



**FAMILY AND CHILDREN FIRST COUNCIL
MAHONING COUNTY**

REGULAR AUDIT

**FOR THE YEAR ENDED DECEMBER 31, 1999 AND
THE SIX MONTHS ENDED JUNE 30, 2000**



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**FAMILY AND CHILDREN FIRST COUNCIL
MAHONING COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Family and Children First Council
Mahoning County
2801 Market Street, Room 202
Youngstown, Ohio 44503

To the Executive Council:

We have audited the accompanying financial statements of Family and Children First Council, Mahoning County (the Council), as of and for the year ended December 31, 1999 and the six months ended June 30, 2000. These financial statements are the responsibility of 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 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 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 combined fund cash balances of Family and Children First Council, Mahoning County, as of December 31, 1999 and the six months ended June 30, 2000, and its combined cash receipts and disbursements for the periods then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2001 on our consideration of the Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. 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.

This report is intended solely for the information and use of the audit committee, management, the Executive Council, and other officials authorized to receive this report under §117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

June 15, 2001

**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 SIX MONTHS ENDED JUNE 30, 2000**

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
Cash Receipts:			
Intergovernmental		\$452,484	\$452,484
Cash Disbursements:			
Personal Services	13,870	150,301	164,171
Utilities		3,037	3,037
Contractual Services	1,782	355,418	357,200
Supplies and Materials	862	10,535	11,397
Capital Outlay	5,023	329	5,352
	21,537	519,620	541,157
Total Cash Disbursements	21,537	519,620	541,157
Total Receipts Over/(Under) Disbursements	(21,537)	(67,136)	(88,673)
Other Financing Receipts/(Disbursements):			
Transfers-In	33,796		33,796
Transfers-Out		(33,796)	(33,796)
Other Sources		111,785	111,785
	33,796	77,989	111,785
Total Other Financing Receipts/(Disbursements)	33,796	77,989	111,785
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	12,259	10,853	23,112
Fund Cash Balances, January 1	995,053	995,053	995,053
Fund Cash Balances, December 31	\$12,259	\$1,005,906	\$1,018,165

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

**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 DECEMBER 31, 1999**

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
Cash Receipts:			
Intergovernmental	\$20,000	\$857,431	\$877,431
Cash Disbursements:			
Personal Services	20,000	137,447	157,447
Utilities		3,734	3,734
Contractual Services		431,058	431,058
Supplies and Materials		9,712	9,712
Capital Outlay		4,631	4,631
	20,000	586,582	606,582
Total Cash Disbursements			
		270,849	270,849
Total Receipts Over/(Under) Disbursements			
Other Financing Receipts/(Disbursements):			
Other Sources		301,239	301,239
Other Uses		(4,400)	(4,400)
		296,839	296,839
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements		567,688	567,688
Fund Cash Balances, January 1		427,365	427,365
Fund Cash Balances, December 31		\$995,053	\$995,053

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

**FAMILY AND CHILDREN FIRST COUNCIL
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND JUNE 30, 2000**

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.

**FAMILY AND CHILDREN FIRST COUNCIL
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND JUNE 30, 2000
(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 councils' 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:

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.

**FAMILY AND CHILDREN FIRST COUNCIL
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND JUNE 30, 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

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.

D. Fiscal Agent

The Council designates fiscal agents for all funds received in the name of the Council. The Mahoning County Auditor was designated the fiscal agent in 1999. As of January 1, 2000, the Mahoning County Educational Service Center was designated the fiscal agent. The Council's funds are maintained in agency funds with these respective fiscal agents.

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.

2. EQUITY IN POOLED CASH

The Mahoning County Treasurer and the Mahoning County Educational Service Center maintains a cash pool used by all of the county and educational 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 agents at December 31, 1999 was \$995,053 and \$1,018,165 at June 30, 2000. The fiscal agents for the Council are responsible for maintaining adequate depository collateral for all funds in Mahoning County's and the Educational Service Center's pooled and deposit accounts.

**FAMILY AND CHILDREN FIRST COUNCIL
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND JUNE 30, 2000
(Continued)**

3. DEFINED BENEFIT PENSION PLANS

Public Employees Retirement System

The 1999 Coordinator belongs to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post retirement health care, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and the six month period through June 30, 2000, members of PERS contributed 8.5% of their gross salaries. The Council contributed an amount equal to 13.55% of participants' gross salaries. The Council has paid all contributions required through June 30, 2000.

School Employees Retirement System

The 2000 Coordinator and the employees working for the Ohio Early Start Grant belong to the School Employees Retirement System (SERS) of Ohio. SERS is a cost-sharing, multiple employer public employee retirement system. This system provides retirement benefits to vested employees who are eligible to retire based upon years of service. SERS also provides survivor and disability benefits to vested employees.

SERS members contribute 9.0% of their gross salary. The Council contributes an amount equal to 14.0% of the participants' gross salaries. The Council has paid all contributions required through June 30, 2000.

4. CHANGE IN REPORTING YEAR

In August of 2000, the Executive Council authorized a change in the Family and Children First Council by-laws changing to a July 1st through June 30th fiscal year to coincide with the grant's fiscal year.



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

Family and Children First Council
Mahoning County
2801 Market Street, Room 202
Youngstown, Ohio 44503

To the Executive Council,

We have audited the financial statements of Family and Children First Council, Mahoning County, (the Council), as of and for the year ended December 31, 1999 and the six months ended June 30, 2000, and have issued our report thereon dated June 15, 2001. 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 the Council's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, 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 that is required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the management of the Council in a separate letter dated June 15, 2001.

This report is intended solely for the information and use of the audit committee, management, the Executive Council, and the State awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

June 15, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

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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
JULY 10, 2001**