

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

RICHLAND COUNTY

Regular Audit

For the Years Ended December 31, 2021 and 2020





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Members of Council
Richland County Family Children First Council
171 Park Ave E
Mansfield, OH 44902

We have reviewed the *Independent Auditor's Report* of the Richland County Family Children First Council, Richland County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2020 through December 31, 2021. 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 Richland County Family Children First Council is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

August 31, 2022

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Richland County Family and Children First Council

Richland County

For the Years Ended December 31, 2021 and 2020

Table of Contents

Title	Page
Independent Auditor’s Report - 2021	1
Management’s Discussion and Analysis – For the Year Ended December 31, 2021	4
Statement of Net Position (Cash Basis) – All Governmental Fund Types – For the Year Ended December 31, 2021	9
Statement of Activities (Cash Basis) – All Governmental Fund Types – For the Year Ended December 31, 2021	10
Statement of Cash Basis Assets and Fund Balances – All Governmental Fund Types – For the Year Ended December 31, 2021	11
Statement of Cash Receipts, Cash Disbursements and Changes in Cash Basis Fund Balances – All Governmental Fund Types – For the Year Ended December 31, 2021	12
Notes to the Financial Statements – For the Year Ended December 31, 2021	13
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> - 2021	18
Independent Auditor’s Report - 2020	20
Management’s Discussion and Analysis – For the Year Ended December 31, 2020	22
Statement of Net Position (Cash Basis) – All Governmental Fund Types – For the Year Ended December 31, 2020	27
Statement of Activities (Cash Basis) – All Governmental Fund Types – For the Year Ended December 31, 2020	28
Statement of Cash Basis Assets and Fund Balances – All Governmental Fund Types – For the Year Ended December 31, 2020	29
Statement of Cash Receipts, Cash Disbursements and Changes in Cash Basis Fund Balances – All Governmental Fund Types – For the Year Ended December 31, 2020	30
Notes to the Financial Statements – For the Year Ended December 31, 2020	31
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> - 2020	37

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INDEPENDENT AUDITOR'S REPORT

Richland County Family and Children First Council
Richland County
171 Park Avenue East
Mansfield, Ohio 44902

To the Council:

Report on the Audit of the Financial Statements

Opinion

We have audited the cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Richland County Family and Children First Council, Richland County, Ohio (the Council), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Council, as of December 31, 2021, and the respective changes in cash-basis financial position for the year then ended in accordance with the cash-basis of accounting described in Note 2.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Council, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter - Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Emphasis of Matter

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Information

We applied no procedures to management's discussion & analysis as listed in the table of contents. Accordingly, we express no opinion or any other assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2022, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's 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.

Charles Harris Associates

Charles E. Harris & Associates, Inc.
July 28, 2022

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

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, 2021, 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 2021 are as follows:

- The total net cash position of the governmental activities decreased \$362,666, which represents a 18.37% decrease from fiscal year 2020.
- The Council had \$1,980,437 in cash disbursements related to governmental activities; \$1,617,771 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 \$1,273,790 in 2021. The cash disbursements of the General Fund totaled \$1,595,809 in 2021. The General Fund's cash balance decreased \$322,019 from 2020 to 2021.
- The Help Me Grow Fund had cash receipts of \$267,917 in 2021 and cash disbursements of \$281,103. The Help Me Grow Fund's cash balance decreased \$13,186.

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 2021?" 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.

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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)**

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 9-10 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 7.

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 11-12 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 13-18 of this report.

Government-Wide Financial Analysis

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

The table below provides a summary of the Council's net cash position for 2021 and 2020.

	Net Cash Position	
	Governmental Activities 2021	Governmental Activities 2020
<u>Assets</u>		
Equity in pooled cash and cash equivalents	\$ 1,611,323	\$ 1,973,989
Total assets	1,611,323	1,973,989
<u>Net Position</u>		
Restricted	-	1,348
Unrestricted	1,611,323	1,972,641
Total net position	\$ 1,611,323	\$ 1,973,989

The total net cash position of the Council's governmental activities decreased \$362,666 from fiscal year 2020. The balance of government-wide unrestricted net cash position of \$1,611,323 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 2021 and 2020.

	Change in Net Cash Position	
	Governmental Activities 2021	Governmental Activities 2020
Cash Receipts:		
Program cash receipts:		
Operating grants and contributions	\$ 1,617,771	\$ 1,694,680
Total cash receipts	1,617,771	1,694,680
Cash Disbursements:		
Subsidy services	1,963,703	1,456,679
Other community services	16,734	12,903
Total cash disbursements	1,980,437	1,469,582
Change in net cash position	(362,666)	225,098
Net cash position at beginning of year	1,973,989	1,748,891
Net cash position at end of year	\$ 1,611,323	\$ 1,973,989

Governmental Activities

Governmental cash position decreased \$362,666 in 2021 from 2020. Total governmental cash disbursements of \$1,980,437 were offset by program cash receipts of \$1,617,771.

The primary sources of cash receipts for governmental activities are derived from operating grants and contributions. This includes Federal grants, State grants and local funding.

The primary cash disbursement activity relates to subsidy services. Other community services accounts for operations costs and the fiscal agent fee.

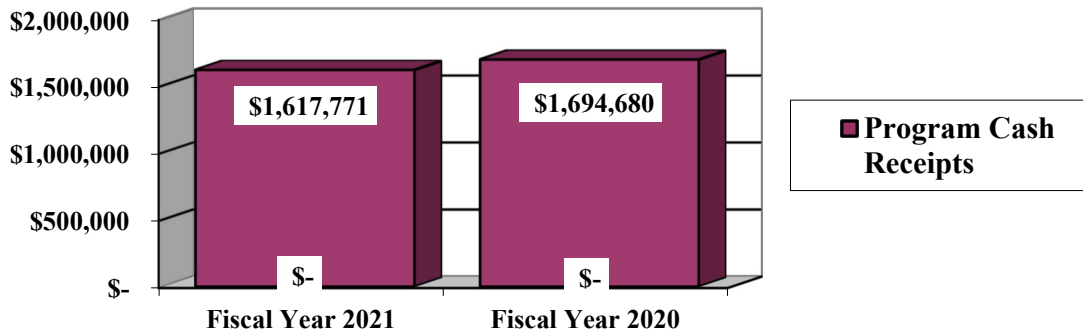
**RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
RICHLAND COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

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 2021 and 2020.

	Governmental Activities			
	Total Cost of Services 2021	Net Cost of Services 2021	Total Cost of Services 2020	Net Cost of Services 2020
Cash disbursements:				
Subsidy services	\$ 1,963,703	\$ 359,289	\$ 1,456,679	\$ (222,108)
Other community services	16,734	3,377	12,903	(2,990)
Total	\$ 1,980,437	\$ 362,666	\$ 1,469,582	\$ (225,098)

Governmental Activities - General and Program Cash Receipts



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 \$1,611,323 which is \$362,666 below last year's total of \$1,973,989. The schedule below indicates the fund cash balance and the total change in fund cash balance as of December 31, 2020 and 2021, for all major and nonmajor governmental funds.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

	Fund Cash Balance (Deficit) <u>December 31, 2021</u>	Fund Cash Balance (Deficit) <u>December 31, 2020</u>	Increase <u>(Decrease)</u>
Major Funds:			
General	\$ 1,659,828	\$ 1,981,847	\$ (322,019)
Help Me Grow	(11,838)	1,348	(13,186)
Other Nonmajor Governmental Funds	<u>(36,667)</u>	<u>(9,206)</u>	<u>(27,461)</u>
Total	<u>\$ 1,611,323</u>	<u>\$ 1,973,989</u>	<u>\$ (362,666)</u>

General Fund

The General Fund had cash receipts of \$1,273,790 in 2021. The cash disbursements of the General Fund totaled \$1,595,809 in 2021. The General Fund's cash balance decreased \$322,019 from 2021 to 2020.

Help Me Grow Fund

The Help Me Grow Fund, a Council major fund had cash receipts of \$267,917 in 2021. The Help Me Grow Fund had cash disbursements of \$281,103 in 2021. The Help Me Grow Fund cash balance decreased \$13,186 from 2020 to 2021.

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 2021.

Debt Administration

The Council had no long-term debt obligations outstanding at December 31, 2021 and 2020.

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.

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

STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2021

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents.	\$ 1,611,323
Net cash position:	
Unrestricted.	\$ 1,611,323
Total net cash position	\$ 1,611,323

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<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	\$ 1,963,703	\$ 1,604,414	\$ (359,289)
Other community services . . .	16,734	13,357	(3,377)
Totals.	<u>\$ 1,980,437</u>	<u>\$ 1,617,771</u>	<u>(362,666)</u>
Change in net cash position			(362,666)
Net cash position at beginning of year.			<u>1,973,989</u>
Net cash position at end of year			<u>\$ 1,611,323</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	General	Help Me Grow	Other Governmental Funds	Total Governmental Funds
Cash assets:				
Equity (deficit) in pooled cash and cash equivalents.	\$ 1,659,828	\$ (11,838)	\$ (36,667)	\$ 1,611,323
Fund cash balances:				
Unassigned (deficit).	\$ 1,659,828	\$ (11,838)	\$ (36,667)	\$ 1,611,323
Total fund cash balances (deficit).	\$ 1,659,828	\$ (11,838)	\$ (36,667)	\$ 1,611,323

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>General</u>	<u>Help Me Grow</u>	<u>Other Governmental Fund</u>	<u>Total Governmental Funds</u>
Cash receipts:				
Federal receipts	\$ 447,376	\$ 158,008	\$ 38,298	\$ 643,682
State receipts	385,706	109,909	12,766	508,381
Local agency receipts	440,708	-	25,000	465,708
Total cash receipts	<u>1,273,790</u>	<u>267,917</u>	<u>76,064</u>	<u>1,617,771</u>
Cash disbursements:				
Subsidy services	1,579,075	281,103	103,525	1,963,703
Other community services	16,734	-	-	16,734
Total cash disbursements	<u>1,595,809</u>	<u>281,103</u>	<u>103,525</u>	<u>1,980,437</u>
Net change in fund cash balances	(322,019)	(13,186)	(27,461)	(362,666)
Fund cash balances (deficit) at beginning of year .	<u>1,981,847</u>	<u>1,348</u>	<u>(9,206)</u>	<u>1,973,989</u>
Fund cash balances (deficit) at end of year	<u>\$ 1,659,828</u>	<u>\$ (11,838)</u>	<u>\$ (36,667)</u>	<u>\$ 1,611,323</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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 who are not employed by an agency represented on the Council and whose families are or have received services from an agency represented on the Council or on the council of another county's council. 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 Council in the County. If the county has two or more health Councils, the Health Commissioner membership may be limited to the Commissioners of the two Councils 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;
- f. The Superintendent of the County Board of Developmental Disabilities or, if the Superintendent serves as Superintendent of more than one County Board of Developmental Disabilities, the Superintendent's designee;
- g. The Superintendent of the city, exempted village, or local school Council 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 Councils with territory in the County, as designated at a biennial meeting of the superintendents of those Councils;
- 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.

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

NOTE 1 - DESCRIPTION OF THE COUNCIL - (Continued)

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.

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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

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.

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 2021, a budget was prepared and filed based on the administrative agency (Richland County Job and Family Services) fiscal year, July 1, 2021 through June 30, 2022.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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

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.

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

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, 2021, was \$1,611,323. 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.

NOTE 5 - RISK MANAGEMENT

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

NOTE 6 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Council. The impact on the Council's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Charles E. Harris & Associates, Inc.

Certified Public Accountants

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

Richland County Family and Children First Council
Richland County
171 Park Avenue East
Mansfield, Ohio 44902

To the Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Richland County Family and Children First Council, Richland County, (the Council) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements and have issued our report thereon dated July 28, 2022, wherein we noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Council.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Council's financial statements will not be prevented, or detected and corrected, on a timely basis. *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.

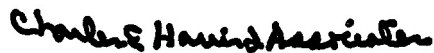
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Charles E. Harris & Associates, Inc.

July 28, 2022

INDEPENDENT AUDITOR'S REPORT

Richland County Family and Children First Council
Richland County
171 Park Avenue East
Mansfield, Ohio 44902

To the Council:

Report on the Financial Statements

We have audited the accompanying cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Richland County Family and Children First Council, Richland County, Ohio (the Council), as of and for the year ended December 31, 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, each major fund, and the aggregate remaining fund information of the Council, as of December 31, 2020, and the respective changes in cash financial position, thereof for the year 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 ensuing emergency measures will impact subsequent periods of the Council. We did not modify our opinion regarding this matter.

Other Information

We applied no procedures to management's discussion & analysis as listed in the table of contents. Accordingly, we express no opinion or any other assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2022, 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.



Charles E. Harris & Associates, Inc.
July 28, 2022

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

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, 2020, 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 2020 are as follows:

- The total net cash position of the governmental activities increased \$225,098, which represents a 12.87% increase from fiscal year 2019.
- The Council had \$1,469,582 in cash disbursements related to governmental activities; \$1,694,680 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 \$1,232,502 in 2020. The cash disbursements of the General Fund totaled \$1,000,609 in 2020. The General Fund's cash balance increased \$231,893 from 2019 to 2020.
- The Help Me Grow Fund had cash receipts of \$228,426 in 2020 and cash disbursements of \$243,348. The Help Me Grow Fund's cash balance decreased \$14,922.

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 2020?" 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.

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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)**

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 27-28 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 25.

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 29-30 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 31-36 of this report.

Government-Wide Financial Analysis

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

The table below provides a summary of the Council's net cash position for 2020 and 2019.

	Net Cash Position	
	Governmental Activities 2020	Governmental Activities 2019
<u>Assets</u>		
Equity in pooled cash and cash equivalents	\$ 1,973,989	\$ 1,748,891
Total assets	<u>1,973,989</u>	<u>1,748,891</u>
<u>Net Position</u>		
Restricted	1,348	16,270
Unrestricted	<u>1,972,641</u>	<u>1,732,621</u>
Total net position	<u>\$ 1,973,989</u>	<u>\$ 1,748,891</u>

The total net cash position of the Council's governmental activities increased \$225,098 from fiscal year 2019. The balance of government-wide unrestricted net cash position of \$1,972,641 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 2020 and 2019.

	Change in Net Cash Position	
	Governmental Activities 2020	Governmental Activities 2019
Cash Receipts:		
Program cash receipts:		
Operating grants and contributions	\$ 1,694,680	\$ 1,410,640
Total cash receipts	<u>1,694,680</u>	<u>1,410,640</u>
Cash Disbursements:		
Subsidy services	1,456,679	1,309,081
Other community services	<u>12,903</u>	<u>14,801</u>
Total cash disbursements	<u>1,469,582</u>	<u>1,323,882</u>
Change in net cash position	225,098	86,758
Net cash position at beginning of year	<u>1,748,891</u>	<u>1,662,133</u>
Net cash position at end of year	<u>\$ 1,973,989</u>	<u>\$ 1,748,891</u>

Governmental Activities

Governmental cash position increased \$225,098 in 2020 from 2019. Total governmental cash disbursements of \$1,469,582 were offset by program cash receipts of \$1,694,680.

The primary sources of cash receipts for governmental activities are derived from operating grants and contributions. This includes Federal grants, State grants and local funding.

The primary cash disbursement activity relates to subsidy services. Other community services accounts for operations costs and the fiscal agent fee.

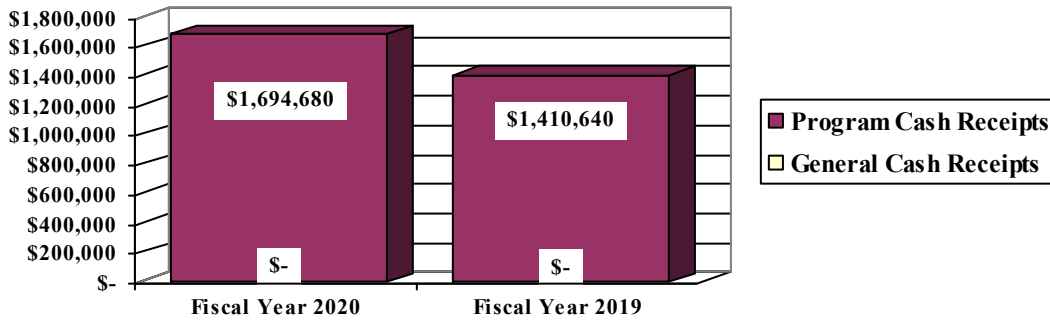
**RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL
RICHLAND COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

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 2020 and 2019.

	Governmental Activities			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2020	2020	2019	2019
Cash disbursements:				
Subsidy services	\$ 1,456,679	\$ (222,108)	\$ 1,309,081	\$ (85,760)
Other community services	12,903	(2,990)	14,801	(998)
Total	\$ 1,469,582	\$ (225,098)	\$ 1,323,882	\$ (86,758)

Governmental Activities - General and Program Cash Receipts



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 \$1,973,989 which is \$225,098 above last year's total of \$1,748,891. The schedule below indicates the fund cash balance and the total change in fund cash balance as of December 31, 2019 and 2020, for all major and nonmajor governmental funds.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

	<u>Fund Cash Balance (Deficit)</u> <u>December 31, 2020</u>	<u>Fund Cash Balance (Deficit)</u> <u>December 31, 2019</u>	<u>Increase</u> <u>(Decrease)</u>
Major Funds:			
General	\$ 1,981,847	\$ 1,749,954	\$ 231,893
Help Me Grow	1,348	16,270	(14,922)
Other Nonmajor Governmental Funds	<u>(9,206)</u>	<u>(17,333)</u>	<u>8,127</u>
Total	<u>\$ 1,973,989</u>	<u>\$ 1,748,891</u>	<u>\$ 225,098</u>

General Fund

The General Fund had cash receipts of \$1,232,502 in 2020. The cash disbursements of the General Fund totaled \$1,000,609 in 2020. The General Fund's cash balance increased \$231,893 from 2019 to 2020.

Help Me Grow Fund

The Help Me Grow Fund, a Council major fund had cash receipts of \$228,426 in 2020. The Help Me Grow Fund had cash disbursements of \$243,348 in 2020. The Help Me Grow Fund cash balance decreased \$14,922 from 2019 to 2020.

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 2020.

Debt Administration

The Council had no long-term debt obligations outstanding at December 31, 2020 and 2019.

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.

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

STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2020

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents.	\$ 1,973,989
Net cash position:	
Restricted for:	
State and federally funded programs.	\$ 1,348
Unrestricted.	1,972,641
Total net cash position	\$ 1,973,989

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Cash Disbursements	Program Cash Receipts	Net (Cash Disbursements) Cash Receipts and Changes in Net Cash Position
	Operating Grants and Contributions	Governmental Activities	
Governmental activities:			
Subsidy services	\$ 1,456,679	\$ 1,678,787	\$ 222,108
Other community services . . .	12,903	15,893	2,990
Totals.	\$ 1,469,582	\$ 1,694,680	225,098
Change in net cash position			225,098
Net cash position at beginning of year.			1,748,891
Net cash position at end of year			\$ 1,973,989

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	<u>General</u>	<u>Help Me Grow</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash assets:				
Equity (deficit) in pooled cash and cash equivalents.	\$ 1,981,847	\$ 1,348	\$ (9,206)	\$ 1,973,989
Fund cash balances:				
Restricted for:				
State and Federal grants.	\$ -	\$ 1,348	\$ -	\$ 1,348
Unassigned (deficit).	1,981,847	-	(9,206)	1,972,641
Total fund cash balances (deficit).	<u>\$ 1,981,847</u>	<u>\$ 1,348</u>	<u>\$ (9,206)</u>	<u>\$ 1,973,989</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>General</u>	<u>Help Me Grow</u>	<u>Other Governmental Fund</u>	<u>Total Governmental Funds</u>
Cash receipts:				
Federal receipts	\$ 358,654	\$ 38,500	\$ 81,564	\$ 478,718
State receipts	587,614	189,926	27,188	804,728
Local agency receipts	286,234	-	125,000	411,234
Total cash receipts	<u>1,232,502</u>	<u>228,426</u>	<u>233,752</u>	<u>1,694,680</u>
Cash disbursements:				
Subsidy services	987,706	243,348	225,625	1,456,679
Other community services	12,903	-	-	12,903
Total cash disbursements	<u>1,000,609</u>	<u>243,348</u>	<u>225,625</u>	<u>1,469,582</u>
Net change in fund cash balances	231,893	(14,922)	8,127	225,098
Fund cash balances (deficit) at beginning of year .	<u>1,749,954</u>	<u>16,270</u>	<u>(17,333)</u>	<u>1,748,891</u>
Fund cash balances (deficit) at end of year	<u>\$ 1,981,847</u>	<u>\$ 1,348</u>	<u>\$ (9,206)</u>	<u>\$ 1,973,989</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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 who are not employed by an agency represented on the Council and whose families are or have received services from an agency represented on the Council or on the council of another county's council. 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 Council in the County. If the County has two or more health Councils, the Health Commissioner membership may be limited to the Commissioners of the two Councils 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;
- f. The Superintendent of the County Board of Developmental Disabilities or, if the Superintendent serves as Superintendent of more than one County Board of Developmental Disabilities, the Superintendent's designee;
- g. The Superintendent of the city, exempted village, or local school Council 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 Councils with territory in the County, as designated at a biennial meeting of the superintendents of those Councils;
- 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,

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 1 - DESCRIPTION OF THE COUNCIL - (Continued)

- n. A representative of a local nonprofit entity that funds, advocates, or provides services to children and families.

A County Family and Children First Council may invite any other local public or private agency or group that funds, advocates, or provides services to children to have a representative become a permanent or temporary member of the Council.

The purpose of the County Council is to streamline and coordinate existing government services for families seeking services for their children. In seeking to fulfill its purpose, a County Council shall provide 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, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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 2020, a budget was prepared and filed based on the administrative agency (Richland County Job and Family Services) fiscal year, July 1, 2020 through June 30, 2021.

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
RICHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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, 2020, was \$1,973,989. 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, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 5 - RISK MANAGEMENT

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

NOTE 6 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Council. The impact on the Council's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the District received \$50,000 as an on-behalf of grant from Richland County. These amounts are recorded in the Coronavirus Relief Special Revenue Fund, a nonmajor governmental fund.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Richland County Family and Children First Council
Richland County
171 Park Avenue East
Mansfield, Ohio 44902

To the Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Richland County Family and Children First Council, Richland County, (the Council) as of and for the year ended December 31, 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 July 28, 2022, wherein we noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Council.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Council's financial statements will not be prevented or detected and corrected on a timely basis. 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.

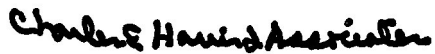
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

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, expressing an opinion 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

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Charles E. Harris & Associates, Inc.
July 28, 2022

OHIO AUDITOR OF STATE KEITH FABER



RICHLAND COUNTY FAMILY AND CHILDREN FIRST COUNCIL

RICHLAND 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 9/13/2022

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