



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



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

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Report of Independent Accountants .....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2000 .....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 1999 .....	4
Notes to the Financial Statements .....	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	11

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STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

Voinovich Government Center  
242 Federal Plaza West  
Suite 302  
Youngstown, Ohio 44503  
Telephone 330-797-9900  
800-443-9271  
Facsimile 330-797-9949  
www.auditor.state.oh.us

## REPORT OF INDEPENDENT ACCOUNTANTS

Portage Family and Children First Council  
Portage County  
512 North Chestnut Street  
Ravenna, Ohio 44266

To the Portage Children and Family First Council:

We have audited the accompanying financial statements of the Portage Family and Children First Council, Portage County, Ohio, (the Council) as of and for the years ended December 31, 2000, and December 31, 1999. 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 *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 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 and reserves for encumbrances of the Council as of December 31, 2000 and December 31, 1999 and its combined cash receipts and disbursements 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 June 19, 2001 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 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 result of our audit.

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

**Jim Petro**  
Auditor of State

June 19, 2001

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**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, 2000**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Grants	\$40,896	\$114,622	\$155,518
Refunds/Reimbursements	3,163		3,163
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	44,059	114,622	158,681
	<hr/>	<hr/>	<hr/>
<b>Cash Disbursements:</b>			
Current:			
Salaries	35,108	17,994	53,102
Fringe-PERS	2,672	3,019	5,691
Fringe-Medicare	419	326	745
Fringe-Worker's Comp.	78	1,431	1,509
Fringe-Health Benefits	4,186	182	4,368
Maintaince and Repairs	500		500
Utilities	1,553		1,553
Contract-Services		183,777	183,777
Materials and Supplies	1,506		1,506
Prior-Year Expenses		71,815	71,815
Travel/Dues/Periodicals	1,951		1,951
Other	5		5
Repay Grantor		27,646	27,646
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	47,978	306,190	354,168
	<hr/>	<hr/>	<hr/>
Total Receipts (Under) Disbursements	(3,919)	(191,568)	(195,487)
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	11,250	223,892	235,142
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<b><u>7,331</u></b>	<b><u>32,324</u></b>	<b><u>39,655</u></b>
	<hr/>	<hr/>	<hr/>
Reserve for Encumbrances, December 31		\$7,739	\$7,739
	<hr/>	<hr/>	<hr/>

*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, 1999**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Grants	\$7,830	\$380,587	\$388,417
Refunds/Reimbursements	896	1,200	2,096
Total Cash Receipts	<u>8,726</u>	<u>381,787</u>	<u>390,513</u>
<b>Cash Disbursements:</b>			
Current:			
Salaries	6,667	43,644	50,311
Fringe-PERS	1,547	5,270	6,817
Fringe-Medicare	238	492	730
Fringe-Worker's Comp.	112	1,331	1,443
Fringe-Health Benefits	2,002	2,366	4,368
Maintaince and Repairs	1,332	10,615	11,947
Contract-Services		280,836	280,836
Equipment		318	318
Prior-Year Expenditures		84,379	84,379
Repay Grantor		7,788	7,788
Total Cash Disbursements	<u>11,898</u>	<u>437,039</u>	<u>448,937</u>
Total Receipts Over/(Under) Disbursements	<u>(3,172)</u>	<u>(55,252)</u>	<u>(58,424)</u>
Fund Cash Balances, January 1	<u>14,422</u>	<u>279,144</u>	<u>293,566</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$11,250</u></b>	<b><u>\$223,892</u></b>	<b><u>\$235,142</u></b>
Reserve for Encumbrances, December 31	<u>                    </u>	<u>\$110,808</u>	<u>\$110,808</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, 2000 AND 1999**

**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.

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(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.

**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:

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(CONTINUED)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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:** Funds are distributed to Ohio Counties to encourage the development of skills and abilities of children.

**Family Stability Incentive Grant:** Funds are distributed to Portage Family and Children First Councils in Ohio for the purpose of reducing the number of child out-of-home placements by coordinating local resources.

**Welcome Home Grant:** Funds are distributed to Portage 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 2000 and 1999 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**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Council.

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(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, 2000 and December 31, 1999 were as follows:

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$44,554	\$44,059	(\$495)
Special Revenue	168,714	114,622	(54,092)
Total	<u>\$213,268</u>	<u>\$158,681</u>	<u>(\$54,587)</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$59,697	\$47,978	\$11,719
Special Revenue	424,589	313,929	110,660
Total	<u>\$484,286</u>	<u>\$361,907</u>	<u>\$122,379</u>

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$28,236	\$8,726	(\$19,510)
Special Revenue	380,387	381,787	1,400
Total	<u>\$408,623</u>	<u>\$390,513</u>	<u>(\$18,110)</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$25,040	\$11,898	\$13,142
Special Revenue	486,693	547,847	(61,154)
Total	<u>\$511,733</u>	<u>\$559,745</u>	<u>(\$48,012)</u>

**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.

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(CONTINUED)**

**3. RETIREMENT SYSTEMS (Continued)**

Contribution rates are also prescribed by the Ohio Revised Code. The Council's PERS members contributed 8.5 percent of their gross salaries. The Council contributed an amount equal to 13.55 percent of participants' gross salaries for 1999, and 10.84 percent for 2000. The Council has paid all contributions required through December 31, 2000.

**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, management believes such refunds, if any, would not be material.

**5. SUBSEQUENT EVENTS**

The Council was previously depending on the Family Stability Incentive Grant for a large part of their revenues. In 1999, this grant was discontinued, and the Council's fund balance has been on a downward spiral ever since. They are considering whether they can obtain a grant, or administer a grant for another department, which would free up some administrative money; and borrow monies from the County Commissioners on a short-term basis, until more grant money is received. The Council has also reduced its staffing from two full-time employees to two part-time employees.

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STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

Voinovich Government Center  
242 Federal Plaza West  
Suite 302  
Youngstown, Ohio 44503  
Telephone 330-797-9900  
800-443-9271  
Facsimile 330-797-9949  
www.auditor.state.oh.us

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

Portage Family and Children Services Council  
Portage County  
512 North Chestnut Street  
Ravenna, Ohio 44266

To the Family and Children First Council:

We have audited the accompanying financial statements of the Portage Family and Children First Council, Portage County, Ohio (the Council), as of and for the years ended December 31, 2000, and December 31, 1999, and have issued our report thereon dated June 19, 2001. 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 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 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, that we have reported to management of the Council in a separate letter dated June 19, 2001.

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

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

**Jim Petro**  
Auditor of State

June 19, 2001





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**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  
JULY 12, 2001**