



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

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**BUTLER COUNTY FAMILY AND CHILDREN FIRST COUNCIL
BUTLER 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, 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 on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	11
Schedule of Findings	13

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

250 West Court Street
Suite 150 E
Cincinnati, Ohio 45202
Telephone 513-361-8550
800-368-7419
Facsimile 513-361-8577
www.auditor.state.oh.us

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 years ended December 31, 2000 and 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 audits.

We conducted our audit in accordance with generally accepted auditing standards 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 audits 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 described 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 Butler County Family and Children First Council, Butler County, Ohio, as of December 31, 2000 and 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 April 12, 2001, on our consideration of the Government'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 Family and Children First 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.

Jim Petro
Auditor of State

April 12, 2001

**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 YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Type</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental - Local	\$94,790	\$617,026	\$711,816
Intergovernmental - State		383,366	383,366
Charges for Services		141,489	141,489
Other Receipts	444		444
	<u>95,234</u>	<u>1,141,881</u>	<u>1,237,115</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Salaries and Benefits	66,240	114,634	180,874
Supplies	4,608	31,853	36,461
Contractual Services		465,939	465,939
Equipment		32,981	32,981
Travel	2,779	17,018	19,797
Training	2,483	12,600	15,083
Other	5,276	77,863	83,139
	<u>81,386</u>	<u>752,888</u>	<u>834,274</u>
Total Cash Disbursements			
Total Cash Receipts Over Cash Disbursements	<u>13,848</u>	<u>388,993</u>	<u>402,841</u>
Other Financing Receipts/(Disbursements):			
Refund - Unspent Grant Money		(60,049)	(60,049)
Other Sources		42,358	42,358
Other Uses		(42,358)	(42,358)
	<u>0</u>	<u>(60,049)</u>	<u>(60,049)</u>
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	13,848	328,944	342,792
Fund Cash Balances, January 1	<u>69,104</u>	<u>77,372</u>	<u>146,476</u>
Fund Cash Balances, December 31, 2000	<u>\$82,952</u>	<u>\$406,316</u>	<u>\$489,268</u>

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 YEAR ENDED DECEMBER 31, 1999**

	Governmental Fund Type		Totals (Memorandum Only)
	General	Special Revenue	
Cash Receipts:			
Intergovernmental - Local	\$84,990	\$126,460	\$211,450
Intergovernmental - State		459,591	459,591
Charges for Services			0
Other Receipts	48		48
	85,038	586,051	671,089
Total Cash Receipts			
Cash Disbursements:			
Current:			
Salaries and Benefits	30,504	42,707	73,211
Supplies	743	24,360	25,103
Contractual Services	3,997	390,710	394,707
Equipment		4,067	4,067
Travel	1,034	13,580	14,614
Training	2,225	11,209	13,434
Other	9,637	14,616	24,253
	48,140	501,249	549,389
Total Cash Disbursements			
Total Cash Receipts Over/(Under) Cash Disbursements	36,898	84,802	121,700
Other Financing Receipts/(Disbursements):			
Refund - Unspent Grant Money		(97,024)	(97,024)
	0	(97,024)	(97,024)
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	36,898	(12,222)	24,676
Fund Cash Balances, January 1, 1999 as Restated (see Note 3)	32,206	89,594	121,800
Fund Cash Balances, December 31, 1999	\$69,104	\$77,372	\$146,476

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
DECEMBER 31, 2000 AND 1999**

1. 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. For the year ended, December 31, 2000 and 1999, the Butler County Family and Children First Council (the Council) was an agency Fund of the Butler County Educational Service Center, Ohio. 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 or 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 regional office of the department of youth services;
- 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";

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

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

1. DESCRIPTION OF THE ENTITY (Continued)

- n. At least three individuals representing the interest 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.

A county council's statutory responsibilities include the following:

- a. Refer to the cabinet council those children from 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.

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. This employee contributes to the School Employees Retirement System, which is fully described in Note 5.

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

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

1. DESCRIPTION OF THE ENTITY (Continued)

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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.

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

B. 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 to be accounted for in another fund.

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 Family and Children First Council had the following significant Special Revenue Funds:

During 2000, the following programs were awarded to Council: Ohio Children Trust, Wellness Indicator I, Ohio Children Trust, Wellness Indicator II, Early Start Grant, Welcome Home Grant, and the Helpline Grant.

During 1999, the following programs were awarded to Council: Ohio Children Trust, Wellness Indicator I, Ohio Children Trust, Wellness Indicator II, Early Start Grant, Welcome Home Grant, and Family Stability Fund.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fiscal Agent

The Butler County Educational Service Center is the Council's fiscal agent. The Educational Service Center maintains Council funds in the Center's cash pool as an agency fund separating grants by special cost center.

D. Property, Plant and Equipment

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

E. 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 cash basis of accounting used by the Council.

F. Budgetary Process

The Council filed an annual budget of estimated expenditures with the Butler County Educational Service Center as required by state law. The estimated expenditures are approved per grant. During fiscal year 2000, none of the grants expenditures exceeded its estimated expenditures. A budget was not filed for fiscal year 1999.

3. PRIOR PERIOD ADJUSTMENT

An adjustment was made to the January 1, 1999, Special Revenue fund balance. The adjustment increased the Special Revenue fund balance by \$17,930 due to inclusion of the Ohio Children Trust Wellness Indicator II Fund, as a Family and Children First Grant fund. This resulted in restating the January 1, 1999 Special Revenue fund balance from \$71,664 to \$89,594.

4. EQUITY IN POOLED CASH AND INVESTMENTS

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 was as follows:

	<u>2000</u>	<u>1999</u>
Demand deposits	<u>\$489,268</u>	<u>\$146,476</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 Education Service Center's pooled cash and depository accounts.

The Council does not hold any investments.

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

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

5. 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 2000 and 1999, members of SERS contributed 9% of their gross salaries. The District contributed an amount equal to 14% of participants' gross salaries. The District has paid all contributions required through December 31, 2000.

6. ADVANCE FROM EDUCATIONAL SERVICE CENTER

During fiscal year 2000, \$42,385 was advanced from the Butler County Educational Service Center to the Council's Early Start Grant Fund and the Helpline Grant Fund to fund grant expenditures prior to the Council receiving contracted services money. These advanced funds were also repaid to the Educational Service Center within fiscal year 2000. These transactions are reflected on the financial statements as Other Financing Sources and Uses.

7. RISK MANAGEMENT

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

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

250 West Court Street
Suite 150 E
Cincinnati, Ohio 45202
Telephone 513-361-8550
800-368-7419
Facsimile 513-361-8577
www.auditor.state.oh.us

**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 financial statements of the Butler County Family and Children First Council, Butler County, Ohio (the Council), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated April 12, 2001. We conducted our audit in accordance with generally accepted auditing standards 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 Butler County Family and Children First 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 audits and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2000-60409-001.

We also noted certain immaterial instances of noncompliance that we have reported to management of the Butler County Family and Children First Council in a separate letter dated April 12, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Butler County Family and Children First 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 Butler County Family and Children First Council in a separate letter dated April 12, 2001.

Butler County Family and Children First Council
Butler County
Report on Compliance and on Internal Control Required by
Government Auditing Standards
Page 2

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

Jim Petro
Auditor of State

April 12, 2001

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

**SCHEDULE OF FINDINGS
DECEMBER 31, 2000 and 1999**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
--

FINDING NUMBER 2000-60409-001

Finding for Recovery

Megan Gilliland was an employee at the Butler County Family and Children First (the Council), during calendar year 1999. Her employment was covered under three different employment contracts throughout the year because of changes in jobs and promotions she had received. Her first contract started July 13, 1998 and ended with her promotion on February 17, 1999, her second contract started February 17, 1999 and ended June 30, 1999, and her third contract started July 1, 1999 and ended when she resigned September 21, 1999. From review of these contracts, we found Ms. Gilliland was paid more than her contracts stated. The following is a schedule of what she was paid:

Contract from July 13, 1998 to February 16, 1999 - should have been paid in 1999 (\$23,814 salary/252 days of contract = \$94.50 daily rate * 37 days)	\$3,496.50
Contract from February 17, 1999 to June 30, 1999 - contract payment should have been (\$11,938 salary/97 days of contract = \$123.08 daily rate * 96 days)	11,815.68
Contract from July 1, 1999 to September 21, 1999 - contract payment should have been (\$32,000 salary/260 days = \$123.08 daily rate * 59 days)	<u>7,261.72</u>
Total Contract in calendar year 1999	22,573.90
Total amount paid in calendar year 1999 per payroll register	<u>22,793.91</u>
Amount overpaid to Ms. Gilliland	<u><u>\$220.01</u></u>

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code, Section 117.28, a Finding for Recovery in favor of the Butler County Family and Children First Council in the amount of \$220.01, for the illegal expenditure of public monies, is hereby issued against Megan Gilliland.

The Council has reviewed the above Finding for Recovery and has agreed not to take further action regarding this variance.



STATE OF OHIO
OFFICE OF THE AUDITOR

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

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
MAY 29, 2001**