



**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 Members of the Butler County Family and Children First 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, 2003. 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 of the Council as of June 30, 2003, and its combined cash receipts and disbursements for the year ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 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.

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Betty Montgomery
Auditor of State

November 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, 2003**

	General	Special Revenue	Totals (Memorandum Only)
Cash receipts:			
Intergovernmental Local	\$339,655	\$406,534	\$746,189
Intergovernmental State	20,000	1,311,534	1,331,534
Charges for Services	-	2,363,423	2,363,423
Miscellaneous	82,234	427,269	509,503
Total Cash Receipts	441,889	4,508,760	4,950,649
Cash disbursements:			
Salaries and Benefits	204,197	247,854	452,051
Supplies and Materials	1,393	119,622	121,015
Contractual Services	149,821	2,769,381	2,919,202
Equipment	2,186	43,455	45,641
Other	4,220	1,322,634	1,326,854
Total Cash Disbursements	361,817	4,502,946	4,864,763
Total Receipts Over Disbursements	80,072	5,814	85,886
Other Financing Receipts/(Disbursements)			
Transfers-in	3,016	-	3,016
Transfers-out	-	(3,016)	(3,016)
Total other financing receipts/(disbursements)	3,016	(3,016)	0
Excess of cash receipts and other financing receipts over cash disbursements and other financing disbursements	83,088	2,798	85,886
Fund Cash Balances, July 1, 2002 as Restated (see Note 3)	84,467	345,849	430,316
Fund Cash Balances, June 30, 2003	\$167,555	\$348,647	\$516,202

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

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

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003**

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, 2003
(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 Addiction Services, Board of Mental Health, Board of Mental Retardation and Developmental Disabilities, Board of County Commissioners, Juvenile Court, Department of Job & Family Services, family representatives, and the educational community. The purpose of the Family & Children First Council is to identify ways in which the child serving systems can provide services to the community in the most efficient and effective manner. A Council Director has been hired to administer all of the Family & Children First programs. Because these programs affect all of the agencies within the Council membership, the salary of this employee is paid from a Collaborative Fee agreement derived from the agencies in the County. A Cluster Coordinator has been hired to facilitate the service coordination of families and children served by multiple systems. The salary of this employee is paid from the State Administrative grant received by the Council and from the Collaborative Fee agreement.

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, 2003
(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, and it consist of Council managed funds, such as the Pooled Fund, and a Youth Diversion Fund. The General Fund is used to account for all financial resources, except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds were 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 period ending June 30, 2003, the following programs were awarded to the Council: Service Coordination Grant, Ohio Wellness Block Grant, TANF, Kinship Navigator, Comprehensive Strategies/Partnerships for Success, Help Me Grow, Helpline, Multisystemic Therapy, Commissioners' Forum and Family Stability.

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, 2003
(Continued)**

2. EQUITY IN POOLED CASH

The Council's cash pool is maintained by the Butler County Educational Service Center, its statutory fiscal agent. The Ohio Revised Code prescribes allowable deposits and investments, and the Service Center is responsible for meeting compliance. The Council's carrying amounts of cash on deposit with the Service Center at June 30, 2003 was \$516,202.

All risk associated with such deposits are the responsibility of Service Center.

3. PRIOR PERIOD ADJUSTMENT

An adjustment was made to the July 1, 2002, Special Revenue fund balance. The adjustment increased the Special Revenue fund balance by \$85,730 due to the inclusion of the Family Stability fund, as a Family and Children First Grant fund. This resulted in restating the July 1, 2002 Special Revenue fund balance from \$260,119 to \$345,849.

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 2003 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, 2003.

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 Members of the Butler County Family and Children First 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, 2003 and have issued our report thereon dated November 26, 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 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 an immaterial instance of noncompliance that we have reported to management of the Council in a separate letter dated November 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 a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Council in a separate letter dated November 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

November 26, 2003



**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
DECEMBER 23, 2003**