



OHIO AUDITOR OF STATE  
**KEITH FABER**





**MAHONING COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
MAHONING COUNTY  
JUNE 30, 2018 AND 2017**

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# OHIO AUDITOR OF STATE KEITH FABER



## INDEPENDENT AUDITOR'S REPORT

Mahoning County Family and Children First Council  
Mahoning County  
300 East Scott Street  
Youngstown, Ohio 44505

To the Executive Council:

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

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mahoning County Family and Children First Council, Mahoning County, Ohio (the Council), as of and for the years ended June 30, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

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

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Mahoning County Family and Children First Council, Mahoning County, Ohio, as of June 30, 2018 and 2017, and the respective changes in cash financial position thereof for the years then ended in accordance with the accounting basis described in Note 2.

**Accounting Basis**

We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

**Other Matters**

*Other Information*

Our audit was conducted to opine on the financial statements taken as a whole.

We applied no procedures to management's discussion & analysis as listed in the table of contents. Accordingly, we express no opinion or any other assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 8, 2019, on our consideration of the Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State

Columbus, Ohio

April 8, 2019

## **Mahoning County Family and Children First Council**

### **Mahoning County**

*Management's Discussion and Analysis*

*For the Year Ended June 30, 2018*

*(Unaudited)*

The management's discussion and analysis of the Mahoning County Family and Children First Council's (the "Council") financial performance provides an overall review of the Council's financial activities for the fiscal year ended June 30, 2018, within the limitations of the Council's cash basis of accounting. The intent of this discussion and analysis is to look at the Council's financial performance as a whole; readers should also review the cash-basis financial statements and the notes to the financial statements to enhance their understanding of the Council's financial performance.

### **Financial Highlights**

Key financial highlights for fiscal year 2018 are as follows:

- The total net cash position of the governmental activities decreased from \$108,290 to \$21,398.
- General cash receipts accounted for \$68,850 or 17% of total governmental activities cash receipts. Program specific cash receipts accounted for \$333,343 or 83% of total governmental activities cash receipts.
- The Council had \$489,760 in cash disbursements related to governmental activities; these cash disbursements were offset by program specific grants or contributions of \$282,256 and program specific charges for services of \$51,087. General cash receipts of \$69,525 were not adequate to provide for the Council's programs.
- The Council's major funds are the General fund, Help Me Grow fund, Family Centered Services fund, Home Choice fund, ENGAGE System of Care fund, the Flexible Funding Pool fund, and the JJC RECLAIM fund. The General fund had cash receipts of \$80,999 and cash disbursements of \$128,997. The general fund's cash balance decreased from \$12,298 to (\$35,700) during the year.

### **Using the Financial Statements**

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

The statement of net position and statement of activities provide information about the activities of the whole Council, both presenting an aggregate view of the Council's cash basis finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Council's most significant funds with all other nonmajor funds presented in total in one column. In the case of the Council, there are six major governmental funds; the General fund, Help Me Grow fund, Family Centered Service fund, Home Choice fund, ENGAGE System of Care fund, the Flexible Funding Pool fund, and the JJC RECLAIM fund.

**Mahoning County Family and Children First Council**  
**Mahoning County**  
*Management's Discussion and Analysis*  
*For the Year Ended June 30, 2018*  
*(Unaudited)*

**Reporting the Council as a Whole**

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

The statement of net position and the statement of activities answer the question, how did we do financially during fiscal year 2018? These statements include *only net position* using the *cash basis of accounting*, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. This basis of accounting takes into account only the current year's receipts and disbursements if the cash is actually received or paid.

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

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

In the statement of net position and the statement of activities, the governmental activities includes the Council's programs and services including administration and support services as well as various community and social services.

The statement of net position and the statement of activities can be found on pages 11-12 of this report.

**Reporting the Council's Most Significant Funds**

***Fund Financial Statements***

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Council, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Council can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The Council has no proprietary or fiduciary funds.

Fund financial reports provide detailed information about the Council's major funds. The Council uses several funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Council's most significant funds. The Council's major governmental funds are the General fund, Help Me Grow fund, Family Centered Services fund, HomeChoice fund, ENGAGE System of Care fund, the Flexible Funding Pool fund, and the JJC RECLAIM fund. The analysis of the Council's major governmental funds begins on page 7.



**Mahoning County Family and Children First Council**  
**Mahoning County**  
*Management's Discussion and Analysis*  
*For the Year Ended June 30, 2018*  
*(Unaudited)*

***Governmental Funds***

The Council's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The governmental fund statements provide a detailed view of the Council's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer cash basis financial resources that can be readily spent to finance various Council programs. Since the Council is reporting on the cash basis of accounting, there are no differences in the net cash position and fund cash balances or changes in net cash position and changes in fund cash balances. Therefore, no reconciliation is necessary between such financial statements. The governmental fund statements can be found on pages 13-14 of this report.

***Notes to the Financial Statements***

The notes provide additional information that is essential to full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15-25 of this report.

**Government-Wide Financial Analysis**

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

The table below provides a summary of the Council's net cash position for fiscal year 2018.

<b>Net Cash Position</b>	
	Governmental Activities <u>2018</u>
<b>Assets</b>	
Equity in pooled cash and cash equivalents	\$ 21,398
Total assets	<u>21,398</u>
 <b>Net cash position</b>	
Restricted	69,214
Unrestricted	<u>(47,816)</u>
Total net cash position	<u>\$ 21,398</u>

The total net cash position of the Council's governmental activities decreased \$86,892 during fiscal year 2018. Restricted net cash position represents resources that are subject to external restrictions on how they may be used. At June 30, 2018, the Council had no unrestricted funds available.

**Mahoning County Family and Children First Council**  
**Mahoning County**  
*Management's Discussion and Analysis*  
*For the Year Ended June 30, 2018*  
(Unaudited)

The table below shows the changes in net cash position for fiscal year 2018.

	Governmental Activities 2018	Governmental Activities 2017
<b>Cash Receipts:</b>		
Program cash receipts:		
Charges for services and sales	\$ 51,087	\$ 46,113
Operating grants and contributions	282,256	268,487
Total program cash receipts	<u>333,343</u>	<u>314,600</u>
General cash receipts:		
Local sources	68,850	3,900
Miscellaneous	675	-
Total general cash receipts	<u>69,525</u>	<u>3,900</u>
Total cash receipts	402,868	318,500
 <b>Cash Disbursements:</b>		
General government	240,406	171,992
Social services	249,354	310,713
Total cash disbursements	<u>489,760</u>	<u>482,705</u>
Change in net cash position	<u>(86,892)</u>	<u>(164,205)</u>
Net cash position at beginning of year	<u>108,290</u>	<u>272,495</u>
Net cash position at end of year	<u><u>\$ 21,398</u></u>	<u><u>\$ 108,290</u></u>

**Governmental Activities**

As the preceding table shows, the Council experienced a significant increase in cash receipts in fiscal year 2018, which is mainly due to an increase in local funding. Cash disbursements remained relatively static. The increase in cash receipts was 26%, while cash disbursements increased 1%.

The primary sources of cash receipts for governmental activities are operating grants and contributions and charges for services, which comprise 70% and 13% of total governmental cash receipts. These cash receipts are restricted in use and are used to fund the Council's social services programs.

The largest cash disbursement of the Council is for social services. These cash disbursements totaled \$249,354 or 51% of total governmental cash disbursements for fiscal year 2018.

**Mahoning County Family and Children First Council**  
**Mahoning County**  
*Management's Discussion and Analysis*  
*For the Year Ended June 30, 2018*  
*(Unaudited)*

The statement of activities shows the cost of program services and the program cash receipts (operating grants and contributions and charges for service) offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2018. That is, it identifies the cost of these services supported by the Council's general cash receipts.

**Governmental Activities**

	Total Cost of Services 2018	Net Cost of Services 2018	Total Cost of Services 2017	Net Cost of Services 2017
Cash disbursements:				
General government	\$ 240,406	\$ (189,319)	\$ 171,992	\$ (125,879)
Social services	249,354	32,902	310,713	(42,226)
<b>Total</b>	<u><u>\$ 489,760</u></u>	<u><u>\$ (156,417)</u></u>	<u><u>\$ 482,705</u></u>	<u><u>\$ (168,105)</u></u>

The dependence upon program cash receipts for governmental activities is apparent; with most cash disbursements supported through program cash receipts from operating grants and contributions during 2018.

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

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

***Governmental Funds***

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

The Council's governmental funds reported a combined fund cash balance of \$21,398, which is \$86,8925 below last year's total of \$108,290. The schedule below indicates the fund cash balance and the total change in fund cash balance as of June 30, 2018 for all major and nonmajor governmental funds.

	Fund Cash Balance June 30, 2018	Fund Cash Balance June 30, 2017	Increase (Decrease)
Major Funds:			
General	\$ (35,700)	\$ 12,298	\$ (47,998)
Help Me Grow	18,986	(29,018)	48,004
Family Centered Services	(12,116)	30,243	(42,359)
Home Choice	1,259	5,138	(3,879)
ENGAGE System of Care	-	8,088	(8,088)
Flexible Funding Pool	45,277	72,849	(27,572)
JJC RECLAIM	3,692	8,692	(5,000)
<b>Total</b>	<u><u>\$ 21,398</u></u>	<u><u>\$ 108,290</u></u>	<u><u>\$ (86,892)</u></u>

**Mahoning County Family and Children First Council**

**Mahoning County**

*Management's Discussion and Analysis*

*For the Year Ended June 30, 2018*

*(Unaudited)*

***General Fund***

The General fund had cash receipts of \$80,999 and cash disbursements of \$128,997 in 2018. The General fund's cash balance decreased \$47,998 from 2017 to 2018.

***Help Me Grow Fund***

The Help Me Grow fund is a Council major fund and had cash receipts, mostly state and federal grants, of \$157,973 and cash disbursements of \$109,969 in 2018. The Help Me Grow fund cash balance increased \$48,004 from 2017 to 2018.

***Family Centered Services Fund***

The Family Centered Services fund is a major fund used to account for intergovernmental receipts from the state that are restricted for family intervention services. Cash receipts were \$60,588 and cash disbursements were \$102,947 in 2018, resulting in a decrease in fund cash balance of \$42,359.

***Home Choice Fund***

This fund, a Council major fund, is used to account for the coordination of the Home Choice program. The fund had cash receipts of \$47,797 during the year and cash disbursements of \$51,676 in 2018 resulting in a decrease in the cash fund balance of \$3,879.

***ENGAGE System of Care Fund***

The ENGAGE System of Care fund is a Council major fund and had no cash receipts and cash disbursements of \$8,088 in 2018. The ENGAGE System of Care fund was a new fund created in 2015 for the receipt of federal grant funds to be spent during subsequent fiscal periods.

***Flexible Funding Pool Fund***

The Flexible Funding Pool fund is a Council major fund created in 2016 which had \$45,148 in cash receipts and \$72,720 in cash disbursements during 2018.

***JJC RECLAIM Fund***

The JJC RECLAIM fund is a Council major fund which had no cash receipts and \$5,000 in cash disbursements during 2018.

**Capital Assets and Debt Administration**

***Capital Assets***

The Council does not record capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements. The Council did not have any capital outlay disbursements during fiscal year 2018.

***Debt Administration***

The Council had no long-term debt obligations outstanding at June 30, 2018.

**Mahoning County Family and Children First Council**  
**Mahoning County**  
*Management's Discussion and Analysis*  
*For the Year Ended June 30, 2018*  
*(Unaudited)*

**Current Financial Related Activities**

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

**Contacting the Council's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Council's finances and to show the Council's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Jennifer Pangio, Fiscal Officer, Mahoning County Family and Children First Council, 300 East Scott Street, Youngstown, Ohio 44505.

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**Mahoning County Family and Children First Council**  
**Mahoning County**  
*Statement of Net Position - Cash Basis*  
*June 30, 2018*

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	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 21,398</u>
Total Assets	<u><u>21,398</u></u>
<b>Net Position</b>	
Restricted for:	
State and federally funded programs	69,214
Unrestricted (Deficit)	<u>(47,816)</u>
Total Net Position	<u><u>\$ 21,398</u></u>

*See accompanying notes to the basic financial statements*

**Mahoning County Family and Children First Council**  
**Mahoning County**  
*Statement of Activities - Cash Basis*  
*June 30, 2018*

	Cash Disbursements	Program Cash Receipts		Net (Cash Disbursements) Cash Receipts and Change in Net Cash Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>				
General Government	\$ 240,406	\$ 51,087	\$ -	\$ (189,319)
Social Services	249,354	-	282,256	32,902
Total Governmental Activities	<u>\$ 489,760</u>	<u>\$ 51,087</u>	<u>282,256</u>	<u>(156,417)</u>
<b>General Cash Receipts:</b>				
				68,850
				<u>675</u>
				<u>69,525</u>
				(86,892)
				<u>108,290</u>
				<u>\$ 21,398</u>

*See accompanying notes to the basic financial statements*



**Mahoning County Family and Children First Council**  
**Mahoning County**  
*Statement of Cash Basis Assets and Fund Balances*  
June 30, 2018

	General	Help Me Grow	Family Centered Services	Home Choice	ENGAGE System of Care Fund	Flexible Funding Pool	JJC RECLAIM	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>									
Equity in Pooled Cash and Cash Equivalents	\$ (35,700)	\$ 18,986	\$ (12,116)	\$ 1,259	\$ -	\$ 45,277	\$ 3,692	\$ -	\$ 21,398
Total Assets	<u>(35,700)</u>	<u>18,986</u>	<u>(12,116)</u>	<u>1,259</u>	<u>-</u>	<u>45,277</u>	<u>3,692</u>	<u>-</u>	<u>21,398</u>
<b>Fund Balances</b>									
Restricted:									
State and federally funded programs	-	18,986	-	1,259	-	45,277	3,692	-	69,214
Unassigned (Deficit)	<u>(35,700)</u>	<u>-</u>	<u>(12,116)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(47,816)</u>
Total Fund Balances	<u>\$ (35,700)</u>	<u>\$ 18,986</u>	<u>\$ (12,116)</u>	<u>\$ 1,259</u>	<u>\$ -</u>	<u>\$ 45,277</u>	<u>\$ 3,692</u>	<u>\$ -</u>	<u>\$ 21,398</u>

See accompanying notes to the basic financial statements

**Mahoning County Family and Children First Council**  
**Mahoning County**  
*Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances*  
*For the Fiscal Year Ended June 30, 2018*

	General	Help Me Grow	Family Centered Services	Home Choice	ENGAGE System of Care Fund	Flexible Funding Pool	JJC RECLAIM	Other Governmental Funds	Total Governmental Funds
<b>Cash Receipts</b>									
Local Sources	\$ 23,850	\$ -	\$ -	\$ -	\$ -	\$ 45,000	\$ -	\$ -	\$ 68,850
Intergovernmental - State	-	54,326	15,147	47,797	-	-	-	15,750	133,020
Intergovernmental - Federal	-	103,630	45,441	-	-	-	-	-	149,071
Charges for Services	51,087	-	-	-	-	-	-	-	51,087
Miscellaneous	675	17	-	-	-	148	-	-	840
<b>Total Cash Receipts</b>	<b>75,612</b>	<b>157,973</b>	<b>60,588</b>	<b>47,797</b>	<b>-</b>	<b>45,148</b>	<b>-</b>	<b>15,750</b>	<b>402,868</b>
<b>Cash Disbursements</b>									
Personal Services	88,932	647	-	-	8,088	72,720	-	15,750	186,137
Contractual Services	-	-	10,564	43,000	-	-	-	-	53,564
Community Services	39,360	109,322	86,996	8,676	-	-	5,000	-	249,354
Supplies and Materials	562	-	-	-	-	-	-	-	562
Miscellaneous	143	-	-	-	-	-	-	-	143
<b>Total Cash Disbursements</b>	<b>128,997</b>	<b>109,969</b>	<b>97,560</b>	<b>51,676</b>	<b>8,088</b>	<b>72,720</b>	<b>5,000</b>	<b>15,750</b>	<b>489,760</b>
Excess of Receipts Over (Under) Disbursements	(53,385)	48,004	(36,972)	(3,879)	(8,088)	(27,572)	(5,000)	-	(86,892)
<b>Other Financing Sources (Uses)</b>									
Transfers In	5,387	-	-	-	-	-	-	-	5,387
Transfers Out	-	-	(5,387)	-	-	-	-	-	(5,387)
<b>Total Other Financing Sources (Uses)</b>	<b>5,387</b>	<b>-</b>	<b>(5,387)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	(47,998)	48,004	(42,359)	(3,879)	(8,088)	(27,572)	(5,000)	-	(86,892)
<b>Fund Balances Beginning of Year</b>	<b>12,298</b>	<b>(29,018)</b>	<b>30,243</b>	<b>5,138</b>	<b>8,088</b>	<b>72,849</b>	<b>8,692</b>	<b>-</b>	<b>108,290</b>
<b>Fund Balances End of Year</b>	<b>\$ (35,700)</b>	<b>\$ 18,986</b>	<b>\$ (12,116)</b>	<b>\$ 1,259</b>	<b>\$ -</b>	<b>\$ 45,277</b>	<b>\$ 3,692</b>	<b>\$ -</b>	<b>\$ 21,398</b>

See accompanying notes to the basic financial statements

## **Mahoning County Family and Children First County**

### **Mahoning County**

*Notes to the Financial Statements*

*For the Year Ended June 30, 2018*

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#### **Note 1 – Reporting Entity**

Ohio Revised Code Section 121.37 created the Ohio Family and Children First Cabinet Council and required each Board of County Commissioners to establish a County Family and Children First Council. Statutory membership of County Council consists of the following individuals:

1. At least three individuals representing the interest of families in the County. Where possible, the number of members representing families shall be equal to twenty percent of the Council's remaining membership;
2. 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. If a Board of Alcohol, Drug Addition, and Mental Health Services covers more than one County, the Director may designate a person to participate on the County's Council;
3. The Health Commissioner, or the Commissioner's designee, of the Board of Health of each City or General Health District in the County. If the County has two or more health districts, the Health Commissioner membership may be limited to the Commissioners of the two districts with the largest populations;
4. The Director of the County Department of Job and Family Services;
5. The Executive Director of the public children services agency or the County agency responsible for the administration of children services pursuant to the Ohio Revised Code Section 5153.15;
6. The Superintendent of the County Board of Developmental Disabilities or if the Superintendent serves as Superintendent as more than one County Board of Developmental Disabilities, the Superintendent's designee;
7. 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 Ohio Department of Education, which shall notify each County of its determination at least biennially;
8. 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;
9. A representative of the municipal corporation with the largest population in the County;
10. The President of the Board of County Commissioners or an individual designated by the Board;
11. A representative of the regional office of the Ohio Department of Youth Services;
12. A representative of the County's Head Start agencies, as defined in Ohio Revised Code Section 3301.32;
13. 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"; and

**Mahoning County Family and Children First County**  
**Mahoning County**

*Notes to the Financial Statements*  
*For the Year Ended June 30, 2018*

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**Note 1 – Reporting Entity (continued)**

14. A representative of a local nonprofit entity that funds, advocates, or provides services to children and families.

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.

The purpose of the County Council is to streamline and coordinate existing government services for families seeking services for their children. In seeking to fulfill its purpose, a County Council shall provide for the following:

1. Referrals to the Cabinet Council of those children for whom the County Council cannot provide adequate services;
2. Development and implementation of a process that annually evaluates and prioritizes services, fills service gaps where possible, and invents new approaches to achieve better results for families and children;
3. Participation in the development of a countywide, 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 “Individuals with Disabilities Education Act of 2004”;
4. Maintenance of an accountability system to monitor the County Council’s progress in achieving results for families and children; and
5. Establishment of 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.

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

***Basis of Presentation***

These financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Council’s policies.

The Council’s basic financial statements consist of the government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Mahoning County Family and Children First County**  
**Mahoning County**

*Notes to the Financial Statements*  
*For the Year Ended June 30, 2018*

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**Note 2 – Summary of Significant Accounting Policies (continued)**

*Government-Wide Financial Statements*

The statement of net position and the statement of activities display information about the Council as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The statement of net position presents the cash balance of the governmental activities of the Council at year end. The statement of activities compares disbursements and program receipts for each program or function of the Council's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Council is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program.

Receipts which are not classified as program receipts are presented as general receipts of the Council, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a cash basis or draws from the general receipts of the Council.

*Fund Financial Statements*

During the year, the Council segregates transactions related to certain Council functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Council at a more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

***Fund Accounting***

The Council uses funds to maintain its financial records during the year. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts. The Council classifies each fund as either governmental, proprietary or fiduciary. The Council reports only governmental funds.

*Governmental Funds*

Governmental funds are those through which most governmental functions of the Council are financed. The following are the Council's major governmental funds:

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

**Mahoning County Family and Children First County**  
**Mahoning County**

*Notes to the Financial Statements*  
*For the Year Ended June 30, 2018*

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**Note 2 – Summary of Significant Accounting Policies (continued)**

***Help Me Grow*** - This fund is made up of three programs combined to form the Help Me Grow Program. They are Early Intervention Services Part C, central coordination for Part C and home visiting, and central coordination for the Maternal, Infant and Early Childhood Home Visiting (MIECHV) program, all from the Ohio Department of Health. These monies are for the promotion of the well-being of young children through home-based specialized services and public awareness, with a special emphasis on early intervention and prevention.

***Family Centered Services Fund*** - This fund accounts for monies from the State to provide services to support and encourage family activities and memberships within the community.

***Home Choice*** – This fund accounts for the Council’s coordination of the Home Choice program.

***ENGAGE System of Care Fund*** – This fund accounts for monies from the federal government passed through the Ohio Mental Health and Addiction Services – Office of Prevention and Wellness, to expand the System of Care approach statewide for youth and young adults ages 14 through 21 years with serious emotional disturbances, with or without co-occurring disorders, who have been, or are currently involved, or are at risk of involvement with child welfare, juvenile justice, or criminal justice systems, and/or are homeless or are at risk of homelessness.

***Flexible Funding Pool*** – This fund accounts for monies received from members for the general support of the Council programs. The expenditure of these funds is monitored and approved by an advisory Clinical Committee.

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

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

***Administrative/Fiscal Agent***

Ohio Revised Code Section 121.37(B)(5)(a) requires the Council to select an administrative agent to provide fiscal and administrative services to the Council. The Council has selected the Mahoning County Juvenile Court (the Court). The Council authorizes the Court, as fiscal agent and administrative agent, to subcontract with, designate, and/or seek assistance from any agencies and/or organizations that it deems necessary in order to complete the obligations set forth in this agreement. The Court agrees to be ultimately responsible for fulfilling the fiscal and administrative obligations of this agreement.

***Basis of Accounting***

The Council’s financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Council’s financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

**Mahoning County Family and Children First County**  
**Mahoning County**

*Notes to the Financial Statements*  
*For the Year Ended June 30, 2018*

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**Note 2 – Summary of Significant Accounting Policies (continued)**

As a result of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

***Budgetary Process***

A Family and Children First Council established under ORC Section 121.37 is not a taxing authority and is not subject to Ohio Revised Code Chapter 5705. As of October 1997, the Council is required to file a budget with the Administrative Agent. This budget includes appropriations, estimated resources and encumbrances.

*Appropriations* – The Council is required by its fiscal agent to adopt annual appropriations.

*Estimated Resources* – The Council’s estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of July 1.

*Encumbrances* – The Council reserves (encumbers) appropriations when commitments are made, in accordance with the procedures of its fiscal agent. Encumbrances outstanding at year-end are carried over and are not re-appropriated.

All monies (grants, contracts, fees and other receipts) paid to the Council are deposited by the fiscal agent to the Council’s funds which have been created for the purpose of accounting for Council receipts and disbursements.

***Deposits and Investments***

To improve cash management, cash received by the Council is pooled and deposited with the County Auditor. Individual fund integrity is maintained through Council records. Interest in the pool is presented as “Equity in Cash and Cash Equivalents”.

***Capital Assets***

Acquisitions of property, plant, and equipment purchased are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

***Accumulated Leave***

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Council’s cash basis of accounting.

***Employer Contributions to Cost-Sharing Pension Plans***

The Council recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 5 and 6, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**Mahoning County Family and Children First County**  
**Mahoning County**

*Notes to the Financial Statements*  
*For the Year Ended June 30, 2018*

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**Note 2 – Summary of Significant Accounting Policies (continued)**

***Interfund Transactions***

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds.

Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented in the financial statements.

***Fund Balances***

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

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

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

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

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

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



**Mahoning County Family and Children First County**  
**Mahoning County**

*Notes to the Financial Statements*  
*For the Year Ended June 30, 2018*

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**Note 2 – Summary of Significant Accounting Policies (continued)**

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

***Net Cash Position***

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

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

**Note 3 – Accountability and Compliance**

At June 30, 2018, the General Fund and Family Centered Services Fund had deficit fund balances in the amount of \$35,700 and \$12,116, respectively. This is an increase in the deficit fund balance from the last reporting period.

Although the Council is not required to comply with Ohio Revised Code section 5705.09, accountability requirements mandate that a special revenue fund should be created to maintain the integrity of the expenditures and receipts of restricted grant funds. The Council's accounting records did not reflect the JJC RECLAIM Coordination Service fund activity in a separate fund but included it in the general operating fund of the Council. It has been segregated and reported in a separate fund on the basic financial statements.

**Note 4 – Equity in Pooled Cash and Cash Equivalents**

The County maintains a depository which includes the funds of the Council. The Ohio Revised Code prescribes allowable deposits and investments. The Council's carrying amount of cash on deposit with the County at June 30, 2018, was \$21,398. The County is responsible for maintaining adequate depository collateral for all funds in the County's pooled and deposit accounts.

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

**Mahoning County Family and Children First County**  
**Mahoning County**

*Notes to the Financial Statements*  
*For the Year Ended June 30, 2018*

**Note 5 – Defined Benefit Pension Plan**

***Ohio Public Employees Retirement System (OPERS)***

Plan Description – All Council employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Council employees) 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 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.

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):

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	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.

**Mahoning County Family and Children First County**  
**Mahoning County**

*Notes to the Financial Statements*  
*For the Year Ended June 30, 2018*

**Note 5 – Defined Benefit Pension Plan (continued)**

For those retiring prior to January 7, 2013, the COLA will continue to be a 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>2017 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
 <b>2017 Actual Contribution Rates</b>	
Employer:	
Pension	13.0 %
Post-employment Health Care Benefits	1.0
Total Employer	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Council’s contractually required contribution was \$15,669 for fiscal year 2018.

**Note 6 – Postemployment Benefits**

***Ohio Public Employees Retirement System (OPERS)***

Plan Description – OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 10 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 45. The Ohio Revised Code permits, but does not mandate, OPERS to provide the OPEB Plan to its eligible members and beneficiaries. Authority to establish and amend the OPEB Plan is provided in Chapter 145 of the Ohio Revised Code.

**Mahoning County Family and Children First County**  
**Mahoning County**

*Notes to the Financial Statements*  
*For the Year Ended June 30, 2018*

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**Note 6 – Postemployment Benefits (continued)**

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, 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 statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post retirement health care coverage.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. For the year ending June 30, 2018, state and local government employers contributed at a rate of 14% of earnable salary. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active members 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 and Combined plans. The third trust is a Voluntary Employee’s Beneficiary Association (VEBA) that provides funding for a 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 1% during calendar year 2017 and remained the same through the fiscal year end. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefits 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 the VEBA for participants in the Member-Directed Plan for 2015 was 4.5% (latest information available).

The Council’s contributions allocated to fund post-employment healthcare benefits for the year ended June 30, 2018 was \$1,119. All required contributions have been made for fiscal year 2018.

**Note 7 – Risk Management**

The Council is exposed to various risks of loss related to torts, theft, damage, or destruction of assets, errors and omissions, employee injuries, and natural disasters. To mitigate these risks, the Council is a named covered member under Mahoning County’s insurance coverage policy.

The County is a member of County Risk Sharing Authority, Inc. (CORSA) which is a shared risk pool of sixty-one counties in Ohio. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverages provided by CORSA. These coverages include comprehensive general liability, automobile liability, certain property insurance and public officials’ errors and omission liability insurance.

**Mahoning County Family and Children First County**  
**Mahoning County**

*Notes to the Financial Statements*  
*For the Year Ended June 30, 2018*

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**Note 7 – Risk Management (continued)**

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of CORSA are managed by an elected Board of not more than nine trustees. Only County Commissioners of member counties are eligible to serve on the Board. No county may have more than one representative on the Board at any one time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the Board of Trustees.

The County pays the State Workers' Compensation System a premium based on a rate per \$100 of employee compensation. The rate is calculated based on accident history and administrative costs.

There were no significant reductions in insurance coverage from the prior year in any category of risk. Settled claims have not exceeded coverage in any of the past three years.

**Note 8 – Contingent Liabilities**

Management is not currently aware of any pending litigation.

Amounts grantor agencies pay to the Council are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

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## **Mahoning County Family and Children First Council**

### **Mahoning County**

*Management's Discussion and Analysis*

*For the Year Ended June 30, 2017*

*(Unaudited)*

The management's discussion and analysis of the Mahoning County Family and Children First Council's (the "Council") financial performance provides an overall review of the Council's financial activities for the fiscal year ended June 30, 2017, within the limitations of the Council's cash basis of accounting. The intent of this discussion and analysis is to look at the Council's financial performance as a whole; readers should also review the cash-basis financial statements and the notes to the financial statements to enhance their understanding of the Council's financial performance.

### **Financial Highlights**

Key financial highlights for fiscal year 2017 are as follows:

- The total net cash position of the governmental activities decreased from \$272,495 to \$108,290.
- General cash receipts accounted for \$3,900 or 1% of total governmental activities cash receipts. Program specific cash receipts accounted for \$314,600 or 99% of total governmental activities cash receipts.
- The Council had \$482,705 in cash disbursements related to governmental activities; these cash disbursements were offset by program specific grants or contributions of \$268,487 and program specific charges for services of \$46,113. General cash receipts of \$3,900 were not adequate to provide for the Council's programs.
- The Council's major funds are the General fund, Help Me Grow fund, Family Centered Services fund, Home Choice fund, ENGAGE System of Care fund and the Flexible Funding Pool fund. The General fund had cash receipts of \$84,999 and cash disbursements of \$38,976. The general fund's cash balance increased from (\$33,725) to \$12,298 during the year.

### **Using the Financial Statements**

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

The statement of net position and statement of activities provide information about the activities of the whole Council, both presenting an aggregate view of the Council's cash basis finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Council's most significant funds with all other nonmajor funds presented in total in one column. In the case of the Council, there are six major governmental funds; the General fund, Help Me Grow fund, Family Centered Service fund, Home Choice fund, ENGAGE System of Care fund and the Flexible Funding Pool fund.

**Mahoning County Family and Children First Council**  
**Mahoning County**  
*Management's Discussion and Analysis*  
*For the Year Ended June 30, 2017*  
*(Unaudited)*

**Reporting the Council as a Whole**

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

The statement of net position and the statement of activities answer the question, how did we do financially during fiscal year 2017? These statements include *only net position* using the *cash basis of accounting*, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. This basis of accounting takes into account only the current year's receipts and disbursements if the cash is actually received or paid.

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

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

In the statement of net position and the statement of activities, the governmental activities includes the Council's programs and services including administration and support services as well as various community and social services.

The statement of net position and the statement of activities can be found on pages 35-36 of this report.

**Reporting the Council's Most Significant Funds**

***Fund Financial Statements***

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Council, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Council can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The Council has no proprietary or fiduciary funds.

Fund financial reports provide detailed information about the Council's major funds. The Council uses several funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Council's most significant funds. The Council's major governmental funds are the General fund, Help Me Grow fund, Family Centered Services fund, HomeChoice fund, ENGAGE System of Care fund and the Flexible Funding Pool fund. The analysis of the Council's major governmental funds begins on page 31.



**Mahoning County Family and Children First Council**  
**Mahoning County**  
*Management's Discussion and Analysis*  
*For the Year Ended June 30, 2017*  
*(Unaudited)*

***Governmental Funds***

The Council's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The governmental fund statements provide a detailed view of the Council's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer cash basis financial resources that can be readily spent to finance various Council programs. Since the Council is reporting on the cash basis of accounting, there are no differences in the net cash position and fund cash balances or changes in net cash position and changes in fund cash balances. Therefore, no reconciliation is necessary between such financial statements. The governmental fund statements can be found on pages 37-38 of this report.

***Notes to the Financial Statements***

The notes provide additional information that is essential to full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39-49 of this report.

**Government-Wide Financial Analysis**

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

The table below provides a summary of the Council's net cash position for fiscal year 2017.

<b>Net Cash Position</b>	
	Governmental Activities <u>2017</u>
<b>Assets</b>	
Equity in pooled cash and cash equivalents	\$ 108,290
Total assets	<u>108,290</u>
 <b>Net cash position</b>	
Restricted	125,010
Unrestricted	<u>(16,720)</u>
Total net cash position	<u>\$ 108,290</u>

The total net cash position of the Council's governmental activities decreased \$164,205 during fiscal year 2017. Restricted net cash position represents resources that are subject to external restrictions on how they may be used. At June 30, 2017, the Council had \$12,298 that was unrestricted in use.

**Mahoning County Family and Children First Council**  
**Mahoning County**  
*Management's Discussion and Analysis*  
*For the Year Ended June 30, 2017*  
(Unaudited)

The table below shows the changes in net cash position for fiscal year 2017.

	Governmental Activities 2017	Governmental Activities 2016
<b>Cash Receipts:</b>		
Program cash receipts:		
Charges for services and sales	\$ 46,113	\$ 47,866
Operating grants and contributions	268,487	730,868
Total program cash receipts	<u>314,600</u>	<u>778,734</u>
General cash receipts:		
Local sources	<u>3,900</u>	<u>9,283</u>
Total general cash receipts	<u>3,900</u>	<u>9,283</u>
Total cash receipts	318,500	788,017
<b>Cash Disbursements:</b>		
General government	171,992	172,521
Social services	<u>310,713</u>	<u>454,829</u>
Total cash disbursements	<u>482,705</u>	<u>627,350</u>
Change in net cash position	<u>(164,205)</u>	<u>160,667</u>
Net cash position at beginning of year	<u>272,495</u>	<u>111,828</u>
Net cash position at end of year	<u><u>\$ 108,290</u></u>	<u><u>\$ 272,495</u></u>

**Governmental Activities**

As the preceding table shows, the Council experienced a significant decrease in cash receipts in fiscal year 2017, which is mainly due to a change in the administration of the Help Me Grow program, the completion of grant programs previously administered by the Council and the timing of Help Me Grow reimbursement requests during the year. The preceding table also shows a significant decrease in cash disbursements during the year, which was due to the reduced expenditure of administrative costs and grant programs. The decrease in cash receipts was 60%, while cash disbursements decreased 23%.

The primary sources of cash receipts for governmental activities are operating grants and contributions and charges for services, which comprise 85% and 14% of total governmental cash receipts. These cash receipts are restricted in use and are used to fund the Council's social services programs.

The largest cash disbursement of the Council is for social services. These cash disbursements totaled \$310,713 or 64% of total governmental cash disbursements for fiscal year 2017.

**Mahoning County Family and Children First Council**  
**Mahoning County**  
*Management's Discussion and Analysis*  
*For the Year Ended June 30, 2017*  
*(Unaudited)*

The statement of activities shows the cost of program services and the program cash receipts (operating grants and contributions and charges for service) offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2017. That is, it identifies the cost of these services supported by the Council's general cash receipts.

**Governmental Activities**

	Total Cost of Services 2017	Net Cost of Services 2017	
Cash disbursements:			
General government	\$ 171,992	\$ (125,879)	
Social services	310,713	(42,226)	
Total	\$ 482,705	\$ (168,105)	

The dependence upon program cash receipts for governmental activities is apparent; with all cash disbursements supported through program cash receipts from operating grants and contributions during 2017.

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

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

***Governmental Funds***

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

The Council's governmental funds reported a combined fund cash balance of \$108,290, which is \$164,205 below last year's total of \$272,495. The schedule below indicates the fund cash balance and the total change in fund cash balance as of June 30, 2017 for all major and nonmajor governmental funds.

	Fund Cash Balance June 30, 2017	Fund Cash Balance June 30, 2016	Increase (Decrease)
Major Funds:			
General	\$ 12,298	\$ (33,725)	\$ 46,023
Help Me Grow	(29,018)	93,485	(122,503)
Family Centered Services	30,243	32,081	(1,838)
Home Choice	5,138	(438)	5,576
ENGAGE System of Care	8,088	62,800	(54,712)
Flexible Funding Pool	72,849	85,000	(12,151)
Nonmajor Governmental Funds	8,692	33,292	(24,600)
Total	\$ 108,290	\$ 272,495	\$ (164,205)

**Mahoning County Family and Children First Council**  
**Mahoning County**  
*Management's Discussion and Analysis*  
*For the Year Ended June 30, 2017*  
*(Unaudited)*

***General Fund***

The General fund had cash receipts of \$84,999 and cash disbursements of \$38,976 in 2017. The General fund's cash balance increased \$46,023 from 2016 to 2017.

***Help Me Grow Fund***

The Help Me Grow fund is a Council major fund and had cash receipts, mostly state and federal grants, of \$128,768 and cash disbursements of \$251,271 in 2017. The Help Me Grow fund cash balance decreased \$122,503 from 2016 to 2017.

***Family Centered Services Fund***

The Family Centered Services fund is a major fund used to account for intergovernmental receipts from the state that are restricted for family intervention services. Cash receipts were \$45,835 and cash disbursements were \$47,673 in 2017, resulting in a decrease in fund cash balance of \$1,838.

***Home Choice Fund***

This fund, a Council major fund, is used to account for the coordination of the Home Choice program. The fund had cash receipts of \$43,148 during the year and cash disbursements of \$37,572 in 2017 resulting in an increase in the cash fund balance of \$5,576.

***ENGAGE System of Care Fund***

The ENGAGE System of Care fund is a Council major fund and had no cash receipts and cash disbursements of \$54,712 in 2017. The ENGAGE System of Care fund was a new fund created in 2015 for the receipt of federal grant funds to be spent during subsequent fiscal periods.

***Flexible Funding Pool Fund***

The Flexible Funding Pool fund is a Council major fund created in 2016 which had no cash receipts and \$12,151 in cash disbursements during 2017.

**Capital Assets and Debt Administration**

***Capital Assets***

The Council does not record capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements. The Council did not have any capital outlay disbursements during fiscal year 2017.

***Debt Administration***

The Council had no long-term debt obligations outstanding at June 30, 2017.

**Mahoning County Family and Children First Council**  
**Mahoning County**  
*Management's Discussion and Analysis*  
*For the Year Ended June 30, 2017*  
*(Unaudited)*

**Current Financial Related Activities**

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

**Contacting the Council's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Council's finances and to show the Council's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Jennifer Pangio, Fiscal Officer, Mahoning County Family and Children First Council, 300 East Scott Street, Youngstown, Ohio 44505.

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**Mahoning County Family and Children First Council**  
**Mahoning County**  
*Statement of Net Position - Cash Basis*  
*June 30, 2017*

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	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 108,290</u>
Total Assets	<u><u>108,290</u></u>
<b>Net Position</b>	
Restricted for:	
State and federally funded programs	125,010
Unrestricted (Deficit)	<u>(16,720)</u>
Total Net Position	<u><u>\$ 108,290</u></u>

*See accompanying notes to the basic financial statements*

**Mahoning County Family and Children First Council**  
**Mahoning County**  
*Statement of Activities - Cash Basis*  
*June 30, 2017*

		Program Cash Receipts		Net (Cash Disbursements) Cash Receipts and Change in Net Cash Position
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>				
General Government	\$ 171,992	\$ 46,113	\$ -	\$ (125,879)
Social Services	310,713	-	268,487	(42,226)
Total Governmental Activities	\$ 482,705	\$ 46,113	268,487	(168,105)
<b>General Cash Receipts:</b>				
Local Sources				3,900
Total General Cash Receipts				3,900
Change in Net Position				(164,205)
<b>Net Position Beginning of Year</b>				272,495
<b>Net Position End of Year</b>				\$ 108,290

*See accompanying notes to the basic financial statements*



**Mahoning County Family and Children First Council**  
**Mahoning County**  
*Statement of Cash Basis Assets and Fund Balances*  
*June 30, 2017*

	General	Help Me Grow	Family Centered Services	Home Choice	ENGAGE System of Care Fund	Flexible Funding Pool	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>								
Equity in Pooled Cash and Cash Equivalents	\$ 12,298	\$ (29,018)	\$ 30,243	\$ 5,138	\$ 8,088	\$ 72,849	\$ 8,692	\$ 108,290
Total Assets	<u>12,298</u>	<u>(29,018)</u>	<u>30,243</u>	<u>5,138</u>	<u>8,088</u>	<u>72,849</u>	<u>8,692</u>	<u>108,290</u>
<b>Fund Balances</b>								
Restricted:								
State and federally funded programs	-	-	30,243	5,138	8,088	72,849	8,692	125,010
Assigned:								
Community Services	12,298	-	-	-	-	-	-	12,298
Unassigned (Deficit)	-	(29,018)	-	-	-	-	-	(29,018)
Total Fund Balances	<u>\$ 12,298</u>	<u>\$ (29,018)</u>	<u>\$ 30,243</u>	<u>\$ 5,138</u>	<u>\$ 8,088</u>	<u>\$ 72,849</u>	<u>\$ 8,692</u>	<u>\$ 108,290</u>

*See accompanying notes to the basic financial statements*

**Mahoning County Family and Children First Council**  
**Mahoning County**  
*Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances*  
*For the Fiscal Year Ended June 30, 2017*

	General	Help Me Grow	Family Centered Services	Home Choice	ENGAGE System of Care Fund	Flexible Funding Pool	Other Governmental Funds	Total Governmental Funds
<b>Cash Receipts</b>								
Local Sources	\$ 38,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,900
Intergovernmental - State	-	47,327	11,459	43,148	-	-	15,750	117,684
Intergovernmental - Federal	-	81,427	34,376	-	-	-	-	115,803
Charges for Services	49,341	-	-	-	-	-	-	49,341
Miscellaneous	183	14	-	-	-	-	-	197
<b>Total Cash Receipts</b>	<b>88,424</b>	<b>128,768</b>	<b>45,835</b>	<b>43,148</b>	<b>-</b>	<b>-</b>	<b>15,750</b>	<b>321,925</b>
<b>Cash Disbursements</b>								
Personal Services	25,509	8,345	-	-	54,712	12,151	15,750	116,467
Contractual Services	-	3,800	-	30,005	-	-	15,536	49,341
Community Services	12,420	239,126	47,673	-	-	-	11,494	310,713
Supplies and Materials	900	-	-	7,567	-	-	995	9,462
Miscellaneous	147	-	-	-	-	-	-	147
<b>Total Cash Disbursements</b>	<b>38,976</b>	<b>251,271</b>	<b>47,673</b>	<b>37,572</b>	<b>54,712</b>	<b>12,151</b>	<b>43,775</b>	<b>486,130</b>
Net Change in Fund Balances	49,448	(122,503)	(1,838)	5,576	(54,712)	(12,151)	(28,025)	(164,205)
<b>Fund Balances Beginning of Year</b>	<b>(37,150)</b>	<b>93,485</b>	<b>32,081</b>	<b>(438)</b>	<b>62,800</b>	<b>85,000</b>	<b>36,717</b>	<b>272,495</b>
<b>Fund Balances End of Year</b>	<b>\$ 12,298</b>	<b>\$ (29,018)</b>	<b>\$ 30,243</b>	<b>\$ 5,138</b>	<b>\$ 8,088</b>	<b>\$ 72,849</b>	<b>\$ 8,692</b>	<b>\$ 108,290</b>

*See accompanying notes to the basic financial statements*

**Mahoning County Family and Children First County**  
**Mahoning County**

*Notes to the Financial Statements*  
*For the Year Ended June 30, 2017*

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**Note 1 – Reporting Entity**

Ohio Revised Code Section 121.37 created the Ohio Family and Children First Cabinet Council and required each Board of County Commissioners to establish a County Family and Children First Council. Statutory membership of County Council consists of the following individuals:

1. At least three individuals representing the interest of families in the County. Where possible, the number of members representing families shall be equal to twenty percent of the Council’s remaining membership;
2. 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. If a Board of Alcohol, Drug Addition, and Mental Health Services covers more than one County, the Director may designate a person to participate on the County’s Council;
3. The Health Commissioner, or the Commissioner’s designee, of the Board of Health of each City or General Health District in the County. If the County has two or more health districts, the Health Commissioner membership may be limited to the Commissioners of the two districts with the largest populations;
4. The Director of the County Department of Job and Family Services;
5. The Executive Director of the public children services agency or the County agency responsible for the administration of children services pursuant to the Ohio Revised Code Section 5153.15;
6. The Superintendent of the County Board of Developmental Disabilities or if the Superintendent serves as Superintendent as more than one County Board of Developmental Disabilities, the Superintendent’s designee;
7. 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 Ohio Department of Education, which shall notify each County of its determination at least biennially;
8. 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;
9. A representative of the municipal corporation with the largest population in the County;
10. The President of the Board of County Commissioners or an individual designated by the Board;
11. A representative of the regional office of the Ohio Department of Youth Services;
12. A representative of the County’s Head Start agencies, as defined in Ohio Revised Code Section 3301.32;
13. 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”; and

**Mahoning County Family and Children First County**  
**Mahoning County**

*Notes to the Financial Statements*  
*For the Year Ended June 30, 2017*

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**Note 1 – Reporting Entity (continued)**

14. A representative of a local nonprofit entity that funds, advocates, or provides services to children and families.

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.

The purpose of the County Council is to streamline and coordinate existing government services for families seeking services for their children. In seeking to fulfill its purpose, a County Council shall provide for the following:

1. Referrals to the Cabinet Council of those children for whom the County Council cannot provide adequate services;
2. Development and implementation of a process that annually evaluates and prioritizes services, fills service gaps where possible, and invents new approaches to achieve better results for families and children;
3. Participation in the development of a countywide, 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 “Individuals with Disabilities Education Act of 2004”;
4. Maintenance of an accountability system to monitor the County Council’s progress in achieving results for families and children; and
5. Establishment of 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.

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

***Basis of Presentation***

These financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Council’s policies.

The Council’s basic financial statements consist of the government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Mahoning County Family and Children First County**

**Mahoning County**

*Notes to the Financial Statements*

*For the Year Ended June 30, 2017*

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**Note 2 – Summary of Significant Accounting Policies (continued)**

*Government-Wide Financial Statements*

The statement of net position and the statement of activities display information about the Council as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The statement of net position presents the cash balance of the governmental activities of the Council at year end. The statement of activities compares disbursements and program receipts for each program or function of the Council's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Council is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program.

Receipts which are not classified as program receipts are presented as general receipts of the Council, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a cash basis or draws from the general receipts of the Council.

*Fund Financial Statements*

During the year, the Council segregates transactions related to certain Council functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Council at a more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

***Fund Accounting***

The Council uses funds to maintain its financial records during the year. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts. The Council classifies each fund as either governmental, proprietary or fiduciary. The Council reports only governmental funds.

*Governmental Funds*

Governmental funds are those through which most governmental functions of the Council are financed. The following are the Council's major governmental funds:

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

**Mahoning County Family and Children First County**  
**Mahoning County**

*Notes to the Financial Statements*  
*For the Year Ended June 30, 2017*

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**Note 2 – Summary of Significant Accounting Policies (continued)**

***Help Me Grow*** - This fund is made up of three programs combined to form the Help Me Grow Program. They are Early Intervention Services Part C, central coordination for Part C and home visiting, and central coordination for the Maternal, Infant and Early Childhood Home Visiting (MIECHV) program, all from the Ohio Department of Health. These monies are for the promotion of the well-being of young children through home-based specialized services and public awareness, with a special emphasis on early intervention and prevention.

***Family Centered Services Fund*** - This fund accounts for monies from the State to provide services to support and encourage family activities and memberships within the community.

***Home Choice*** – This fund accounts for the Council’s coordination of the Home Choice program.

***ENGAGE System of Care Fund*** – This fund accounts for monies from the federal government passed through the Ohio Mental Health and Addiction Services – Office of Prevention and Wellness, to expand the System of Care approach statewide for youth and young adults ages 14 through 21 years with serious emotional disturbances, with or without co-occurring disorders, who have been, or are currently involved, or are at risk of involvement with child welfare, juvenile justice, or criminal justice systems, and/or are homeless or are at risk of homelessness.

***Flexible Funding Pool*** – This fund accounts for monies received from members for the general support of the Council programs. The expenditure of these funds is monitored and approved by an advisory Clinical Committee.

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

***Administrative/Fiscal Agent***

Ohio Revised Code Section 121.37(B)(5)(a) requires the Council to select an administrative agent to provide fiscal and administrative services to the Council. The Council has selected the Mahoning County Juvenile Court (the Court). The Council authorizes the Court, as fiscal agent and administrative agent, to subcontract with, designate, and/or seek assistance from any agencies and/or organizations that it deems necessary in order to complete the obligations set forth in this agreement. The Court agrees to be ultimately responsible for fulfilling the fiscal and administrative obligations of this agreement.

***Basis of Accounting***

The Council’s financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Council’s financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

**Mahoning County Family and Children First County**  
**Mahoning County**

*Notes to the Financial Statements*  
*For the Year Ended June 30, 2017*

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**Note 2 – Summary of Significant Accounting Policies (continued)**

***Budgetary Process***

A Family and Children First Council established under ORC Section 121.37 is not a taxing authority and is not subject to Ohio Revised Code Chapter 5705. As of October 1997, the Council is required to file a budget with the Administrative Agent. This budget includes appropriations, estimated resources and encumbrances.

*Appropriations* – The Council is required by its fiscal agent to adopt annual appropriations.

*Estimated Resources* – The Council’s estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of July 1.

*Encumbrances* – The Council reserves (encumbers) appropriations when commitments are made, in accordance with the procedures of its fiscal agent. Encumbrances outstanding at year-end are carried over and are not re-appropriated.

All monies (grants, contracts, fees and other receipts) paid to the Council are deposited by the fiscal agent to the Council’s funds which have been created for the purpose of accounting for Council receipts and disbursements.

***Deposits and Investments***

To improve cash management, cash received by the Council is pooled and deposited with the County Auditor. Individual fund integrity is maintained through Council records. Interest in the pool is presented as “Equity in Cash and Cash Equivalents”.

***Capital Assets***

Acquisitions of property, plant, and equipment purchased are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

***Accumulated Leave***

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Council’s cash basis of accounting.

***Employer Contributions to Cost-Sharing Pension Plans***

The Council recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 5 and 6, the employer contributions include portions for pension benefits and for postretirement health care benefits.

***Interfund Transactions***

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds.

**Mahoning County Family and Children First County**  
**Mahoning County**

*Notes to the Financial Statements*  
*For the Year Ended June 30, 2017*

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**Note 2 – Summary of Significant Accounting Policies (continued)**

Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented in the financial statements.

***Fund Balances***

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

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

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

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

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

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

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



**Mahoning County Family and Children First County**  
**Mahoning County**

*Notes to the Financial Statements*  
*For the Year Ended June 30, 2017*

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**Note 2 – Summary of Significant Accounting Policies (continued)**

***Net Cash Position***

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

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

**Note 3 – Accountability and Compliance**

At June 30, 2017, the Help Me Grow Fund had a deficit fund balance in the amount of \$29,018. This is an increase in the deficit fund balance from the last reporting period and is due to the reimbursement basis of the Help Me Grow program.

Although the Council is not required to comply with Ohio Revised Code section 5705.09, accountability requirements mandate that a special revenue fund should be created to maintain the integrity of the expenditures and receipts of restricted grant funds. The Council's accounting records did not reflect the JJC RECLAIM Coordination Service fund activity in a separate fund but included it in the general operating fund of the Council. It has been segregated and reported in a separate fund on the basic financial statements.

**Note 4 – Equity in Pooled Cash and Cash Equivalents**

The County maintains a depository which includes the funds of the Council. The Ohio Revised Code prescribes allowable deposits and investments. The Council's carrying amount of cash on deposit with the County at June 30, 2017, was \$108,290. The County is responsible for maintaining adequate depository collateral for all funds in the County's pooled and deposit accounts.

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

**Note 5 – Defined Benefit Pension Plan**

***Ohio Public Employees Retirement System (OPERS)***

Plan Description – All Council employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Council employees) 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.

**Mahoning County Family and Children First County**  
**Mahoning County**

*Notes to the Financial Statements*  
*For the Year Ended June 30, 2017*

**Note 5 – Defined Benefit Pension Plan (continued)**

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional 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.

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):

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	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 a 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.

**Mahoning County Family and Children First County**  
**Mahoning County**

*Notes to the Financial Statements*  
*For the Year Ended June 30, 2017*

**Note 5 – Defined Benefit Pension Plan (continued)**

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

	State and Local
<b>2016 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
 <b>2016 Actual Contribution Rates</b>	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0
 Total Employer	 14.0 %
 Employee	 10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Council’s contractually required contribution was \$10,920 for fiscal year 2017.

**Note 6 – Postemployment Benefits**

***Ohio Public Employees Retirement System (OPERS)***

Plan Description – OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 10 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 45. The Ohio Revised Code permits, but does not mandate, OPERS to provide the OPEB Plan to its eligible members and beneficiaries. Authority to establish and amend the OPEB Plan is provided 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/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 614-222-5601 or 800-222-7377.

**Mahoning County Family and Children First County**  
**Mahoning County**

*Notes to the Financial Statements*  
*For the Year Ended June 30, 2017*

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**Note 6 – Postemployment Benefits (continued)**

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. For the year ending June 30, 2017, state and local government employers contributed at a rate of 14% of earnable salary. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active members 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 and Combined plans. The third trust is a Voluntary Employee’s Beneficiary Association (VEBA) that provides funding for a 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% during calendar year 2016. As recommended by OPERS’ actuary, the portion of employer contributions allocated to health care beginning January 1, 2017 decreased to 1% 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 benefits 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 the VEBA for participants in the Member-Directed Plan for 2015 was 4.5% (latest information available).

The Council’s contributions allocated to fund post-employment healthcare benefits for the year ended June 30, 2017 was \$1,560. All required contributions have been made for fiscal year 2017.

**Note 7 – Risk Management**

The Council is exposed to various risks of loss related to torts, theft, damage, or destruction of assets, errors and omissions, employee injuries, and natural disasters. To mitigate these risks, the Council is a named covered member under Mahoning County’s insurance coverage policy.

The County is a member of County Risk Sharing Authority, Inc. (CORSA) which is a shared risk pool of sixty-one counties in Ohio. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverages provided by CORSA. These coverages include comprehensive general liability, automobile liability, certain property insurance and public officials’ errors and omission liability insurance.

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of CORSA are managed by an elected Board of not more than nine trustees. Only County Commissioners of member counties are eligible to serve on the Board. No county may have more than one representative on the Board at any one time. Each member county’s control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the Board of Trustees.

**Mahoning County Family and Children First County**  
**Mahoning County**

*Notes to the Financial Statements*  
*For the Year Ended June 30, 2017*

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**Note 7 – Risk Management (continued)**

The County pays the State Workers' Compensation System a premium based on a rate per \$100 of employee compensation. The rate is calculated based on accident history and administrative costs.

There were no significant reductions in insurance coverage from the prior year in any category of risk. Settled claims have not exceeded coverage in any of the past three years.

**Note 8 – Contingent Liabilities**

Management is not currently aware of any pending litigation.

Amounts grantor agencies pay to the Council are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Note 9 – Prior Period Restatement**

During the current period, it was noted that the prior period audited fund balances did not reflect the reported fund balances of the fiscal agent. This resulted in the understatement of the General Fund balance and the overstatement of the Ohio Children's Trust Fund as shown below:

	General <u>Fund</u>	Other <u>Governmental</u>
Fund balance/Net position June 30, 2016	\$ (37,150)	\$ 36,717
Adjustments:		
Payroll Account Balance	<u>3,425</u>	<u>(3,425)</u>
Restated net position June 30, 2016	<u>\$ (33,725)</u>	<u>\$ 33,292</u>

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# OHIO AUDITOR OF STATE KEITH FABER



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

Mahoning County Family and Children First Council  
Mahoning County  
300 East Scott Street  
Youngstown, Ohio 44505

To the Executive Council

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Mahoning County Family and Children First Council, Mahoning County, (the Council) as of and for the years ended June 30, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements and have issued our report thereon dated April 8, 2019, wherein we noted the Council uses a special purpose framework other than generally accepted accounting principles.

### ***Internal Control Over Financial Reporting***

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

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

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

***Compliance and Other Matters***

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

***Purpose of this Report***

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



Keith Faber  
Auditor of State

Columbus, Ohio

April 8, 2019





300 E. Scott Street  
 Youngstown, OH 44505  
 Ph. (330)740-2244  
 Fax (330)740-2272

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

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDING  
 JUNE 30, 2018 AND 2017**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2016-001	Significant Deficiency- there were two posting errors on the financial statements.	Fully Corrected	

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# OHIO AUDITOR OF STATE KEITH FABER



**MAHONING COUNTY FAMILY AND CHILDREN FIRST COUNCIL**

**MAHONING COUNTY**

### **CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MAY 9, 2019**