

**MAHONING COUNTY FAMILY AND
CHILDREN FIRST COUNCIL**

MAHONING COUNTY, OHIO

Financial Statements

For The Fiscal Year Ended
June 30, 2005

CYNTHIA LENGYEL, TREASURER



Mary Taylor, CPA
Auditor of State

Executive Committee
Mahoning County Family and Children First Council
100 DeBartolo Place, Suite 105
Boardman, Ohio 44512

We have reviewed the *Independent Auditors' Report* of the Mahoning County Family and Children First Council, Mahoning County, prepared by Julian and Grube, Inc., for the audit period July 1, 2004 through June 30, 2005. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Mahoning County Family and Children First Council is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

May 1, 2007

This Page is Intentionally Left Blank.

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

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditors' Report	1 - 2
Management's Discussion and Analysis	3 - 10
Government-Wide Financial Statements:	
Statement of Net Assets - Cash Basis	11
Statement of Activities - Cash Basis	12
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances - Governmental Funds	13-14
Statement of Cash Receipts, Cash Disbursements and Changes in Cash Basis Fund Balances - Governmental Funds	15-16
Statement of Cash Receipts, Cash Disbursements and Changes in Cash Basis Fund Balance - Budget and Actual (Budgetary Basis) -	
General Fund	17
Help Me Grow	18
21 st Century Community	19
Family/Children Council Cluster	20
Ohio Children's Trust	21
Notes to the Basic Financial Statements	22 - 27
Federal Awards Expenditures Schedule	28
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	29 - 30
Report on Compliance With Requirements Applicable to Its Major Federal Program and on Internal Control Over Compliance in Accordance with <i>OMB Circular A-133</i>	31 - 32
Schedule of Findings	33



Julian & Grube, Inc.

Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditors' Report

Mahoning County Family & Children First Council
Mahoning County
100 DeBartolo Pl, Suite 105
Youngstown, OH 44512

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Mahoning County Family & Children First Council (the "Council"), Mahoning County, as of and for the year ended June 30, 2005, which collectively comprise the Council's financial statements as listed in the table of contents. These financial statements are the responsibility of the Mahoning Family & Children First Council's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1, the Council prepares its financial statements and notes on the cash basis of accounting. This is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Mahoning County Family & Children First Council, as of June 30, 2005, and the respective changes in cash basis financial position and the respective budgetary comparison for the General Fund and Special Revenue funds: Help Me Grow, 21st Century Community, Family/Children First Council Cluster and Ohio Children's Trust Fund, thereof and for the year then ended in conformity with the basis of accounting as described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2007, on our consideration of the Mahoning County Family & Children First 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*.

The management's discussion and analysis is not a required part of the financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's financial statements. The accompanying schedule of receipts and expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements of the Council. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.



Julian & Grube, Inc.
February 16, 2007

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

The management's discussion and analysis of the Mahoning County Family and Children First Council's (the "Council") financial performance provides an overall review of the Council's financial activities for the fiscal year ended June 30, 2005, 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 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 2005 are as follows:

- The total net cash assets of the governmental activities increased \$88,353, which represents a 47.27% increase over fiscal year 2004.
- General cash receipts accounted for \$46,633 or 1.94% of total governmental activities cash receipts. Program specific cash receipts accounted for \$2,359,919 or 98.06% of total governmental activities cash receipts.
- The Council had \$2,318,199 in cash disbursements related to governmental activities; \$2,359,919 of these cash disbursements were offset by program specific operating grants or contributions. Operating grants and contributions were adequate to provide for these programs.
- The Council's major funds are the general fund, Help Me Grow fund, 21st Century Community fund, Family/Children First Council Cluster fund and the Ohio Children's Trust fund. The general fund had cash receipts of \$65,433 in 2005. The cash disbursements of the general fund, totaled \$40,547 in 2005. The general fund's cash balance increased \$24,886 from 2004 to 2005.

Using the Financial Statements

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 Assets – 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, there are five major governmental funds, the general fund, Help Me Grow fund, 21st Century Community fund, Family/Children First Council Cluster fund and the Ohio Children's Trust fund.

Reporting the Council as a Whole

Statement of Net Assets and the Statement of Activities

The Statement of Net Assets – Cash Basis and the Statement of Activities – Cash Basis answer the question, How did we do financially during 2005? These statements include *only net assets* using the *cash basis of accounting*, which is a comprehensive basis of accounting other than accounting principals 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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

These two statements report the Council's net assets and changes in those assets on a cash basis. This change in net cash assets 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 Assets – Cash Basis and the Statement of Activities – Cash Basis, the Governmental Activities includes the Council's programs and services including instruction, support services and other non-instructional services.

The Statement of Net Assets – Cash Basis and the Statement of Activities – Cash Basis can be found on pages 11-12 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 a multitude of financial transactions. However, these fund financial statements focus on the Council's most significant funds. The Council's major governmental funds are the General Fund, Help Me Grow fund, 21st Century Community fund, Family/Children First Council Cluster fund and the Ohio Children's Trust fund. The analysis of the Council's major governmental funds begins on page 8.

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 comprehensive basis of accounting other than accounting principals 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 Assets and fund cash balances or changes in Net Assets and changes in fund cash balances. Therefore, no reconciliation is necessary between such financial statements. The governmental fund statements can be found on pages 13-16 of this report.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

The Council's budgetary process accounts for certain transactions on a cash basis. The budgetary statements for the general fund and major special revenue funds are presented to demonstrate the Council's compliance with annually adopted budgets. The budgetary statements can be found on pages 17-21 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 22-27 of this report.

Government-Wide Financial Analysis

Recall that the Statement of Net Assets – Cash Basis provides the perspective of the Council as a whole.

The table below provides a summary of the Council's net cash assets for 2005 and 2004.

	Net Cash Assets	
	Governmental Activities 2005	Governmental Activities 2004
<u>Assets</u>		
Equity in pooled cash and cash equivalents	\$ 275,278	\$ 186,925
Total assets	<u>275,278</u>	<u>186,925</u>
<u>Net Assets</u>		
Restricted	219,191	155,724
Unrestricted	<u>56,087</u>	<u>31,201</u>
Total net assets	<u>\$ 275,278</u>	<u>\$ 186,925</u>

The total net cash assets of the Council's governmental activities increased \$88,353 from fiscal year 2004. The balance of government-wide unrestricted net cash assets of \$56,087 may be used to meet the government's ongoing obligations to citizens and creditors.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

The table below shows the changes in net cash assets for fiscal year 2005 and 2004.

	Change in Net Cash Assets	
	Governmental Activities	Governmental Activities
	<u>2005</u>	<u>2004</u>
Cash Receipts:		
Program cash receipts:		
Operating grants and contributions	\$ 2,359,919	\$ 2,619,396
Total program cash receipts	<u>2,359,919</u>	<u>2,619,396</u>
General cash receipts:		
Miscellaneous	<u>46,633</u>	<u>46,885</u>
Total general cash receipts	<u>46,633</u>	<u>46,885</u>
Total cash receipts	<u>2,406,552</u>	<u>2,666,281</u>
Cash Disbursements:		
General government	40,547	51,428
Social services	<u>2,277,652</u>	<u>2,941,810</u>
Total cash disbursements	<u>2,318,199</u>	<u>2,993,238</u>
Change in net cash assets	88,353	(326,957)
Net cash assets at beginning of year	<u>186,925</u>	<u>513,882</u>
Net cash assets at end of year	<u>\$ 275,278</u>	<u>\$ 186,925</u>

Governmental Activities

Governmental cash assets increased by \$88,353 in 2005 from 2004. Total governmental cash disbursements of \$2,318,199 were offset by program cash revenues of \$2,359,919 and general cash revenues of \$46,633.

The primary sources of cash revenue for governmental activities are derived from restricted and unrestricted grants and entitlements. These revenue sources represent 98.06% of total governmental cash revenue.

The largest cash disbursement of the Council is for social services. These cash disbursements totaled \$2,277,652 or 98.25% of total governmental cash disbursements for fiscal 2005.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2005 and 2004. That is, it identifies the cost of these services supported by unrestricted state grants and entitlements.

Governmental Activities

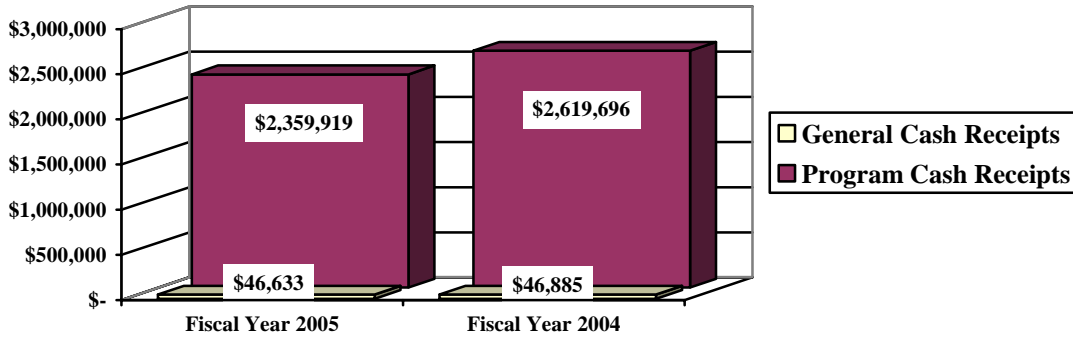
	Governmental Activities			
	Total Cost of Services <u>2005</u>	Net Cost of Services <u>2005</u>	Total Cost of Services <u>2004</u>	Net Cost of Services <u>2004</u>
Cash disbursements:				
General government	\$ 40,547	\$ 21,747	\$ 51,428	\$ 31,428
Social services	<u>2,277,652</u>	<u>(63,467)</u>	<u>2,941,810</u>	<u>(405,270)</u>
 Total	 <u>\$ 2,318,199</u>	 <u>\$ (41,720)</u>	 <u>\$ 2,993,238</u>	 <u>\$ (373,842)</u>

The dependence upon program cash receipts for governmental activities is apparent; with all of cash disbursements supported through program cash receipts from operating grants and contributions during 2005.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

Governmental Activities - General and Program Cash Receipts



Financial Analysis of the Government's Funds

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

Governmental Funds

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

The Council's governmental funds reported a combined fund cash balance of \$275,278, which is \$88,353 above last year's total of \$186,925. The schedule below indicates the fund cash balance and the total change in fund cash balance as of June 30, 2005 and 2004, for all major and nonmajor governmental funds.

	Fund Cash Balance <u>June 30, 2005</u>	Fund Cash Balance <u>June 30, 2004</u>	Increase <u>(Decrease)</u>
Major Funds:			
General	\$ 56,087	\$ 31,201	\$ 24,886
Help Me Grow	149,369	129,601	19,768
21st Century Community	28,108	11,573	16,535
Family/Children First Council Cluster	-	-	-
Ohio Children's Trust	35,714	14,550	21,164
Other Nonmajor Governmental Funds	<u>6,000</u>	<u>-</u>	<u>6,000</u>
Total	<u>\$ 275,278</u>	<u>\$ 186,925</u>	<u>\$ 88,353</u>

General Fund

The general fund had cash receipts of \$65,433 in 2005. The cash disbursements of the general fund, totaled \$40,547 in 2005. The general fund's cash balance increased \$24,886 from 2004 to 2005.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

Help Me Grow Fund

The Help Me Grow fund, a Council major fund, had cash receipts of \$1,377,360 in 2005. The Help Me Grow fund had cash disbursements of \$1,357,592 in 2005. The Help Me Grow fund cash balance increased \$19,768 from 2004 to 2005.

21st Century Community Fund

The 21st Century Community fund, a Council major fund, had cash receipts of \$549,528 in 2005. The 21st Century Community fund had cash disbursements of \$532,993 in 2005. The 21st Century Community fund cash balance increased \$16,535 from 2004 to 2005.

Family/Children First Council Cluster Fund

The Family/Children First Council Cluster fund, a Council major fund, had cash receipts of \$327,092 in 2005. The Family/Children First Council Cluster fund had cash disbursements of \$327,092 in 2005. The Family/Children First Council Cluster fund cash balance remained the same from 2004 to 2005.

Ohio Children's Trust Fund

The Ohio Children's Trust fund, a Council major fund, had cash receipts of \$77,139 in 2005. The Ohio Children's Trust fund had cash disbursements of \$55,975 in 2005. The Ohio Children's Trust fund cash balance increased \$21,164 from 2004 to 2005.

Budgeting Highlights - General Fund

The Council's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general fund.

For the general fund, original and final budget basis receipts were \$60,285. Actual cash receipts of \$65,433 were more than final budget estimates by \$5,148. The original budgetary disbursements were \$67,899 and the final budgetary basis disbursements were \$72,614. The actual budgetary basis disbursements of \$42,162 were \$30,452 less than the final budget estimates.

Capital Assets and Debt Administration

Capital Assets

The Council does not record capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements. The Council had no capital outlay disbursements during fiscal year 2005.

Debt Administration

The Council had no long-term debt obligations outstanding at June 30, 2005 and 2004.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

Current Financial Related Activities

The existing services of the Council are reviewed to determine how they can be utilized in a more efficient manner and agencies are challenged to improve the way services are delivered. The Council is constantly assessing needs of its members and acting to provide these services cost-effectively.

Contacting the Council's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors 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. Cynthia Lengyel, Treasurer, Mahoning County Family and Children First Council, 100 DeBartolo Place, Suite 105, Youngstown, Ohio 44512-7019.

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

STATEMENT OF NET ASSETS - CASH BASIS
JUNE 30, 2005

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents.	\$ 275,278
Total assets	275,278
Net assets:	
Restricted for:	
State and federally funded programs	219,191
Unrestricted	56,087
Total net assets	\$ 275,278

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

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

STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Cash Disbursements	Program Cash Receipts	Net (Cash Disbursements) Cash Receipts and Changes in Net Assets
	Cash Disbursements	Operating Grants and Contributions	Governmental Activities
Governmental activities:			
General government	\$ 40,547	\$ 18,800	\$ (21,747)
Social services	2,277,652	2,341,119	63,467
Total governmental activities	\$ 2,318,199	\$ 2,359,919	41,720
 General Cash Receipts:			
Miscellaneous			46,633
Total general cash receipts			46,633
Change in net cash assets.			88,353
Net cash assets at beginning of year.			186,925
Net cash assets at end of year			\$ 275,278

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

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

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
JUNE 30, 2005

	General	Help Me Grow	21st Century Community
Cash assets:			
Equity in pooled cash and cash equivalents	\$ 56,087	\$ 149,369	\$ 28,108
Total assets	\$ 56,087	\$ 149,369	\$ 28,108
Fund cash balances:			
Unreserved, undesignated, reported in:			
General fund.	\$ 56,087	\$ -	\$ -
Special revenue funds	-	149,369	28,108
Total fund cash balances	\$ 56,087	\$ 149,369	\$ 28,108

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS continued...

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

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
JUNE 30, 2005

	Ohio Children's Trust	Other Governmental Funds	Total Governmental Funds
Cash assets:			
Equity in pooled cash and cash equivalents . . .	\$ 35,714	\$ 6,000	\$ 275,278
Total assets	\$ 35,714	\$ 6,000	\$ 275,278
Fund cash balances:			
Unreserved, undesignated, reported in:			
General fund.	\$ -	\$ -	\$ 56,087
Special revenue funds	35,714	6,000	219,191
Total fund cash balances	\$ 35,714	\$ 6,000	\$ 275,278

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

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>General</u>	<u>Help Me Grow</u>	<u>21st Century Community</u>
Cash receipts:			
Other local revenues	\$ 46,633	\$ -	\$ -
Intergovernmental - intermediate.	-	-	-
Intergovernmental - state.	18,800	204,791	-
Intergovernmental - federal.	-	1,172,569	549,528
Total cash receipts	<u>65,433</u>	<u>1,377,360</u>	<u>549,528</u>
Cash disbursements:			
Personal services	19,376	611,869	134,144
Supporting services	-	-	367,629
Community services.	10,583	719,093	-
Supplies and materials.	2,542	26,630	8,035
Miscellaneous.	<u>8,046</u>	<u>-</u>	<u>23,185</u>
Total cash disbursements	<u>40,547</u>	<u>1,357,592</u>	<u>532,993</u>
Net change in fund cash balances.	24,886	19,768	16,535
Fund cash balances at beginning of year	<u>31,201</u>	<u>129,601</u>	<u>11,573</u>
Fund cash balances at end of year	<u>\$ 56,087</u>	<u>\$ 149,369</u>	<u>\$ 28,108</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS continued...

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

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Family/Children First Council Cluster	Ohio Children's Trust	Other Governmental Funds	Total Governmental Funds
Cash receipts:				
Other local revenues	\$ -	\$ -	\$ 4,000	\$ 50,633
Intergovernmental - intermediate.	327,092	-	-	327,092
Intergovernmental - state.	-	77,139	6,000	306,730
Intergovernmental - federal.	-	-	-	1,722,097
Total cash receipts	327,092	77,139	10,000	2,406,552
Cash disbursements:				
Personal services	-	-	-	765,389
Supporting services	-	-	-	367,629
Community services.	327,092	55,975	4,000	1,116,743
Supplies and materials.	-	-	-	37,207
Miscellaneous.	-	-	-	31,231
Total cash disbursements	327,092	55,975	4,000	2,318,199
Net change in fund cash balances	-	21,164	6,000	88,353
Fund cash balances at beginning of year	-	14,550	-	186,925
Fund cash balances at end of year	\$ -	\$ 35,714	\$ 6,000	\$ 275,278

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

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BASIS
FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary basis receipts:				
Other local revenues	\$ 60,285	\$ 60,285	\$ 46,633	\$ (13,652)
Intergovernmental - state.	-	-	18,800	18,800
Total budgetary basis receipts	<u>60,285</u>	<u>60,285</u>	<u>65,433</u>	<u>5,148</u>
Budgetary basis disbursements:				
Personal services	31,203	33,371	19,376	13,995
Community services.	19,644	21,008	12,188	8,820
Supplies and materials.	4,094	4,378	2,552	1,826
Miscellaneous.	12,958	13,857	8,046	5,811
Total budgetary basis disbursements	<u>67,899</u>	<u>72,614</u>	<u>42,162</u>	<u>30,452</u>
Net change in fund cash balance.	(7,614)	(12,329)	23,271	35,600
Fund cash balance at beginning of year	28,081	28,081	28,081	-
Prior year encumbrances appropriated	<u>3,120</u>	<u>3,120</u>	<u>3,120</u>	<u>-</u>
Fund cash balance at end of year	<u>\$ 23,587</u>	<u>\$ 18,872</u>	<u>\$ 54,472</u>	<u>\$ 35,600</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

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

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BASIS
FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
HELP ME GROW
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary basis receipts:				
Intergovernmental - state.	\$ 222,446	\$ 222,446	\$ 204,791	\$ (17,655)
Intergovernmental - federal.	1,269,287	1,269,287	1,172,569	(96,718)
Total budgetary basis receipts	<u>1,491,733</u>	<u>1,491,733</u>	<u>1,377,360</u>	<u>(114,373)</u>
Budgetary basis disbursements:				
Personal services	710,483	710,483	665,194	45,289
Community services.	850,909	850,909	796,668	54,241
Supplies and materials.	59,892	59,892	56,074	3,818
Total budgetary basis disbursements	<u>1,621,284</u>	<u>1,621,284</u>	<u>1,517,936</u>	<u>103,348</u>
Net change in fund cash balance.	(129,551)	(129,551)	(140,576)	(11,025)
Fund cash balance at beginning of year	50	50	50	-
Prior year encumbrances appropriated	<u>129,551</u>	<u>129,551</u>	<u>129,551</u>	<u>-</u>
Fund cash balance at end of year	<u>\$ 50</u>	<u>\$ 50</u>	<u>\$ (10,975)</u>	<u>\$ (11,025)</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

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

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BASIS
FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
21st CENTURY COMMUNITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary basis receipts:				
Intergovernmental - federal	\$ 549,528	\$ 549,528	\$ 549,528	\$ -
Total budgetary basis receipts	<u>549,528</u>	<u>549,528</u>	<u>549,528</u>	<u>-</u>
Budgetary basis disbursements:				
Personal services	140,431	140,431	140,431	-
Supporting services	387,344	387,344	387,344	-
Supplies and materials.	10,141	10,141	10,141	-
Miscellaneous.	<u>23,185</u>	<u>23,185</u>	<u>23,185</u>	<u>-</u>
Total budgetary basis disbursements	<u>561,101</u>	<u>561,101</u>	<u>561,101</u>	<u>-</u>
Net change in fund cash balance.	(11,573)	(11,573)	(11,573)	-
Fund cash balance at beginning of year	(58,953)	(58,953)	(58,953)	-
Prior year encumbrances appropriated	<u>70,526</u>	<u>70,526</u>	<u>70,526</u>	<u>-</u>
Fund cash balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

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

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BASIS
FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
FAMILY/CHILDREN FIRST COUNCIL CLUSTER
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary basis receipts:				
Intergovernmental - intermediate.	\$ 400,000	\$ 400,000	\$ 327,092	\$ (72,908)
Total budgetary basis receipts	<u>400,000</u>	<u>400,000</u>	<u>327,092</u>	<u>(72,908)</u>
Budgetary basis disbursements:				
Community services.	<u>400,000</u>	<u>400,000</u>	<u>327,092</u>	<u>72,908</u>
Total budgetary basis disbursements	<u>400,000</u>	<u>400,000</u>	<u>327,092</u>	<u>72,908</u>
Net change in fund cash balance.	-	-	-	-
Fund cash balance at beginning of year		-	-	-
Prior year encumbrances appropriated	-	-	-	-
Fund cash balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

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

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BASIS
FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
OHIO CHILDREN'S TRUST
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary basis receipts:				
Intergovernmental - state	\$ 77,139	\$ 77,139	\$ 77,139	\$ -
Total budgetary basis receipts	<u>77,139</u>	<u>77,139</u>	<u>77,139</u>	<u>-</u>
Budgetary basis disbursements:				
Community services.	91,689	91,689	91,689	-
Total budgetary basis disbursements	<u>91,689</u>	<u>91,689</u>	<u>91,689</u>	<u>-</u>
Net change in fund cash balance.	(14,550)	(14,550)	(14,550)	-
Fund cash balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>14,550</u>	<u>14,550</u>	<u>14,550</u>	<u>-</u>
Fund cash balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

THIS PAGE IS INTENTIONALLY LEFT BLANK

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

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

- a. The director of the board of alcohol, drug addiction, and mental health services that serves the county, or, in the case of a county that has a board of alcohol and drug addiction services and a community mental health board, the directors of both boards;
- b. The health commissioner of the board of health of each city or general health district in the county, or their designees;
- c. The director of the county department of job and family services;
- d. The executive director of the county agency responsible for the administration of children service pursuant to Ohio Revised Code Section 5153.15;
- e. The superintendent of the county board of mental retardation and developmental disabilities;
- f. The county's juvenile court judge senior in service or another judge of the juvenile court designated by the administrative judge or, where there is no administrative judge, by the judge senior in service;
- g. The superintendent of the city, exempted village, or local school district with the largest number of pupils residing in the county, as determined by the department of education, which shall notify each county of its determination at least biennially;
- h. A school superintendent representing all other school districts with territory in the county, as designated at a biennial meeting of the superintendents of those districts;
- i. A representative of the largest city in the county;
- j. The chair of the board of county commissioners, or an individual designated by the board;
- k. A representative of the regional office of the department of youth services;
- l. A representative of the County's head start agencies, as defined in Ohio Revised Code Section 3301.31;
- m. A representative of the county's early intervention collaborative established pursuant to the federal early intervention program operated under the "Education of the Handicapped Act Amendments of 1986";
- n. At least three individuals representing the interest of families in the county. Where possible, the number of members representing families shall be equal to twenty percent of the council's remaining membership.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (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 county wide, comprehensive, coordinated, multi-disciplinary, interagency system for infants and toddlers with developmental disabilities or delays and their families, as established pursuant to federal grants received and administered by the department of health for early intervention services under the "Education of the Handicapped Act Amendments of 1986";
- e. Maintain an accountability system to monitor the council's progress in achieving its purposes;
- f. Establish a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the county system.

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. The cash receipts and disbursements basis of accounting is a comprehensive basis of accounting other than GAAP. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e. when an encumbrance is approved).

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

C. Fund Accounting

The Mahoning County Family and Children First Council ("the Council") uses funds to maintain its financial records during the year. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts. The Council classifies each fund as either governmental, proprietary or fiduciary. The Council reports only governmental funds.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

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

Help Me Grow - This fund is made up of three programs combined to form the Help Me Grow Program. They are Welcome Home State subsidy, Early Intervention Services Part C from the Ohio Department of Health, and Temporary Assistance for Needy Families through Mahoning County Job and Family Services. These monies are for the promotion of the well-being of young children through home-based specialized services and public awareness, with a special emphasis on early intervention and prevention.

21st Century Community - This fund accounts for monies used to provide youth development activities, drug and violence prevention programs, technology education programs, art, music and recreation programs, counseling and character education to enhance the academic component of the program.

Family/Children First Council Cluster - This fund accounts for monies used for parental involvement and for school-based or school-linked school readiness resource centers in school districts where there is a concentration of risk factors to school readiness and success, including indicators of poverty, health, and family stability. The purpose of these centers is to assist in providing services to families of school-age children who want and need support.

Ohio Children's Trust - This fund accounts for receipts and expenditures made in conjunction with child abuse, child neglect prevention programs, and other grants from the Children's Trust Fund.

Other governmental funds of the Council are used to account for grants and other resources.

D. Basis of Presentation and Measurement Focus

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

Fund Financial Statements - Fund financial statements report detailed information about the Council. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

E. Budgetary Process

The Ohio Revised Code requires the Council to file an annual budget with its administrative agent, with copies filed with the county auditor and with the board of county commissioners, unless the board is serving as the Council's administrative agent. The Council's Administrative Agent is to ensure that all disbursements are handled in accordance with policies, procedures, and activities prescribed by state departments in rules or interagency agreements that are applicable to the Council's functions.

F. Fiscal Agent

The Council designates an Administrative Agent for all funds received in the name of the Council. The Mahoning County Educational Service Center acts as the Administrative Agent. The Council's funds are maintained in separate funds with the fiscal agent.

G. Capital Assets

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

H. Net Assets

Net assets are reported as restricted when enabling legislation or creditors, grantors or laws or regulations of other governments have imposed limitations on its use.

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

NOTE 2 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS

The Mahoning County Educational Service Center maintains a depository which includes the funds of the Council. The Ohio Revised Code prescribes allowable deposits and investments. The Council's carrying amount of cash on deposit with the fiscal agent at June 30, 2005, was \$275,278. The fiscal agent for the Council is responsible for maintaining adequate depository collateral for all funds in the Mahoning County Educational Service Center's investment accounts.

NOTE 3 - SCHOOL EMPLOYEES RETIREMENT SYSTEM

A. Defined Benefit Pension Plan

The Council contributed to the School Employees Retirement System of Ohio (SERS), a cost-sharing, multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State Statute Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

NOTE 3 - SCHOOL EMPLOYEES RETIREMENT SYSTEM

Plan members are required to contribute 10% of their annual covered salary and the Council is required to contribute at an actuarially determined rate. The current rate is 14% of annual covered payroll. A portion of the Council's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for the fiscal year 2005, 10.57% of annual covered salary was the portion to fund pension obligations. For fiscal year 2004, 9.09% was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The Council's required contributions to SERS for pension obligation and health care benefits for the fiscal years ended June 30, 2005, 2004 and 2003 were \$110,927, \$125,661 and \$95,413, respectively. The Council has paid all contributions required through June 30, 2005.

B. Postemployment Benefits

For SERS, coverage is made available to service retirees with 10 or more years of qualifying service credit, and disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than 25 years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

After the allocation for basic benefits, the remainder of the employer's 14% contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2005, employer contributions to fund health care benefits were 3.43% of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2005, the minimum pay has been established at \$27,400. The surcharge, added to the unallocated portion of the 14% employer contribution rate, provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care at June 30, 2005 were \$178.221 million. At June 30, 2005, SERS had net assets available for payment of health care benefits of \$267.5 million, which is about 168 percent of next years projected net health care costs of \$158.776 million. On the basis of actuarial projections, the allocated contributions will be insufficient in the long-term to provide for a health care reserve of at least 150 percent of estimated annual net claim costs. SERS has approximately 58,123 participants currently receiving health care benefits.

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

While the Council is reporting financial position, results of operations and changes in fund balances on the cash basis, the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Cash Receipts, Cash Disbursements and Changes in Cash Basis Fund Balance – Budget and Actual (Budgetary Basis) presented for the general fund, Help Me Grow fund, 21st Century Community fund, and Ohio Children's Trust is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The Family/Children First Council Cluster (a major fund) is not presented as there was no difference between the cash basis and budget basis. The difference between the budget basis and the cash basis is outstanding year-end encumbrances are treated as disbursements (budget) rather than a reservation of fund balance (cash).

The following table summarizes the adjustments necessary to reconcile the cash basis statement to the budgetary basis statement for the general fund and major special revenue funds:

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

Net Change in Fund Cash Balance

	<u>General</u>	Help Me <u>Grow</u>	21st Century <u>Community</u>	Ohio Children's <u>Trust</u>
Cash Basis	\$ 24,886	\$ 19,768	\$ 16,535	\$ 21,164
Adjustment for Encumbrances	<u>(1,615)</u>	<u>(160,344)</u>	<u>(28,108)</u>	<u>(35,714)</u>
Budget Basis	<u>\$ 23,271</u>	<u>\$ (140,576)</u>	<u>\$ (11,573)</u>	<u>\$ (14,550)</u>

NOTE 5 - CONTINGENT LIABILITY

Litigation

The Council is not currently involved in litigation.

SUPPLEMENTAL DATA

**MAHONING COUNTY FAMILY & CHILDREN FIRST COUNCIL
SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANT NUMBER	(A) CASH FEDERAL RECEIPTS	(A) CASH FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES PASSED THROUGH THE MAHONING COUNTY DEPARTMENT OF JOBS & FAMILY SERVICES				
Temporary Assistance for Needy Families	93.558	N/A	\$ -	\$ 94,835
Temporary Assistance for Needy Families	93.558	N/A	925,918	892,604
Total Temporary Assistance for Needy Families			<u>925,918</u>	<u>987,439</u>
Total U.S. Department of Health and Human Services			<u>925,918</u>	<u>987,439</u>
U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF HEALTH:				
Early Intervention Services	84.181	N/A	-	935
Early Intervention Services	84.181	N/A	246,651	260,589
Total Early Intervention Services			<u>246,651</u>	<u>261,524</u>
U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION:				
21st Century Community Learning Center	84.287	48280-T1S1-2004	58,952	70,526
21st Century Community Learning Center	84.287	48280-T1S1-2005	490,576	462,468
Total 21st Century Community Learning Center			<u>549,528</u>	<u>532,994</u>
Total U.S. Department of Education			<u>796,179</u>	<u>794,518</u>
Total Federal Financial Assistance			<u>\$ 1,722,097</u>	<u>\$ 1,781,957</u>

(A) This schedule was prepared on the cash basis of accounting.



Julian & Grube, Inc.
Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

**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***

Mahoning County Family & Children First Council
Mahoning County
100 DeBartolo Pl, Suite 105
Youngstown, OH 44512

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Mahoning County Family & Children First Council (the "Council"), Mahoning County, Ohio as of and for the fiscal year ended June 30, 2005, and have issued our report thereon dated February 16, 2007 wherein we noted the Mahoning County Family & Children First Council prepared its financial statements on the cash basis, a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Mahoning County Family & Children First Council's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Executive Committee
Mahoning County Family & Children First Council
Mahoning County

Compliance and Other Matters

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

This report is intended solely for the information and use of the management and the Executive Committee of the Council, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
February 16, 2007



Julian & Grube, Inc.
Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

**Report on Compliance With Requirements Applicable to Its
Major Federal Program and Internal Control Over Compliance In
Accordance With *OMB Circular A-133***

Mahoning County Family & Children First Council
Mahoning County
100 DeBartolo Pl, Suite 105
Youngstown, OH 44512

Compliance

We have audited the compliance of the Mahoning County Family & Children First Council (the "Council"), Mahoning County, Ohio with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the fiscal year ended June 30, 2005, wherein we noted the Mahoning County Family & Children First Council prepared its financial statements on the cash basis, a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Council's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the Council's management. Our responsibility is to express an opinion on the Council's compliance based on our audit.

We conducted our 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 *OMB Circular A-133, Audit of States, Local Governments, and Non-Profit Organizations*. Those standards and *OMB Circular A-133* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Council's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Council's compliance with those requirements.

In our opinion, the Council complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2005.

Executive Committee
Mahoning County Family & Children First Council
Mahoning County

Internal Control Over Compliance

The management of the Council is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Council's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with *OMB Circular A-133*.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over compliance that we have reported to the management of the Mahoning County Family & Children First Council in a separate letter dated February 16, 2007.

We intend this report solely for the information and use of the management and the Executive Committee of the Council, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Julian & Grube, Inc
February 16, 2007

**MAHONING COUNTY FAMILY & CHILDREN FIRST COUNCIL
MAHONING COUNTY, OHIO**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2005**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GASAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GASAS)?	No
<i>(d)(1)(iii)</i>	Were there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Was there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under §.510?	No
<i>(d)(1)(vii)</i>	Major Program:	Temporary Assistance for Needy Families, CFDA# 93.558
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee	Yes

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



Mary Taylor, CPA
Auditor of State

FAMILY AND CHILDREN FIRST COUNCIL

MAHONING 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
MAY 15, 2007**