



**Auditor of State
Betty Montgomery**

**BROWN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
BROWN 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>	9
Schedule of Prior Audit Findings.....	11

This page intentionally left blank.



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Brown County Family and Children First Council
Brown County
775 Mt. Orab Pike
Georgetown, Ohio 45121

To the Executive Council:

We have audited the accompanying financial statements of the Brown County Family and Children First Council, Brown County, Ohio (the Council), as of and for the years ended December 31, 2002 and 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.

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, 2002 and 2001, 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 August 21, 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 Executive 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

August 21, 2003

**BROWN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
BROWN 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**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts:			
Intergovernmental	\$20,000	\$54,927	\$74,927
Administrative Costs Earned	8,724		8,724
Miscellaneous	1		1
	<u>28,725</u>	<u>54,927</u>	<u>83,652</u>
Total Cash Receipts			
Cash Disbursements:			
Contracted Services	21,424		21,424
Training and Related Costs	2,161		2,161
Contracts, providers and others	2,000	59,796	61,796
Postage	48		48
Miscellaneous	250		250
	<u>25,883</u>	<u>59,796</u>	<u>85,679</u>
Total Cash Disbursements			
Total Receipts Over/(Under) Disbursements	<u>2,842</u>	<u>(4,869)</u>	<u>(2,027)</u>
Fund Cash Balances, January 1	<u>39,753</u>	<u>39,070</u>	<u>78,823</u>
Fund Cash Balances, December 31	\$ 42,595	\$ 34,201	\$76,796
Reserve for Encumbrances	<u>\$370</u>	<u>\$0</u>	<u>\$370</u>

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

**BROWN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
BROWN 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**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts:			
Intergovernmental	\$20,000	\$98,749	\$118,749
Administrative Costs Earned	14,284		14,284
Miscellaneous	1,766		1,766
Total Cash Receipts	36,050	98,749	134,799
Cash Disbursements:			
Contracted Services	23,112	15,955	39,067
Training and Related Costs	1,756	2,353	4,109
Contracts, providers and others	4,705	81,994	86,699
Postage	41		41
Miscellaneous	584		584
Total Cash Disbursements	30,198	100,302	130,500
Total Receipts Over/(Under) Disbursements	5,852	(1,553)	4,299
Other Financing Uses	(3,045)	0	(3,045)
Excess of Cash Receipts Over/(Under) Cash Disbursements and Other Financing Uses	2,807	(1,553)	1,254
Fund Cash Balances, January 1 (Restated See Note 5)	36,946	40,623	77,569
Fund Cash Balances, December 31	\$39,753	\$39,070	\$78,823
Reserve for Encumbrances	\$5,000	\$0	\$5,000

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

**BROWN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
BROWN 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, 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 Ohio 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 Ohio 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; and
- o. A non-profit agency.

**BROWN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
BROWN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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; and
- f. Establish a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the county system.

Clinical Committee

The Clinical Committee is chaired by a representative of a mandate Council agency, members are service providers of various agencies and representatives of the family seeking service(s). The committee meets on an "as needed" basis, members attending reflect those who are involved with the family or those whom the family chooses to have included.

Committee responsibilities include: (1) identifying service gaps or duplication in services to children and families; (2) developing recommendations to fill gaps or avoid duplication; (3) search for or develop needed service for children; (4) seek funds from serving agencies for nontraditional service; (5) emotional family support; and (6) monthly review of IFSP.

Executive Committee

The Council's Executive Committee consists of members elected as officers of the Council and chairpersons of all active committees of Council. The Executive Committee functions on behalf of the full Council when time restraints make it unable for full Council to convene.

**BROWN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
BROWN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Finance Review Committee

The Finance Review Committee consists of Council members with the opportunity for nonmembers participation if deemed appropriate by Council. The Finance Review Committee works with the Treasurer and Fiscal Agent to oversee financial matters of the Council by monitoring reports, expenditures, contracts and additional matters with financial impact on Council operation.

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. 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. It is used to account for all financial resources except those required by law or contracted to be restricted.

2. Special Revenue Funds

This fund is used to account for proceeds from specific sources that are restricted to expenditure for specific purposes.

D. Fiscal Agent

The Brown County Auditor serves as the Council's fiscal agent. The Brown County Department of Jobs and Family Services serves as the Council's administrative agent.

E. Property, Plant Equipment

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

**BROWN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
BROWN COUNTY**

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

2. FUND CASH BALANCES

The Brown County Treasurer maintains a cash pool used by all of the County's funds, including those of the Family and Children First Council. The Ohio Revised Code prescribes allowable deposits and investments. The Council's carrying amount of cash on deposit with the County at December 31, 2002 and 2001 was \$76,796 and \$78,823, respectively. The Brown County Treasurer is responsible for maintaining adequate depository collateral for all funds in Brown County's pooled cash and investments.

3. RETIREMENT SYSTEM

The Council officials and employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. The plan provides retirement benefits, including postretirement 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. 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. RISK MANAGEMENT

The Council is covered under Brown County's Insurance Policy.

5. RESTATEMENT OF FUND BALANCE

During 2001, the Council determined that fund balances were understated in the 2000 financial statements. The 2000 statements erroneously included \$6,404 of Diversion Grant monies which did not belong to the Council. Additionally, \$40,623 of Wellness Block Grant monies was erroneously omitted. The correction had the following effect on fund balance at January 1, 2001:

	<u>Revenue</u>
December 31, 2000 Fund Balance	\$6,404
Correction of Error - Diversion Grant	(6,404)
Correction of Error - Wellness Block Grant	<u>40,623</u>
Restated January 1, 2001 Fund Balance	<u><u>\$40,623</u></u>



**Auditor of State
Betty Montgomery**

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

Brown County Family and Children First Council
Brown County
775 Mt. Orab Pike
Georgetown, Ohio 45121

To the Executive Council:

We have audited the accompanying financial statements of the Brown County Family and Children First Council, Brown County, Ohio (the Council), as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated August 21, 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*.

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 August 21, 2003.

This report is intended solely for the information and use of management and the Executive 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

August 21, 2003

**BROWN COUNTY FAMILY AND CHILDREN FIRST COUNCIL
BROWN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 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>
2000-60408-001	System Access Controls.	Yes	



**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

BROWN COUNTY FAMILY AND CHILDREN FIRST COUNCIL

BROWN 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
SEPTEMBER 11, 2003**