

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

**MAHONING COUNTY, OHIO**

**AUDIT REPORT**

**For the Year Ended June 30, 2013**





# Dave Yost • Auditor of State

Executive Council  
Mahoning County Family and Children First Council  
100 DeBartolo Place, Suite 220  
Youngstown, Ohio 44512

We have reviewed the *Independent Auditors' Report* of the Mahoning County Family and Children First Council, Mahoning County, prepared by Charles E. Harris & Associates, Inc., for the audit period July 1, 2012 through June 30, 2013. 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.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

December 3, 2013

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**MAHONING COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
MAHONING COUNTY, OHIO  
For the Fiscal Year Ended June 30, 2013**

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***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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## **INDEPENDENT AUDITORS' REPORT**

Mahoning County Family and Children First Council  
Mahoning County  
100 DeBartolo Place, Suite 220  
Youngstown, Ohio 44512

To the Executive Council:

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

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 and Children First Council, Mahoning County, Ohio (the Council), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

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

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 1 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Council's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Council's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Mahoning Council Family and Children First Council, Mahoning County, Ohio, as of June 30, 2013, and the respective changes in cash financial position thereof for the year then ended in accordance with the accounting basis described in Note 1.

***Accounting Basis***

We draw attention to Note 1 of the financial statements, which describes the accounting basis, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

***Other Matters***

***Supplemental and Other Information***

We audited to opine on the Council's financial statements that collectively comprise its basic financial statements. *Management's Discussion & Analysis* includes tables of net position, changes in net position and governmental activities. The budgetary schedules on pages 28 to 32 are presented to supplement the financial statements. These tables and schedules provide additional analysis and are not a required part of the basic financial statements.

These tables and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these tables and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other than the aforementioned procedures applied to the tables and schedules, we applied no procedures to any other information in Management's Discussion & Analysis and the budgetary schedules, and we express no opinion or any other assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2013, on our consideration of the 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.



***Charles E. Harris & Associates, Inc.***

October 14, 2013



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(UNAUDITED)**

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, 2013, 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 fiscal year 2013 are as follows:

- The total net cash position of the governmental activities decreased from \$286,761 to \$214,073.
- General cash receipts accounted for \$173,956 or 12.42% of total governmental activities cash receipts. Program specific cash receipts accounted for \$1,226,818 or 87.58% of total governmental activities cash receipts.
- The Council had \$1,473,462 in cash disbursements related to governmental activities; these cash disbursements were offset by program specific grants or contributions of \$1,226,818. General cash receipts of \$173,956 were not adequate to provide for the Council's programs.
- The Council's major funds are the general fund, help me grow fund, JJC RECLAIM service coordination fund, Ohio children's trust fund and the MIECHV fund. The general fund had cash receipts of \$141,037 and cash disbursements of \$126,362. The general fund's cash balance increased from \$936 to \$15,611 during the year.

**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 position - 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, JJC RECLAIM service coordination fund, Ohio children's trust fund and the MIECHV fund.

**Reporting the Council as a Whole**

***Statement of Net Position and the Statement of Activities***

The statement of net position – cash basis and the statement of activities – cash basis answer the question, how did we do financially during fiscal year 2013? These statements include *only net position* using the *cash basis of accounting*, which is a comprehensive basis of accounting other than accounting principles 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, 2013  
(UNAUDITED)**

These two statements report the Council's net position and changes in that position on a cash basis. This change in net cash position 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), 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), and deferred inflows and outflows of resources 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 position – cash basis and the statement of activities – cash basis, the governmental activities includes the Council's programs and services including administration and support services as well as various community and social services.

The statement of net position – cash basis and the statement of activities – cash basis can be found on pages 11-13 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, JJC RECLAIM service coordination fund, Ohio children's trust fund and the MIECHV 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 principles 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 cash position and fund cash balances or changes in net cash position and changes in fund cash balances. Therefore, no reconciliation is necessary between such financial statements. The governmental fund statements can be found on pages 14-17 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, 2013  
(UNAUDITED)

*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 19-26 of this report.

**Government-Wide Financial Analysis**

Recall that the statement of net position – cash basis provides the perspective of the Council as a whole.

The table below provides a summary of the Council's net cash position for fiscal years 2013 and 2012.

	<b>Net Cash Position</b>	
	Governmental Activities <u>2013</u>	Governmental Activities <u>2012</u>
<u>Assets</u>		
Equity in pooled cash and cash equivalents	\$ 214,073	\$ 286,761
Total assets	<u>214,073</u>	<u>286,761</u>
<u>Net cash position</u>		
Restricted	198,462	285,825
Unrestricted	<u>15,611</u>	<u>936</u>
Total net cash position	<u>\$ 214,073</u>	<u>\$ 286,761</u>

The total net cash position of the Council's governmental activities decreased \$72,688 during fiscal year 2013. Restricted net cash position represents resources that are subject to external restrictions on how they may be used. At June 30, 2013, \$15,611 or 7.29% of total net cash position was unrestricted in use.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(UNAUDITED)

The table below shows the changes in net cash position for fiscal year 2013 and 2012.

	<b>Change in Net Cash Position</b>	
	Governmental Activities <u>2013</u>	Governmental Activities <u>2012</u>
<b>Cash Receipts:</b>		
Program cash receipts:		
Operating grants and contributions	\$ 1,226,818	\$ 1,249,184
Total program cash receipts	<u>1,226,818</u>	<u>1,249,184</u>
General cash receipts:		
Miscellaneous	<u>173,956</u>	<u>184,776</u>
Total general cash receipts	<u>173,956</u>	<u>184,776</u>
Total cash receipts	<u>1,400,774</u>	<u>1,433,960</u>
<b>Cash Disbursements:</b>		
General government	126,362	125,682
Social services	<u>1,347,100</u>	<u>1,382,489</u>
Total cash disbursements	<u>1,473,462</u>	<u>1,508,171</u>
Change in net cash position	(72,688)	(74,211)
Net cash position at beginning of year	<u>286,761</u>	<u>360,972</u>
Net cash position at end of year	<u>\$ 214,073</u>	<u>\$ 286,761</u>

**Governmental Activities**

As the preceding table shows, the Council experienced a slight decrease in cash receipts in fiscal year 2013, which contributed to a corresponding decrease in cash disbursements for services provided. The decrease in cash receipts was 2.31%, while cash disbursements decreased 2.30%.

The primary sources of cash receipts for governmental activities are operating grants and contributions, which comprise 87.58% of total governmental cash receipts. These cash receipts are restricted in use and are used to fund the Council's social services programs.

The largest cash disbursement of the Council is for social services. These cash disbursements totaled \$1,347,100 or 91.42% of total governmental cash disbursements for fiscal year 2013.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(UNAUDITED)

The statement of activities – cash basis shows the cost of program services and the program cash receipts (operating grants and contributions) offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2013 and 2012. That is, it identifies the cost of these services supported by the Council's general cash receipts.

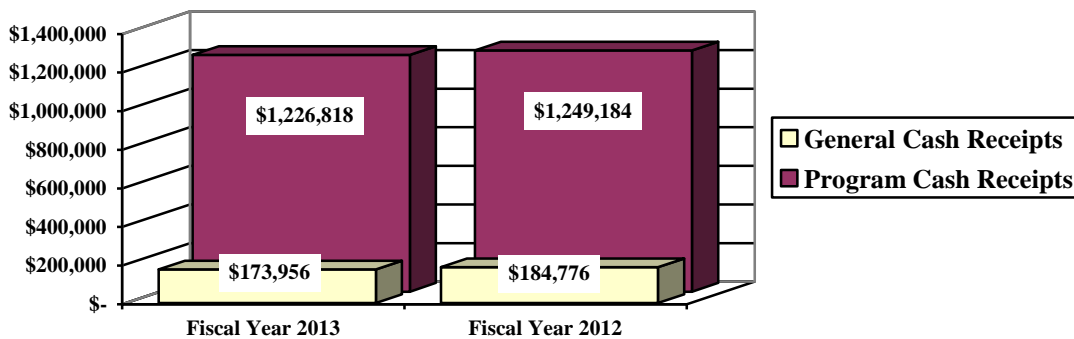
**Governmental Activities**

	<b>Governmental Activities</b>			
	Total Cost of Services <u>2013</u>	Net Cost of Services <u>2013</u>	Total Cost of Services <u>2012</u>	Net Cost of Services <u>2012</u>
Cash disbursements:				
General government	\$ 126,362	\$ 126,362	\$ 125,682	\$ 125,682
Social services	<u>1,347,100</u>	<u>120,282</u>	<u>1,382,489</u>	<u>133,305</u>
<b>Total</b>	<u>\$ 1,473,462</u>	<u>\$ 246,644</u>	<u>\$ 1,508,171</u>	<u>\$ 258,987</u>

The dependence upon program cash receipts for governmental activities is apparent; with 83.26% and 82.83% of cash disbursements supported through program cash receipts from operating grants and contributions during 2013 and 2012, respectively.

The graph below presents the Council's governmental activities receipts for fiscal years 2013 and 2012:

**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.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(UNAUDITED)

***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 \$214,073, which is \$72,688 below last year's total of \$286,761. The schedule below indicates the fund cash balance and the total change in fund cash balance as of June 30, 2013 and 2012, for all major and nonmajor governmental funds.

	Fund Cash Balance <u>June 30, 2013</u>	Fund Cash Balance <u>June 30, 2012</u>	Increase <u>(Decrease)</u>
Major Funds:			
General	\$ 15,611	\$ 936	\$ 14,675
Help Me Grow	75,276	181,904	(106,628)
JJC RECLAIM Service Coordination	30,822	27,031	3,791
Ohio Children's Trust Fund	39,436	27,514	11,922
MIECHV	36,458	-	36,458
Nonmajor Governmental Funds	<u>16,470</u>	<u>49,376</u>	<u>(32,906)</u>
Total	<u>\$ 214,073</u>	<u>\$ 286,761</u>	<u>\$ (72,688)</u>

***General Fund***

The general fund had cash receipts of \$141,037 and cash disbursements of \$126,362 in 2013. The general fund's cash balance increased \$14,675 from 2012 to 2013.

***Help Me Grow Fund***

The help me grow fund is a Council major fund and had cash receipts, mostly state and federal grants, of \$919,085 and cash disbursements of \$1,025,713 in 2013. The help me grow fund cash balance decreased \$106,628 from 2012 to 2013.

***JJC RECLAIM Service Coordination Fund***

This fund, a Council major fund, is used to account for the coordination of the Mahoning County Juvenile Justice Center's RECLAIM program. Cash receipts for this fund of \$40,000 exceeded cash disbursements of \$36,209 in 2013.

***Ohio Children's Trust Fund***

The Ohio children's trust fund is a major fund used to account for intergovernmental receipts from the state that are restricted for child abuse and neglect prevention programs. Cash receipts were \$69,674 and cash disbursements were \$57,752 in 2013, resulting in an increase in fund cash balance of \$11,922.

***MIECHV Fund***

The MIECHV (Maternal, Infant, and Early Childhood Home Visiting program) fund is a Council major fund used to account for federal grant monies that are restricted for the purpose of improving health and development outcomes for at-risk children through evidence-based home visiting programs. This fund had cash receipts of \$110,000, cash disbursements of \$73,542 and ended the year with a fund cash balance of \$36,458.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(UNAUDITED)**

**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 did not have any capital outlay disbursements during fiscal year 2013.

*Debt Administration*

The Council had no long-term debt obligations outstanding at June 30, 2013 and 2012.

**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 Mr. Blaise Karlovic, Treasurer, Mahoning County Family and Children First Council, 100 DeBartolo Place, Suite 220, Youngstown, Ohio 44512-7019.

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

STATEMENT OF NET POSITION - CASH BASIS  
JUNE 30, 2013

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents. . . . .	\$ 214,073
Total assets . . . . .	214,073
 <b>Net cash position:</b>	
Restricted for:	
State and federally funded programs. . . . .	198,462
Unrestricted . . . . .	15,611
Total net cash position. . . . .	\$ 214,073

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS





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

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
JUNE 30, 2013

	<u>General</u>	<u>Help Me Grow</u>	<u>JJC RECLAIM Service Coordination</u>	<u>Ohio Children's Trust Fund</u>	<u>MIECHV</u>
<b>Assets:</b>					
Equity in pooled cash and cash equivalents . . .	\$ 15,611	\$ 75,276	\$ 30,822	\$ 39,436	\$ 36,458
Total assets. . . . .	<u>\$ 15,611</u>	<u>\$ 75,276</u>	<u>\$ 30,822</u>	<u>\$ 39,436</u>	<u>\$ 36,458</u>
<b>Fund cash balances:</b>					
Restricted:					
State and federally funded programs . . . . .	\$ -	\$ 75,276	\$ 30,822	\$ 39,436	\$ 36,458
Assigned:					
Community services. . . . .	1,059	-	-	-	-
Supplies and materials. . . . .	168	-	-	-	-
Unassigned. . . . .	<u>14,384</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund cash balances . . . . .	<u>\$ 15,611</u>	<u>\$ 75,276</u>	<u>\$ 30,822</u>	<u>\$ 39,436</u>	<u>\$ 36,458</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 16,470	\$ 214,073
\$ 16,470	\$ 214,073
<hr/>	
\$ 16,470	\$ 198,462
-	1,059
-	168
-	14,384
<hr/>	
\$ 16,470	\$ 214,073
<hr/>	

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

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>General</u>	<u>Help Me Grow</u>	<u>JJC RECLAIM Service Coordination</u>	<u>Ohio Children's Trust Fund</u>	<u>MIECHV</u>
<b>Cash receipts:</b>					
Local sources . . . . .	\$ 47,854	\$ 126,102	\$ -	\$ -	\$ -
Intergovernmental - state . . . . .	93,183	472,402	40,000	69,674	-
Intergovernmental - federal . . . . .	-	320,581	-	-	110,000
Total cash receipts. . . . .	<u>141,037</u>	<u>919,085</u>	<u>40,000</u>	<u>69,674</u>	<u>110,000</u>
<b>Cash disbursements:</b>					
Personal services . . . . .	82,922	741,880	-	-	58,215
Community services . . . . .	33,731	268,458	34,308	53,763	13,811
Supplies and materials . . . . .	2,994	10,492	1,901	564	891
Miscellaneous. . . . .	6,715	4,883	-	3,425	625
Total cash disbursements. . . . .	<u>126,362</u>	<u>1,025,713</u>	<u>36,209</u>	<u>57,752</u>	<u>73,542</u>
Net change in fund cash balances . . . . .	14,675	(106,628)	3,791	11,922	36,458
<b>Fund cash balances at beginning of year. . .</b>	<u>936</u>	<u>181,904</u>	<u>27,031</u>	<u>27,514</u>	<u>-</u>
<b>Fund cash balances at end of year . . . . .</b>	<u>\$ 15,611</u>	<u>\$ 75,276</u>	<u>\$ 30,822</u>	<u>\$ 39,436</u>	<u>\$ 36,458</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ 173,956
12,715	687,974
108,263	538,844
<u>120,978</u>	<u>1,400,774</u>
-	883,017
153,884	557,955
-	16,842
-	15,648
<u>153,884</u>	<u>1,473,462</u>
(32,906)	(72,688)
49,376	286,761
<u>\$ 16,470</u>	<u>\$ 214,073</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**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 BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**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 are prepared using the cash basis of accounting. The cash receipts and disbursements basis of accounting is a comprehensive basis of accounting other than generally accepted accounting principles (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.

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 fiscal 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 BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

**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 used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

*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.

*JJC RECLAIM Service Coordination* - This fund accounts for the Council's coordination of the Mahoning County Juvenile Justice Center's RECLAIM program (Reasonable and Equitable Community and Local Alternatives to the Incarceration of Minors).

*Ohio Children's Trust Fund* - This fund accounts for monies from the State to provide child abuse and neglect prevention programs

*MIECHV* - The MIECHV (Maternal, Infant, and Early Childhood Home Visiting program) fund accounts for federal grant monies that are restricted for the purpose of improving health and development outcomes for at-risk children through evidence-based home visiting programs.

Other governmental funds of the Council are used to account for specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects.

**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 Statement - Cash Basis* - 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 BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

**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 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. Budgetary information for the general fund and major special revenue funds have been presented as supplementary information to the basic financial statements.

**F. Fiscal/Administrative Agent**

The Ohio Revised Code requires the Council to select an administrative agent to provide fiscal and administrative services to the Council. The Council has selected the Mahoning County Educational Service Center (the "ESC"). The Council authorizes ESC, as fiscal agent and administrative agent, to subcontract with, designate, and/or seek assistance from any agencies and/or organizations that it deems necessary in order to complete the obligations set forth in this agreement. The ESC agrees to be ultimately responsible for fulfilling the fiscal and administrative obligations of this agreement.

**G. Capital Assets**

Acquisitions 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. Fund Cash Balance**

Fund balance is divided into five classifications based primarily on the extent to which the Council is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

*Nonspendable* - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

*Restricted* - Fund balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

*Committed* - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Council. Those committed amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

*Assigned* - Amounts in the assigned fund balance classification are intended to be used by the Council for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the Council, which includes giving the Treasurer the authority to constrain monies for intended purposes.

*Unassigned* - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The Council applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**I. Net Cash Position**

Net position is 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 position is available.

**NOTE 2 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS**

The ESC 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 ESC at June 30, 2013, was \$214,073. The ESC is responsible for maintaining adequate depository collateral for all funds in the ESC's pooled and deposit accounts.

Custodial credit risk is the risk that, in the event of bank failure, the Council's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Mahoning County Educational Service Center.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**NOTE 3 - SCHOOL EMPLOYEES RETIREMENT SYSTEM**

**A. Defined Benefit Pension Plan**

Plan Description - The Council contributes to the School Employees Retirement System (SERS), a cost-sharing, multiple-employer defined benefit pension plan. SERS provides retirement, disability, survivor 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. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, [www.ohsers.org](http://www.ohsers.org), under "*Employers/Audit Resources*".

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the Council is required to contribute at an actuarially determined rate. The current Council rate is 14 percent 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 fiscal year 2013, 13.05 percent and 0.05 percent of annual covered salary was the portion used to fund pension obligations and death benefits, respectively. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The Council's required contributions for pension obligations and death benefits to SERS for the fiscal years ended June 30, 2013, 2012 and 2011 were \$104,313, \$110,302 and \$116,510, respectively; 100 percent has been contributed for fiscal years 2013, 2012 and 2011.

**B. Postemployment Benefits**

Plan Description - The Council participates in two cost-sharing, multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Section 3309.69 of the Ohio Revised Code. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B monthly premium for calendar year 2012 (latest information available) was \$99.90 for most participants, but could be as high as \$319.70 per month depending on their income and the SERS' reimbursement to retirees was \$45.50. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, [www.ohsers.org](http://www.ohsers.org), under "*Employers/Audit Resources*".

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**NOTE 3 - SCHOOL EMPLOYEES RETIREMENT SYSTEM - (Continued)**

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2013, 0.16 percent of covered payroll was allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the statewide SERS-covered payroll for the health care surcharge. For fiscal year 2013, the actuarially determined amount was \$20,525.

Active members do not contribute to the postemployment benefit plans. The Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility and retirement status.

The Council's contributions for health care (including surcharge) for the fiscal years ended June 30, 2013, 2012, and 2011 were \$1,274, \$6,514 and \$14,107, respectively; 100 percent has been contributed for fiscal years 2013, 2012 and 2011.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2013, this actuarially required allocation was 0.74 percent of covered payroll. The Council's contributions for Medicare Part B for the fiscal years ended June 30, 2013, 2012, and 2011 were \$5,893, \$4,777 and \$7,498, respectively; 100 percent has been contributed for fiscal years 2013, 2012 and 2011.

**NOTE 4 - RISK MANAGEMENT**

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to contracted personnel; and natural disasters. For fiscal year 2013, the Council was named on the Mahoning County Educational Service Center's policy with \$1,000,000 personal injury and \$2,000,000 general aggregate. Settled claims have not exceeded coverage in any of the past three years. There has been no significant reduction in coverage from the prior year.

**NOTE 5 - CONTINGENCIES**

**A. Litigation**

The Council is not currently involved in litigation.

**B. Grants**

The Council receives significant financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Council. However in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the Council.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**NOTE 6 - ACCOUNTABILITY AND COMPLIANCE**

For fiscal year 2013, the Council has implemented GASB Statement No. 63, "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*".

GASB Statement No. 63 provides financial and reporting guidance for *deferred outflows of resources* and *deferred inflows of resources* which are financial statement elements that are distinct from assets and liabilities. GASB Statement No. 63 standardizes the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's *net position*. The implementation of GASB Statement No. 63 has changed the presentation of the Council's financial statements to incorporate the concept of net position.

**NOTE 7 – SUBSEQUENT EVENT**

Starting the fiscal year 2014, the Mahoning County Juvenile Court has been designated to be the Council's fiscal agent and administrative agent, to subcontract with, designate, and/or seek assistance from any agencies and/or organizations that it deems necessary in order to complete the obligations set forth in this agreement.

## SUPPLEMENTARY INFORMATION

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

SCHEDULE 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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Budgetary basis receipts:</b>				
Local sources . . . . .	\$ 37,289	\$ 64,996	\$ 47,854	\$ (17,142)
Intergovernmental - state. . . . .	53,461	93,183	93,183	-
Total budgetary basis receipts . . . . .	<u>90,750</u>	<u>158,179</u>	<u>141,037</u>	<u>(17,142)</u>
<b>Budgetary basis disbursements:</b>				
Personal services . . . . .	25,200	82,922	82,922	-
Community services. . . . .	12,393	40,781	34,790	5,991
Supplies and materials . . . . .	1,049	3,453	3,162	291
Miscellaneous. . . . .	2,041	6,715	6,715	-
Total budgetary basis disbursements . . . . .	<u>40,683</u>	<u>133,871</u>	<u>127,589</u>	<u>6,282</u>
Net change in fund cash balance. . . . .	50,067	24,308	13,448	(10,860)
<b>Fund cash balance at beginning of year. . . . .</b>	683	683	683	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>253</u>	<u>253</u>	<u>253</u>	<u>-</u>
<b>Fund cash balance at end of year. . . . .</b>	<u>\$ 51,003</u>	<u>\$ 25,244</u>	<u>\$ 14,384</u>	<u>\$ (10,860)</u>



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

SCHEDULE 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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Budgetary basis receipts:</b>				
Local sources . . . . .	\$ 150,058	\$ 126,102	\$ 126,102	\$ -
Intergovernmental - state. . . . .	562,148	472,402	472,402	-
Intergovernmental - federal. . . . .	381,484	320,581	320,581	-
Total budgetary basis receipts . . . . .	<u>1,093,690</u>	<u>919,085</u>	<u>919,085</u>	<u>-</u>
<b>Budgetary basis disbursements:</b>				
Personal services . . . . .	875,039	760,856	741,880	18,976
Community services . . . . .	334,453	290,811	274,958	15,853
Supplies and materials . . . . .	16,349	14,216	11,075	3,141
Miscellaneous. . . . .	5,452	4,741	4,883	(142)
Total budgetary basis disbursements . . . . .	<u>1,231,293</u>	<u>1,070,624</u>	<u>1,032,796</u>	<u>37,828</u>
Net change in fund cash balance. . . . .	(137,603)	(151,539)	(113,711)	37,828
<b>Fund cash balance at beginning of year. . . . .</b>	165,037	165,037	165,037	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>16,867</u>	<u>16,867</u>	<u>16,867</u>	<u>-</u>
<b>Fund cash balance at end of year . . . . .</b>	<u>\$ 44,301</u>	<u>\$ 30,365</u>	<u>\$ 68,193</u>	<u>\$ 37,828</u>

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

**SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BASIS  
FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)  
JJC RECLAIM SERVICE COORDINATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Budgetary basis receipts:</b>				
Intergovernmental - state. . . . .	\$ 40,000	\$ 40,000	\$ 40,000	\$ -
Total budgetary basis receipts . . . . .	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
<b>Budgetary basis disbursements:</b>				
Community services. . . . .	59,035	60,130	56,830	3,300
Supplies and materials. . . . .	<u>6,775</u>	<u>6,901</u>	<u>2,662</u>	<u>4,239</u>
Total budgetary basis disbursements . . . . .	<u>65,810</u>	<u>67,031</u>	<u>59,492</u>	<u>7,539</u>
Net change in fund cash balance. . . . .	(25,810)	(27,031)	(19,492)	7,539
<b>Fund cash balance at beginning of year . . . . .</b>	1,221	1,221	1,221	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>25,810</u>	<u>25,810</u>	<u>25,810</u>	<u>-</u>
<b>Fund cash balance at end of year . . . . .</b>	<u>\$ 1,221</u>	<u>\$ -</u>	<u>\$ 7,539</u>	<u>\$ 7,539</u>

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

**SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BASIS  
FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)  
OHIO CHILDREN'S TRUST FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Budgetary basis receipts:</b>				
Intergovernmental - state. . . . .	\$ 68,500	\$ 69,700	\$ 69,674	\$ (26)
Total budgetary basis receipts . . . . .	<u>68,500</u>	<u>69,700</u>	<u>69,674</u>	<u>(26)</u>
<b>Budgetary basis disbursements:</b>				
Community services. . . . .	90,131	93,199	93,199	-
Supplies and materials. . . . .	545	564	564	-
Miscellaneous . . . . .	3,312	3,425	3,425	-
Total budgetary basis disbursements . . . . .	<u>93,988</u>	<u>97,188</u>	<u>97,188</u>	<u>-</u>
Net change in fund cash balance. . . . .	(25,488)	(27,488)	(27,514)	(26)
<b>Fund cash balance at beginning of year . . . . .</b>	26	26	26	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>27,488</u>	<u>27,488</u>	<u>27,488</u>	<u>-</u>
<b>Fund cash balance at end of year . . . . .</b>	<u>\$ 2,026</u>	<u>\$ 26</u>	<u>\$ -</u>	<u>\$ (26)</u>

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

SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN CASH BASIS  
FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)  
MIECHV  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Budgetary basis receipts:</b>				
Intergovernmental - federal. . . . .	\$ 330,000	\$ 330,000	\$ 110,000	\$ (220,000)
Total budgetary basis receipts . . . . .	<u>330,000</u>	<u>330,000</u>	<u>110,000</u>	<u>(220,000)</u>
<b>Budgetary basis disbursements:</b>				
Personal services . . . . .	120,663	120,663	206,631	(85,968)
Community services. . . . .	180,387	180,387	15,211	165,176
Supplies and materials. . . . .	20,600	20,600	891	19,709
Capital outlay. . . . .	7,000	7,000	-	7,000
Miscellaneous. . . . .	1,350	1,350	625	725
Total budgetary basis disbursements . . . . .	<u>330,000</u>	<u>330,000</u>	<u>223,358</u>	<u>106,642</u>
Net change in fund cash balance. . . . .	-	-	(113,358)	(113,358)
<b>Fund cash balance at beginning of year . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund cash balance (deficit) at end of year. . . . .</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (113,358)</u>	<u>\$ (113,358)</u>

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

**BUDGETARY NOTES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**NOTE 1 - 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.

The Council budgets for resources estimated to be received during the fiscal year. The estimated revenues may be amended during the fiscal year if projected increases or decreases in revenue are identified by the Treasurer. The amounts reported as the original budgeted amounts on the budgetary schedules reflect the amounts of the estimated revenues when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary schedules reflect the amounts of the estimated revenues in effect at the time final appropriations were passed by the Council.

The Council adopts an annual appropriation resolution, which is the Council's authorization to spend resources and sets annual limits on expenditures selected by the Council. The level of control has been established by the Council at the fund level for all funds. The Treasurer has been authorized to allocate appropriations to the object level within all funds.

Throughout the fiscal year, appropriations may be amended or supplemented as circumstances warrant. The amounts reported as the original budgeted amounts on the budgetary schedules reflect the amounts on the first appropriation resolution for that fund that covered the entire fiscal year, including amounts automatically carried forward from prior fiscal years. The amounts reported as the final budgeted amounts on the budgetary schedules represent the final appropriation amounts passed by the Council during the fiscal year.

**NOTE 2 - BUDGETARY BASIS OF ACCOUNTING**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The schedule of cash receipts, cash disbursements and changes in cash-basis fund balance - budget and actual (budgetary basis) presented for the general fund and the major special revenue funds is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis are outstanding year end encumbrances which are treated as disbursements (budgetary basis) as opposed to assigned, committed or restricted fund balance (cash basis).

The following table summarizes the adjustments necessary to reconcile the statement of cash receipts, cash disbursements, and changes in cash basis fund balance and the budgetary basis schedules for the general fund and the major special revenue funds:

	<u>General</u>	<u>Help Me Grow</u>	<u>JJC Reclaim Service Coordination</u>	<u>Ohio Children's Trust Fund</u>	<u>MIECHV</u>
Budgetary basis	\$ 13,448	\$ (113,711)	\$ (19,492)	\$ (27,514)	\$ (113,358)
Adjustment for encumbrances	<u>1,227</u>	<u>7,083</u>	<u>23,283</u>	<u>39,436</u>	<u>149,816</u>
Cash basis	<u>\$ 14,675</u>	<u>\$ (106,628)</u>	<u>\$ 3,791</u>	<u>\$ 11,922</u>	<u>\$ 36,458</u>

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Fax - (216) 436-2411

***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Mahoning County Family and Children First Council  
Mahoning County  
100 DeBartolo Place, Suite 220  
Youngstown, Ohio 44512

To the Executive Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mahoning County Family and Children First Council, Mahoning County, (the Council) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements and have issued our report thereon dated October 14, 2013, wherein we noted the Council followed the cash basis of accounting rather than accounting principles generally accepted in the United States of America.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Council's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Council's internal control. Accordingly, we have not opined on it.

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

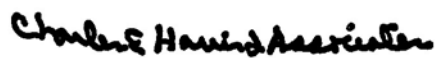
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***Compliance and Other Matters***

As part of reasonably assuring whether the Council's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Council's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



***Charles E. Harris & Associates, Inc.***  
October 14, 2013

**MAHONING COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
MAHONING COUNTY, OHIO  
For the Fiscal Year Ended June 30, 2013**

**Schedule of Prior Audit Findings**

The prior audit report, for the year ended June 30, 2012, reported no material citations or recommendations.





# Dave Yost • Auditor of State

**MAHONING COUNTY 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  
DECEMBER 17, 2013**