



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

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2005-2006



Mary Taylor, CPA

Auditor of State

Members of Council
Portage Family and Children First Council
449 South Meridian St, Floor 2
Ravenna, OH 44266-1208

We have reviewed the *Independent Accountants' Report* of the Portage Family and Children First Council, Portage County, prepared by Canter and Company, for the audit period January 1, 2005 to December 31, 2006. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Accountants' Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Accountants' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

November 14, 2008

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

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INDEPENDENT ACCOUNTANTS' REPORT

Portage Family and Children First Council
Portage County
449 South Meridian Street
Ravenna, Ohio 44266

To the Executive Council:

We have audited the accompanying financial statements of the Family and Children First Council, Portage County, (the Council) as of and for the years ended December 31, 2006 and 2005. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

Revisions to GAAP would require the Council to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2006 (and 2005). Instead of the combined funds the accompanying financial statements present for 2006 (and 2005), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2006 (and 2005). While the Council does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Council has elected not to reformat its statements. Since this Council does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2006 and 2005 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Council as of December 31, 2006 and 2005, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Family and Children First Council, Portage County, as of December 31, 2006 and 2005, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Council to include Management's Discussion and Analysis for the years ended December 31, 2006, and 2005. The Council has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2008, on our consideration of the Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Canter & Company

October 7, 2008

**PORTAGE FAMILY AND 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, 2006**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Grants	\$33,181	\$68,327	\$101,508
Total Cash Receipts	<u>33,181</u>	<u>68,327</u>	<u>101,508</u>
Cash Disbursements:			
Materials and Supplies	208	0	208
Contracts - Services	12,894	45,551	58,445
Other	9	0	9
Total Cash Disbursements	<u>13,111</u>	<u>45,551</u>	<u>58,662</u>
Total Receipts Over Disbursements	<u>20,070</u>	<u>22,776</u>	<u>42,846</u>
Other Financing Receipts/(Disbursements):			
Advances-In	0	7,500	7,500
Advances-Out	(7,500)	0	(7,500)
Total Other Financing Receipts/(Disbursements)	<u>(7,500)</u>	<u>7,500</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	12,570	30,276	42,846
Fund Cash Balances, January 1	<u>59,654</u>	<u>0</u>	<u>59,654</u>
Fund Cash Balances, December 31	<u>\$72,224</u>	<u>\$30,276</u>	<u>\$102,500</u>
Reserve for Encumbrances, December 31	<u>\$9,050</u>	<u>\$0</u>	<u>\$9,050</u>

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

**PORTAGE FAMILY AND 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, 2005**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Grants	\$25,681	\$22,776	\$48,457
Total Cash Receipts	<u>25,681</u>	<u>22,776</u>	<u>48,457</u>
Cash Disbursements:			
Contracts - Services	14,701	22,776	37,477
Other	47	0	47
Total Cash Disbursements	<u>14,748</u>	<u>22,776</u>	<u>37,524</u>
Total Receipts Over Disbursements	10,933	0	10,933
Fund Cash Balances, January 1	<u>48,721</u>	<u>0</u>	<u>48,721</u>
Fund Cash Balances, December 31	<u>\$59,654</u>	<u>\$0</u>	<u>\$59,654</u>
Reserve for Encumbrances, December 31	<u>\$2,077</u>	<u>\$0</u>	<u>\$2,077</u>

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

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

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

1. 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;
2. The health commissioner of the board of health of each city or general health district in the county, or their designees;
3. The director of the county department of job and family services;
4. The executive director of the county agency responsible for the administration of children services pursuant to section 5153.15 of the Revised Code;
5. The superintendent of the county board of mental retardation and developmental disabilities;
6. The county's juvenile court judge senior in service;
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 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 chair of the board of county commissioners, or an individual designated by the board;
11. A representative of the regional office of the department of youth services;
12. A representative of the county's head start agencies, as defined in Section 3301.31 of the Revised Code;
13. 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";

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005
(Continued)**

14. A representative of a local nonprofit entity that funds, advocates, or provides services to children and families.
15. 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.

The councils' statutory responsibilities include the following:

1. Refer to the cabinet council those children for whom the council cannot provide adequate services;
2. Make periodic reports to the cabinet council regarding the number of children referred to the county council and the progress made in meeting the needs of each child;
3. 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;
4. 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";
5. Maintain an accountability system to monitor the council's progress in achieving its purposes;
6. 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 a payment is made rather than when a liability is incurred. Budgetary presentations report expenditures when commitment is made (i.e., when an encumbrance is approved).

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005
(Continued)**

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

C. Cash and Investments

As required by the 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. The Council's carrying amount of cash on deposit with the County at December 31, 2006, was \$102,500 and at December 31, 2005; \$59,654.

D. Fund Accounting

The Council maintains its accounting records in accordance with the principles of fund accounting. 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 are reflected in a self-balancing group of accounts. The Council classifies its funds into the following types:

General Fund

The General Fund is the general operating fund of the Council. It is used to account for all financial resources, except those required by law or contract to be restricted. The Ohio Family and Children First Administration Grant is used as the general fund by the Council.

Special Revenue Funds

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

Child Safety & Protection Grant Fund – Funds are distributed to Ohio Counties to be used for primary and secondary child abuse/neglect prevention programs at the local level.

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 2006 and 2005 budgetary activity appears in Note 2.

F. Property, Plant and Equipment

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

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005
(Continued)**

2. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2006 and December 31, 2005 follows:

2006 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General Fund	\$25,600	\$33,181	\$7,581
Special Revenue Funds	46,000	75,827	29,827
Total	\$71,600	\$109,008	\$37,408

2006 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General Fund	\$34,377	\$29,661	\$4,716
Special Revenue Funds	45,551	45,551	0
Total	\$79,928	\$75,212	\$4,716

2005 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General Fund	\$18,800	\$25,681	\$6,881
Special Revenue Funds	45,551	22,776	(22,775)
Total	\$64,351	\$48,457	(\$15,894)

2005 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General Fund	\$19,972	\$16,825	\$3,147
Special Revenue Funds	45,551	22,776	22,775
Total	\$65,523	\$39,601	\$25,922

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005
(Continued)**

3. 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 funding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

4. ADVANCE OF FUNDS

During 2006, the General Fund advanced \$7,500 to the Portage County Family and Children First Council Planning Mini Grant (fund number 8803), a new special revenue fund created during the year.



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Portage Family and Children First Council
Portage County
449 South Meridian Street
Ravenna, Ohio 44266

To the Executive Council:

We have audited the financial statements of the Portage Family and Children First Council Portage County (the Council) as of and for the years ended December 31, 2006 and December 31, 2005 and have issued our report thereon dated October 7, 2008, wherein we noted the Council followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

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



Canter & Company

Youngstown, Ohio

October 7, 2008



Mary Taylor, CPA
Auditor of State

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
DECEMBER 2, 2008**