



OHIO AUDITOR OF STATE
KEITH FABER



**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY
JUNE 30, 2018 AND 2017**

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HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY
JUNE 30, 2018 AND 2017

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OHIO AUDITOR OF STATE KEITH FABER



INDEPENDENT AUDITOR'S REPORT

Harrison County Family and Children First Council
Harrison County
730 Peppard Avenue
Cadiz, Ohio 43907

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 Harrison County Family and Children First Council, Harrison County, Ohio (the Council), as of and for the years ended June 30, 2018 and 2017, 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 opinions.

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 Harrison Family and Children First Council, Harrison County, Ohio, as of June 30, 2018 and 2017, and the respective changes in cash financial position and the respective budgetary comparison for the General, Family Centered Services and Support, Help Me Grow – GRF, Help Me Grow – Part C, and Help Me Grow – MEICHV Grant Funds thereof for the years then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

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

Other Matters

Other Information

We applied no procedures to Management's Discussion and Analysis as listed in the Table of Contents. Accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2019, on our consideration of the Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

January 29, 2019

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018
(UNAUDITED)**

The management's discussion and analysis of the Harrison 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 June 30, 2018, 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 2018 are as follows:

- The total net cash position of the governmental activities increased \$22,828, which represents a 128.99% increase from fiscal year 2017.
- The Council had \$745,548 in cash disbursements related to governmental activities; 100.95% of these cash disbursements were offset by program specific grants or contributions. The Council had additional general revenues of \$15,750 for fiscal year 2018.
- The Council's major funds are the general fund, Family Centered Services and Supports (FCSS), Help Me Grow - GRF fund, Help Me Grow – Part C and the Help Me Grow – MIECHV fund.
- The general fund had cash receipts and other financing sources of \$20,198 in 2018. The cash disbursements and other financing uses of the general fund totaled \$20,473 in 2018. The general fund's cash balance decreased \$275 from 2017 to 2018.
- The FCSS fund had cash receipts and other financing sources of \$29,894 in 2018. The cash disbursements and other financing uses of the FCSS fund totaled \$23,091 in 2018. The fund's cash balance increased \$6,803 from 2017 to 2018.
- The Help Me Grow – GRF fund had cash receipts and other financing sources of \$213,684 in 2018. The cash disbursements and other financing uses of the Help Me Grow – GRF fund totaled \$211,208 in 2018. The fund's cash balance increased \$2,476 from 2017 to 2018.
- The Help Me Grow – Part C fund had cash receipts and other financing sources of \$50,017 in 2018. The cash disbursements and other financing uses of the Help Me Grow – Part C fund totaled \$43,620 in 2018. The fund's cash balance increased \$6,397 from 2017 to 2018.
- The Help Me Grow – MIECHV fund had cash receipts and other financing sources of \$559,609 in 2018. The cash disbursements and other financing uses of the Help Me Grow – MIECHV totaled \$558,116 in 2018. The fund's cash balance increased \$1,493 from 2017 to 2018.

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.

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018
(UNAUDITED)

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, FCSS, Help Me Grow - GRF fund, Help Me Grow – Part C and the Help Me Grow – MIECHV fund are the major governmental funds.

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 2018?" 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.

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 administration and support services as well as various community and social 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 major governmental funds are the General Fund, FCSS, Help Me Grow - GRF Fund, Help Me Grow – Part C and the Help Me Grow – MIECHV Fund. The analysis of the Council's major governmental funds begins on page 6.

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018
(UNAUDITED)

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 11-17 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 19-35 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.

The table below provides a summary of the Council's net cash position for 2018 and 2017.

	Net Cash Position	Net Cash Position
	Governmental Activities 2018	Governmental Activities 2017
	<u>2018</u>	<u>2017</u>
<u>Assets</u>		
Equity in pooled cash and cash equivalents	\$ 40,525	\$ 17,697
Total assets	<u>40,525</u>	<u>17,697</u>
<u>Net Position</u>		
Restricted	38,475	15,372
Unrestricted	2,050	2,325
Total net position	<u>\$ 40,525</u>	<u>\$ 17,697</u>

The total net cash position of the Council's governmental activities increased \$22,828 from fiscal year 2017. The balance of government-wide unrestricted net cash position is a balance of \$2,050.

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**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018
(UNAUDITED)

The table below shows the changes in net cash position for fiscal year 2018 and 2017.

	Change in Net Cash Position	
	Governmental Activities 2018	Governmental Activities 2017
Cash Receipts:		
Program cash receipts:		
Operating grants and contributions	\$ 752,626	\$ 575,640
Total program cash receipts	752,626	575,640
General cash receipts:		
Grants and entitlements not restricted for specific programs	15,750	15,750
Total general cash receipts	15,750	15,750
Total cash receipts	768,376	591,390
Cash Disbursements:		
Personal services	354,074	321,514
Employee retirement and insurance	132,923	148,248
Purchased services	171,655	162,541
Materials and supplies	82,282	17,832
Capital outlay	-	913
Other	4,614	9,426
Total cash disbursements	745,548	660,474
Change in net cash position	22,828	(69,084)
Net cash position at beginning of year	17,697	86,781
Net cash position at end of year	\$ 40,525	\$ 17,697

Governmental Activities

Governmental cash position increased \$22,828 in 2018 from 2017. Total governmental cash disbursements of \$745,548 were offset by program cash receipts of \$752,626. The Council also had general revenues of \$15,750.

The largest cash disbursement of the Council is for personal services. These cash disbursements totaled \$354,074 or 47.49% of total governmental cash disbursements for fiscal year 2018.

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.

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018
(UNAUDITED)

The Council's governmental funds reported a combined fund cash balance of \$40,525, which is \$22,828 above last year's total of \$17,697. The schedule below indicates the fund cash balance and the total change in fund cash balance as of June 30, 2018 and 2017, for all major and nonmajor governmental funds.

	Fund Cash Balance <u>June 30, 2018</u>	Fund Cash Balance <u>June 30, 2017</u>	<u>Change</u>
Major Funds:			
General	\$ 2,050	\$ 2,325	\$ (275)
FCSS	9,481	2,678	6,803
Help Me Grow - GRF	8,674	6,198	2,476
Help Me Grow - Part C	6,397	-	6,397
Help Me Grow - MIECHV	5,339	3,846	1,493
Other Nonmajor Governmental Funds	<u>8,584</u>	<u>2,650</u>	<u>5,934</u>
Total	<u>\$ 40,525</u>	<u>\$ 17,697</u>	<u>\$ 22,828</u>

General Fund

The general fund had cash receipts and other financing sources of \$20,198 in 2018. The cash disbursements and other financing uses of the general fund totaled \$20,473 in 2018. The general fund's cash balance decreased \$275 from 2017 to 2018.

Family Centered Services and Supports (FCSS)

The FCSS fund had cash receipts and other financing sources of \$29,894 in 2018. The cash disbursements and other financing uses of the FCSS fund totaled \$23,091 in 2018. The fund's cash balance increased \$6,803 from 2017 to 2018.

Help Me Grow - GRF

The Help Me Grow – GRF fund had cash receipts and other financing sources of \$213,684 in 2018. The cash disbursements and other financing uses of the Help Me Grow – GRF fund totaled \$211,208 in 2018. The fund's cash balance increased \$2,476 from 2017 to 2018.

Help Me Grow – Part C

The Help Me Grow – Part C fund had cash receipts and other financing sources of \$50,017 in 2018. The cash disbursements and other financing uses of the Help Me Grow – Part C totaled \$43,620 in 2018. The fund's cash balance increased \$6,397 from 2017 to 2018.

Help Me Grow - MIECHV

The Help Me Grow – MIECHV fund had cash receipts and other financing sources of \$559,609 in 2018. The cash disbursements and other financing uses of the Help Me Grow – MIECHV totaled \$558,116 in 2018. The fund's cash balance increased \$1,493 from 2017 to 2018.

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018
(UNAUDITED)**

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.

Debt Administration

The Council had no long-term debt obligations outstanding at June 30, 2018 or June 30, 2017.

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 Ms. Roxane Harding, Treasurer, Harrison Hills City School District, 730 Peppard Avenue Cadiz, Ohio 43907.

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

STATEMENT OF NET POSITION - CASH BASIS
JUNE 30, 2018

	<u>Governmental Activities</u>
Assets:	
Equity in pooled cash and cash equivalents. . . .	\$ 40,525
Net position:	
Restricted for:	
Family Centered Services and Support	\$ 9,481
Help Me Grow.	25,535
Other purposes.	3,459
Unrestricted.	2,050
Total net position.	<u>\$ 40,525</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Cash</u>	<u>Program Revenues</u>	<u>Net (Disbursements) Receipts</u>
	<u>Disbursements</u>	<u>Operating Grants</u>	<u>and Changes in Net Position</u>
		<u>and Contributions</u>	<u>Governmental</u>
			<u>Activities</u>
Governmental activities:			
Personal services	\$ 354,074	\$ 363,714	\$ 9,640
Employees retirement and insurance	132,923	137,396	4,473
Purchased services	171,655	162,602	(9,053)
Materials and supplies	82,282	84,132	1,850
Other	4,614	4,782	168
	<hr/>	<hr/>	<hr/>
Totals	\$ 745,548	\$ 752,626	7,078
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
General revenues:			
Grants and entitlements not restricted to specific programs			<hr/> 15,750
Total general revenues			<hr/> 15,750
Change in net position			22,828
Net position at beginning of year			<hr/> 17,697
Net position at end of year			<hr/> <hr/> \$ 40,525

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

BALANCE SHEET - CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2018

	<u>General</u>	<u>FCSS</u>	<u>Help Me Grow - GRF</u>	<u>Help Me Grow - Part C</u>	<u>Help Me Grow - MIECHV Grant</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:							
Equity in pooled cash and cash equivalents.	\$ 2,050	\$ 9,481	\$ 8,674	\$ 6,397	\$ 5,339	\$ 8,584	\$ 40,525
Total assets	<u>\$ 2,050</u>	<u>\$ 9,481</u>	<u>\$ 8,674</u>	<u>\$ 6,397</u>	<u>\$ 5,339</u>	<u>\$ 8,584</u>	<u>\$ 40,525</u>
Fund balances:							
Restricted:							
Family Centered Services and Support	\$ -	9,481	\$ -	-	\$ -	\$ -	\$ 9,481
Help Me Grow.	-	-	8,674	6,397	5,339	5,125	25,535
Other purposes.	-	-	-	-	-	3,459	3,459
Unassigned	2,050	-	-	-	-	-	2,050
Total fund balances	<u>\$ 2,050</u>	<u>\$ 9,481</u>	<u>\$ 8,674</u>	<u>\$ 6,397</u>	<u>\$ 5,339</u>	<u>\$ 8,584</u>	<u>\$ 40,525</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	General	Family Centered Services and Support	Help Me Grow - GRF	Help Me Grow - Part C	Help Me Grow - MIECHV Grant	Nonmajor Governmental Funds	Total Governmental Funds
Receipts:							
Other local revenues	\$ -	\$ -	\$ 9,301	\$ -	\$ -	\$ 2,000	\$ 11,301
Contributions and donations	-	-	1,490	-	-	-	1,490
Intergovernmental - State	15,750	3,405	168,155	6,186	-	6,000	199,496
Intergovernmental - Federal	-	10,216	-	18,691	527,182	-	556,089
Total receipts	<u>15,750</u>	<u>13,621</u>	<u>178,946</u>	<u>24,877</u>	<u>527,182</u>	<u>8,000</u>	<u>768,376</u>
Disbursements:							
Personal services	-	676	68,942	11,485	272,660	311	354,074
Employees retirement and insurance	60	-	29,515	1,947	101,248	153	132,923
Purchased services	8,251	12,541	42,512	19,192	85,454	3,705	171,655
Materials and supplies	-	1,904	18,237	-	56,736	5,405	82,282
Other	162	450	4,002	-	-	-	4,614
Total disbursements	<u>8,473</u>	<u>15,571</u>	<u>163,208</u>	<u>32,624</u>	<u>516,098</u>	<u>9,574</u>	<u>745,548</u>
Excess of receipts over (under) disbursements	<u>7,277</u>	<u>(1,950)</u>	<u>15,738</u>	<u>(7,747)</u>	<u>11,084</u>	<u>(1,574)</u>	<u>22,828</u>
Other financing sources (uses):							
Advances in	4,448	16,273	34,738	25,140	32,427	22,476	135,502
Advances (out)	(12,000)	(7,520)	(48,000)	(10,996)	(42,018)	(14,968)	(135,502)
Total other financing sources (uses)	<u>(7,552)</u>	<u>8,753</u>	<u>(13,262)</u>	<u>14,144</u>	<u>(9,591)</u>	<u>7,508</u>	<u>-</u>
Net change in fund balances	(275)	6,803	2,476	6,397	1,493	5,934	22,828
Fund balances at beginning of year	<u>2,325</u>	<u>2,678</u>	<u>6,198</u>	<u>-</u>	<u>3,846</u>	<u>2,650</u>	<u>17,697</u>
Fund balances at end of year	<u>\$ 2,050</u>	<u>\$ 9,481</u>	<u>\$ 8,674</u>	<u>\$ 6,397</u>	<u>\$ 5,339</u>	<u>\$ 8,584</u>	<u>\$ 40,525</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Intergovernmental - state	\$ 15,750	\$ 15,750	\$ 15,750	-
Total receipts.	<u>15,750</u>	<u>15,750</u>	<u>15,750</u>	<u>-</u>
Disbursements:				
Current:				
Employees retirement and insurance	61	61	61	-
Purchased services.	10,800	10,800	10,300	500
Other.	<u>787</u>	<u>162</u>	<u>162</u>	<u>-</u>
Total disbursements	<u>11,648</u>	<u>11,023</u>	<u>10,523</u>	<u>500</u>
Excess of cash receipts over cash disbursements	<u>4,102</u>	<u>4,727</u>	<u>5,227</u>	<u>500</u>
Other financing sources (uses):				
Advances in.	22,934	19,339	19,339	-
Advances (out)	<u>(26,891)</u>	<u>(26,891)</u>	<u>(26,891)</u>	<u>-</u>
Total other financing sources (uses)	<u>(3,957)</u>	<u>(7,552)</u>	<u>(7,552)</u>	<u>-</u>
Net change in fund balance	145	(2,825)	(2,325)	500
Fund balance at beginning of year	1,700	1,700	1,700	-
Prior year encumbrances appropriated	625	625	625	-
Fund balance at end of year	<u>\$ 2,470</u>	<u>\$ (500)</u>	<u>\$ -</u>	<u>\$ 500</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FAMILY CENTERED SERVICES AND SUPPORTS (FCSS)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Intergovernmental - State	\$ 5,425	\$ 3,405	\$ 3,405	-
Intergovernmental - Federal	16,275	10,216	10,216	-
Total receipts	<u>21,700</u>	<u>13,621</u>	<u>13,621</u>	<u>-</u>
Disbursements:				
Personal services	676	676	676	-
Purchased services	21,917	21,699	21,699	-
Materials and supplies	3,915	1,904	1,904	-
Other	900	900	450	450
Total disbursements	<u>27,408</u>	<u>25,179</u>	<u>24,729</u>	<u>450</u>
Excess of cash receipts (under) cash disbursements	<u>(5,708)</u>	<u>(11,558)</u>	<u>(11,108)</u>	<u>450</u>
Other financing sources (uses):				
Advances in	30,000	33,023	33,023	-
Advances (out)	<u>(24,269)</u>	<u>(24,269)</u>	<u>(24,269)</u>	<u>-</u>
Total other financing sources (uses)	<u>5,731</u>	<u>8,754</u>	<u>8,754</u>	<u>-</u>
Net change in fund balance	23	(2,804)	(2,354)	450
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>2,679</u>	<u>2,679</u>	<u>2,679</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,702</u>	<u>\$ (125)</u>	<u>\$ 325</u>	<u>\$ 450</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 HELP ME GROW - GRF
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
From local sources:				
Contributions and donations	\$ 5,000	\$ 1,490	\$ 1,490	\$ -
Other local revenues	-	7,694	9,301	1,607
Intergovernmental - State	170,357	168,155	168,155	-
Total receipts	<u>175,357</u>	<u>177,339</u>	<u>178,946</u>	<u>1,607</u>
Disbursements:				
Personal services	68,941	68,941	68,941	-
Employees retirement and insurance	29,516	29,516	29,516	-
Purchased services	53,401	48,616	48,616	-
Materials and supplies	19,563	18,521	18,521	-
Other	4,002	4,002	4,002	-
Total disbursements	<u>175,423</u>	<u>169,596</u>	<u>169,596</u>	<u>-</u>
Excess of cash receipts over (under) cash disbursements	(66)	7,743	9,350	1,607
Other financing sources (uses):				
Advances in	184,738	347,818	347,818	-
Advances (out)	(361,080)	(361,080)	(361,080)	-
Total other financing sources (uses)	<u>(176,342)</u>	<u>(13,262)</u>	<u>(13,262)</u>	<u>-</u>
Net change in fund balance	(176,408)	(5,519)	(3,912)	1,607
Fund balance at beginning of year	371	371	371	-
Prior year encumbrances appropriated	5,827	5,827	5,827	-
Fund balance at end of year	<u>\$ (170,210)</u>	<u>\$ 679</u>	<u>\$ 2,286</u>	<u>\$ 1,607</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 HELP ME GROW - PART C
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Intergovernmental - State	11,550	6,186	6,186	-
Intergovernmental - Federal	39,036	18,692	18,692	-
Total receipts	<u>50,586</u>	<u>24,878</u>	<u>24,878</u>	<u>-</u>
Disbursements:				
Personal services	11,965	11,965	11,485	480
Employees retirement and insurance	2,036	2,036	1,947	89
Purchased services	<u>25,589</u>	<u>25,589</u>	<u>25,589</u>	<u>-</u>
Total disbursements	<u>39,590</u>	<u>39,590</u>	<u>39,021</u>	<u>569</u>
Excess of cash receipts over (under) cash disbursements	<u>10,996</u>	<u>(14,712)</u>	<u>(14,143)</u>	<u>569</u>
Other financing sources (uses):				
Advances in	7,231	53,783	53,783	-
Advances (out)	<u>(39,640)</u>	<u>(39,640)</u>	<u>(39,640)</u>	<u>-</u>
Total other financing sources (uses)	<u>(32,409)</u>	<u>14,143</u>	<u>14,143</u>	<u>-</u>
Net change in fund balance	(21,413)	(569)	-	569
Fund balance (deficit) at beginning of year	-	-	-	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ (21,413)</u>	<u>\$ (569)</u>	<u>\$ -</u>	<u>\$ 569</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 HELP ME GROW - MIECHV GRANT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Intergovernmental - Federal	\$ 683,765	\$ 527,182	\$ 527,182	-
Total receipts	<u>683,765</u>	<u>527,182</u>	<u>527,182</u>	-
Disbursements:				
Personal services	272,660	272,660	272,660	-
Employees retirement and insurance	101,247	101,247	101,247	-
Purchased services	93,306	89,841	89,841	-
Materials and supplies	<u>58,069</u>	<u>57,688</u>	<u>57,688</u>	-
Total disbursements	<u>525,282</u>	<u>521,436</u>	<u>521,436</u>	-
Excess of cash receipts over cash disbursements	<u>158,483</u>	<u>5,746</u>	<u>5,746</u>	-
Other financing sources (uses):				
Advances (out)	(388,878)	(388,878)	(388,878)	-
Advances in	<u>127,708</u>	<u>379,287</u>	<u>379,287</u>	-
Total other financing sources (uses)	<u>(261,170)</u>	<u>(9,591)</u>	<u>(9,591)</u>	-
Net change in fund balance	(102,687)	(3,845)	(3,845)	-
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>3,846</u>	<u>3,846</u>	<u>3,846</u>	-
Fund balance at end of year	<u>\$ (98,841)</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1 - DESCRIPTION OF THE COUNCIL AND REPORTING ENTITY

A. Description of the Entity

Ohio Revised Code § 121.37 created the Ohio Family and Children First 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 another county's council. Where possible, the number of members representing families shall be equal to twenty percent of the council's 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 services agency;
- f. The superintendent of the county board of 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 department of education, which shall notify each board of county commissioners 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 commissioners, or an individual designated by the board;
- k. A representative of the regional office of the department of youth services;
- l. A representative of the county's head start agencies, as defined in section 3301.32 of the Revised Code;
- m. A representative of the county's early intervention collaborative established pursuant to the federal early intervention program operated under the "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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(CONTINUED)

NOTE 1 - DESCRIPTION OF THE COUNCIL AND REPORTING ENTITY - (Continued)

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

A county council's statutory responsibilities include the following:

- a. Refer to the cabinet council those children for whom the council cannot provide adequate services;
- b. Make periodic reports to the cabinet council regarding the number of children referred to the county council and the progress made in meeting the needs of each child;
- c. Develop a plan that reviews and adjusts existing programs, fills service gaps where possible, or invents new approaches to achieve better results for families and children;
- d. Participate in the development of a countywide, comprehensive, coordinated, multidisciplinary, interagency system for infants and toddlers with developmental disabilities or delays and their families, as established pursuant to federal grants received and administered by the Department of Health for early intervention services under the "Education of the Handicapped Act Amendments of 1986";
- e. Maintain an accountability system to monitor the Council's progress in achieving its purposes; and,
- f. Establish a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the county system.

The Harrison County Family and Children First Council's (the "Council") management believes these financial statements present all activities for which the Council is financially accountable.

1. Council Membership

The County's Council membership included Children's Services, Board of Alcohol Drug Addiction and Mental Health Services; Board of Developmental Disabilities, and the Juvenile Court. The purpose of the Family and Children First Council is to identify ways in which the Child Serving System can provide services to the community in the most efficient and effective manner. A Council Director has been hired to administer all of the Council's Programs. Because these programs affect all of the agencies within the Council membership, the salary of this employee is paid from the State administrative grant received by the Council and pooled funding derived from each of the Council agencies in the County. Grant Administration Appropriations are utilized toward the Council Director's salary.

2. Executive Finance Committee

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(CONTINUED)

NOTE 1 - DESCRIPTION OF THE COUNCIL AND REPORTING ENTITY - (Continued)

B. 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 fund, 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 Finance Committee, and the Director have direct responsibility for these activities.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

These financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting.

The Council's Basic Financial Statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

1. Government-Wide Financial Statements

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

The Statement of Net Position presents the financial condition of the governmental activities of the Council at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the Council's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the Council, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing or draws from the general revenues of the Council.

2. Fund Financial Statements

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

3. Fund Accounting

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(CONTINUED)

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

4. Governmental Funds

Governmental funds are those through which most governmental functions of the Council typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. The following are the Council's major governmental funds:

General Fund - The General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the Council for any purpose provided it is expended or transferred according to the general laws of Ohio and the by-laws of the Council.

Family Centered Services and Supports (FCSS) Fund - This fund is used to account for State Family Centered Services and Supports grant monies.

Help Me Grow (GRF) - This fund is used to account for State Help Me Grow grant monies.

Help Me Grow Part C - This fund is used to account for State Help Me Grow Part C grant monies.

Help Me Grow MIECHV – This fund is used to account for Maternal, Infant, and Childhood Home Visiting grant monies.

The other governmental funds of the Council account for grants and other resources whose use is restricted for a particular purpose.

5. Measurement Focus

The Council has elected to present its financial statements on a cash basis of accounting. The basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Council's cash basis of accounting, receipts are recognized when received in cash, rather than when earned, and disbursements when paid, rather than when a liability is incurred.

6. Basis of Accounting

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

B. Cash

As required by Ohio Revised Code, the Harrison Hills City School District (the "District") is custodian for the Council's cash. The Council's assets are held in the District's cash and investment pool, and are valued at the District Treasurer's reported carrying amount.

C. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. Acquisitions of property are not reflected as an asset under the basis of accounting the Council uses.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(CONTINUED)

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

D. Long-term Debt Obligations

The Council did not have any bonds or other long-term debt obligations.

E. Net Position

These statements report restricted net position when enabling legislation or creditors, grantors or laws or regulations of other governments have imposed limitations on their use.

The Council first applies restricted resources when incurring a disbursement for which it may use either restricted or unrestricted resources.

F. Fund Balance

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

Nonspendable The Council classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(CONTINUED)

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

G. Budgetary Process

Ohio Revised Code § 121.37(5)(A) requires the Council to file an annual budget with its administrative agent which is the Harrison Hills City School District. The budget can be amended throughout the year by the Council. The legal level of budgetary control has been established by Council at the fund, function level.

The amounts reported as the original budgeted amounts on the budgetary statements reflect the estimated receipts and disbursements when the original budget was adopted by the Council. The amounts reported as the final budgeted amounts on the budgetary statements reflect the final estimated receipts and disbursements adopted by Council.

H. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payment for unused leave. Unpaid leave is not reflected as a liability under the basis of accounting the Council uses.

I. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLES

For fiscal year 2018, the Council has implemented GASB Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pension”, GASB Statement No. 81 “Irrevocable Split-Interest Agreements” GASB Statement No. 85, “Omnibus 2017” and GASB Statement No. 86, “Certain Debt Extinguishments”.

GASB Statement No. 75 improves the accounting and financial reporting by state and local governments for postemployment benefits other than pension (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The implementation of GASB Statement No. 75 effected the Council’s postemployment benefit plan disclosures, as presented in Note 8 to the basic financial statements.

GASB Statement No. 81 improves the accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of GASB Statement No. 81 did not have an effect on the financial statements of the Council.

GASB Statement No. 85 addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and OPEB. The implementation of GASB Statement No. 85 did not have an effect on the financial statements of the Council.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(CONTINUED)

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLES (Continued)

GASB Statement No. 86 improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The implementation of GASB Statement No. 86 did not have an effect on the financial statements of the Council.

NOTE 4 - CASH AND CASH EQUIVALENTS

The Council's cash pool is maintained by the Harrison Hills City School District. The Ohio Revised Code prescribes allowable deposits and investments, and the District is responsible for meeting compliance. The Council's carrying amount of cash on deposit at June 30, 2018 was \$40,525.

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based on accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – (Non-GAAP Budgetary Basis) is presented for 2018 are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and cash basis is the outstanding year-end encumbrances are treated as disbursements (budgetary basis) rather than as reservation of fund balance (cash basis).

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(CONTINUED)

NOTE 6 - INTERFUND BALANCES

Advances for the year ended June 30, 2018, consisted of the following, as reported on the fund financial statements:

	<u>Amount</u>
<u>Advances from general fund to:</u>	
FCSS	\$ 12,000
<u>Advances from FCSS to:</u>	
Nonmajor governmental funds	7,520
<u>Advances from Help Me Grow-GRF to:</u>	
Help Me Grow - Part C	25,140
Help Me Grow - MIECHV Grant	22,860
Total advances from Help Me Grow-GRF	48,000
<u>Advances from Help Me Grow - Part C to:</u>	
Help Me Grow - GRF	6,941
Nonmajor governmental funds	4,055
Total advances from Help Me Grow - Part C	10,996
<u>Advances from Help Me Grow - MIECHV Grant to:</u>	
General	3,320
Help Me Grow - GRF	27,796
Nonmajor governmental funds	10,902
Total advances from Help Me Grow - MIECHV Grant	42,018
<u>Advances from nonmajor governmental funds to:</u>	
General	1,127
FCSS	4,273
Help Me Grow - MIECHV Grant	9,568
Total advances from nonmajor governmental funds	14,968
Total Advances in (out)	\$ 135,502

Advances between governmental funds are eliminated on the government-wide financial statements; therefore, no advances are reported in the statement of activities.

NOTE 7- DEFINED BENEFIT PENSION PLANS

Net Pension Liability

Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

The net pension liability represents the Council’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(CONTINUED)

NOTE 7- DEFINED BENEFIT PENSION PLANS (Continued)

The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

The Ohio Revised Code limits the Council’s obligation for this liability to annually required payments. The Council cannot control benefit terms or the manner in which pensions are financed; however, the Council does receive the benefit of employees’ services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

Plan Description - School Employees Retirement System (SERS)

Plan Description - The Council non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS’ fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially reduced benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

* Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(CONTINUED)

NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the Council is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2018, the allocation to pension, death benefits, and Medicare B was 13.5 percent. The remaining 0.5 percent of the employer contribution rate was allocated to the Health Care Fund.

The Council's contractually required contribution to SERS was \$49,570 for fiscal year 2018.

Net Pension Liability

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Council's proportion of the net pension liability was based on the Council's share of contributions to the pension plan relative to the projected contributions of all participating entities. Following is information related to the proportionate share:

	SERS
Proportion of the net pension liability prior measurement date	0.01094421%
Proportion of the net pension liability current measurement date	<u>0.00684203%</u>
Change in proportionate share	<u>-0.00410218%</u>
Proportionate share of the net pension liability	\$ 408,796

Actuarial Assumptions - SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(CONTINUED)

NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2017, are presented below:

Wage inflation	3.00 percent
Future salary increases, including inflation	3.50 percent to 18.20 percent
COLA or ad hoc COLA	2.50 percent
Investment rate of return	7.50 percent net of investments expense, including inflation
Actuarial cost method	Entry age normal (level percent of payroll)

Prior to 2017, an assumption of 3 percent was used for COLA or Ad Hoc COLA.

For 2017, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates. Mortality among disable members were based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash	1.00 %	0.50 %
US Equity	22.50	4.75
International Equity	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	<u>10.00</u>	3.00
Total	<u>100.00 %</u>	

Discount Rate - The total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(CONTINUED)

NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the Council's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Council's proportionate share of the net pension liability	\$ 567,303	\$ 408,796	\$ 276,014

NOTE 8 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

For fiscal year 2018, Governmental Accounting Standards Board (GASB) Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" was effective. This GASB pronouncement had no effect on beginning net position as reported June 30, 2017, as the net OPEB liability is not reported in the accompanying financial statements. The net OPEB liability has been disclosed below.

OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

The net OPEB liability represents the Council's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

The Ohio Revised Code limits the Council's obligation for this liability to annually required payments. The Council cannot control benefit terms or the manner in which OPEB are financed; however, the Council does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(CONTINUED)

NOTE 8 - DEFINED BENEFIT OPEB PLANS - (Continued)

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The Council contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Chapter 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2018, 0.5 percent of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned.

For fiscal year 2018, this amount was \$23,700. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2018, the Council's surcharge obligation was \$6,933.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The Council's contractually required contribution to SERS was \$6,933 for fiscal year 2018.

Net OPEB Liability

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Council's proportion of the net OPEB liability was based on the Council's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share:

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(CONTINUED)

NOTE 8 - DEFINED BENEFIT OPEB PLANS - (Continued)

	SERS
Proportion of the net OPEB liability prior measurement date	0.01237034%
Proportion of the net OPEB liability current measurement date	<u>0.01237034%</u>
Change in proportionate share	<u>0.00000000%</u>
Proportionate share of the net OPEB liability	\$ 331,987

Actuarial Assumptions - SERS

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2017, are presented below:

Wage inflation	3.00 percent
Future salary increases, including inflation	3.50 percent to 18.20 percent
Investment rate of return	7.50 percent net of investments expense, including inflation
Municipal bond index rate:	
Measurement date	3.56 percent
Prior measurement date	2.92 percent
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Measurement date	3.63 percent
Prior measurement date	2.98 percent
Medical trend assumption:	
Medicare	5.50 to 5.00 percent
Pre-Medicare	7.50 to 5.00 percent

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(CONTINUED)

NOTE 8 - DEFINED BENEFIT OPEB PLANS - (Continued)

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120 percent of male rates and 110 percent of female rates. RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years.

The most recent experience study was completed for the five-year period ended June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	100.00 %	

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2017 was 3.63 percent. The discount rate used to measure total OPEB liability prior to June 30, 2017 was 2.98 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the State statute contribution rate of 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.56 percent, as of June 30, 2017 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(CONTINUED)

NOTE 8 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the Council's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.63%) and higher (4.63%) than the current discount rate (3.63%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.5% decreasing to 4.0%) and higher (8.5% decreasing to 6.0%) than the current rate.

	1% Decrease (2.63%)	Current Discount Rate (3.63%)	1% Increase (4.63%)
Council's proportionate share of the net OPEB liability	\$ 400,917	\$ 331,987	\$ 277,378
	1% Decrease (6.5 % decreasing to 4.0 %)	Current Trend Rate (7.5 % decreasing to 5.0 %)	1% Increase (8.5 % decreasing to 6.0 %)
Council's proportionate share of the net OPEB liability	\$ 269,383	\$ 331,987	\$ 414,846

NOTE 9- RISK MANAGEMENT

A. Property and Liability

The Council is covered under the Harrison Hills City School District's (the "District") insurance policy. Coverage is provided under this policy included general liability, employee liability, and employers' liability. There has been no significant change in coverage from last year. Settled claims have not exceeded this commercial coverage in any of the past three years.

B. Health Insurance

The Council's employees are covered under the District's health insurance plan. The Council pays monthly premiums to the District for employee medical benefits.

NOTE 10 - CONTINGENCIES

A. Grants

The Council received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Council at June 30, 2018.

B. Litigation

There are currently no matters in litigation with the Council as defendant.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(CONTINUED)

NOTE 11 – OTHER COMMITMENTS

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

	Year-End
General fund	\$ 2,050
FCSS	9,156
Help Me Grow - GRF	6,388
Help Me Grow - Part C	6,397
Help Me Grow - MIECHV	<u>5,338</u>
Total	<u>\$ 29,329</u>

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**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017
(UNAUDITED)**

The management's discussion and analysis of the Harrison 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 June 30, 2017, 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 2017 are as follows:

- The total net cash position of the governmental activities decreased \$69,084, which represents a 79.61% decrease from fiscal year 2016.
- The Council had \$660,474 in cash disbursements related to governmental activities; 87.16% of these cash disbursements were offset by program specific grants or contributions. The Council had additional general revenues of \$15,750 for fiscal year 2017.
- The Council's major funds are the general fund, Family Centered Services and Supports (FCSS), Help Me Grow - GRF fund, and the Help Me Grow – MIECHV fund.
- The general fund had cash receipts of \$15,750 in 2017. The cash disbursements and other financing uses of the general fund totaled \$17,210 in 2017. The general fund's cash balance decreased \$1,460 from 2016 to 2017.
- The FCSS fund had cash receipts and other financing sources of \$21,023 in 2017. The cash disbursements of the FCSS fund totaled \$24,394 in 2017. The fund's cash balance decreased \$3,371 from 2016 to 2017.
- The Help Me Grow – GRF fund had cash receipts of \$159,482 in 2017. The cash disbursements and other financing uses of the Help Me Grow – GRF fund totaled \$187,558 in 2017. The fund's cash balance decreased \$28,076 from 2016 to 2017.
- The Help Me Grow – MIECHV fund had cash receipts and other financing sources of \$363,083 in 2017. The cash disbursements of the Help Me Grow – MIECHV totaled \$395,934 in 2017. The fund's cash balance decreased \$32,851 from 2016 to 2017.

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, FCSS, Help Me Grow - GRF fund, and the Help Me Grow – MIECHV fund are the major governmental funds.

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017
(UNAUDITED)

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 2017?" 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.

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 administration and support services as well as various community and social services.

The Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis can be found on pages 43-44 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 major governmental funds are the General Fund, FCSS, Help Me Grow - GRF Fund, and the Help Me Grow - MIECHV Fund. The analysis of the Council's major governmental funds begins on page 40.

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.

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017
(UNAUDITED)

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 45-50 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 51-62 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.

The table below provides a summary of the Council's net cash position for 2017 and 2016.

	Net Cash Position	Net Cash Position
	Governmental Activities 2017	Governmental Activities 2016
<u>Assets</u>		
Equity in pooled cash and cash equivalents	\$ 17,697	\$ 86,781
Total assets	17,697	86,781
<u>Net Position</u>		
Restricted	15,372	82,996
Unrestricted	2,325	3,785
Total net position	\$ 17,697	\$ 86,781

The total net cash position of the Council's governmental activities decreased \$69,084 from fiscal year 2016. The balance of government-wide unrestricted net cash position is a balance of \$2,325.

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**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017
(UNAUDITED)

The table below shows the changes in net cash position for fiscal year 2017 and 2016.

	Governmental Activities 2017	Governmental Activities 2016
	<u>2017</u>	<u>2016</u>
Cash Receipts:		
Program cash receipts:		
Operating grants and contributions	\$ 575,640	\$ 592,522
Total program cash receipts	<u>575,640</u>	<u>592,522</u>
General cash receipts:		
Grants and entitlements not restricted for specific programs	15,750	15,750
Total general cash receipts	<u>15,750</u>	<u>15,750</u>
Total cash receipts	<u>591,390</u>	<u>608,272</u>
 Cash Disbursements:		
Personal services	321,514	251,909
Employee retirement and insurance	148,248	129,317
Purchased services	162,541	140,025
Materials and supplies	17,832	29,935
Capital outlay	913	-
Other	9,426	2,155
Total cash disbursements	<u>660,474</u>	<u>553,341</u>
Change in net cash position	(69,084)	54,931
Net cash position at beginning of year	<u>86,781</u>	<u>31,850</u>
Net cash position at end of year	<u>\$ 17,697</u>	<u>\$ 86,781</u>

Governmental Activities

Governmental cash position decreased \$69,084 in 2017 from 2016. Total governmental cash disbursements of \$660,474 were offset by program cash receipts of \$575,640. The Council also had general revenues of \$15,750.

The largest cash disbursement of the Council is for personal services. These cash disbursements totaled \$321,514 or 48.68% of total governmental cash disbursements for fiscal year 2017.

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 \$17,697, which is \$69,084 below last year's total of \$86,781.

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017
(UNAUDITED)

The schedule below indicates the fund cash balance and the total change in fund cash balance as of June 30, 2017 and 2016, for all major and nonmajor governmental funds.

	Fund Cash Balance <u>June 30, 2017</u>	Fund Cash Balance <u>June 30, 2016</u>	<u>Change</u>
Major Funds:			
General	\$ 2,325	\$ 3,785	\$ (1,460)
FCSS	2,678	6,049	(3,371)
Help Me Grow - GRF	6,198	34,274	(28,076)
Help Me Grow - MIECHV	3,846	36,697	(32,851)
Other Nonmajor Governmental Funds	<u>2,650</u>	<u>5,976</u>	<u>(3,326)</u>
Total	<u>\$ 17,697</u>	<u>\$ 86,781</u>	<u>\$ (69,084)</u>

General Fund

The general fund had cash receipts of \$15,750 in 2017. The cash disbursements and other financing uses of the general fund totaled \$17,210 in 2017. The general fund's cash balance decreased \$1,460 from 2016 to 2017.

Family Centered Services and Supports (FCSS)

The FCSS fund had cash receipts and other financing sources of \$21,023 in 2017. The cash disbursements of the FCSS fund totaled \$24,394 in 2017. The fund's cash balance decreased \$3,371 from 2016 to 2017.

Help Me Grow - GRF

The Help Me Grow – GRF fund had cash receipts of \$159,482 in 2017. The cash disbursements and other financing uses of the Help Me Grow – GRF fund totaled \$187,558 in 2017. The fund's cash balance decreased \$28,076 from 2016 to 2017.

Help Me Grow - MIECHV

The Help Me Grow – MIECHV fund had cash receipts and other financing sources of \$363,083 in 2017. The cash disbursements of the Help Me Grow – MIECHV totaled \$395,934 in 2017. The fund's cash balance decreased \$32,851 from 2016 to 2017.

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.

Debt Administration

The Council had no long-term debt obligations outstanding at June 30, 2017 or June 30, 2016.

**HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
HARRISON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017
(UNAUDITED)**

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 Ms. Roxane Harding, Treasurer, Harrison Hills City School District, 730 Peppard Avenue Cadiz, Ohio 43907.

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

STATEMENT OF NET POSITION - CASH BASIS
JUNE 30, 2017

	<u>Governmental Activities</u>
Assets:	
Equity in pooled cash and cash equivalents. . . .	\$ 17,697
Net position:	
Restricted for:	
Family Centered Services and Support	\$ 2,678
Help Me Grow.	12,694
Unrestricted.	2,325
Total net position.	<u>\$ 17,697</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Cash</u>	<u>Program Revenues</u>	<u>Net (Disbursements) Receipts</u>
	<u>Disbursements</u>	<u>Operating Grants</u>	<u>and Changes in Net Position</u>
		<u>and Contributions</u>	<u>Governmental</u>
			<u>Activities</u>
Governmental activities:			
Personal services	\$ 321,514	\$ 283,262	\$ (38,252)
Employees retirement and insurance.	148,248	130,073	(18,175)
Purchased services.	162,541	140,482	(22,059)
Materials and supplies	17,832	14,957	(2,875)
Capital outlay	913	825	(88)
Other.	9,426	6,041	(3,385)
Totals	<u>\$ 660,474</u>	<u>\$ 575,640</u>	<u>(84,834)</u>
General revenues:			
Grants and entitlements not restricted to specific programs			<u>15,750</u>
Total general revenues			<u>15,750</u>
Change in net position			(69,084)
Net position at beginning of year			<u>86,781</u>
Net position at end of year.			<u>\$ 17,697</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

BALANCE SHEET - CASH BASIS
 GOVERNMENTAL FUNDS
 JUNE 30, 2017

	General	FCSS	Help Me Grow - GRF	Help Me Grow - MIECHV Grant	Nonmajor Governmental Funds	Total Governmental Funds
Assets:						
Equity in pooled cash and cash equivalents.	\$ 2,325	\$ 2,678	\$ 6,198	\$ 3,846	\$ 2,650	\$ 17,697
Total assets	<u>\$ 2,325</u>	<u>\$ 2,678</u>	<u>\$ 6,198</u>	<u>\$ 3,846</u>	<u>\$ 2,650</u>	<u>\$ 17,697</u>
Fund balances:						
Restricted:						
Family Centered Services and Support . . . \$	-	2,678	\$ -	\$ -	\$ -	\$ 2,678
Help Me Grow.	-	-	6,198	3,846	2,650	12,694
Unassigned	2,325	-	-	-	-	2,325
Total fund balances	<u>\$ 2,325</u>	<u>\$ 2,678</u>	<u>\$ 6,198</u>	<u>\$ 3,846</u>	<u>\$ 2,650</u>	<u>\$ 17,697</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	General	FCSS	Help Me Grow - GRF	Help Me Grow - MIECHV Grant	Nonmajor Governmental Funds	Total Governmental Funds
Receipts:						
Other local revenues	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ 20,000
Contributions and donations	-	-	4,295	-	-	4,295
Intergovernmental - State	15,750	5,425	155,187	-	11,551	187,913
Intergovernmental - Federal	-	14,352	-	321,065	43,765	379,182
Total receipts.	<u>15,750</u>	<u>19,777</u>	<u>159,482</u>	<u>321,065</u>	<u>75,316</u>	<u>591,390</u>
Disbursements:						
Personal services.	-	580	70,148	247,761	3,025	321,514
Employees retirement and insurance	-	293	42,223	105,429	303	148,248
Purchased services.	11,150	23,097	52,575	30,022	45,697	162,541
Materials and supplies	-	424	3,956	12,722	730	17,832
Capital outlay	-	-	913	-	-	913
Other.	2,740	-	6,686	-	-	9,426
Total disbursements	<u>13,890</u>	<u>24,394</u>	<u>176,501</u>	<u>395,934</u>	<u>49,755</u>	<u>660,474</u>
Excess of receipts over (under) disbursements.	<u>1,860</u>	<u>(4,617)</u>	<u>(17,019)</u>	<u>(74,869)</u>	<u>25,561</u>	<u>(69,084)</u>
Other financing sources (uses):						
Advances in	-	1,246	-	42,018	-	43,264
Advances (out)	(3,320)	-	(11,057)	-	(28,887)	(43,264)
Total other financing sources (uses)	<u>(3,320)</u>	<u>1,246</u>	<u>(11,057)</u>	<u>42,018</u>	<u>(28,887)</u>	<u>-</u>
Net change in fund balances	(1,460)	(3,371)	(28,076)	(32,851)	(3,326)	(69,084)
Fund balances at beginning of year.	<u>3,785</u>	<u>6,049</u>	<u>34,274</u>	<u>36,697</u>	<u>5,976</u>	<u>86,781</u>
Fund balances at end of year.	<u>\$ 2,325</u>	<u>\$ 2,678</u>	<u>\$ 6,198</u>	<u>\$ 3,846</u>	<u>\$ 2,650</u>	<u>\$ 17,697</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Intergovernmental - state	\$ 19,337	\$ 15,750	\$ 15,750	-
Total receipts.	<u>19,337</u>	<u>15,750</u>	<u>15,750</u>	<u>-</u>
Disbursements:				
Purchased services.	13,962	11,150	11,150	-
Other.	4,213	3,365	3,365	-
Total disbursements	<u>18,175</u>	<u>14,515</u>	<u>14,515</u>	<u>-</u>
Excess of cash receipts over cash disbursements.	<u>1,162</u>	<u>1,235</u>	<u>1,235</u>	<u>-</u>
Other financing (uses)				
Advances (out)	-	(3,320)	(3,320)	-
Total other financing (uses)	<u>-</u>	<u>(3,320)</u>	<u>(3,320)</u>	<u>-</u>
Net change in fund balance	1,162	(2,085)	(2,085)	-
Fund balance at beginning of year	3,587	3,587	3,587	-
Prior year encumbrances appropriated	198	198	198	-
Fund balance at end of year	<u>\$ 4,947</u>	<u>\$ 1,700</u>	<u>\$ 1,700</u>	<u>\$ -</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FAMILY CENTERED SERVICES AND SUPPORTS (FCSS)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Intergovernmental - state	\$ 20,267	\$ 19,777	\$ 19,777	-
Total receipts.	<u>20,267</u>	<u>19,777</u>	<u>19,777</u>	<u>-</u>
Disbursements:				
Personal services.	487	580	580	-
Employees retirement and insurance	246	293	293	-
Purchased services.	19,557	23,314	23,314	-
Materials and supplies	2,043	2,435	2,435	-
Other.	<u>377</u>	<u>450</u>	<u>450</u>	<u>-</u>
Total disbursements	<u>22,710</u>	<u>27,072</u>	<u>27,072</u>	<u>-</u>
Excess of cash receipts (under) cash disbursements.	<u>(2,443)</u>	<u>(7,295)</u>	<u>(7,295)</u>	<u>-</u>
Other financing sources (uses):				
Advances in.	7,706	7,520	7,520	-
Advances (out)	<u>(5,263)</u>	<u>(6,274)</u>	<u>(6,274)</u>	<u>-</u>
Total other financing sources (uses)	<u>2,443</u>	<u>1,246</u>	<u>1,246</u>	<u>-</u>
Net change in fund balance	-	(6,049)	(6,049)	-
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>6,049</u>	<u>6,049</u>	<u>6,049</u>	<u>-</u>
Fund balance at end of year	<u>\$ 6,049</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 HELP ME GROW - GRF
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
From local sources:				
Contributions and donations	\$ 5,816	\$ 4,295	\$ 4,295	\$ -
Intergovernmental.	210,159	155,187	155,187	-
Total receipts.	<u>215,975</u>	<u>159,482</u>	<u>159,482</u>	<u>-</u>
Disbursements:				
Personal services.	59,405	70,148	70,148	-
Employees retirement and insurance	35,756	42,223	42,223	-
Purchased services.	48,575	57,360	57,360	-
Materials and supplies	4,351	5,138	4,998	140
Capital outlay	773	913	913	-
Other.	5,662	6,686	6,686	-
Total disbursements	<u>154,522</u>	<u>182,468</u>	<u>182,328</u>	<u>140</u>
Excess of cash receipts over (under)				
cash disbursements.	<u>61,453</u>	<u>(22,986)</u>	<u>(22,846)</u>	<u>140</u>
Other financing sources (uses):				
Advances in.	32,070	23,681	23,681	-
Advances (out)	(29,418)	(34,738)	(34,738)	-
Total other financing sources (uses)	<u>2,652</u>	<u>(11,057)</u>	<u>(11,057)</u>	<u>-</u>
Net change in fund balance	64,105	(34,043)	(33,903)	140
Fund balance at beginning of year	14,243	14,243	14,243	-
Prior year encumbrances appropriated	20,031	20,031	20,031	-
Fund balance at end of year	<u>\$ 98,379</u>	<u>\$ 231</u>	<u>\$ 371</u>	<u>\$ 140</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 HELP ME GROW - MIECHV GRANT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Intergovernmental	\$ 444,719	\$ 321,065	\$ 321,065	-
Total receipts.	<u>444,719</u>	<u>321,065</u>	<u>321,065</u>	<u>-</u>
Disbursements:				
Personal services.	61,835	247,761	247,761	-
Employees retirement and insurance	26,312	105,429	105,429	-
Purchased services.	8,357	33,487	33,487	-
Materials and supplies	<u>3,270</u>	<u>13,103</u>	<u>13,103</u>	<u>-</u>
Total disbursements	<u>99,774</u>	<u>399,780</u>	<u>399,780</u>	<u>-</u>
Excess of cash receipts over (under) cash disbursements	<u>344,945</u>	<u>(78,715)</u>	<u>(78,715)</u>	<u>-</u>
Other financing sources:				
Advances in	<u>58,201</u>	<u>42,018</u>	<u>42,018</u>	<u>-</u>
Total other financing sources	<u>58,201</u>	<u>42,018</u>	<u>42,018</u>	<u>-</u>
Net change in fund balance	403,146	(36,697)	(36,697)	-
Fund balance at beginning of year	33,093	33,093	33,093	-
Prior year encumbrances appropriated	3,604	3,604	3,604	-
Fund balance at end of year.	<u>\$ 439,843</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 1 - DESCRIPTION OF THE COUNCIL AND REPORTING ENTITY

A. Description of the Entity

Ohio Revised Code § 121.37 created the Ohio Family and Children First 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 another county's council. Where possible, the number of members representing families shall be equal to twenty percent of the council's 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 services agency;
- f. The superintendent of the county board of 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 department of education, which shall notify each board of county commissioners 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 commissioners, or an individual designated by the board;
- k. A representative of the regional office of the department of youth services;
- l. A representative of the county's head start agencies, as defined in section 3301.32 of the Revised Code;
- m. A representative of the county's early intervention collaborative established pursuant to the federal early intervention program operated under the "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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(CONTINUED)

NOTE 1 - DESCRIPTION OF THE COUNCIL AND REPORTING ENTITY - (Continued)

A county council's statutory responsibilities include the following:

- a. Refer to the cabinet council those children for whom the council cannot provide adequate services;
- b. Make periodic reports to the cabinet council regarding the number of children referred to the county council and the progress made in meeting the needs of each child;
- c. Develop a plan that reviews and adjusts existing programs, fills service gaps where possible, or invents new approaches to achieve better results for families and children;
- d. Participate in the development of a countywide, comprehensive, coordinated, multidisciplinary, interagency system for infants and toddlers with developmental disabilities or delays and their families, as established pursuant to federal grants received and administered by the Department of Health for early intervention services under the "Education of the Handicapped Act Amendments of 1986";
- e. Maintain an accountability system to monitor the Council's progress in achieving its purposes; and,
- f. Establish a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the county system.

The Harrison County Family and Children First Council's (the "Council") management believes these financial statements present all activities for which the Council is financially accountable.

1. Council Membership

The County's Council membership included Children's Services, Board of Alcohol Drug Addiction and Mental Health Services; Board of Developmental Disabilities, and the Juvenile Court. The purpose of the Family and Children First Council is to identify ways in which the Child Serving System can provide services to the community in the most efficient and effective manner. A Council Director has been hired to administer all of the Council's Programs. Because these programs affect all of the agencies within the Council membership, the salary of this employee is paid from the State administrative grant received by the Council and pooled funding derived from each of the Council agencies in the County. Grant Administration Appropriations are utilized toward the Council Director's salary.

2. Executive Finance Committee

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

B. 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 fund, 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 Finance Committee, and the Director have direct responsibility for these activities.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(CONTINUED)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

These financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting.

The Council's Basic Financial Statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

1. Government-Wide Financial Statements

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

The Statement of Net Position presents the financial condition of the governmental activities of the Council at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the Council's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the Council, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing or draws from the general revenues of the Council.

2. Fund Financial Statements

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

3. Fund Accounting

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

4. Governmental Funds

Governmental funds are those through which most governmental functions of the Council typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. The following are the Council's major governmental funds:

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(CONTINUED)

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

General Fund - The General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the Council for any purpose provided it is expended or transferred according to the general laws of Ohio and the by-laws of the Council.

Family Centered Services and Supports (FCSS) Fund - This fund is used to account for State Family Centered Services and Supports grant monies.

Help Me Grow (GRF) Fund - This fund is used to account for State Help Me Grow grant monies.

Help Me Grow MIECHV – This fund is used to account for Maternal, Infant, and Childhood Home Visiting grant monies.

The other governmental funds of the Council account for grants and other resources whose use is restricted for a particular purpose.

5. Measurement Focus

The Council has elected to present its financial statements on a cash basis of accounting. The basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Council's cash basis of accounting, receipts are recognized when received in cash, rather than when earned, and disbursements when paid, rather than when a liability is incurred.

6. Basis of Accounting

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

B. Cash

As required by Ohio Revised Code, the Harrison Hills City School District (the "District") is custodian for the Council's cash. The Council's assets are held in the District's cash and investment pool, and are valued at the District Treasurer's reported carrying amount.

C. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. Acquisitions of property are not reflected as an asset under the basis of accounting the Council uses.

D. Long-term Debt Obligations

The Council did not have any bonds or other long-term debt obligations.

E. Net Position

These statements report restricted net position when enabling legislation or creditors, grantors or laws or regulations of other governments have imposed limitations on their use.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(CONTINUED)

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

The Council first applies restricted resources when incurring a disbursement for which it may use either restricted or unrestricted resources.

F. Fund Balance

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

Nonspendable The Council classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

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

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

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

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

G. Budgetary Process

Ohio Revised Code § 121.37(5)(A) requires the Council to file an annual budget with its administrative agent which is the Harrison Hills City School District. The budget can be amended throughout the year by the Council. The legal level of budgetary control has been established by Council at the fund, function level.

The amounts reported as the original budgeted amounts on the budgetary statements reflect the estimated receipts and disbursements when the original budget was adopted by the Council. The amounts reported as the final budgeted amounts on the budgetary statements reflect the final estimated receipts and disbursements adopted by Council.

H. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payment for unused leave. Unpaid leave is not reflected as a liability under the basis of accounting the Council uses.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(CONTINUED)

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

I. Pensions

For purposes of measuring the net pension liability, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

NOTE 3 - CASH AND CASH EQUIVALENTS

The Council's cash pool is maintained by Harrison Hills City School District. The Ohio Revised Code prescribes allowable deposits and investments, and the District is responsible for meeting compliance. The Council's carrying amount of cash on deposit at June 30, 2017 was \$17,697.

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based on accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - (Non-GAAP Budgetary Basis) is presented for 2017 are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and cash basis is the outstanding year-end encumbrances are treated as disbursements (budgetary basis) rather than as reservation of fund balance (cash basis).

NOTE 5 - INTERFUND BALANCES

Advances for the year ended June 30, 2017, consisted of the following, as reported on the fund financial statements:

	Amount
<u>Advances from general fund to:</u>	
Help Me Grow-MIECHV Grant	\$ 3,320
<u>Advances from Help Me Grow - GRF:</u>	
Help Me Grow-MIECHV Grant	11,057
<u>Advances from nonmajor governmental funds to:</u>	
FCSS	1,246
Help Me Grow-MIECHV Grant	27,641
Total advances from nonmajor governmental funds	28,887
Total Advances in (out)	\$ 43,264

Advances between governmental funds are eliminated on the government-wide financial statements; therefore, no advances are reported in the statement of activities.

NOTE 6 - PENSION PLANS

Net Pension Liability

Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(CONTINUED)

NOTE 6 - PENSION PLANS - (Continued)

The net pension liability represents the Council’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

The Ohio Revised Code limits the Council’s obligation for this liability to annually required payments. The Council cannot control benefit terms or the manner in which pensions are financed; however, the Council does receive the benefit of employees’ services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

Plan Description - School Employees Retirement System (SERS)

Plan Description - The Council non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS’ fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially reduced benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

* Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(CONTINUED)

NOTE 6 - PENSION PLANS - (Continued)

One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the Council is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2017, the allocation to pension, death benefits, and Medicare B was 14 percent. None of the employer contribution rate was allocated to the Health Care Fund.

The Council's contractually required contribution to SERS was \$45,012 for fiscal year 2017.

Net Pension Liability

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Council's proportion of the net pension liability was based on the Council's share of contributions to the pension plan relative to the projected contributions of all participating entities. Following is information related to the proportionate share:

	SERS
Proportionate share of the net pension liability prior measurement date	0.008856%
Proportionate share of the net pension liability current measurement date	0.010944%
Change in proportionate share liability	0.002088%
Proportionate share of the net pension liability	\$801,015

Actuarial Assumptions – SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(CONTINUED)

NOTE 6 - PENSION PLANS - (Continued)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2016, are presented below:

Wage inflation	3.00 percent
Future salary increases, including inflation	3.50 percent to 18.20 percent
COLA or ad hoc COLA	3 percent
Investment rate of return	7.50 percent net of investments expense, including inflation
Actuarial cost method	Entry age normal (level percent of payroll)

For post-retirement mortality, the table used in evaluating allowances to be paid is the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, with 120% of male rates and 110% of female rates used. The RP-2000 Disabled Mortality Table with 90% for male rates and 100% for female rates set back five years is used for the period after disability retirement. Special mortality tables are used for the period after disability retirement.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an experience study that was completed June 30, 2015. As a result of the actuarial experience study, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates and (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(CONTINUED)

NOTE 6 - PENSION PLANS - (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash	1.00 %	0.50 %
US Equity	22.50	4.75
International Equity	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	<u>10.00</u>	3.00
Total	<u>100.00 %</u>	

Discount Rate - The total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the Council's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
Council's proportionate share of the net pension liability	\$1,060,495	\$801,015	\$583,821

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(CONTINUED)

NOTE 7 - POSTEMPLOYMENT BENEFITS

School Employees Retirement System

Health Care Plan Description - The Council contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans as well as a prescription drug program. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Health care is financed through a combination of employer contributions and retiree premiums, copays and deductibles on covered health care expenses, investment returns, and any funds received as a result of SERS' participation in Medicare programs. Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2017, no portion of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2017, this amount was \$23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge.

The Council's contributions for health care for the fiscal years ended June 30, 2017, 2016 and 2015, were \$0, \$0, and \$2,236, respectively. 100 percent has been contributed for fiscal year 2015.

NOTE 8 - RISK MANAGEMENT

A. Property and Liability

The Council is covered under the Harrison Hills City School District's (the "District") insurance policy. Coverage is provided under this policy included general liability, employee liability, and employers' liability. There has been no significant change in coverage from last year. Settled claims have not exceeded this commercial coverage in any of the past three years.

B. Health Insurance

The Council's employees are covered under the District's health insurance plan. The Council pays monthly premiums to the District for employee medical benefits.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(CONTINUED)

NOTE 9 - CONTINGENCIES

A. Grants

The Council received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Council at June 30, 2017.

B. Litigation

There are currently no matters in litigation with the Council as defendant.

NOTE 10 – OTHER COMMITMENTS

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

	Year-End
General fund	\$ 625
FCSS	2,678
Help Me Grow - GRF	5,827
Help Me Grow - MIECHV	<u>3,846</u>
Total	<u>\$ 12,976</u>

OHIO AUDITOR OF STATE KEITH FABER



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

Harrison County Family and Children First Council
Harrison County
730 Peppard Avenue
Cadiz, Ohio 43907

To the Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Harrison County Family and Children First Council, Harrison County, Ohio (the Council), as of and for the years ended June 30, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements and have issued our report thereon dated January 29, 2019, wherein we noted the Council uses a special purpose framework other than generally accepted accounting principles.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Keith Faber
Auditor of State
Columbus, Ohio

January 29, 2019

Harrison County Family and Children First/Help Me Grow
730 Peppard Avenue
Cadiz, OH 43907
740-942-2622

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDING
JUNE 30, 2018 AND 2017**

Finding Number	Finding Summary	Status	Additional Information
2016-001	Material Weakness – Receipt Classification	Partially Corrected.	FCFC is working on correcting

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OHIO AUDITOR OF STATE KEITH FABER



HARRISON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

HARRISON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 19, 2019**