



**Auditor of State
Betty Montgomery**

**BUTLER COUNTY FAMILY AND CHILDREN FIRST COUNCIL
BUTLER COUNTY**

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Butler County Family and Children First Council
Butler County
6025 Dixie Highway
Suite 300
Fairfield, Ohio 45014

To the Council:

We have audited the accompanying financial statements of the Butler County Family and Children First Council, Butler County, Ohio (the Council), as of and for the year ended June 30, 2002 and the period January 1, 2001, through June 30, 2001. 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.

As described in Note 3, the Council changed its fiscal year end from December 31 to June 30.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Council as of June 30, 2002 and 2001, and its combined cash receipts and disbursements for the year and six-month period then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2003 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 results of our audit.

This report is intended solely for the information and use of management, the Council 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 of Ohio

March 26, 2003

**BUTLER COUNTY FAMILY AND CHILDREN FIRST COUNCIL
BUTLER COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES -
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

	General	Special Revenue	Totals (Memorandum Only)
Cash receipts:			
Intergovernmental Local	\$268,948	\$287,213	\$556,161
Intergovernmental State	-	1,163,495	1,163,495
Charges for Services	-	2,072,319	2,072,319
Miscellaneous	55,733	225,419	281,152
 Total Cash Receipts	 324,681	 3,748,446	 4,073,127
Cash disbursements:			
Current:			
Salaries and Benefits	171,553	928,664	1,100,217
Supplies and Materials	82,640	277,777	360,417
Contractual Services	29,852	2,453,569	2,483,421
Equipment	3,205	108,651	111,856
Other	125	251,723	251,848
 Total Cash Disbursements	 287,375	 4,020,383	 4,307,759
 Total Receipts Over/(Under) Disbursements	 37,306	 (271,937)	 (234,632)
 Fund Cash Balances, July 1, 2001	 47,162	 532,056	 579,218
 Fund Cash Balances, June 30, 2002	 \$84,467	 \$260,119	 \$344,586

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

**BUTLER COUNTY FAMILY AND CHILDREN FIRST COUNCIL
BUTLER COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES -
FOR THE PERIOD JANUARY 1, 2001 TO JUNE 30, 2001**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash receipts:			
Intergovernmental Local	\$49,200	\$167,647	\$216,847
Intergovernmental State	-	252,611	252,611
Charges for Services	-	1,618,403	1,618,403
Miscellaneous	-	11,416	11,416
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	49,200	2,050,077	2,099,277
Cash disbursements:			
Current:			
Salaries and Benefits	35,874	201,243	237,117
Supplies and Materials	6,330	171,706	178,035
Contractual Services	12,191	1,450,572	1,462,763
Equipment	-	56,290	56,290
Other	30,595	15,257	45,853
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	84,990	1,895,067	1,980,057
Total Receipts Over/(Under) Disbursements	(35,790)	155,009	119,220
Other Financing Disbursements			
Refund - Unspent Grant Money	-	(9,815)	(9,815)
	<hr/>	<hr/>	<hr/>
Total other financing disbursements	-	(9,815)	(9,815)
Excess of cash receipts over/(under) cash disbursements and other financing disbursements	(35,790)	145,195	109,405
Fund Cash Balances, January 1, 2001	82,951	386,862	469,813
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, June 30, 2001	<u>\$47,162</u>	<u>\$532,057</u>	<u>\$579,218</u>

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

**BUTLER COUNTY FAMILY AND CHILDREN FIRST COUNCIL
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002 AND 2001**

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 a county 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 human 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 per cent 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.

**BUTLER COUNTY FAMILY AND CHILDREN FIRST COUNCIL
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A county council's 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 county 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 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 "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 Council's management believes these financial statements present all activities for which the Council is financially accountable.

Council Membership

The County's Council membership included Children's Services, Board of Alcohol Drug Addition and Mental Health Services; Board of Mental Retardation and Developmental Disabilities, and the Juvenile Court. The purpose of the Family and Children First Council is to identify ways in which the Child Serving System can provide services to the community in the most efficient and effective manner. A Council Coordinator has been hired to administer all of the Family and Children First Programs. Because these programs affect all of the agencies within the Council membership, the salary of this employee is paid from the State administrative grant received by the Council and pooled funding derived from each of the Council agencies in the County.

Administrative Council

The Administrative Council is a governing and policy making body. The Council is responsible for determining the need for staff positions pursuant to established goals, objectives, and policy statements. This committee is responsible for the creation of all standing committees and task groups of the Council.

**BUTLER COUNTY FAMILY AND CHILDREN FIRST COUNCIL
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Accounting

This financial statement follows 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.

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

C. Fund Accounting

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

1. 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 to be accounted for in another fund.

2. Special Revenue Funds

This fund is used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. During the periods ending June 30, 2002 and 2001, the following programs were awarded to the Council: Service Coordination Grant, Ohio Wellness Block Grant, and the Leap/Early Start Grant, Kinship Navigator, Comprehensive Strategies, Help Me Grow, Helpline, and Welcome Home.

D. Fiscal Agent

The Council designated the Butler County Educational Service Center as their fiscal agent for all funds received in the name of the Council. The Educational Service Center maintains Council funds in the Center's cash pool as an agency fund separating grants by special cost center.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually. The Council must file the budget with the Butler County Auditor and the Butler County Educational Service Center its fiscal agent.

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 statement.

**BUTLER COUNTY FAMILY AND CHILDREN FIRST COUNCIL
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002 AND 2001
(Continued)**

2. EQUITY IN POOLED CASH

The Butler County Educational Service Center maintains a cash pool for all of its funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments. The Council's carrying amount of cash on deposit at December 31, 2001 and June 30, 2002.

	2002	<u>2001</u>
Demand deposit	<u>\$ 344,586</u>	<u>579,218</u>

The Butler County Educational Service Center's Treasurer, as the ultimate fiscal agent for the Council, is responsible for maintaining adequate depository collateral for all funds in the Educational Service Center's pooled cash and depository accounts.

The Council does not hold any investments.

3. CHANGE IN FISCAL YEAR END

During 2001, the Butler County Family and Children First Council changed its fiscal year end to agree to the fiscal year of the Butler County Educational Service Center, its fiscal agent. The Butler County Family and Children First Council fiscal year changed from January 1 through December 31 to July 1 through June 30.

4. RETIREMENT SYSTEM

The Council's full-time employees belong to the School Employees Retirement System (SERS) of Ohio. SERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2002 and 2001 members of SERS contributed 9% of their gross salaries. The Council contributed an amount equal to 14% of participants' gross salaries. The Council has paid all contributions required through June 30, 2002.

5. RISK MANAGEMENT

The Council is covered under the Butler County Educational Service Center's insurance policy.



Auditor of State Betty Montgomery

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

Butler County Family and Children First Council
Butler County
6025 Dixie Highway
Suite 300
Fairfield, Ohio 45014

To the Council:

We have audited the accompanying financial statements of the Butler County Family and Children First Council, Butler County, Ohio (the Council), as of and for the years ended June 30, 2002 and the period January 1, 2001 through June 30, 2001, and have issued our report thereon dated March 26, 2003. The report includes a disclosure about the Council's change in fiscal year as described in Note 3. 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 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 that are required to be reported under *Government Auditing Standards*. However we noted a certain immaterial instance of noncompliance that we have reported to management of the Council in a separate letter dated March 26, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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 March 26, 2003.

This report is intended solely for the information and use of management and the Council, 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 of Ohio

March 26, 2003

**BUTLER COUNTY FAMILY AND CHILDREN FIRST COUNCIL
BUTLER COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FISCAL YEAR END JUNE 30, 2002 AND 2001**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2000-60409-001	Finding for Recovery against Megan Gilliland for over payment, based on her contract amount	No	Ms Gilliland did not reimburse the Council for the over-payment. However, Ms Gilliland is no longer employed by the Council. The Council dismissed the finding by Board Resolution number 2001-05-08 on May 1, 2001



**Auditor of State
Betty Montgomery**

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BUTLER COUNTY FAMILY AND CHILDREN FIRST COUNCIL

BUTLER 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
APRIL 10, 2003**