



**Auditor of State
Betty Montgomery**

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

TABLE OF CONTENTS

TITLE	PAGE
Cover Letter	1
Independent Accountants' Report.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2004	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2003.....	6
Notes to the Financial Statements	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	11

This page intentionally left blank.



**Auditor of State
Betty Montgomery**

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

To the Executive Council:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in cursive script that reads "Betty Montgomery".

Betty Montgomery
Auditor of State

August 24, 2005

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 Brown County Family and Children First Council, Brown County, Ohio (the Council), as of and for the years ended December 31, 2004 and 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 reasonably assure 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 more fully in Note 1, the Council prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America. Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, we presume they are material.

Revisions to GAAP would require the Council to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. While the Council does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Council has elected not to reformat its statements. Since this Council does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Council as of December 31, 2004, or their changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Brown County Family and Children First Council, Brown County, as of December 31, 2004 and 2003, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Council to include Management's Discussion and Analysis for the year ended December 31, 2004. The Council has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 24, 2005, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Betty Montgomery
Auditor of State

August 24, 2005

**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 FISCAL YEAR ENDED JUNE 30, 2004**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Grants	\$18,800	\$70,662	\$89,462
Administrative Costs Earned	1,000	-	1,000
Total Cash Receipts	<u>19,800</u>	<u>70,662</u>	<u>90,462</u>
Cash Disbursements:			
Contract Labor	21,814	-	21,814
Contracts - Providers and Others	-	70,066	70,066
Training and Related Costs	1,567	-	1,567
Other	368	-	368
Total Cash Disbursements	<u>23,749</u>	<u>70,066</u>	<u>93,815</u>
Total Receipts Over/(Under) Disbursements	<u>(3,949)</u>	<u>596</u>	<u>(3,353)</u>
Fund Cash Balances, January 1	<u>42,295</u>	<u>74,329</u>	<u>116,624</u>
Fund Cash Balances, December 31	<u><u>\$38,346</u></u>	<u><u>\$74,925</u></u>	<u><u>\$113,271</u></u>

The notes to the financial statement 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 FISCAL YEAR ENDED JUNE 30, 2003**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum) (Only)</u>
Cash Receipts:			
Intergovernmental	\$20,000	\$103,208	\$123,208
Administrative Costs Earned	8,724	-	8,724
Total Cash Receipts	<u>28,724</u>	<u>103,208</u>	<u>131,932</u>
Cash Disbursements:			
Contract Services	21,727		21,727
Contracts - Providers and Others	4,324	63,080	67,404
Training and Related Costs	1,195		1,195
Other	1,778		1,778
Total Cash Disbursements	<u>29,024</u>	<u>63,080</u>	<u>92,104</u>
Total Receipts Over/(Under) Disbursements	<u>(300)</u>	<u>40,128</u>	<u>39,828</u>
Fund Cash Balances, January 1	<u>42,595</u>	<u>34,201</u>	<u>76,796</u>
Fund Cash Balances, December 31	<u><u>\$42,295</u></u>	<u><u>\$74,329</u></u>	<u><u>\$116,624</u></u>

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

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 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 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, 2004 AND 2003
(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, 2004 AND 2003
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Finance Review Committee

The Finance Review Committee consists of Council members with the opportunity for non-members participation if deemed appropriate by Council. The Finance Review Committee work 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, 2004 AND 2003
(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, 2004 and 2003 was \$113,271 and \$116,624, respectively. The Brown County Treasurer is responsible for maintaining adequate depository collateral for all funds in Brown County's pooled cash and investments.

3. RISK MANAGEMENT

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



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS 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 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, 2004 and 2003, and have issued our report thereon dated August 24, 2005, wherein we noted the Council followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Council's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. In a separate letter to the Council's management dated August 24, 2005, we reported another matter involving internal control over financial reporting we did not deem a reportable condition.

Compliance and Other Matters

As part of reasonably assuring whether the Council's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance that we must report under *Government Auditing Standards*.

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 24, 2005



**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 27, 2005**