



**Auditor of State
Betty Montgomery**

**TRUMBULL FAMILY AND CHILDREN FIRST COUNCIL
TRUMBULL COUNTY**

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Trumbull Family and Children First Council
Trumbull County
347 N. Park Ave
Warren, Ohio 44481

To the Executive Committee:

We have audited the accompanying financial statements of Family and Children First Council, Trumbull County, as of and for the year ended December 31, 2002. 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 of Family and Children First Council, as of December 31, 2002, 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 September 25, 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.

Our audit was performed for the purpose of forming an opinion on the financial statements of Family and Children First Council, taken as a whole. The accompanying schedule of federal awards expenditures 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. 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.

Trumbull Family and Children First Council
Trumbull County
Independent Accountants' Report
Page 2

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

September 25, 2003

**TRUMBULL FAMILY AND CHILDREN FIRST COUNCIL
TRUMBULL COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>General</u>	<u>Special Revenue</u>	<u>Total (Memorandum Only)</u>
Cash Receipts:			
Intergovernmental - State	\$55,677	\$734,203	\$789,880
Intergovernmental - Federal		932,182	932,182
Total Cash Receipts	<u>55,677</u>	<u>1,666,385</u>	<u>1,722,062</u>
Cash Disbursements:			
Personal Services	52,035	53,328	105,363
Supporting Services	6,957	250,641	257,598
Contracted Services	50,517	1,135,568	1,186,085
Supplies and Materials	126	20,696	20,822
Capital Outlay		64,587	64,587
Refunds and Reimbursements		234,466	234,466
Miscellaneous Cash Disbursements		240	240
Total Cash Disbursements	<u>109,635</u>	<u>1,759,526</u>	<u>1,869,161</u>
Excess of Cash Receipts Over/ (Under) Cash Disbursements	<u>(53,958)</u>	<u>(93,141)</u>	<u>(147,099)</u>
Other Financing Sources/(Uses):			
Transfers-In	102,803		102,803
Transfers-Out		(102,803)	(102,803)
Total Other Financing Sources/(Uses)	<u>102,803</u>	<u>(102,803)</u>	
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing (Uses)	<u>48,845</u>	<u>(195,944)</u>	<u>(147,099)</u>
Fund Cash Balances - January 1	<u>(14,755)</u>	<u>759,812</u>	<u>745,057</u>
Fund Cash Balances - December 31	<u>\$ 34,090</u>	<u>\$ 563,868</u>	<u>\$ 597,958</u>

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

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**TRUMBULL FAMILY AND CHILDREN FIRST COUNCIL
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JANUARY 1, 2002 THROUGH DECEMBER 31, 2002**

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.

**TRUMBULL FAMILY AND CHILDREN FIRST COUNCIL
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JANUARY 1, 2002 AND DECEMBER 31, 2002
(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 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:

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
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JANUARY 1, 2002 THROUGH DECEMBER 31, 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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.

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/Fiscal Agent for all funds received in the name of the Council. The Trumbull County Board of MR/DD served as the Administrative Agent from January 1, 2002 though June 30, 2002. The Trumbull County Department of Jobs and Family Services has been serving as the Administrative Agent since July 1, 2002. 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.

2. EQUITY IN POOLED CASH

The Family and Children First Council funds are maintained by the Fiscal Agent through Trumbull County depositories. The Ohio Revised Code prescribes allowable deposits and investments. The Council's carrying amount of cash on deposit with the Fiscal Agent at December 31, 2002 was \$597,958. Trumbull County requires the financial institutions to maintain adequate collateral for all funds, including the Family and Children First Council funds.

**FAMILY AND CHILDREN FIRST COUNCIL
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JANUARY 1, 2002 THROUGH DECEMBER 31, 2002
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2002 follows:

Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budget Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General Fund	\$239,918	\$ 158,480	(\$81,438)
Special Revenue	2,274,604	1,666,385	(608,219)
Total	\$2,514,522	\$1,824,865	(\$689,657)

Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 173,460	\$ 109,635	\$ 63,825
Special Revenue	2,636,178	1,862,329	773,849
Total	\$2,809,638	\$1,971,964	\$837,674

4. DEFINED BENEFIT PENSION PLANS

Public Employees Retirement System

The 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 2002, 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 December 31, 2002.

**TRUMBULL FAMILY AND CHILDREN FIRST COUNCIL
TRUMBULL COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2002**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Disbursements
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
<i>Direct:</i>				
Family Preservation and Support Services		93.556	\$11,308	\$1,675
<i>Passed Through Trumbull County Department of Jobs and Family Services:</i>				
Temporary Assistance for Needy Families		93.558	<u>753,999</u>	<u>913,862</u>
Total U.S. Department of Health and Human Services			765,307	915,537
<u>U.S. DEPARTMENT OF EDUCATION</u>				
<i>Passed Through Ohio Department of Health:</i>				
Early Intervention Services		84.181	<u>166,875</u>	<u>137,438</u>
Totals			<u><u>\$932,182</u></u>	<u><u>\$1,052,975</u></u>

The accompanying notes to this schedule are an integral part of this schedule.

**TRUMBULL FAMILY AND CHILDREN FIRST
TRUMBULL COUNTY**

FISCAL YEAR ENDED DECEMBER 31, 2002

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A--SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the Council's federal award programs. The schedule has been prepared on the cash basis of accounting.



**Auditor of State
Betty Montgomery**

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

Trumbull Family and Children First Council
Trumbull County
347 N. Park Ave
Warren, Ohio 44481

To the Executive Committee:

We have audited the financial statements of Family and Children First Council, Trumbull County, as of and for the year ended December 31, 2002 and have issued our report thereon dated September 25, 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.

Trumbull Family and Children First Council
Trumbull County
Independent Accountants' Report on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of the audit committee, management, Executive Committee, and federal awarding agencies and pass-through entities, 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

September 25, 2003



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Trumbull Family and Children First Council
Trumbull County
347 N. Park Ave
Warren, Ohio 44481

To the Executive Committee:

Compliance

We have audited the compliance of Family and Children First Council, Trumbull County, 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 year ended December 31, 2002. Family and Children First 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 Family and Children First Council's management. Our responsibility is to express an opinion on Family and Children First 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, *Audits 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 occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about Family and Children First 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 Family and Children First Council's compliance with those requirements.

In our opinion, Family and Children First Council complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2002.

Internal Control Over Compliance

The management of Family and Children First 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 Family and Children First 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 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 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 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.

This report is intended for the information and use of the audit committee, management, Executive Committee, and federal awarding agencies and pass-through entities, 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

September 25, 2003

**TRUMBULL FAMILY AND CHILDREN FIRST COUNCIL
TRUMBULL COUNTY**

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2002

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 (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable 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 Programs (list):	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?	No

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

Finding Number	
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None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



**Auditor of State
Betty Montgomery**

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TRUMBULL FAMILY AND CHILDREN FIRST COUNCIL

TRUMBULL 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
DECEMBER 23, 2003**