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68", GASB Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments", and GASB Statement No. 79, "Certain External Investment Pools and Pool Participants".

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The implementation of GASB Statement No. 72 did not have an effect on the financial statements of the Council.

GASB Statement No. 73 improves the usefulness of information about pensions included in the general purposes external financial reports of state and local governments for making decisions and assessing accountability. The implementation of GASB Statement No. 73 did not have an effect on the financial statements of the Council.

GASB Statement No. 76 identifies - in the context of the current governmental financial reporting environment - the hierarchy of generally accepted accounting principles (GAAP). This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The implementation of GASB Statement No. 76 did not have an effect on the financial statements of the Council.

GASB Statement No. 79 establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The implementation of GASB Statement No. 79 did not have an effect on the financial statements of the Council.