



**Auditor of State
Betty Montgomery**

**PORTAGE FAMILY AND CHILDREN FIRST COUNCIL
PORTAGE COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2002.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2001.....	4
Notes to the Financial Statements	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	11

This page intentionally left blank.



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Portage Family and Children First Council
Portage County
449 S. Meridian St.
Ravenna, Ohio 44266

To the Executive Committee:

We have audited the accompanying financial statements of Portage Family and Children First Council, Portage County, as of and for the years ended December 31, 2002 and 2001. These financial statements are the responsibility of Family and Children First Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 1, the Family and Children First Council prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Family and Children First Council, as of December 31, 2002 and 2001, and its combined cash receipts and cash disbursements and reserves for encumbrances for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2003 on our consideration of Family and Children First Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of management, the Executive Committee, and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

December 30, 2003

**PORTAGE FAMILY & CHILDREN FIRST COUNCIL
PORTAGE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Refunds/Reimbursements	\$1,492		\$1,492
Intergovernmental Receipts	20,000	\$104,522	124,522
Total Cash Receipts	<u>21,492</u>	<u>104,522</u>	<u>126,014</u>
Cash Disbursements:			
Salaries and Benefits	1,179	24,367	25,546
Utilities	112		112
Contract-Services	5,479	90,895	96,374
Materials & Supplies	22		22
Travel/Dues/Periodicals	231		231
Total Cash Disbursements	<u>7,023</u>	<u>115,262</u>	<u>122,285</u>
Total Receipts Over/(Under) Disbursements	<u>14,469</u>	<u>(10,740)</u>	<u>3,729</u>
Fund Cash Balances, January 1	<u>14,923</u>	<u>51,323</u>	<u>66,246</u>
Fund Cash Balances, December 31	<u>\$29,392</u>	<u>\$40,583</u>	<u>\$69,975</u>
Reserve for Encumbrances, December 31	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

**PORTAGE FAMILY & CHILDREN FIRST COUNCIL
PORTAGE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Sales & Service	\$14,000		\$14,000
Gifts & Donations		\$500	500
Refunds/Reimbursements	4,392	115	4,507
Intergovernmental Receipts	20,000	213,804	233,804
	<u>38,392</u>	<u>214,419</u>	<u>252,811</u>
Total Cash Receipts			
Cash Disbursements:			
Salaries and benefits	32,048	21,292	53,340
Maintenance & Repairs	1,591		1,591
Contract-Services	(264)	180,078	179,814
Materials & Supplies	477	1,571	2,048
Travel/Dues/Periodicals	760		760
Other	977	820	1,797
Reimbursements		2,688	2,688
	<u>35,589</u>	<u>206,449</u>	<u>242,038</u>
Total Cash Disbursements			
Total Receipts Over/(Under) Disbursements	<u>2,803</u>	<u>7,970</u>	<u>10,773</u>
Fund Cash Balances, January 1 (See note 5)	<u>12,120</u>	<u>43,353</u>	<u>55,473</u>
Fund Cash Balances, December 31	<u>\$14,923</u>	<u>\$51,323</u>	<u>\$66,246</u>
Reserve for Encumbrances, December 31	<u>\$188</u>	<u>\$9,381</u>	<u>\$9,569</u>

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

**FAMILY AND CHILDREN FIRST COUNCIL
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Section 121.37 of the Ohio Revised Code, created the Ohio Family and Children First Cabinet Council and permitted counties to establish County Family and Children First Councils (the Council). Statutory membership of the Council consists of the following individuals:

- a. The director of the board of alcohol, drug addiction, and mental health services that serves the county, or, in the case of a county that has a board of alcohol and drug addiction services and a community mental health board, the directors of both boards;
- b. The health commissioner of the board of health of each city or general health district in the county or their designees;
- c. The director of the county department of job and family services;
- d. The executive director of the county agency responsible for the administration of children services pursuant to section 5153.15 of the Revised Code;
- e. The superintendent of the county board of mental retardation and developmental disabilities;
- f. The county's juvenile court judge senior in service;
- g. The superintendent of the city, exempted village, or local school district with the largest number of pupils residing in the county, as determined by the department of education, which shall notify each county of its determination at least biennially;
- h. A school superintendent representing all other school districts with territory in the county, as designated at a biennial meeting of the superintendents of those districts;
- i. A representative of the largest city in the county;
- j. The chair of the board of county commissioners, or an individual designated by the board;
- k. A representative of the regional office of the department of youth services;
- l. A representative of the county's head start agencies, as defined in Section 3301.31 of the Revised Code;
- m. A representative of the county's early intervention collaborative established pursuant to the federal early intervention program operated under the "Education of the Handicapped Act Amendments of 1986";
- n. At least, three individuals representing the interests of families in the county. Where possible, the number of members representing families shall be equal to twenty percent of the council's remaining membership.

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.

**FAMILY AND CHILDREN FIRST COUNCIL
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A Councils' statutory responsibilities include the following:

- a. Refer to the cabinet council those children for whom the Council cannot provide adequate services;
- b. Make periodic reports to the cabinet council regarding the number of children referred to the Council and the progress made in meeting the needs of each child;
- c. Develop a plan that reviews and adjusts existing programs, fills service gaps where possible, or invents new approaches to achieve better results for families and children;
- d. Participate in the development of a county wide, comprehensive, coordinated, multi-disciplinary, interagency system for infants and toddlers with developmental disabilities or delays and their families, as established pursuant to federal grants received and administered by the department of health for early intervention services under the "Education of the Handicapped Act Amendments of 1986";
- e. Maintain an accountability system to monitor the Council's progress in achieving its purposes;
- f. Establish a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the county system.

The Portage Family and Children First Council (the Council) was organized with the statutory membership on July 27, 1995. The Council's management believes these financial statements present all activities for which the Council is financially accountable.

B. Basis of Accounting

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

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

As required by Ohio Revised Code, the Council's cash is held and invested by the Portage County Treasurer who acts as the custodian for Council monies. The Council's assets are held in the County's cash and investment pool, and are valued at the County Treasurer's reported carrying amount.

**FAMILY AND CHILDREN FIRST COUNCIL
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Fund Accounting

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

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund. The Ohio Family and Children First Administration Grant is used as the general fund by the Council.

2. Special Revenue Funds

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

Wellness Block Grant Fund – Funds are distributed to Ohio Counties to encourage the development of skills and abilities of children.

Welcome Home Grant Fund – Funds are distributed to Family and Children First Councils in Ohio for the purpose of a nurse visiting first-time and teen parents to answer any questions, and give referrals for additional services.

E. Budgetary Process

The County Council designated the Director of Job and Family Services as the administrative agent for the Council. The Council files an annual budget with its administrative agent, with copies filed with the Portage County Auditor and with the Portage County Board of County Commissioners.

A summary of 2002 and 2001 budgetary activity appears in Note 2.

F. Property, Plant and Equipment

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

G. Unpaid Vacation and Sick Leave

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

**FAMILY AND CHILDREN FIRST COUNCIL
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

2. BUDGETARY ACTIVITY

The Council adopts budgets that are therefore a restriction on spending, but are not required to comply with budgetary regulations. The Council does not budget by General or Special Revenue Funds, but the Administrative Agent does by total dollars available. Budgetary activity for the years ending December 31, 2002 and December 31, 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$21,492	\$21,492	\$0
Special Revenue	104,522	104,522	0
Total	\$126,014	\$126,014	\$0

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$15,044	\$7,023	\$8,021
Special Revenue	122,084	115,262	6,822
Total	\$137,128	\$122,285	\$14,843

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$37,939	\$38,392	\$453
Special Revenue	278,642	214,419	(64,223)
Total	\$316,581	\$252,811	(\$63,770)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$50,059	\$35,777	\$14,282
Special Revenue	274,098	215,830	58,268
Total	\$324,157	\$251,607	\$72,550

3. RETIREMENT SYSTEMS

All Council employees participate in the Public Employees Retirement System (PERS), a cost-sharing multiple-employer public employee retirement system administered by the Public Employees Retirement Board. PERS provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to vested employees.

**FAMILY AND CHILDREN FIRST COUNCIL
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

3. RETIREMENT SYSTEMS (Continued)

Contribution rates are also prescribed by the Ohio Revised Code. PERS members contributed 8.5% of their gross salaries. The Council contributed an amount equal to 13.55% of participants' gross salaries for 2002 and 2001. The Council has paid all contributions required through December 31, 2002.

4. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, managements believes such refunds, if any, would not be material

5. FUND BALANCE ADJUSTMENT

Due to an error and an omission of a fund in the prior year, beginning fund balance for 2001 will be adjusted as below:

	General Fund	Special Revenue Fund
Beginning Fund Balance Before Adjustment	\$7,331	\$32,324
Adjustment	4,789	11,029
Adjusted Beginning Fund Balance	<u>\$12,120</u>	<u>\$43,353</u>

This page intentionally left blank.



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Portage Family and Children First Council
Portage County
449 S. Meridian St.
Ravenna, Ohio 44266

To the Executive Committee:

We have audited the financial statements of the Portage Family and Children First Council, Portage County, as of and for the years ended December 31, 2002 and December 31, 2001, and have issued our report thereon dated December 30, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Family and Children First Council's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Family and Children First Council's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, which we have reported to management of the Family and Children First Council in a separate letter dated December 30, 2003.

Portage Family and Children First Council
Portage County
Independent Accountants' Report on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of management, Management, the Executive Committee, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

December 30, 2003



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

PORTAGE FAMILY AND CHILDREN FIRST COUNCIL

PORTAGE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 9, 2004**