



Dave Yost • Auditor of State

TRUMBULL COUNTY FAMILY AND CHILDREN FIRST COUNCIL
TRUMBULL COUNTY

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Dave Yost • Auditor of State

Trumbull County Family and Children First Council
Trumbull County
4076 Youngstown Rd SE
Warren, Ohio 44484

To the Executive Committee:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

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Dave Yost
Auditor of State

September 12, 2011

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Trumbull County Family and Children First Council
Trumbull County
4076 Youngstown Rd SE
Warren, Ohio 44484

To the Executive Committee:

We have audited the accompanying financial statements of The Trumbull County Family and Children First Council, Trumbull County, (the Council) as of and for the years ended June 30, 2011 and 2010. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Board has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Council's larger (i.e. major) funds separately. While the Council does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Councils to reformat their statements. The Council has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended June 30, 2011 and 2010 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Council as of June 30, 2011 and 2010, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Trumbull County Family and Children First Council, Trumbull County, as of June 30, 2011 and 2010, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Council has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2011, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

September 12, 2011

TRUMBULL COUNTY FAMILY AND CHILDREN FIRST COUNCIL
TRUMBULL COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>All Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$23,475	\$1,046,922	\$1,070,397
Local Governmental Agencies	15,048	245,838	260,886
Miscellaneous	31,253	1,058	32,311
	<u>69,776</u>	<u>1,293,818</u>	<u>1,363,594</u>
Total Cash Receipts			
	<u>69,776</u>	<u>1,293,818</u>	<u>1,363,594</u>
Cash Disbursements:			
Salaries and Benefits	66,772	20,469	87,241
Supplies and Materials	5,389	16,390	21,779
Contracted Services	710	1,202,885	1,203,595
Travel	8,186	19,424	27,610
Miscellaneous	2,025	16,409	18,434
	<u>83,082</u>	<u>1,275,577</u>	<u>1,358,659</u>
Total Disbursements			
	<u>83,082</u>	<u>1,275,577</u>	<u>1,358,659</u>
Total Receipts Over/(Under) Disbursements	<u>(13,306)</u>	<u>18,241</u>	<u>4,935</u>
Fund Cash Balances, July 1	<u>31,452</u>	<u>550,373</u>	<u>581,825</u>
Fund Cash Balances, June 30	<u>\$18,146</u>	<u>\$568,614</u>	<u>\$586,760</u>

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

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>All Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$16,257	\$952,982	\$969,239
Local Governmental Agencies	26,268	397,077	423,345
Miscellaneous	28,822	2,646	31,468
	<u>71,347</u>	<u>1,352,705</u>	<u>1,424,052</u>
Total Cash Receipts			
	<u>71,347</u>	<u>1,352,705</u>	<u>1,424,052</u>
Cash Disbursements:			
Salaries and Benefits	51,775	51,954	103,729
Supplies and Materials	974	37,447	38,421
Contracted Services	10,448	1,023,251	1,033,699
Travel	3,420	19,466	22,886
Miscellaneous	1,155	18,291	19,446
	<u>67,772</u>	<u>1,150,409</u>	<u>1,218,181</u>
Total Disbursements			
	<u>67,772</u>	<u>1,150,409</u>	<u>1,218,181</u>
Total Receipts Over/(Under) Disbursements	<u>3,575</u>	<u>202,296</u>	<u>205,871</u>
Fund Cash Balances as Restated, July 1 [See Note 2]	<u>27,877</u>	<u>348,077</u>	<u>375,954</u>
Fund Cash Balances, June 30	<u>\$31,452</u>	<u>\$550,373</u>	<u>\$581,825</u>

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

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

**NOTES TO THE FINANCIAL STATEMENTS
JULY 1, 2010 THROUGH JUNE 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Section 121.37, Revised Code, created the Ohio Family and Children First Cabinet Council and permitted counties to establish county family and children first councils. Statutory membership of county council consists of the following individuals:

- a. The director of the board of alcohol, drug addiction, and mental health services that serves the county, or, in the case of a county that has a board of alcohol and drug addiction services and a community mental health board, the directors of both boards;
- b. The health commissioner of the board of health of each city or general health district in the county, or their designees;
- c. The director of the county department of job and family services;
- d. The executive director of the county agency responsible for the administration of children services pursuant to section 5153.15 of the Revised Code;
- e. The superintendent of the county board of mental retardation and developmental disabilities;
- f. The county's juvenile court judge senior in service;
- g. The superintendent of the city, exempted village, or local school district with the largest number of pupils residing in the county, as determined by the department of education, which shall notify each county of its determination at least biennially;
- h. A school superintendent representing all other school districts with territory in the county, as designated at a biennial meeting of the superintendents of those districts;
- i. A representative of the largest city in the county;
- j. The chair of the board of county commissioners, or an individual designated by the board;
- k. A representative of the regional office of the department of youth services;
- l. A representative of the county's head start agencies, as defined in Section 3301.31 of the Revised Code;
- m. A representative of the county's early intervention collaborative established pursuant to the federal early intervention program operated under the "Individuals with Disabilities Education Act of 2004";
- n. At least three individuals representing the interests of families in the county. Where possible, the number of members representing families shall be equal to twenty percent of the council's remaining membership.

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

**NOTES TO THE FINANCIAL STATEMENTS
JULY 1, 2010 THROUGH JUNE 30, 2011
(Continued)**

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.

The Council's management believes these financial statements present all activities for which the Council is financially accountable.

B. Accounting Basis

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Cash and Investments

No investments were held by the Council during the current audit period.

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

**NOTES TO THE FINANCIAL STATEMENTS
JULY 1, 2010 THROUGH JUNE 30, 2011
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. Fund Accounting

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

1. General Fund

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

2. Special Revenue Funds

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Council had the following significant Special Revenue Fund:

Help Me Grow Grant - This fund receives monies from the Ohio Department of Health for assistance to expectant parents, newborns, infants and toddlers that provide health and developmental services so children start school healthy and ready to learn.

E. Fiscal Agent

The Council designates a fiscal agent for all funds received in the name of the Council. The Trumbull County Mental Health and Recovery Board, the county's alcohol, drug, addiction and mental health services board, serves as the fiscal agent for the Council. The Trumbull County Auditor is the designated fiscal officer for Trumbull County Mental Health and Recovery Board.

F. Budgetary Process

Ohio Revised Code Section 121.37(B)(5)(a) 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 Ohio Revised Code does not require the Council to adopt itemized budgets for governmental activities, thus no budgetary statements are presented as part of the basic financial statements.

G. Property, Plant, and Equipment

The Council records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

H. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

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

**NOTES TO THE FINANCIAL STATEMENTS
JULY 1, 2010 THROUGH JUNE 30, 2011
(Continued)**

2. RESTATEMENT OF PRIOR YEAR'S ENDING BALANCES

There were reimbursements and disbursements not properly accounted for in the prior year. These errors had the following resulting effect on the following beginning fund cash balances:

	General Fund	Special Revenue Funds
Ending Balance, June 30, 2009	\$30,940	\$345,014
Errors noted in previous year	(3,063)	3,063
Adjusted Beginning Balance, July 1, 2009	\$27,877	\$ 348,077

3. EQUITY IN POOLED CASH

The Family and Children First Council funds are maintained by the Fiscal Agent through Trumbull County depositories. The Ohio Revised Code prescribes allowable deposits. The Council's carrying amount of cash on deposit with the Fiscal Agent at June 30, 2011 was \$586,760, and at June 30, 2010 was \$581,825. Trumbull County requires the financial institutions to maintain adequate collateral for all funds, including the Family and Children First Council funds.

4. RETIREMENT SYSTEMS

The Council's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. However, as an employee benefit, Trumbull County Mental Health and Recovery Board contributed 18%, while employees contributed 6%. The Council has paid all contributions required through June 30, 2011.



Dave Yost • Auditor of State

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

Trumbull County Family and Children First Council
Trumbull County
4076 Youngstown Rd SE
Warren, Ohio 44484

To the Executive Committee:

We have audited the financial statements of the Trumbull County Family and Children First Council, Trumbull County, (the Council) as of and for the years ended June 30, 2011 and 2010 and have issued our report thereon dated September 12, 2011. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Council's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Council's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Council's internal control over financial reporting.

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 more than a reasonable possibility that a material misstatement of the Council's financial statements will not be prevented, or detected and timely corrected.

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

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, providing an opinion 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*.

Trumbull County Family and Children First Council
Trumbull County
Independent Accountants' Report On Internal Control Over
Financial Reporting And On Compliance And Other Matters
Required By *Government Auditing Standards*
Page 2

We intend this report solely for the information and use of management, the audit committee, the Executive Committee, and others within the Council. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State

September 12, 2011



Dave Yost • Auditor of State

TRUMBULL COUNTY FAMILY AND CHILDREN FIRST COUNCIL

TRUMBULL COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
OCTOBER 4, 2011