



**Auditor of State
Betty Montgomery**

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

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Mahoning Family and Children First Council
Mahoning County
100 Debartolo Place
Boardman, Ohio 44512

To the Executive Committee:

We have audited the accompanying financial statements of Family and Children First Council, Mahoning County, as of and for the year ended June 30, 2001. These financial statements are the responsibility of Family and Children First Council's management. Our responsibility is to express an opinion 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 opinion.

As discussed in Note 1, the Family and Children First Council prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Family and Children First Council, as of June 30, 2001, and its combined cash receipts and cash disbursements for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2003 on our consideration of Family and Children First Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Mahoning Family and Children First Council
Mahoning County
Independent Accountants' Report
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This report is intended solely for the information and use of the audit committee, management, Executive Committee, and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

October 4, 2003

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES
IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2001**

	<u>Governmental Fund Types</u>		<u>Total (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Public Assistance		\$638,993	\$638,993
Intergovernmental - State	\$50,016	949,294	999,310
Intergovernmental - Federal		320,133	320,133
Total Cash Receipts	<u>50,016</u>	<u>1,908,420</u>	<u>1,958,436</u>
Cash Disbursements:			
Personal Services	11,444	96,953	108,397
Supporting Services		735,311	735,311
Community Services	17,732	983,830	1,001,562
Supplies and Materials	410	5,475	5,885
Capital Outlay	2,502		2,502
Miscellaneous Cash Disbursements	13,492		13,492
Total Cash Disbursements	<u>45,580</u>	<u>1,821,569</u>	<u>1,867,149</u>
Excess of Cash Receipts Over/ (Under) Cash Disbursements	4,436	86,851	91,287
Other Financing Sources/(Uses):			
Other Financing Sources		18,520	18,520
Other Financing Uses		(2,261)	(2,261)
Loan Received from Other Governmental Entities		20,000	20,000
Total Other Financing Sources/(Uses)		<u>36,259</u>	<u>36,259</u>
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing (Uses)	<u>4,436</u>	<u>123,110</u>	<u>127,546</u>
Fund Cash Balances - July 1, 2000 (Restated)	<u>13,984</u>	<u>341,765</u>	<u>355,749</u>
Fund Cash Balances - June 30, 2001	<u>\$ 18,420</u>	<u>\$ 464,875</u>	<u>\$ 483,295</u>
Reserve for Encumbrances - June 30, 2001	<u>\$ 2,407</u>	<u>\$ 78,219</u>	<u>\$ 80,626</u>

The notes to the financial statements are and integral part of this statement

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

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Ohio Revised Code § 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 services pursuant to Ohio Revised Code § 5153.15 of the Revised Code;
- e. The superintendent of the county board of mental retardation and developmental disabilities;
- f. The county's juvenile court 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 § 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 interests 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 FAMILY AND CHILDREN FIRST COUNCIL
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Description of the Entity (Continued)

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

A county council's statutory responsibilities include the following:

- a. Refer to the cabinet council those children for whom the council cannot provide adequate services;
- b. Make periodic reports to the cabinet council regarding the number of children referred to the county council and the progress made in meeting the needs of each child;
- c. Develop a plan that reviews and adjusts existing programs, fills service gaps where possible, or invents new approaches to achieve better results for families and children;
- d. Participate in the development of a 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. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Fund Accounting

The Council uses fund accounting to segregate cash that is restricted as to use. The Council classifies its funds into the following types:

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

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

General Fund

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

Special Revenue Funds

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The Council had the following significant Special Revenue Funds:

Family Stability Grant - This fund receives monies from the Ohio Department of Mental Health for reducing the number of children removed from their homes.

Ohio Wellness Block Grant - This fund receives monies from the Ohio Department of Human Services for child abuse and neglect prevention.

Ohio Early Start Grant - This fund receives monies from the Ohio Department of Health for assistance to families in becoming self-sufficient.

Early Intervention Grant - This fund receives monies from the Ohio Department of Health for early intervention services.

D. Fiscal Agent

The Council designates an Administrative Agent for all funds received in the name of the Council. The Mahoning County Educational Service Center was designated the Administrative agent in fiscal year 2001. The Council's funds are maintained in separate funds with the fiscal agent.

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 expenditures 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. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid and are not reflected as assets on the accompanying financial statement.

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

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2001
(Continued)**

2. EQUITY IN POOLED CASH

The Mahoning County Educational Service Center maintains a cash pool used by all of the Service Center's funds, including those of the Family and Children First 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, 2001 was \$483,295. The fiscal agent for the Council is responsible for maintaining adequate depository collateral for all funds in the Educational Service Center's pooled and deposit accounts.

3. BUDGETARY ACTIVITY

Budgetary activity for the year ending June 30, 2001 follows:

Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budget Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General Fund	\$ 39,785	\$ 50,016	\$ 10,231
Special Revenue	<u>1,776,330</u>	<u>1,946,940</u>	<u>170,610</u>
Total	\$ 1,816,115	\$1,996,956	\$180,841

Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 53,770	\$ 47,988	\$5,782
Special Revenue	<u>2,086,782</u>	<u>1,902,049</u>	<u>184,733</u>
Total	\$2,140,552	\$1,950,037	\$190,515

4. DEFINED BENEFIT PENSION PLAN

School Employees Retirement System

The Council contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing, multiple-employer defined benefit pension plan administered by the School Employees Retirement Board. 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 Chapter 3309 of the Ohio Revised Code.

Plan members are required to contribute 9 percent of their annual covered salary and the Council is required to contribute 14 percent for 2001. The contribution rates are not determined actuarially, but are established by the School Employees Retirement Board within the rates allowed by State statute. The adequacy of the contribution rates is determined annually. The Council has paid all contributions required through June 30, 2001.

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

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2001
(Continued)**

5. RESTATEMENT OF BEGINNING BALANCES

	General Fund	Special Revenue Fund
Fund Balance 6/30/2000	12,259	1,005,905
Change in Fund Balance	1,726	664,140
Beginning Fund Balance 7/1/2000	13,984	341,765

The changes in Beginning Fund Balance were the result of funds belonging to the Mahoning County Educational Service Center, Council's fiscal agent, erroneously classified as Family and Children First Council money. This occurred during the change of Fiscal agents from the Mahoning County Auditors' Office and the Educational Service Center.

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Mahoning Family and Children First Council
Mahoning County
100 Debartolo Place
Boardman, Ohio 44512

To the Executive Committee:

We have audited the financial statements of Mahoning Family and Children First Council, Mahoning County, as of and for the year ended June 30, 2001 and have issued our report thereon dated October 4, 2003. 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.

Compliance

As part of obtaining reasonable assurance about whether Family and 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 grants, noncompliance with which could have a direct and material effect on 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Family and Children First Council's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a 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 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.

Mahoning Family and Children First Council
Mahoning County
Independent Accountants' Report on Compliance and on
Internal Control Required by *Government Auditing Standards*
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This report is intended for the information and use of the audit committee, management, and Executive Committee, and is not intended to be and should not be used by anyone other than these specified parties.

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Betty Montgomery
Auditor of State

October 4, 2003



**Auditor of State
Betty Montgomery**

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MAHONING 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
NOVEMBER 13, 2003**