



**NORTH EAST OHIO NETWORK  
MAHONING COUNTY**

**REGULAR AUDIT  
FOR THE YEAR ENDED  
DECEMBER 31, 2015**





# Dave Yost • Auditor of State

Board of Trustees  
North East Ohio Network  
5121 Mahoning Ave., Suite 102  
Austintown, Ohio 44515

We have reviewed the *Independent Auditor's Report* of the North East Ohio Network, Mahoning County, prepared by Canter & Associates, for the audit period January 1, 2015 to December 31, 2015. Based upon this review, we have accepted this report 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 North East Ohio Network is responsible for compliance with these laws and regulations.

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

Dave Yost  
Auditor of State

October 30, 2017

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**North East Ohio Network  
Mahoning County**

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## INDEPENDENT AUDITOR'S REPORT

North East Ohio Network  
Mahoning County  
5121 Mahoning Ave., Suite 102  
Austintown, Ohio 44515

To the Board of Trustees:

### *Report on the Financial Statements*

We have audited the accompanying financial statements of the governmental activities, the major fund (General), and the aggregate remaining fund information of the North East Ohio Network (the Organization), Mahoning County, Austintown, Ohio as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Organization'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 accounting principles generally accepted in the United States of America; this includes 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund (General), and the aggregate remaining fund information of the North East Ohio Network, Mahoning County, Austintown, Ohio, as of December 31, 2015, and the respective changes in financial position thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As described in Note 3 to the financial statements, in fiscal year ended December 31, 2015, the Organization adopted new accounting guidance, *GASB Statement No. 68, Accounting and Financial Reporting for Pension – an amendment of GASB Statement No. 27* and also *GASB Statement No. 71, Pension Transition for Contributions Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* and Schedules of Net Pension Liabilities and Pension Contributions, listed in the table of contents, to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Organization's basic financial statements. The schedule of revenues, expenditures, and changes in fund balance-budget and actual and the schedule of funds administered for county boards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of revenues, expenditures, and changes in fund balance-budget and actual and the schedule of funds administered for county boards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such 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, schedule of revenues, expenditures, and changes in fund balance-budget and actual and the schedule of funds administered for county boards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2017, on our consideration of the Organization'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 Organization's internal control over financial reporting and compliance.



**CANTER & ASSOCIATES**

**Poland, Ohio**  
July 28, 2017

**North East Ohio Network**  
Mahoning County

*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2015*  
*Unaudited*

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The discussion and analysis of North East Ohio Network (the Organization) financial performance provides an overall review of the Organization's financial activities for the year ended December 31, 2015. The intent of this discussion and analysis is to look at the Organization's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Organization's financial performance.

### **Financial Highlights**

Key financial highlights for fiscal year 2015 are as follows:

*Overall:*

- The assets plus deferred outflows of the Organization exceeded its liabilities plus deferred inflows at the close of the year ended December 31, 2015, by \$59,453 (net position).
- At the end of the current fiscal year, the Organization's general fund reported an ending fund balance of \$970,405, of which \$961,808 is available to fund future operations.
- The Organization implemented GASB 68 during the year, which resulted in the inclusion of a net pension liability of \$1,131,592. For more information on this liability see Note 6 to the basic financial statements.

### **Using these Basic Financial Statements**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand North East Ohio Network as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole Organization, presenting both an aggregate view of the Organization's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term and what remains for future spending. The fund financial statements also look at the Organization's most significant fund which in the case of North East Ohio Network is the general fund.

### **Reporting the District as a Whole**

*Statement of Net Position and the Statement of Activities*

The view of the Organization as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2015?" The Statement of Net Position and the Statement of Activities answers this question. These statements include *all assets, deferred outflows of resources and liabilities and deferred inflows of resources* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**North East Ohio Network**  
Mahoning County

*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2015*  
*Unaudited*

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These two statements report the Organization's *net position* and changes in that position. This change in net position is important because it tells the reader that, for the Organization as a whole, the *financial position* of the Organization has improved or diminished.

**Reporting the Organization'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 objects. The Organization, like other state and local government entities, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The funds of the Organization can be divided into two categories: governmental funds and fiduciary funds. Fund financial reports provide detailed information about the Organization's major fund which is the general fund which encompasses all of the Organization's non-fiduciary activities.

**Governmental Funds:** Governmental funds are used to account for essentially the same functions reported in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is different than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The statements provide a reconciliation to facilitate a comparison between governmental funds and governmental activities.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Organization's own expenses. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to the Basic Financial Statements:** The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the basis financial statements begin on page 17 of this report.

**North East Ohio Network**  
Mahoning County

*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2015*  
*Unaudited*

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Organization, liabilities plus deferred inflows of resources exceeded assets plus deferred outflows of resources by \$91,862 at December 31, 2015 and by \$1,021,013 at December 31, 2014.

Table 1 provides a summary of the Organization's net position for 2015 and 2014.

**Table 1**

	2015 Governmental Activities	2014 Governmental Activities	Increase (Decrease)
<b>Assets:</b>			
Cash and Investments	\$987,416	\$991,808	(\$4,392)
Other Assets	46,151	48,349	(2,198)
Capital Assets, net of accumulated dep.	30,702	44,327	(13,625)
<i>Total Assets</i>	<u>1,064,269</u>	<u>1,084,484</u>	<u>(20,215)</u>
<b>Deferred Outflows of Resources</b>			
Pension:			
Traditional	201,782	139,129	\$62,653
Combined	10,942	10,260	682
<b>Total Deferred Outflows of Resources</b>	<u>212,724</u>	<u>149,389</u>	<u>63,335</u>
<b>Total Assets and Deferred Outflows</b>	<u>1,276,993</u>	<u>1,233,873</u>	<u>43,120</u>
<b>Liabilities:</b>			
Current Liabilities	54,157	61,017	(6,860)
Long-term Liabilities:			
Net Pension Liability	1,140,597	1,114,834	25,763
<i>Total Liabilities</i>	<u>1,194,754</u>	<u>1,175,851</u>	<u>18,903</u>
<b>Deferred Inflows of Resources</b>			
Pension:			
Traditional	20,038	0	\$20,038
Combined	2,748	0	2,748
<b>Total Deferred Inflows of Resources</b>	<u>22,786</u>	<u>0</u>	<u>22,786</u>
<i>Total Liabilities and Deferred Inflows</i>	<u>1,217,540</u>	<u>1,175,851</u>	<u>41,689</u>
<b>Net Position:</b>			
Net Investment in Capital Assets	30,702	44,327	(13,625)
Unrestricted - Restated	28,751	13,695	15,056
<i>Total Net Position</i>	<u>\$59,453</u>	<u>\$58,022</u>	<u>\$1,431</u>

**North East Ohio Network**  
Mahoning County

*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2015*  
*Unaudited*

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During 2015, the Organization adopted GASB Statement No 68, "Accounting and Financial Reporting for Pensions-an Amendment of GASB Statement 27", which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Organization's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported pension and by subtracting deferred outflows related to pension. Governmental Accounting Standards Board standards are national and apply to all governmental financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB No. 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB No. 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB No. 68, the net pension liability equals the Organization's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service.
2. Minus plan assets available to pay these benefits.

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the Organization, part of a bargained-for benefit to the employee, and should accordingly be reported by the Organization as a liability since they received the benefit of the exchange. However, the Organization is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by state statute. A change in these caps requires action of both Houses of the General Assembly, and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the Organization. In the event that contributions, investment returns and other changes are insufficient to keep up with required pension payments, state statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB No. 68, the Organization's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability.

**North East Ohio Network**  
Mahoning County

*Management's Discussion and Analysis  
For the Year Ended December 31, 2015  
Unaudited*

As a result of implementing GASB No. 68, the Organization is reporting a net pension liability and deferred outflows and inflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2014, downward by \$962,991.

Total assets decreased by \$20,215. This decrease can be attributed to an overall decrease in cash, receivables and capital assets from the prior year.

Total liabilities increased by \$18,903. This increase was due mostly to an increase in pension liability due to implementation of GASB 68.

By comparing assets, deferred outflows, liabilities and deferred inflows, one can see the overall position of the Organization has increased as evidenced by the increase in net position of \$1,431.

Table 2 below provides a summary of the changes in net position for 2015 and 2014.

**Table 2**  
Change in Net Position  
Governmental Activities

	2015	2014	Increase (Decrease)
<b>Revenues:</b>			
<i>General Revenues</i>			
Revenue	\$2,040,454	\$2,192,043	(\$151,589)
<i>Total Revenues</i>	2,040,454	2,192,043	(151,589)
<i>Program Expenses</i>			
Health	2,039,023	2,566,570	(527,547)
<i>Total Program Expenses</i>	2,039,023	2,566,570	(527,547)
<i>Increase (Decrease) in Net Position</i>	1,431	(374,527)	375,958
Net Position Beginning of Year	58,022	NA	
<i>Net Position End of Year</i>	\$59,453	\$58,022	\$375,958

The information necessary to restate the 2014 beginning balances and 2014 pension expense amounts for the effects of the initial implementation of GASB No. 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$149,389 computed under GASB No. 27. GASB No. 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB No. 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB No. 68, the 2015 statements report pension expense of \$129,978.

**North East Ohio Network**  
Mahoning County

*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2015*  
*Unaudited*

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In order to compare 2015 total program expenses to 2014, the following adjustments are needed:

Total 2015 GASB 68 program expenses	\$2,039,023
Pension expense under GASB 68	(129,978)
2015 contractually required contributions	<u>151,315</u>
Adjusted 2015 program expenses	2,060,360
Total 2014 program expenses under GASB 27	<u>2,566,570</u>
Change in program expenses not related to pension	<u><u>(\$506,210)</u></u>

Wages and related benefits and taxes accounted for 77 percent of total expenses in 2015 and 68 percent in 2014.

Revenues from waiver administration and major unusual incident fees account for 49 percent of total revenues in 2015 and 40 percent in 2014.

***Financial Analysis of the Organization's Funds***

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

The general fund is the chief operating fund of the Organization. At December 31, 2015, the unassigned fund balance of the general fund was \$961,808. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. At December 31, 2015, unassigned fund balance represents approximately 47 percent of the total fund expenditures.

The fund balance of the Organization's general fund decreased by \$6,281 during the current year. Revenues were down by \$151,589 while expenditures were also down by \$525,621. The increase in revenue is related to increased participation in the level one waiver administration and quality assurance programs. The increase in expenses is due to the TDD expense for both 2015 and 2014 being paid in 2014.

***General Fund Budgeting Highlights***

The Organization's budget is prepared at the request of the Board and is based on accounting for certain transactions on the cash basis. The only budgeted fund is the General Fund.

***Capital Assets and Debt Administration***

Capital Assets: The Organization's investment in capital assets for its governmental activities as of December 31, 2015, amounts to \$30,702 (net of accumulated depreciation). This investment in capital assets includes software, furniture and equipment. Note 5 provides' capital asset activity during 2015.

**North East Ohio Network**  
Mahoning County

*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2015*  
*Unaudited*

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***Current Issues***

The challenge for all governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. North East Ohio Network has been organized to provide services on a cost efficient basis to the member county boards of DD.

***Contacting North East Ohio Network's Financial Management***

This financial report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the Organization's finances and to reflect the Organization's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to the Business Manager, North East Ohio Network, 5121 Mahoning Avenue, Suite 102, Austintown, Ohio 44515-1895.



**North East Ohio Network**

Mahoning County, Ohio

*Statement of Net Position  
December 31, 2015*

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and Cash Equivalents	\$478,209
Investments	509,207
Deposits and Prepaid Expenses	8,597
Cash with Fiscal Agent	808
Accounts Receivable from other Governments	27,741
Net Pension Asset - PERS	9,005
Capital Assets, Net of Accumulated Depreciation	30,702
<i>Total Assets</i>	<u>1,064,269</u>
<b>Deferred Outflows of Resources</b>	
Pension:	
Traditional	201,782
Combined	10,942
<i>Total Deferred Outflows of Resources</i>	<u>212,724</u>
<i>Total Assets and Deferred Outflows</i>	<u>1,276,993</u>
<b>Liabilities</b>	
Current Liabilities:	
Due to other Governments	12,981
Accrued Wages and Benefits	41,176
<i>Total Current Liabilities</i>	<u>54,157</u>
Noncurrent Liabilities:	
Net Pension Liability	1,140,597
<i>Total Noncurrent Liabilities</i>	<u>1,140,597</u>
<i>Total Liabilities</i>	<u>1,194,754</u>
<b>Deferred Inflows of Resources</b>	
Pension:	
Traditional	20,038
Combined	2,748
<i>Total Deferred Inflows of Resources</i>	<u>22,786</u>
<i>Total Liabilities and Deferred Inflows of Resources</i>	<u>1,217,540</u>
<b>Net Position</b>	
Net Investment in Capital Assets	30,702
Unrestricted	28,751
<i>Total Net Position</i>	<u><u>\$59,453</u></u>

See accompanying notes to the basic financial statements.

**North East Ohio Network**

Mahoning County, Ohio

*Statement of Activities  
For the Year Ended December 31, 2015*

	Expenses	Net (Expense) Revenue and Changes in Net Position
<b>Governmental Activities</b>		<b>Governmental Activities</b>
Current Health:		
Wages	\$1,260,956	(\$1,260,956)
Employee Benefits	298,096	(298,096)
Payroll Taxes	17,725	(17,725)
Professional Fees	93,238	(93,238)
Office Expense	22,253	(22,253)
Rent	59,638	(59,638)
Software	48,098	(48,098)
Telephone	40,420	(40,420)
Postage	20,816	(20,816)
Travel and Meals	61,800	(61,800)
Seminars and Training	15,556	(15,556)
Miscellaneous	74,791	(74,791)
Depreciation	13,625	(13,625)
MAC Fees	11,611	(11,611)
Interest	400	(400)
<i>Total Governmental Activities</i>	<u>\$2,039,023</u>	<u>(2,039,023)</u>
<b>General Revenues</b>		
Waiver Administration		552,437
Family Support Services		423,168
Major Unusual Incidents		250,039
Membership Fees		56,000
Quality Assurance		263,746
Provider Training		122,569
MAC Revenue		322,897
Investment Earnings		1,599
Other		47,999
<i>Total General Revenues</i>		<u>2,040,454</u>
Change in Net Position		1,431
<i>Net Position Beginning of Year - Restated See Note 3</i>		58,022
<i>Net Position End of Year</i>		<u>\$59,453</u>

See accompanying notes to the basic financial statements.

**North East Ohio Network**

Mahoning County, Ohio

*Balance Sheet  
Governmental Funds  
December 31, 2015*

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	<u>General</u>
<b>Assets</b>	
Cash and Cash Equivalents	\$495,784
Investments	491,632
Deposits and Prepaid Expenses	8,597
Cash with Fiscal Agent	808
Accounts Receivable from other Governments	27,741
<i>Total Assets</i>	<u><u>\$1,024,562</u></u>
<b>Liabilities</b>	
Accrued Wages and Benefits Payable	41,176
Due to Other Governments	12,981
<i>Total Liabilities</i>	<u><u>54,157</u></u>
<b>Fund Balances</b>	
Nonspendable	8,597
Unassigned	961,808
<i>Total Fund Balances</i>	<u><u>970,405</u></u>
<i>Total Liabilities and Fund Balances</i>	<u><u>\$1,024,562</u></u>

See accompanying notes to the basic financial statements.

**North East Ohio Network**

Mahoning County, Ohio

*Reconciliation of Total Governmental Fund Balances to  
Net Position of Governmental Activities  
December 31, 2015*

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<b>Total Governmental Fund Balances</b>			\$970,405
 <i>Amounts reported for governmental activities in the statement of net position are different because</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			
			<u>30,702</u>
Some liabilities/assets, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds.			
Traditional	(1,140,597)		
Combined	<u>9,005</u>	\$	(1,131,592)
Total			
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.			
Deferred outflows of resources related to pensions:			
Traditional	201,782		
Combined	<u>10,942</u>		
Total		\$	212,724
Deferred inflows of resources related to pensions:			
Traditional	(20,038)		
Combined	<u>(2,748)</u>		
Total		\$	(22,786)
 <i>Net Position of Governmental Activities</i>			 <u><u>\$59,453</u></u>

See accompanying notes to the basic financial statements

## North East Ohio Network

Mahoning County, Ohio

*Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2015*

	<u>General</u>
<b>Revenues</b>	
Waiver Administration	\$552,437
Family Support Services Administration Fee	423,168
Major Unusual Incidents Fee	250,039
Membership Fees	56,000
Quality Assurance	263,746
Provider Training	122,569
Investment Earnings	1,599
Other	47,999
MAC Revenue	322,897
<i>Total Revenues</i>	<u>2,040,454</u>
<b>Expenditures</b>	
<i>Current:</i>	
Wages	1,260,956
Employee Benefits	319,433
Payroll Taxes	17,725
Professional Fees	93,238
Office Expense	22,253
Rent	59,638
Software	48,098
Telephone	40,420
Postage	20,816
Travel and Meals	61,800
Seminars and Training	15,556
Miscellaneous	85,622
Capital Outlay	780
Interest and Fiscal Charges	400
<i>Total Expenditures</i>	<u>2,046,735</u>
<i>Net Change in Fund Balance</i>	(6,281)
<i>Fund Balance Beginning of Year</i>	976,686
<i>Fund Balance End of Year</i>	<u><u>\$970,405</u></u>

See accompanying notes to the basic financial statements

**North East Ohio Network**

Mahoning County, Ohio

*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2015*

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<b>Net Change in Fund Balances - Total Governmental Funds</b>			(\$6,281)
 <i>Amounts reported for governmental activities in the statement of activities are different because</i>			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.			
Current Year Depreciation		<u>(13,625)</u>	
Total			<u>(13,625)</u>
 Governmental funds report pension contributions as expenditures However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense			
Direct pension contributions			
Traditional		(123,994)	
Combined		<u>(5,984)</u>	
Total			\$ (129,978)
 Cost of benefits earned net of employee contributions			
Traditional		140,923	
Combined		<u>10,392</u>	
Total			151,315
 <i>Change in Net Position of Governmental Activities</i>			 <u><u>\$1,431</u></u>

See accompanying notes to the basic financial statements

**North East Ohio Network**

Mahoning County, Ohio

*Statement of Fiduciary Net Position*

*Agency Funds*

*December 31, 2015*

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	<u>Agency</u>
<b>Assets</b>	
Cash and Investments	\$21,427,389
<i>Total Assets</i>	<u><u>\$21,427,389</u></u>
<b>Liabilities</b>	
Due to Other Governments	<u><u>\$21,427,389</u></u>

See accompanying notes to the basic financial statements

**North East Ohio Network  
Mahoning County, Ohio**

*Notes to the Basic Financial Statements  
December 31, 2015*

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**Note 1- Description of the Entity**

North East Ohio Network (the Organization) is a regional council of governments formed pursuant to Chapter 167 of the Ohio Revised Code by member county boards of developmental disabilities. The member counties are Ashtabula, Columbiana, Cuyahoga, Lake, Lorain, Mahoning, Medina, Portage, Richland, Stark, Summit, and Wayne. The purpose of the Organization is to better serve and benefit persons with disabilities in each member county by coordinating the powers and duties of the member boards. Substantially all revenues are received from the member boards or from the State of Ohio on their behalf.

**Note 2- Summary of Significant Accounting Policies**

The financial statements of the Organization have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Organization's accounting policies are described below.

**A. Fund Accounting**

The accounts of the Organization are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum numbers of funds are maintained consistent with legal and managerial requirements.

**Governmental Funds:** Governmental funds are used to account for the Organization's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). The Organization considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred.

**General Fund:** This fund is the Organization's primary operating fund. It accounts for all financial resources of the Organization, except those required to be accounted for in another fund.

**Fiduciary funds:** The agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. These funds are used to account for assets that the Organization holds for its member county boards.

**B. Basis of Presentation and Measurement Focus**

For financial statement reporting purposes the Organization is considered a single purpose governmental entity. The Organization's basic financial statements consist of fund financial statements presented with adjustments reconciling to government-wide financial statements.



**North East Ohio Network  
Mahoning County, Ohio**

*Notes to the Basic Financial Statements  
December 31, 2015*

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**Government-wide Financial Statements** - The Statement of Net Position and the Statement of Activities display information about the Organization as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The government-wide statements are prepared using the economic resources measurement focus. This approach differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between expenses and program revenues for each program of the Organization's governmental activities. Program revenues 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.

**Fund Financial Statements** - Fund financial statements report detailed information about the Organization. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

**Fund Balance** - The Organization reports classifications of fund balance based on the extent to which the Organization is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The following categories are used:

**Nonspendable** - amounts that cannot be spent because they are either (a) not in spendable form or (b) legally required to be maintained intact.

**Restricted** - amounts that have constraints placed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

**Committed** - amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Organization's highest level of decision-making authority, the Board of Trustees.

**Assigned** - amounts that are constrained by the Organization's intent to be used for specific purpose, but are neither restricted nor committed. Assigned amounts include those approved through the Organization's formal purchasing procedure by the Executive Director. Through the Organization's purchasing policy, the Board of Trustees has given the Executive Director the Organization to constrain monies for intended purposes.

**Unassigned** - residual fund balance within the general fund that is in spendable form that is not restricted, committed, or assigned.

**North East Ohio Network  
Mahoning County, Ohio**

*Notes to the Basic Financial Statements  
December 31, 2015*

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The Organization applies restricted resources first when an expense is incurred for purposes for which restricted and unrestricted fund balance is available. The Organization considers committed, assigned, and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

Agency funds do not report a measurement focus as they do not report operations.

**Expenditure Recognition:** The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. Allocations of costs such as depreciation and amortization are not recognized in the governmental funds.

**Cash and Cash Equivalents:** The Organization's cash and cash equivalents are considered to be cash on hand, demand deposits, money market funds and short-term investments with original maturities of three months or less from the date of acquisition.

**Investments:** Investments, primarily certificates of deposit, government securities, preferred stock, and corporate bonds, are stated at fair value.

**Capital Assets:** Capital assets include furniture, fixtures, and equipment owned by the Organization. These assets are reported in the government-wide financial statements. The Organization defines capital assets as assets with an initial, individual cost of \$2,000 or more. Capital assets are stated on the basis of historical cost, or, if contributed, at fair market value on the dates received.

Major outlays for capital assets and improvements are capitalized as the projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. Depreciation is computed using the straight-line method over the useful lives of 5 to 7 years.

**Prepaid Expenses:** Certain payments to vendors reflect costs applicable to future periods and are recorded as prepaid expenses.

**Deferred Outflows/Inflows of Resources** - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Organization, the deferred outflows of resources related to pension are explained in Note 6.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Organization, the deferred inflows of resources related to pension are reported on the statement of net position (see Note 6).

**Budgetary Information:** Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund. The budget is prepared by the Executive Director, Finance Director, and the Program Director and approved by the Board of North East Ohio Network. As this is not required by State statute, the budget is not considered to be legally adopted. Budget amounts may be amended periodically by the Board.

**North East Ohio Network  
Mahoning County, Ohio**

*Notes to the Basic Financial Statements  
December 31, 2015*

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**State Cost Report Recovery or Repayment:** Revenue from the State of Ohio for certain services provided by the Organization is based on tentative payment rates. Initial reimbursement or repayment is determined by the State after submission of annual cost reports. This initial determination is then subject to audit by the State. Revenue and expense is adjusted as required in subsequent periods based on final settlements. Settlements for calendar years through 2007 have been received or repaid. Although cost reports have been filed for 2010, 2009, and 2008, no determination has been made by the State of Ohio as to reimbursement or repayment.

**Pensions:** For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

**Net Position:** Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Organization or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

The Organization applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**Note 3 – Change in Accounting Principle & Restatement of Prior Year Net Position**

For fiscal year 2015, NEON has implemented Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27”, Statement No. 69, “Government Combinations and Disposals of Government Operations”, and Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68.”

GASB Statement No. 68 improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. The implementation of GASB 68 resulted in an overall restatement of beginning net position, as previously reported.

GASB Statement No. 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The Statement requires the use of carrying values to measure the assets and liabilities in a government merger. It also requires measurements of assets acquired and liabilities assumed to be based upon their acquisition values. This Statement also provides guidance for transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. The Statement also provides accounting and financial reporting guidance for disposals of government operations that have been transferred or sold.

**North East Ohio Network  
Mahoning County, Ohio**

*Notes to the Basic Financial Statements  
December 31, 2015*

Disclosures about government combinations and disposals of government operations are required to enable financial statement users to evaluate the nature and financial effects of those transactions. The implementation of GASB Statement No. 69 did not have an effect on the financial statements of NEON.

GASB Statement No. 71 addresses an issue regarding application of the transition provisions of Statement No. 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The implementation of GASB Statement No. 71 resulted in an overall restatement of beginning net position, as previously reported.

**A. Restatement of Prior Year Net Position**

	Government-Type Activities
Net Position at Dec. 31, 2014, as Previously Reported	\$1,021,013
<i>Implementation of GASB 68 &amp; GASB 71:</i>	
Net Pension Liability - PERS Traditional Plan	(1,114,834)
Net Pension Asset - PERS Combined Plan	2,454
<i>Deferred Outflows - Organization's Contributions Made During Fiscal Year 2014</i>	
PERS - Traditional	139,129
PERS - Combined	10,260
Adjusted Net Position at Dec. 31, 2014	\$58,022

**Note 4- Cash and Investments**

In accordance with Ohio Revised Code Section 167.04, the Organization invests in those instruments authorized by its written investment policy filed with the Auditor of the State which include (1) Bonds, notes, or other obligations guaranteed by the United States; (2) Bonds, notes, or other obligations issued by any Federal government agency; (3) Repurchase agreements under the terms of which agreement the Organization purchases and the seller agrees unconditionally to repurchase any of the securities listed in (1) or (2); (4) Bonds and other obligations of the State of Ohio; (5) No load money market mutual funds and (6) Investment grade corporate or commercial paper including preferred stock (up to a maximum of 25 percent of total investment assets).

**North East Ohio Network  
Mahoning County, Ohio**

*Notes to the Basic Financial Statements  
December 31, 2015*

Cash and investments as of December 31, 2015 are classified in the accompanying financial statements as follows:

Statement of Net Position and Governmental Fund Balance Sheet

Cash and Cash Equivalents	\$	478,209
Investments		509,207
Statement of Fiduciary Net Position - Agency Funds		21,427,389
Total Cash and Investments	\$	22,414,805

Cash and investments as of December 31, 2015 consisted of the following:

PNC Business Checking	\$	9,746,252
PNC Money Market Funds		5,902,584
Investments		6,765,969
Total Cash and Investments	\$	22,414,805

**Deposits:** At December 31, 2015, the book amount of the Organization's deposits in the PNC accounts was \$987,416, and the cash balance per the PNC statements was \$987,416.

All deposits and investments are held in PNC accounts as an investment advisor in the name of the Organization or jointly in the name of the Organization and the individual county. All amounts held by PNC are covered by Federal Deposit Insurance, Securities Investor Protection Corporation (SIPC) insurance, Excess SIPC coverage provided by surety bond, or financial guaranty insurance.

**Investments:**

As of December 31, 2015, the Organization had the following investments and maturities:

Investment Type	Total Fair Value	Less than 1 year	1-5 years
United States Treasury Notes	\$ 5,292,972	\$ 4,993,388	\$ 299,584
United States Agencies	\$ 1,472,997	\$ 473,011	\$ 999,986
Total	\$ 6,765,969	\$ 5,466,399	\$ 1,299,570

**Interest Rate Risk:** It is the Organization's investment policy to limit investment maturities to five years.

**Credit Rate Risk:** The PNC Institutional Fund is a money market fund with a rating of AAA from Moody's.

The following summarizes credit ratings for the Organization's investments in U.S. agencies not explicitly guaranteed by the U.S. government:

U.S. Agencies	Rating	Amount
Federal Home Loan Mtg. Corporation	AAA	\$ 668,959
Federal National Mortgage Association	AAA	804,707
		\$ 1,473,666
US Treasury Notes	AAA	\$ 5,292,972

**North East Ohio Network  
Mahoning County, Ohio**

*Notes to the Basic Financial Statements  
December 31, 2015*

**Concentration of Credit Risk:** The Organization places no limit on the amount the Organization may invest in any one issuer. More than 5% of the Organization's cash and investments are invested in US Treasury Notes, Federal National Mortgage Association and Federal Home Loan Mortgage Corporation. These investments are 23.86%, 3.62% and 3.02%, respectively; of the Organization's total cash and investments at December 31, 2015. In addition, PNC Money Market Funds and Business Checking Accounts are 26.61% and 42.90%, respectively, of cash and investments at December 31, 2015.

**Note 5 - Capital Assets**

Capital asset activity for the year ended December 31, 2015 was as follows:

*Governmental Activities: Capital assets being depreciated:*

	Beginning Balance 1/1/15	Additions	Deletions	Ending Balance 12/31/15
Furniture & Fixtures	\$12,442	0	\$0	\$12,442
Office Equip.	86,539	0	0	86,539
	98,981	0	0	98,981
<i>Less Accumulated Depreciation for:</i>				
A/D F&F	3,918	0	0	3,918
A/D Office Equip	50,736	13,625	0	64,361
Total Depreciation	\$54,654	\$13,625	\$0	\$68,279
 <i>Governmental Activities</i>				
<i>Capital Assets, Net</i>	\$ 44,327	\$ (13,625)	\$ -	\$ 30,702

Depreciation expense charged to governmental activities totaled \$13,625 for 2015.

**Note 6 – Defined Benefit Pension Plan**

***Net Pension Liability***

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions - between an employer and its employees - of salaries and benefits for employee services. Pensions are provided to an employee - on a deferred payment basis - as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the Organization's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the Organization's obligation for this liability to annually required payments. The Organization cannot control benefit terms or the manner in which pensions are financed; however, the Organization does receive the benefit of employees' services in exchange for compensation including pension.

**North East Ohio Network  
Mahoning County, Ohio**

*Notes to the Basic Financial Statements  
December 31, 2015*

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GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. A liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable*.

***Plan Description - Ohio Public Employees Retirement System (OPERS)***

Plan Description – The Organization participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over 5 years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional pension plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (800) 222-7377.

Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

**North East Ohio Network  
Mahoning County, Ohio**

*Notes to the Basic Financial Statements  
December 31, 2015*

<b>Group A</b> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	<b>Group B</b> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	<b>Group C</b> Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

		State and Local
<b>2015 Statutory Maximum Contribution Rates</b>		
Employer		14.0%
Employee		10.0%
<b>2015 Actual Contribution Rates</b>		
Employer:		
	Pension	12.0%
	Post-Employment Health Care Benefits	2.0%
	<b>Total Employer</b>	<b>14.0%</b>
	<b>Employee</b>	<b>10.0%</b>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Organization's contractual required contribution was \$233,919 for 2015. Of this amount, \$11,127 is reported as an intergovernmental payable.



**North East Ohio Network  
Mahoning County, Ohio**

*Notes to the Basic Financial Statements  
December 31, 2015*

***Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred inflows of Resources Related to Pensions***

The net pension liability for OPERS was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Organization's proportion of the net pension liability was based on the Organization's share of contributions to the pension plan relative to the projected contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	Traditional Plan	Combined Plan	OPERS Total
Proportionate Share of the Net Pension Liability (Asset)	\$1,140,597	(\$9,005)	\$1,131,592
Proportion of the Net Pension Liability (Asset)	0.00945700%	0.02339000%	
Pension Expense	\$123,994	\$5,984	\$129,978

At December 31, 2015, the Organization reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Traditional Plan	Combined Plan	OPERS Total
<b>Deferred Outflows of Resources</b>			
Net Difference between projected and actual earnings on pension plan investments	\$60,859	\$550	\$61,409
Organization contributions subsequent to the measurement date	140,923	10,392	151,315
Total Deferred Outflows of Resources	\$201,782	\$10,942	\$212,724
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$20,038	\$2,748	\$22,786

\$151,315 reported as deferred outflows of resources related to pension resulting from Organization contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	Traditional Plan	Combined Plan	OPERS Total
<b>Year Ending December 31:</b>			
2016	(\$5,969)	\$189	(\$5,780)
2017	(5,969)	189	(5,780)
2018	(13,668)	189	(13,479)
2019	(15,215)	189	(15,026)
Thereafter	0	1,442	1,442
Total	(\$40,821)	\$2,198	(\$38,623)

**North East Ohio Network  
Mahoning County, Ohio**

*Notes to the Basic Financial Statements  
December 31, 2015*

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***Actuarial Assumptions - OPERS***

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 Percent
Future Salary Increases, Including Inflation	4.25 Percent to 10.05 Percent, Including Wage Inflation
COLA or Ad hoc COLA	3 Percent, Simple
Investment Rate of Return	8.0 Percent
Actuarial Cost Method	Individual Entry Age

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projections Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighing the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in four investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

The allocation of investment assets with the Defined benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

**North East Ohio Network  
Mahoning County, Ohio**

*Notes to the Basic Financial Statements  
December 31, 2015*

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.31 %
Domestic Equities	19.90	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	19.10	7.40
Other Investments	18.00	4.59
Total	100.00 %	5.28 %

**Discount Rate** The discount rate used to measure the total pension liability was 8.0 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the Organization's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 8.0 percent, as well as what the Organization's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.0 percent), or one percentage point higher (9.0 percent) than the current rate.

	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
Organization's Proportionate Share of the Net Pension Liability (Asset) - Traditional Plan	\$2,098,414	\$1,140,597	\$333,927
Organization's Proportionate Share of the Net Pension Liability (Asset) - Combined Plan	1,170	(9,005)	(17,075)
Total OPERS	\$2,099,584	\$1,131,592	\$316,852

**Note 7 - Other Post-Employment Benefits**

**Plan Description** – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan - a cost-sharing, multiple-employer defined benefit pension plan; The Member-Directed Plan - a defined contribution plan; and the Combined Plan - a cost sharing, multiple employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains two cost-sharing multiple-employer defined benefit post-employment health care trusts, which fund multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the Traditional Pension and Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

**North East Ohio Network  
Mahoning County, Ohio**

*Notes to the Basic Financial Statements  
December 31, 2015*

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In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement No. 45. Please see the Plan Statement in the OPERS CAFR for details.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Organization to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

**Funding Policy** – The Ohio Revised Code provides the statutory authority requiring public employers to fund health care through their contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2015, State and Local employers contributed at a rate of 14.0 percent of earnable salary. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active member contributions do not fund health care.

OPERS maintains three health care trusts. The two cost-sharing, multiple-employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee’s Beneficiary Association (VEBA) that provides funding for Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0 percent during calendar year 2015. As recommended by OPERS’ actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0 percent for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to VEBA for participants in the Member-Directed Plan for 2015 was 4.5 percent.

The Organization’s contributions allocated to fund post-employment health care benefits for the years ended December 31, 2015, 2014, and 2013 were \$11,601, \$12,271 and \$11,601 respectively; 92 percent has been contributed for 2015 and 100 percent for 2014 and 2013.

**Note 8- Risk Management**

The Organization is exposed to various risks of loss related to torts and general liability; theft of, damage to, and destruction of assets, natural disasters; errors and omissions; and injuries to employees. The Organization maintains insurance to cover these risks. There has been no significant reduction in insurance coverage from the prior years. There have been no claims or settlements since the inception of the Organization.

**North East Ohio Network  
Mahoning County, Ohio**

*Notes to the Basic Financial Statements  
December 31, 2015*

Effective January 1, 2009, the Organization became self-insured for their vision and dental insurance coverage. The medical coverage is eligible for reimbursement up to 100% of the deductible which is \$2,000 for single and \$6,000 for family, if a network provider is utilized. The health coverage is managed through a third party administrator which processes all claims. The Organization funds annually what the third party administrator determines. The activity is accounted for through the general fund. The program administrator held prefunded cash deposits of \$808 at December 31, 2015, which the Organization reports as cash with fiscal agent. A liability of \$0 was established based on reserves for outstanding claims at December 31, 2015, as reported by the program administrator.

The following schedule represents the changes in claims liability for the past two fiscal years for the Organizations self-insurance program:

Fiscal Year	Beginning-of- Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2015	\$ 1,856	\$ 1,310	\$ (3,166)	\$ -
2014	\$ 5,592	\$ 8,423	\$ (12,159)	\$ 1,856

**Note 9 - Commitments**

**Leases:** The Organization rents office space under an operating lease expiring in 2015. Rent expense for 2015 was \$59,638.

Minimum annual rentals are as follows:

2015	\$59,638
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**NORTH EAST OHIO NETWORK**

December 31, 2015

*Required Supplementary Information*  
*Schedule of NEON'S Proportionate Share of the Net Pension Liability*  
*Ohio Public Employees Retirement System (OPERS) - Traditional Plan*  
*Last Two Fiscal Years (1)*

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	<u>2014</u>	<u>2013</u>
NEON'S Proportion of the Net Pension Liability	0.00945700%	0.00945700%
NEON'S Proportion Share of the Net Pension Liability	\$1,140,596	\$1,114,834
NEON'S Covered-Employee Payroll	\$1,395,890	\$1,595,230
NEON'S Proportion Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	81.71%	69.89%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (2)	86.45%	N/A

(1) Information prior to 2013 is not available.

(2) Information prior to 2014 is not available

Amounts presented as of the NEON'S measurement date which is December 31, 2014.

**NORTH EAST OHIO NETWORK**

December 31, 2015

*Required Supplementary Information*  
*Schedule of the NEON'S Proportionate Share of the Net Pension Liability*  
*Ohio Public Employees Retirement System (OPERS) - Combined Plan*  
*Last Two Fiscal Years (1)*

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	<u>2014</u>	<u>2013</u>
NEON'S Proportion of the Net Pension Asset	0.023390000%	0.023390000%
NEON'S Proportion Share of the Net Pension Asset	\$9,006	\$2,454
NEON'S Covered-Employee Payroll	\$103,370	\$122,910
NEON'S Proportion Share of the Net Pension Asset as a Percentage of its Covered-Employee Payroll	8.71%	2.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (2)	114.83%	N/A

(1) Information prior to 2013 is not available.

(2) Information prior to 2014 is not available

Amounts presented as of the NEON'S measurement date which is December 31, 2014.

**NORTH EAST OHIO NETWORK**

December 31, 2015

*Required Supplementary Information  
Schedule of NEON Contributions  
Ohio Public Employees Retirement System (PERS) - Traditional  
Last Ten Fiscal Years*

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	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$125,731	\$139,129	\$140,451
Contributions in Relation to the Contractually Required Contribution	(\$125,731)	(\$139,129)	(\$140,451)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
NEON Covered-Employee Payroll	\$1,047,758	\$1,159,408	\$1,170,421
Contributions as a Percentage of Covered-Employee Payroll	12.00%	12.00%	12.00%

(1) Information prior to 2013 available upon request.



**NORTH EAST OHIO NETWORK**

December 31, 2015

*Required Supplementary Information  
Schedule of NEON Contributions  
Ohio Public Employees Retirement System (PERS) - Combined  
Last Ten Fiscal Years*

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	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$12,961	\$10,259	\$10,356
Contributions in Relation to the Contractually Required Contribution	(\$12,961)	(\$10,259)	(\$10,356)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered-Employee Payroll	\$108,008	\$85,492	\$86,300
Contributions as a Percentage of Covered-Employee Payroll	12.00%	12.00%	12.00%

(1) Information prior to 2013 available upon request.

NORTH EAST OHIO NETWORK

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

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*OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

Information about factors that significantly affect trends in the amounts reported in the schedules should be presented as notes to the schedule.

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for fiscal year 2014 and 2015.

*Changes in assumptions:* There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014 and 2015. See the notes to the basic financial statements for the methods and assumptions in this calculation.

**North East Ohio Network**  
Mahoning County, Ohio

*Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Fund  
For the Year Ended December 31, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Waiver Administration	\$562,200	\$562,200	\$552,437	(\$9,763)
Family Support Services Admin. Fee	388,000	388,000	423,168	35,168
Major Unusual Incidents Fee	295,000	295,000	250,039	(44,961)
Provider Compliance	75,000	75,000	86,551	11,551
Quality Assurance	230,000	230,000	263,746	33,746
Provider Training	25,500	25,500	36,018	10,518
Financial Services/Investment Earnings	60,875	60,875	1,599	(59,276)
MAC	280,000	280,000	322,897	42,897
Membership Fees	56,000	56,000	56,000	0
Other	52,562	52,562	47,999	(4,563)
<i>Total Revenues</i>	<u>2,025,137</u>	<u>2,025,137</u>	<u>2,040,454</u>	<u>15,317</u>
<b>Expenditures</b>				
Current:				
Wages	1,271,768	1,271,768	1,260,956	10,812
Employee Benefits	361,135	361,135	319,433	41,702
Payroll Taxes	20,606	20,606	17,725	2,881
Professional Fees	61,000	61,000	93,238	(32,238)
Office Expense	22,500	22,500	22,253	247
Rent	68,500	68,500	59,638	8,862
Software	35,105	35,105	48,098	(12,993)
Telephone	39,617	39,617	40,420	(803)
Postage	22,500	22,500	20,816	1,684
Travel and Meals	74,400	74,400	61,800	12,600
Seminars and Training	12,000	12,000	15,556	(3,556)
MAC Fees	14,000	14,000	11,611	2,389
Miscellaneous	22,001	22,001	75,191	(53,190)
<i>Total Expenditures</i>	<u>2,025,132</u>	<u>2,025,132</u>	<u>2,046,735</u>	<u>(21,603)</u>
<i>Net Change in Fund Balance</i>	5	5	(6,281)	(6,286)
<i>Fund Balance Beginning of Year</i>	696,844	696,844	696,844	0
<i>Fund Balance End of Year</i>	<u>\$696,849</u>	<u>\$696,849</u>	<u>\$690,563</u>	<u>(\$6,286)</u>

North East Ohio Network  
Schedule of Funds Administered for County Boards  
Year Ended December 31, 2015

	Ashtabula	Columbiana	Cuyahoga	Lake	Lorain	Mahoning	Medina	Portage	Richland	Stark	Summit	Wayne	Total
Cash and investment balance- Cost-- January 1, 2015	\$ 1,053,377	\$ 900,888	\$ 197,712	\$ 7,091,161	\$ 936,604	\$ 88,759	\$ 81,224	\$ 88,761	\$ 3,404,318	\$ 3,314,768	\$ 4,968,173	\$ 26,415	\$ 22,152,160
Funds Received	1,634,772	1,919,376	2,118,664	3,126,714	-	476,300	570,338	475,015	2,173,584	30,113	-	-	12,524,876
Investment Earnings	-	-	-	7,239	-	-	-	-	6,157	2,168	5,502	-	21,066
Program Expenses	(1,724,359)	(2,084,829)	(1,850,378)	(3,547,190)	(259,843)	(267,560)	(435,154)	(463,768)	(1,695,600)	(910,646)	-	(20,175)	(13,259,502)
Bank Service Charges	-	-	-	(4,286)	-	-	-	-	(2,953)	(1,645)	-	-	(8,884)
Cash and investment balance- Cost - December 31, 2015	963,790	735,435	465,998	6,673,638	676,761	297,499	216,408	100,008	3,885,506	2,434,758	4,973,675	6,240	21,429,716
Unrealized Gain	-	-	-	(2,327)	-	-	-	-	-	-	-	-	(2,327)
Cash and investment balance- Market-- December 31, 2015	\$ 963,790	\$ 735,435	\$ 465,998	\$ 6,671,311	\$ 676,761	\$ 297,499	\$ 216,408	\$ 100,008	\$ 3,885,506	\$ 2,434,758	\$ 4,973,675	\$ 6,240	\$ 21,427,389
Accrued Interest Receivable	\$ -	\$ -	\$ -	\$ 2,231	\$ -	\$ -	\$ -	\$ -	\$ 2,678	\$ 956	\$ -	\$ -	\$ 5,865



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CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S 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**

North East Ohio Network  
Mahoning County  
5121 Mahoning Ave., Suite 102  
Austintown, Ohio 44515

To the Board of Trustees:

We have audited, in accordance with the 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, the financial statements of the governmental activities, the major fund (General), and the aggregate remaining fund information of the North East Ohio Network, Mahoning County (the Organization), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Organization's financial statements and have issued our report thereon dated July 28, 2017, wherein we noted the Organization adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 68, "*Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*" and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from 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*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



### **CANTER & ASSOCIATES**

Poland, Ohio

July 28, 2017

**NORTH EAST OHIO NETWORK  
MAHONING COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2015**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2014-001	Contracts for services provided to County Boards of Developmental Disabilities and the Mid-East Ohio Regional Council were not updated and inconsistent	Fully Corrected	N/A

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# Dave Yost • Auditor of State

**NORTH EAST OHIO NETWORK**

**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  
NOVEMBER 9, 2017**