



**TRINITY COUNTY CHILDREN AND FAMILIES FIRST COMMISSION  
WEAVERVILLE, CALIFORNIA**

**ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**



**REBECCA PRICE, CPA  
POST OFFICE BOX 1874  
SAN JOSE, CA 95112**

**TRINITY COUNTY CHILDREN AND FAMILIES FIRST COMMISSION  
WEAVERVILLE, CALIFORNIA**

**June 30, 2017**

**Board of Commissioners**

Elizabeth Hamilton, Chair  
Trinity County Health and Human Services Department

Caedy Minoletti, Vice-Chair  
Human Response Network

Sarah Supahan  
Trinity County Office of Education

Noel O'Neill  
Director, Trinity County Behavioral Health Services

Keith Groves  
Trinity County Board of Supervisors

Aaron Rogers  
CEO, Mountain Communities Healthcare District

Marcie Cudziol  
Trinity County Public Health Nursing Director

Vacant  
Trinity County Administrative Officer

Vacant  
Member-at-Large

**Staff Member**

Suzi Kochems, Executive Director

111 Mountain View Road  
Weaverville, CA 96093  
(530) 526-2854

**TRINITY COUNTY CHILDREN AND FAMILIES FIRST COMMISSION  
WEAVERVILLE, CALIFORNIA**

**June 30, 2017**

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*INDEPENDENT AUDITOR'S REPORT*



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## **Independent Auditor's Report**

Board of Commissioners  
Trinity County Children and Families First Commission  
111 Mountain View Road  
Weaverville, CA 96093

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

I have audited the accompanying financial statements of the governmental activities and the major fund of the Trinity County Children and Families First Commission, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

### ***Opinion***

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Trinity County Children and Families First Commission, as of June 30, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Trinity County Children and Families First Commission's basic financial statements. The budgetary comparison schedule listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

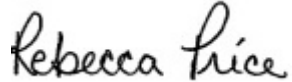
Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the budgetary comparison schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, I also have issued my report dated October 17, 2017, on my consideration of the Commission's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion 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 Commission's internal control over financial reporting and compliance.

REBECCA PRICE, CPA

A handwritten signature in black ink that reads "Rebecca Price". The signature is written in a cursive, flowing style.

San Jose, California  
October 17, 2017

*MANAGEMENT'S DISCUSSION AND ANALYSIS*





**TRINITY COUNTY CHILDRENS AND FAMILIES FIRST COMMISSON  
WEAVERVILLE, CALIFORNIA  
MANAGEMENT DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

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As management of Trinity County Children and Families First Commission (the Commission), we offer this narrative overview and analysis of the financial activities of the Commission for the fiscal year ended June 30, 2017. We encourage readers to consider this information in conjunction with the Commission's basic financial statements and accompanying notes.

**Financial Highlights:**

The Commission received \$317,554 from Prop 10 revenues compared to \$325,785 received in the 2015-16 fiscal year, a decrease of \$8,231 or 3%. The SMIF allocation increased by \$23.

As of June 30, 2017, the Commission reported an ending net position and fund balance of \$329,079, an increase of \$17,049 or 5%. Of the total fund balance, \$329,079 is committed for funding current and future First 5 California and local initiatives. The unassigned amount is \$0.

Investment income increased from \$996 to \$1,915 in the amount of \$919 or 92%.

During the fiscal year ending June 30, 2017, the Commission directed approximately \$292,978 to local programs to support the healthy development of young children.

**Overview of Financial Statements**

This discussion and analysis are intended to serve as an introduction to the Commission's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary and compliance information.

**Government-wide financial statements**

The *government-wide financial statements* are designed to provide readers with a broad overview of the Commission's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Commission's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The *statement of activities* presents information showing how the Commission's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash/flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., Proposition 10 revenue allocated in May and June and distributed in July and August).

Both the government-wide financial statements distinguish functions of the Commission that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The Commission does not have business-type activities. The government-wide financial statements can be found on pages 1-2 of this report.

**TRINITY COUNTY CHILDRENS AND FAMILIES FIRST COMMISSON  
WEAVERVILLE, CALIFORNIA  
MANAGEMENT DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

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**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 Commission, like other governmental entities, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the Commission's activities are accounted for in the general fund.

**Governmental funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Commission's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures and changes in hind balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Commission adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund on page 9. The basic governmental fund financial statements can be found on pages 1 and 2 of this report.

**Notes to the financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can he found on pages 3 through 8 of this report.

**Other information**

In addition to the basic financial statements and accompanying notes, this report also presents a budget and actual schedule as supplementary information.

**TRINITY COUNTY CHILDRENS AND FAMILIES FIRST COMMISSON  
WEAVERVILLE, CALIFORNIA  
MANAGEMENT DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

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**Government-wide Financial Analysis**

The following summarizes the Commission's assets, liabilities and net assets at June 30:

	<u>2017</u>	<u>2016</u>
<b>ASSETS:</b>		
Current and other assets	\$ 430,939	\$ 338,510
Total Assets	<u>430,939</u>	<u>338,510</u>
<b>LIABILITIES:</b>		
Current liabilities	<u>101,861</u>	<u>26,480</u>
Total Liabilities	<u>101,861</u>	<u>26,480</u>
<b>NET POSITION:</b>		
Unrestricted	<u>329,078</u>	<u>312,030</u>
Total Net Position	<u>\$ 329,078</u>	<u>\$ 312,030</u>

The Commission's statement of activities for the year ending June 30:

	<u>2017</u>	<u>2016</u>
<b>REVENUES</b>		
Program revenues		
Operating grants and contributions	\$ 377,612	\$ 325,821
General revenues		
Investment income	<u>1,915</u>	<u>996</u>
Total revenues	<u>379,527</u>	<u>326,817</u>
<b>EXPENSES</b>		
Child development	<u>362,479</u>	<u>247,147</u>
Change in Net Position	17,048	79,670
Net position, beginning of year	<u>312,030</u>	<u>232,360</u>
Net position, end of year	<u>\$ 329,078</u>	<u>\$ 312,030</u>

**Program Revenues**

Program revenues increased over the two fiscal years, reporting an increase of 15.9% overall.

**General Revenues**

Investment income for 2016-17 increased \$518 (52%) over fiscal year 2015-16. All of the Commission's funds are held in the County of Trinity Treasury.

**TRINITY COUNTY CHILDRENS AND FAMILIES FIRST COMMISSON  
WEAVERVILLE, CALIFORNIA  
MANAGEMENT DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

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**Salaries and Benefits**

There are no Salaries and Benefits because of the elimination of employees at the end of February 2016.

**Current Liabilities**

Current liabilities increased by \$75,381 or 284%.

**Net Position**

The Commission's total net position increased by \$17,049 or 5%. The increase is from increased funding during the year.

**Governmental Fund Analysis**

The following is an analysis of the governmental fund balance at June 30:

Fund Balance:	<u>2017</u>	<u>2016</u>
Committed:		
Program grants	329,078	312,030
Unassigned	<u>-</u>	<u>-</u>
Total fund balance	<u>\$ 329,078</u>	<u>\$ 312,030</u>

**TRINITY COUNTY CHILDRENS AND FAMILIES FIRST COMMISSON  
WEAVERVILLE, CALIFORNIA  
MANAGEMENT DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

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**Budgetary Comparison Schedule General Fund:**

	Original	Final Budget	Actual	Variance with Final	
	Budget		Amount	Amount	Percent
Total revenues	\$ 376,766	\$ 376,766	\$ 379,528	\$ 2,762	101%
Total expenditures	432,843	432,843	362,480	70,363	84%
Net change in fund balance	\$ (56,077)	\$ (56,077)	\$ 17,048	\$ 73,125	30%

**Economic Factors and Next Year’s Budget**

During fiscal year 2016/17, the Trinity County First 5 Children and Families Commission was able to access the Small Population County Funding Augmentation (SPCFA) which increased their base allocation to \$325,000 per year. This funding has stabilized the fiscal aspect of First 5 Trinity County for the next three years. In addition, First 5 Trinity County has been awarded Improve and Maximize Programs so all Children Thrive (IMPACT) Funding as part of a five county consortium, which includes, Mono, Shasta, Tehama, Glenn and Trinity Counties. These funds are provided directly to Shasta County First 5 who serves as the fiscal agent for all five counties. These funds will add an additional \$60,000 per year of in-kind funding over the next four years to Trinity County to provide training to child care providers in the area of quality improvement.

First 5 California’s Small Population County Funding Augmentation program provides funding to augment annual tax revenues to First 5 Commissions in counties with small populations and low birth rates. Originally initiated in the 1999-2000 fiscal year, the State Commission provided additional funding of up to \$200,000 to small population counties to help ensure the implementation of Prop 10 tobacco tax revenues was a successful statewide effort. On January 26, 2017, the State Commission approved up to \$8.625 million in additional funding over four years (July 1, 2017-June 30, 2021) for 20 small population county commissions with low birth rates to ensure core operations and services are sustained for children and families residing in these communities.

In planning for the potential elimination of augmented funding, First 5 of Trinity County was frugal in its outlay of funding projects and as result has enough in reserve funding to continue to fund at is current rate for up to an additional 12 months.

The long-term fiscal stability plan was developed in 2017 demonstrating the fiscal plan for First 5 through FY 2021/22. The current Strategic Plan goes through 2020.

This financial report is designed to provide the public with an overview of the Commission’s financial operations and condition. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Board of Commissioners  
Trinity County Children and Families First Commission  
111 Mountain View  
Weaverville, CA 96093

*BASIC FINANCIAL STATEMENTS*

**TRINITY COUNTY CHILDREN AND FAMILIES FIRST COMMISSION  
WEAVERVILLE, CALIFORNIA**

**GOVERNMENTAL FUND BALANCE SHEET/STATEMENT OF NET POSITION**

**June 30, 2017**

	<b>General Fund</b>	<b>Adjustments</b>	<b>Statement of Net Position</b>
<b>ASSETS</b>			
Cash and investments in County Treasury	\$ 423,845	\$ -	\$ 423,845
Due from other governments	7,095	-	7,095
Total assets	\$ 430,940	-	430,940
<b>LIABILITIES</b>			
Accounts payable	101,861	-	101,861
Total liabilities	101,861	-	101,861
<b>FUND BALANCE/NET POSITION</b>			
Fund balance:			
Committed for:			
Program grants	329,079	(329,079)	-
Total fund balance	329,079	(329,079)	-
Total liabilities and fund balance	\$ 430,940		
Net position:			
Unrestricted		329,079	329,079
Total net position		\$ 329,079	\$ 329,079

*The accompanying notes are an integral part of these financial statements.*

**TRINITY COUNTY CHILDREN AND FAMILIES FIRST COMMISSION  
WEAVERVILLE, CALIFORNIA**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN GOVERNMENTAL FUND BALANCE/STATEMENT OF ACTIVITIES**

**For the Year Ended June 30, 2017**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Activities</u>
<b>REVENUES</b>			
Program revenues:			
Proposition 10 Apportionment	\$ 71,913	\$ -	\$ 71,913
Augmentation	245,641	-	245,641
First 5 IMPACT/Shasta First 5	60,000	-	60,000
SMIF allocation	59	-	59
Total program revenues	<u>377,613</u>	<u>-</u>	<u>377,613</u>
General revenues:			
Interest	1,915	-	1,915
Total general revenues	<u>1,915</u>	<u>-</u>	<u>1,915</u>
Total revenues	<u>379,528</u>	<u>-</u>	<u>379,528</u>
<b>EXPENDITURES/EXPENSES</b>			
Child development	<u>362,479</u>	<u>-</u>	<u>362,479</u>
Total expenditures	<u>362,479</u>	<u>-</u>	<u>362,479</u>
Change in fund balance	17,049	(17,049)	-
Change in net position	-	17,049	17,049
<b>Fund balance/Net position, July 1, 2016,</b>	<u>312,030</u>	<u>-</u>	<u>312,030</u>
<b>Fund balance/Net position, June 30, 2017</b>	<u>\$ 329,079</u>	<u>\$ -</u>	<u>\$ 329,079</u>

*The accompanying notes are an integral part of these financial statements.*



*NOTES TO THE BASIC FINANCIAL STATEMENTS*

**TRINITY COUNTY CHILDRENS AND FAMILIES FIRST COMMISSION  
WEAVERVILLE, CALIFORNIA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2017**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Trinity County Board of Supervisors established First 5 Trinity, also known as Trinity County Children and Families First Commission ("the Commission") in 1998 under the provisions of the California Children and Families Act of 1998 (Act). The Commission provides support for all children, prenatal to five years, and their families to improve early childhood development. The Commission is funded through cigarette tax revenue generated as a result of the California approval of the Proposition 10 Act ("Prop 10") in November 1998. A governing board of nine members, which are appointed by the County Board of Supervisors, administers the Commission. The membership consists of one member of the County Board of Supervisors, the County Administrative Officer, the Director of the Trinity County Mental Health Department, the Director of the Trinity County Department of Health and Human Services, the hospital administrator, the Trinity County Superintendent of Schools, the Director of the Human Response Network, and two members from the general public.

The Commission is implementing comprehensive and integrated systems for children to thrive in supportive, nurturing and loving environments; enter school healthy and ready to learn and become productive and well-adjusted as members of society. The Commission developed a strategic plan to guide activities and funding for the period of July 2007 through June 2014. The Commission's primary goals are: 1) to foster a healthy community and provide access to affordable, comprehensive and preventive mental and physical health services, 2) to expand the availability of quality, accessible and affordable Child Care services and 3) to educate Trinity County residents about the lifelong implication of optimal development through age 5.

**B. Measurement Focus. Basis of Accounting and Financial Statement Presentation**

The Commission utilizes the provision of "Reporting by Special Purpose Governments Engaged in Governmental Activities" of GASB Statement No. 34. Under this provision, the fund financial statements and the government-wide statements are combined using a columnar format that reconciles individual line items of fund financial data to government-wide data in a separate column on the face of the financial statements. These combined statements are entitled "Governmental Fund Balance Sheet/Statement of Net Position" and "Statement of Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities".

*Government-wide Financial Statements*

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities on pages 8 and 9) are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Contributions to local grantee organizations are recognized as expenditures when criteria for grant payments are met by the grantee organization. The Statement of Net Position presents the Commission's financial position in a net asset approach. The Statement of Activities reports the change in net position in a net program cost format to demonstrate the degree to which the expense of the Commission is offset by its program revenues.

**TRINITY COUNTY CHILDRENS AND FAMILIES FIRST COMMISSION  
WEAVERVILLE, CALIFORNIA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2017**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

*Fund Financial Statements*

Governmental fund financial statements, presented after the government-wide financial statements, are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Revenues are generally considered to be available when they are collected within 60 days of the end of the current fiscal period. Revenues from reimbursement type programs are considered available when they are collected within six months of the end of the current fiscal period in order to properly match revenues with related expenditures. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable. The General Fund is the sole fund.

**C. Accounting and Reporting Policies**

The accounting policies of the Commission conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for governmental accounting and financial reporting principles.

**D. Budget and Budgetary Process**

The Commission adopts an annual budget, which can be amended by the Commission throughout the year. The basis used to prepare the budget is the same as the basis used to reflect actual revenues and expenditures. An annual budget is not required by the California Government Code for the Commission but is a recommended element in the First Five Association of California *Financial Management Guide*.

**E. Cash and Investments**

Investments are valued at fair value. Fair value is defined as the amount that the Commission could reasonably expect to receive for an investment as a current sale between a willing buyer and seller and is generally measured by quoted market prices.

**F. Capital Assets**

The Commission's assets are capitalized at historical cost. Depreciation is charged to operations using a straight-line method, based on the average useful life of the asset. The estimated useful lives of their property and equipment are five years. The Commission currently does not possess capital assets. Its equipment purchases are under the \$5,000 County capitalization threshold.

**TRINITY COUNTY CHILDRENS AND FAMILIES FIRST COMMISSION  
WEAVERVILLE, CALIFORNIA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2017**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**G. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**H. Restricted Resources**

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first, and then unrestricted resources as they are needed.

**I. Net Position**

In the government-wide financial statements, net position represents the difference between assets and liabilities and is classified into two components.

*Net investment in capital assets* - This balance reflects the net position of the Commission that are invested in capital assets. This amount is generally not accessible for other purposes. As of June 30, 2017, the commission had no balance in this category.

*Unrestricted net position* - This balance represents the net amount of the assets and liabilities that are available for use.

**J. Fund Balance**

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories list below:

*Nonspendable*, such as fund balance associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned),

*Restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,

*Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Board of Directors (the Commission's highest level of decision-making authority),

**TRINITY COUNTY CHILDRENS AND FAMILIES FIRST COMMISSION  
WEAVERVILLE, CALIFORNIA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2017**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

*Assigned* fund balance classification are intended to be used for specific purposes but do not meet the criteria to be classified as restricted or committed, and

*Unassigned* fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications.

**NOTE 2 - CASH AND INVESTMENTS**

Cash and investments are classified in the accompanying financial statements as follows:

Cash and investments in County Treasury	<u>\$ 423,845</u>
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Investment in Trinity County Investment Pool

The County Treasurer maintains a cash and investment pool for all funds of the County and other agencies for which the County treasury is the depository. Interest earned on the pooled funds is allocated and credited to these funds quarterly. Interest is apportioned to the Commission based on the average daily balances on deposit with the Treasurer of those funds.

The Commission is a voluntary participant in the pool regulated by the California Government Code, under the oversight of the Treasurer of the County of Trinity. The fair value of the Commission's investment in this pool is reported in the accompanying financial statements at amounts based upon the Commission's pro-rata share of the fair value provided by the County of Trinity for the entire pool portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the pool, which are recorded on an amortized cost basis.

The reader is referred to the County of Trinity Annual Financial Report for additional information.

**NOTE 3 - DUE FROM OTHER GOVERNMENTS**

The due from other governments account represents amounts due to the Commission from the California Children and Families Commission ("State Commission") for Prop 10 related revenues.

The amounts due at June 30, 2017, were as follows:

Prop 10 Revenue for:	
May 2017	\$ 2,551
June 2017	4,485
SMIF Allocation	<u>59</u>
 Total due from other governments	 <u>\$ 7,095</u>

**TRINITY COUNTY CHILDRENS AND FAMILIES FIRST COMMISSION  
WEAVERVILLE, CALIFORNIA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2017**

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**NOTE 4 - REVENUE**

The Commission receives a proportionate share of Proposition 10 money from the State Commission based on the number of live births in the County in comparison to the number of live births statewide. This fund is identified in the Trinity County's accounting records as the California Children and Families Commission (Fund Number 478). The Commission also receives special funding for small county augmentation.

**NOTE 5 - FUND BALANCE COMPONENTS**

Committed fund balance represents the portion of the fund balance that has been committed for programs, projects and activities to be conducted in the future according to a documented plan, budget or financial forecast formally approved by the Commission. As a result, these amounts are unavailable for uses other than the purposes for which they were committed, except by formal action of the Commission. The remainder of fund balance is assigned for future programs to be determined by the Commission. The Commission has no unassigned fund balance.

Fund Balance Components:

Committed for:	
Program grants	\$ 329,078
Unassigned fund balance	<u>                  -</u>
 Total fund balance	 <u><u>\$ 329,078</u></u>

**NOTE 6 - RELATED PARTY TRANSACTIONS**

The required composition of the Board of Commissioners includes members from the County and other local governments, community based organizations which serve children, and the Trinity County Superintendent of Schools. Many of the programs funded by the Commission are operated by organizations represented by the Commissioners. Commissioners must abstain from voting on issues directly related to their respective organizations.

Amounts paid to organizations represented by Commissioners:

Human Response Network	\$ 39,885
Trinity County Superintendent of Schools	<u>          105,808</u>
 Total	 <u><u>\$ 145,693</u></u>

Included in the amount above for Human Response Network is \$4,750 for rent of office space, reception services, and computer services, \$2,008 for miscellaneous office expenses, \$33,127 for program grants awarded for 2016/17.

Trinity County provides accounting, investment services and legal services to the Commission. The Commission paid the County \$763 for these services.

**TRINITY COUNTY CHILDRENS AND FAMILIES FIRST COMMISSION  
WEAVERVILLE, CALIFORNIA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2017**

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**NOTE 7 - RISK MANAGEMENT**

The Commission is covered under the risk management program of Trinity County which provides insurance through various joint powers authorities and commercial carriers. The Commission has had no claims filed against it and has no outstanding claims.

**NOTE 8 – PROGRAM EVALUATION PLAN**

For the fiscal year ended June 30, 2017, the Commission spent \$1,430 on program evaluation.

*SUPPLEMENTARY INFORMATION*



**TRINITY COUNTY CHILDREN AND FAMILIES FIRST COMMISSION  
WEAVERVILLE, CALIFORNIA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN GOVERNMENTAL FUND BALANCE - BUDGET AND ACTUAL**

**GENERAL FUND**

**For the Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES</b>				
Proposition 10 Apportionment Augmentation	\$ 69,575	\$ 69,575	\$ 71,913	\$ 2,338
First 5 IMPACT/Shasta First 5	245,641	245,641	245,641	-
Interest	60,000	60,000	60,000	-
SMIF Allocation	1,514	1,514	1,915	401
	<u>36</u>	<u>36</u>	<u>59</u>	<u>23</u>
Total revenues	<u>376,766</u>	<u>376,766</u>	<u>379,528</u>	<u>2,762</u>
<b>EXPENDITURES</b>				
Personnel costs	65,000	65,000	27,115	37,885
Professional fees	14,275	14,275	29,769	(15,494)
Rents and leases	7,200	7,200	4,750	2,450
Dues and subscriptions	3,000	3,000	3,000	-
Telephone expense	720	720	313	407
Office expenses	2,554	2,554	750	1,804
Travel and training	13,000	13,000	3,338	9,662
Miscellaneous expenses	12,500	12,500	466	12,034
Community grants	<u>314,594</u>	<u>314,594</u>	<u>292,978</u>	<u>21,616</u>
Total expenditures	<u>432,843</u>	<u>432,843</u>	<u>362,479</u>	<u>70,364</u>
<b>NET CHANGE IN FUND BALANCE</b>	(56,077)	(56,077)	17,049	73,126
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>311,266</u>	<u>311,266</u>	<u>312,030</u>	<u>764</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 255,189</u>	<u>\$ 255,189</u>	<u>\$ 329,079</u>	<u>\$ 73,890</u>

*COMPLIANCE SECTION*



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

Board of Commissioners  
Trinity County Children and Families First Commission  
111 Mountain View Road  
Weaverville, CA 96093

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of the Trinity County Children and Families First Commission (the Commission), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued my report thereon dated October 17, 2017.

**Internal Control Over Financial Reporting**

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

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

My consideration of internal control was for the limited purposed described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitation, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

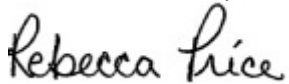
As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of

laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

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

REBECCA PRICE, CPA



San Jose, California  
October 17, 2017



Rebecca Price, CPA

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## INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Commissioners  
Trinity County Children and Families First Commission  
111 Mountain View Road  
Weaverville, CA 96093

### Compliance

I have audited the Trinity County Children and Families First Commission's (the Commission) compliance with the requirements specified in the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, issued by the State Controller's Office, applicable to the Commission's statutory requirements identified below for the year ended June 30, 2017.

### Management's Responsibility

Management is responsible for compliance with the requirements of the laws and regulations applicable to the California Children and Families Act.

### Auditor's Responsibility

My responsibility is to express an opinion on the Commission's compliance with the requirements referred to above based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, issued by the State Controller's Office. Those standards and the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act* require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the requirements referred to above that could have a direct and material effect on the statutory requirements listed below. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

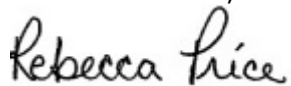
I believe that my audit provides a reasonable basis for my opinion on compliance. However, my audit does not provide a legal determination of the Commission's compliance with those requirements. In connection with the audit referred to above, I selected and tested transactions and records to determine the Commission's compliance with the state laws and regulations applicable to the following items:

<u>Description</u>	<u>Audit Guide Procedures</u>	<u>Procedures Performed</u>
Contracting and Procurement	6	Yes
Administrative Costs	3	Yes
Conflict-of-Interest	3	Yes
County Ordinance	4	Yes
Long-range Financial Plans	2	Yes
Financial Condition of the Commission	1	Yes
Program Evaluation	3	Yes
Salaries and Benefits Policies	2	Yes

**Opinion**

In my opinion, the Commission complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the California Children and Families Program for the year ended June 30, 2017.

REBECCA PRICE, CPA



San Jose, California  
October 17, 2017