

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

Financial Statements
(Audited)

For The Fiscal Year Ended
June 30, 2009

CYNTHIA LENGYEL, TREASURER



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Mahoning County Family and Children First Council, Mahoning County, prepared by Julian & Grube, Inc., for the audit period July 1, 2008 through June 30, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

March 3, 2010

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

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Julian & Grube, Inc.
Serving Ohio Local Governments

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

Independent Auditor's Report

Mahoning County Family and Children First Council
Mahoning County
100 DeBartolo Pl, Suite 220
Youngstown, OH 44512

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Mahoning County Family and Children First Council, Mahoning County, Ohio, as of and for the fiscal year ended June 30, 2009, which collectively comprise the Mahoning County Family and Children First Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Mahoning County Family and Children First Council's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Mahoning County Family and Children First Council, as of June 30, 2009, and the respective changes in its cash basis financial position thereof for the fiscal year then ended in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2009, on our consideration of the Mahoning County Family and Children First Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Mahoning County Family and Children First Council
Mahoning County
Page Two

The management's discussion and analysis on pages 3 - 9 is not a required part of the financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

For the budgetary comparison information on pages 20 - 23, we have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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



Julian & Grube, Inc.
November 13, 2009

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
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, 2009, 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 2009 are as follows:

- The total net cash assets of the governmental activities decreased \$71,091, which represents an 18.21% decrease from fiscal year 2008.
- General cash receipts accounted for \$146,553 or 7.83% of total governmental activities cash receipts. Program specific cash receipts accounted for \$1,725,526 or 92.17% of total governmental activities cash receipts.
- The Council had \$1,943,170 in cash disbursements related to governmental activities; \$1,725,526 of these cash disbursements were offset by program specific grants or contributions. Program revenues and general cash receipts were not adequate to provide for these programs.
- The Council's major funds are the general fund, help me grow fund, and the help me grow per capita reimbursements fund. The general fund had cash receipts of \$165,656 in 2009. The cash disbursements of the general fund totaled \$183,357 in 2009. The general fund's cash balance decreased \$17,701 from 2008 to 2009.

Using the Financial Statements

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the Council's cash basis of accounting.

The statement of net assets - cash basis and statement of activities - cash basis provide information about the activities of the whole Council, presenting both an aggregate view of the Council's cash basis finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Council's most significant funds with all other nonmajor funds presented in total in one column. In the case of the Council, there are three major governmental funds, the general fund, help me grow fund, and the help me grow per capita reimbursements fund.

Reporting the Council as a Whole

Statement of Net Assets and the Statement of Activities

The statement of net assets – cash basis and the statement of activities – cash basis answer the question, how did we do financially during 2009? These statements include *only net assets* 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, 2009
UNAUDITED**

These two statements report the Council's net assets and changes in those assets on a cash basis. This change in net cash assets is important because it tells the reader that, for the Council as a whole, the cash basis financial position of the Council has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the Council's facility conditions, mandated federal and state programs and other factors.

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not collected) and liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

In the statement of net assets – cash basis and the statement of activities – cash basis, the governmental activities includes the Council's programs and services including instruction, support services and other non-instructional services.

The statement of net assets – cash basis and the statement of activities – cash basis can be found on pages 10-11 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, and help me grow per capita reimbursements 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 assets and fund cash balances or changes in net assets and changes in fund cash balances. Therefore, no reconciliation is necessary between such financial statements. The governmental fund statements can be found on pages 12-13 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, 2009
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 14-19 of this report.

Government-Wide Financial Analysis

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

The table below provides a summary of the Council's net cash assets for 2009 and 2008.

	Net Cash Assets	
	Governmental Activities	Governmental Activities
	<u>2009</u>	<u>2008</u>
<u>Assets</u>		
Equity in pooled cash and cash equivalents	\$ 319,269	\$ 390,360
Total assets	<u>319,269</u>	<u>390,360</u>
<u>Net Assets</u>		
Restricted	280,271	333,661
Unrestricted	<u>38,998</u>	<u>56,699</u>
Total net assets	<u>\$ 319,269</u>	<u>\$ 390,360</u>

The total net cash assets of the Council's governmental activities decreased \$71,091 from fiscal year 2008. The balance of government-wide unrestricted net cash assets of \$38,998 may be used to meet the government's ongoing obligations to citizens and creditors.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED**

The table below shows the changes in net cash assets for fiscal year 2009 and 2008.

	Change in Net Cash Assets	
	Governmental Activities <u>2009</u>	Governmental Activities <u>2008</u>
Cash Receipts:		
Program cash receipts:		
Operating grants and contributions	\$ 1,725,526	\$ 2,076,281
Total program cash receipts	<u>1,725,526</u>	<u>2,076,281</u>
General cash receipts:		
Miscellaneous	<u>146,553</u>	<u>234,814</u>
Total general cash receipts	<u>146,553</u>	<u>234,814</u>
Total cash receipts	<u>1,872,079</u>	<u>2,311,095</u>
Cash Disbursements:		
General government	183,357	211,848
Social services	<u>1,759,813</u>	<u>1,858,049</u>
Total cash disbursements	<u>1,943,170</u>	<u>2,069,897</u>
Change in net cash assets	(71,091)	241,198
Net cash assets at beginning of year	<u>390,360</u>	<u>149,162</u>
Net cash assets at end of year	<u>\$ 319,269</u>	<u>\$ 390,360</u>

Governmental Activities

Governmental cash assets decreased by \$71,091 in 2009 from 2008. Total governmental cash disbursements of \$1,943,170 were offset by program cash receipts of \$1,725,526 and general cash receipts of \$146,553.

The primary sources of cash receipts for governmental activities are derived from restricted grants and contributions. These receipt sources represent 92.17% of total governmental cash receipts.

The largest cash disbursement of the Council is for social services. These cash disbursements totaled \$1,759,813 or 90.56% of total governmental cash disbursements for fiscal 2009.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
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The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2009 and 2008. That is, it identifies the cost of these services supported by unrestricted state grants and entitlements.

Governmental Activities

	Governmental Activities			
	Total Cost of Services <u>2009</u>	Net Cost of Services <u>2009</u>	Total Cost of Services <u>2008</u>	Net Cost of Services <u>2008</u>
Cash disbursements:				
General government	\$ 183,357	\$ 159,254	\$ 211,848	\$ 191,848
Social services	<u>1,759,813</u>	<u>58,390</u>	<u>1,858,049</u>	<u>(198,232)</u>
 Total	 <u>\$ 1,943,170</u>	 <u>\$ 217,644</u>	 <u>\$ 2,069,897</u>	 <u>\$ (6,384)</u>

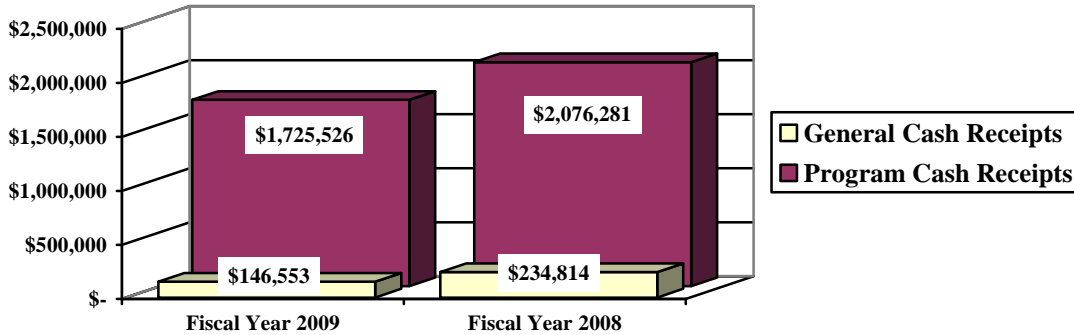
The dependence upon program cash receipts for governmental activities is apparent; with 88.80% and 100% of cash disbursements supported through program cash receipts from operating grants and contributions during 2009 and 2008, respectively.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED

The graph below presents the Council's governmental activities receipts for fiscal year 2009 and 2008:

Governmental Activities - General and Program Cash Receipts



Financial Analysis of the Government's Funds

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

Governmental Funds

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

The Council's governmental funds reported a combined fund cash balance of \$319,269, which is \$71,091 below last year's total of \$390,360. The schedule below indicates the fund cash balance and the total change in fund cash balance as of June 30, 2009 and 2008, for all major and nonmajor governmental funds.

	Fund Cash Balance <u>June 30, 2009</u>	Fund Cash Balance <u>June 30, 2008</u>	Increase <u>(Decrease)</u>
Major Funds:			
General	\$ 38,998	\$ 56,699	\$ (17,701)
Help Me Grow	212,911	254,558	(41,647)
Help Me Grow Per Capita Reimbursements	42,849	42,849	-
Other Nonmajor Governmental Funds	<u>24,511</u>	<u>36,254</u>	<u>(11,743)</u>
Total	<u>\$ 319,269</u>	<u>\$ 390,360</u>	<u>\$ (71,091)</u>

General Fund

The general fund had cash receipts of \$165,656 in 2009. The cash disbursements of the general fund totaled \$183,357 in 2009. The general fund's cash balance decreased \$17,701 from 2008 to 2009.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED**

Help Me Grow Fund

The help me grow fund, a Council major fund, had cash receipts of \$1,595,951 in 2009. The help me grow fund had cash disbursements of \$1,637,598 in 2009. The help me grow fund cash balance decreased \$41,647 from 2008 to 2009.

Help Me Grow Per Capita Reimbursements Fund

The help me grow per capita reimbursements fund, a Council major fund, had no cash receipts or cash disbursements in 2009.

Capital Assets and Debt Administration

Capital Assets

The Council does not record capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements. The Council had \$5,940 in capital outlay disbursements during fiscal year 2009.

Debt Administration

The Council had no long-term debt obligations outstanding at June 30, 2009 and 2008.

Current Financial Related Activities

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

Contacting the Council's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Council's finances and to show the Council's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Ms. Cynthia Lengyel, Treasurer, Mahoning County Family and Children First Council, 100 DeBartolo Place, Suite 220, Youngstown, Ohio 44512-7019.

**BASIC
FINANCIAL STATEMENTS**

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

STATEMENT OF NET ASSETS - CASH BASIS
JUNE 30, 2009

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents.	\$ 319,269
Total assets	319,269
Net assets:	
Restricted for:	
State and federally funded programs	280,271
Unrestricted	38,998
Total net assets	\$ 319,269

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, 2009

	<u>General</u>	<u>Help Me Grow</u>	<u>Help Me Grow Per Capita Reimbursements</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash assets:					
Equity in pooled cash and cash equivalents	\$ 38,998	\$ 212,911	\$ 42,849	\$ 24,511	\$ 319,269
Total assets	<u>\$ 38,998</u>	<u>\$ 212,911</u>	<u>\$ 42,849</u>	<u>\$ 24,511</u>	<u>\$ 319,269</u>
Fund cash balances:					
Reserved for encumbrances.	\$ 5,649	\$ 182,137	\$ -	\$ 13,044	\$ 200,830
Unreserved, undesignated, reported in:					
General fund	33,349	-	-	-	33,349
Special revenue funds	-	30,774	42,849	11,467	85,090
Total fund cash balances.	<u>\$ 38,998</u>	<u>\$ 212,911</u>	<u>\$ 42,849</u>	<u>\$ 24,511</u>	<u>\$ 319,269</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>General</u>	<u>Help Me Grow</u>	<u>Help Me Grow Per Capita Reimbursements</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash receipts:					
Other local revenues	\$ 145,656	\$ 65,879	\$ -	\$ 15,000	\$ 226,535
Intergovernmental - state.	20,000	230,151	-	95,472	345,623
Intergovernmental - federal.	-	1,299,921	-	-	1,299,921
Total cash receipts	<u>165,656</u>	<u>1,595,951</u>	<u>-</u>	<u>110,472</u>	<u>1,872,079</u>
Cash disbursements:					
Personal services.	124,186	965,374	-	11	1,089,571
Community services	47,369	352,208	-	113,108	512,685
Supplies and materials	1,252	39,944	-	5,240	46,436
Capital outlay	-	5,940	-	-	5,940
Miscellaneous	10,550	274,132	-	3,856	288,538
Total cash disbursements.	<u>183,357</u>	<u>1,637,598</u>	<u>-</u>	<u>122,215</u>	<u>1,943,170</u>
Net change in fund cash balances	(17,701)	(41,647)	-	(11,743)	(71,091)
Fund cash balances at beginning of year . . .	<u>56,699</u>	<u>254,558</u>	<u>42,849</u>	<u>36,254</u>	<u>390,360</u>
Fund cash balances at end of year	<u>\$ 38,998</u>	<u>\$ 212,911</u>	<u>\$ 42,849</u>	<u>\$ 24,511</u>	<u>\$ 319,269</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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, 2009**

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

The Council's 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, 2009**

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

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

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

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.

Help Me Grow Per Capita Reimbursements - This fund accounts for monies from the State to provide child abuse prevention training for families that qualify with Job and Family Services.

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

D. Basis of Presentation and Measurement Focus

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

Fund Financial 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.

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 has been presented as supplementary information to the basic financial statements.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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

F. Fiscal Agent

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

G. Capital Assets

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 Reserves

The Council reserves those portions of fund cash balance which are legally segregated for a specific future use. Unreserved fund cash balance indicates that portion of fund cash balance which is available for appropriation in future periods. Fund cash balance reserves have been established for encumbrances.

I. Net Assets

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

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

NOTE 2 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS

The Mahoning County Educational Service Center maintains a depository which includes the funds of the Council. The Ohio Revised Code prescribes allowable deposits and investments. The Council's carrying amount of cash on deposit with the fiscal agent at June 30, 2009, was \$319,269. The fiscal agent for the Council is responsible for maintaining adequate depository collateral for all funds in the Mahoning County Educational Service Center's investment accounts.

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, 2009**

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 and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. 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, under *Forms and Publications*.

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 2009, 9.09 percent of annual covered salary was the portion used to fund pension obligations. 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 to SERS for the fiscal years ended June 30, 2009, 2008 and 2007 were \$96,080, \$90,537, and \$103,056, respectively; 100 percent has been contributed for fiscal years 2009, 2008 and 2007.

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 and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. 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.

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 2009, 4.16 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2009, this amount was \$35,800.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

NOTE 3 - SCHOOL EMPLOYEES RETIREMENT SYSTEM - (Continued)

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The Council's contributions for health care for the fiscal years ended June 30, 2009, 2008, and 2007 were \$43,971, \$41,315, and \$34,215, respectively; 100 percent has been contributed for fiscal years 2009, 2008 and 2007.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2009, this actuarially required allocation was 0.75 percent of covered payroll. The Council's contributions for Medicare Part B for the fiscal years ended June 30, 2009, 2008, and 2007 were \$7,927, \$6,523, and \$7,008, respectively; 100 percent has been contributed for fiscal years 2009, 2008 and 2007.

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 2009, 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 is 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.

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, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary basis receipts:				
Other local revenues	\$ 217,501	\$ 158,190	\$ 145,656	\$ (12,534)
Intergovernmental - state	27,499	20,000	20,000	-
Total budgetary basis receipts	<u>245,000</u>	<u>178,190</u>	<u>165,656</u>	<u>(12,534)</u>
Budgetary basis disbursements:				
Personal services	144,033	128,141	124,186	3,955
Community services	60,567	53,885	51,099	2,786
Supplies and materials	8,659	7,704	2,381	5,323
Miscellaneous	13,332	11,861	11,340	521
Total budgetary basis disbursements	<u>226,591</u>	<u>201,591</u>	<u>189,006</u>	<u>12,585</u>
Net change in fund cash balance	18,409	(23,401)	(23,350)	51
Fund cash balance at beginning of year	50,108	50,108	50,108	-
Prior year encumbrances appropriated	<u>6,591</u>	<u>6,591</u>	<u>6,591</u>	<u>-</u>
Fund cash balance (deficit) at end of year	<u>\$ 75,108</u>	<u>\$ 33,298</u>	<u>\$ 33,349</u>	<u>\$ 51</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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary basis receipts:				
Other local revenues	\$ 64,644	\$ 65,280	\$ 65,879	\$ 599
Intergovernmental - state.	227,908	230,151	230,151	-
Intergovernmental - federal.	1,717,655	1,734,564	1,299,921	(434,643)
Total budgetary basis receipts	<u>2,010,207</u>	<u>2,029,995</u>	<u>1,595,951</u>	<u>(434,044)</u>
Budgetary basis disbursements:				
Personal services	1,064,611	1,085,485	986,366	99,119
Community services	551,461	562,273	430,620	131,653
Supplies and materials	99,623	101,576	72,116	29,460
Capital outlay.	12,114	12,351	11,194	1,157
Miscellaneous.	<u>353,990</u>	<u>360,930</u>	<u>319,439</u>	<u>41,491</u>
Total budgetary basis disbursements	<u>2,081,799</u>	<u>2,122,615</u>	<u>1,819,735</u>	<u>302,880</u>
Net change in fund cash balance.	(71,592)	(92,620)	(223,784)	(131,164)
Fund cash balance at beginning of year.	176,569	176,569	176,569	-
Prior year encumbrances appropriated	<u>77,989</u>	<u>77,989</u>	<u>77,989</u>	<u>-</u>
Fund cash balance at end of year	<u>\$ 182,966</u>	<u>\$ 161,938</u>	<u>\$ 30,774</u>	<u>\$ (131,164)</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 PER CAPITA REIMBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary basis receipts:				
Intergovernmental - state	\$ 19,000	\$ -	\$ -	\$ -
Total budgetary basis receipts	<u>19,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Budgetary basis disbursements:				
Community services	30,000	23,700	-	23,700
Total budgetary basis disbursements	<u>30,000</u>	<u>23,700</u>	<u>-</u>	<u>23,700</u>
Net change in fund cash balance	(11,000)	(23,700)	-	23,700
Fund cash balance at beginning of year	<u>42,849</u>	<u>42,849</u>	<u>42,849</u>	<u>-</u>
Fund cash balance at end of year	<u>\$ 31,849</u>	<u>\$ 19,149</u>	<u>\$ 42,849</u>	<u>\$ 23,700</u>

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

**BUDGETARY NOTES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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 statements reflect the amounts of the estimated revenues when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements 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 statements 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 statements 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 statement 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) rather than as a reservation of 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 statements for the general fund and major special revenue fund - Help Me Grow (a reconciliation for Help Me Grow Per Capita Reimbursements is not presented as there were no reconciling items):

	<u>General</u>	<u>Help Me Grow</u>	
Budget basis	\$ (23,350)	\$ (223,784)	
Adjustment for encumbrances	<u>5,649</u>	<u>182,137</u>	
Cash basis	<u>\$ (17,701)</u>	<u>\$ (41,647)</u>	

SUPPLEMENTARY DATA

**MAHONING COUNTY FAMILY AND CHILDREN FIRST COUNCIL
SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	(B) PASS-THROUGH GRANT NUMBER	(A) CASH FEDERAL RECEIPTS	(A) CASH FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES PASSED THROUGH THE MAHONING COUNTY DEPARTMENT OF JOBS & FAMILY SERVICES				
Temporary Assistance for Needy Families	93.558	2008	\$ 175,997	\$ 42,980
Temporary Assistance for Needy Families	93.558	2009	888,202	1,159,587
Total Temporary Assistance for Needy Families			<u>1,064,199</u>	<u>1,202,567</u>
Total U.S. Department of Health and Human Services			<u>1,064,199</u>	<u>1,202,567</u>
U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF HEALTH:				
Special Education - Grants for Infants and Families	84.181	2008	-	6,113
Special Education - Grants for Infants and Families	84.181	2009	235,722	213,147
Total Special Education - Grants for Infants and Families			<u>235,722</u>	<u>219,260</u>
Total U.S. Department of Education			<u>235,722</u>	<u>219,260</u>
U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION:				
Child and Adult Care Food Program	10.558	2009	5,942	5,942
Total U.S. Department of Agriculture			<u>5,942</u>	<u>5,942</u>
Total Federal Financial Assistance			<u>\$ 1,305,863</u>	<u>\$ 1,427,769</u>

- (A) This schedule was prepared on the cash basis of accounting.
(B) OAKS did not assign pass through numbers for fiscal year 2009.



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**Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

Mahoning County Family and Children First Council
Mahoning County
100 DeBartolo Pl, Suite 220
Youngstown, OH 44512

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Mahoning County Family and Children First Council, Mahoning County, Ohio, as of and for the fiscal year ended June 30, 2009, which collectively comprise Mahoning County Family and Children First Council's basic financial statements and have issued our report thereon dated November 13, 2009, wherein we noted the Mahoning County Family and Children First Council prepared its financial statements on the cash basis, a comprehensive basis of accounting other than the accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Mahoning County Family and Children First Council's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mahoning County Family and Children First Council's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Mahoning County Family and Children First Council's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Mahoning County Family and Children First Council's ability to initiate, authorize, record, process or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that a misstatement of Mahoning County Family and Children First Council's financial statements that is more than inconsequential will not be prevented or detected by Mahoning County Family and Children First Council's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Mahoning County Family and Children First Council's internal control.

Mahoning County Family and Children First Council
Mahoning County

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted a certain matter that we reported to management of the Mahoning County Family and Children First Council in a separate letter dated November 13, 2009.

This report is intended solely for the information and use of the management and the Executive Committee of the Mahoning County Family and Children First Council 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.



Julian & Grube, Inc.
November 13, 2009



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

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

Mahoning County Family and Children First Council
Mahoning County
100 DeBartolo Pl, Suite 220
Youngstown, OH 44512

Compliance

We have audited the compliance of the Mahoning County Family and Children First Council, Mahoning County, Ohio, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to its major federal program for the fiscal year ended June 30, 2009. The Mahoning County 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 and responses. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the Mahoning County Family and Children First Council's management. Our responsibility is to express an opinion on the Mahoning County 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 with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Mahoning County 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 the Mahoning County Family and Children First Council's compliance with those requirements.

Mahoning County Family and Children First Council
Mahoning County

In our opinion, the Mahoning County 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 fiscal year ended June 30, 2009.

Internal Control Over Compliance

The management of the Mahoning County 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 the Mahoning County 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Mahoning County Family and Children First Council's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the management and the Executive Committee of the Mahoning County Family and Children First Council 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.



Julian & Grube, Inc
November 13, 2009

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

**SCHEDULE OF FINDINGS AND RESPONSES
OMB CIRCULAR A-133 § .505
JUNE 30, 2009**

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

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

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

**STATUS OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2008-MCFCFC-001	Two misstatements were identified in the financial statements for the fiscal year end. Audit adjustments were necessary to correct errors on the Council's financial statements.	Yes	N/A



Mary Taylor, CPA
Auditor of State

**FAMILY AND CHILDREN FIRST COUNCIL
MAHONING COUNTY**

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 16, 2010**