



**Auditor of State
Betty Montgomery**

**GREENE COUNTY FAMILY AND CHILDREN FIRST COUCIL
GREENE COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report	1
Management's Discussion and Analysis	3
Statement of Net Assets – Modified Cash Basis – December 31, 2004	7
Statement of Activities – Modified Cash Basis - For the Year Ended December 31, 2004.....	8
Statement of Modified Cash Basis Assets and Fund Balances Governmental Funds – December 31, 2004	9
Statement of Cash Receipts, Disbursements and Changes in Modified Cash Basis Fund Balances – Governmental Funds - For the Year Ended December 31, 2004	10
Statement of Cash Receipts, Disbursements and Changes in Modified Cash Basis Fund Balance – Budget and Actual – Budget Basis General Fund – For the Year Ended December 31, 2004	11
Statement of Cash Receipts, Disbursements and Changes In Modified-Cash Basis Fund Balance - Budget and Actual - Budget Basis - Help Me Grow (HMG) And Temporary Aid to Needy Families (TANF) State Fiscal Year 2005 For The Year Ended December 31, 2004	12
Statement of Cash Receipts, Disbursements and Changes In Modified-Cash Basis Fund Balance - Budget and Actual - Budget Basis - Shared Youth Placement For The Year Ended December 31, 2004	13
Statement of Cash Receipts, Disbursements and Changes in Modified-Cash Basis Fund Balance - Budget and Actual - Budget Basis Help Me Grow (HMG), Temporary Aid to Needy Families (TANF) And State General Revenue State Fiscal Year 2004 For the Year Ended December 31, 2004	14
Notes to the Financial Statement	15
Independent Accountants' Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Required by <i>Government Auditing Standards</i>	23

This page intentionally left blank.



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Greene County Family and Children First Council
158 East Main Street
Xenia, Ohio 45385

To Members of the Council:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Greene County Family and Children First Council (the Council) as of and for the year ended December 31, 2004, which collectively comprise the Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Council's management. Our responsibility is to express opinions 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 the Comptroller General of the United States' *Government Auditing Standards*. 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 our audit provides a reasonable basis for our opinions.

As discussed in Note 1, the accompanying financial statements and notes follow the modified cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Council as of December 31, 2004, and the respective changes in modified cash financial position and the respective budgetary comparison for the General, Help Me Grow (HMG) and Temporary Aid to Needy Families (TANF) State Fiscal Year 2005, Shared Youth Placement, and Help Me Grow (HMG) Temporary Aid to Needy Families (TANF) and State General Revenue State Fiscal Year 2004 funds thereof for the year then ended in conformity with the basis of accounting Note 1 describes.

For the year ended December 31, 2004, the Council revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

One First National Plaza / 130 W. Second St. / Suite 2040 / Dayton, OH 45402
Telephone: (937) 285-6677 (800) 443-9274 Fax: (937) 285-6688
www.auditor.state.oh.us

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 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.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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 30, 2005

**GREENE COUNTY FAMILY & CHILDREN FIRST COUNCIL
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004**

This discussion and analysis of the Greene County Family and Children First Council's (the Council) financial performance provides an overall review of the Council's financial activities for the year ended December 31, 2004, within the limits of the Council's modified cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Council's financial performance.

Highlights

Key Highlights for 2004 are as follows:

- Total Net assets increased \$45,467, or 28.3%, during 2004. The increase was primarily associated with funds restricted for specific grants and programs.
- Most of the Council's revenue was associated with intergovernmental funding, from local, state, and federal sources.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Council's modified cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the Council's cash position and the changes in cash position at the entity wide level. The statement of modified cash basis assets and fund balances and the statement of cash receipts, disbursements and changes in modified cash basis fund balances report the Council's cash position and the changes in cash position by major fund. The statements of cash receipts, disbursements and changes in modified-cash basis fund balance budget-and-actual-budget basis provides original and final budgeted amounts, with variances reflecting comparison of final budgeted amounts with actual receipts and expenditures. The notes to the financial statements are an integral part of the financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. These financial statements follow the basis of accounting the Auditor of State prescribes or permits. The Council has elected to present its financial statements on a modified cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Council's modified cash basis of accounting, receipts are recognized when received in cash, rather than when earned, and disbursements when paid, rather than when a liability is incurred.

As a result of using the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the modified cash basis of accounting.

**GREENE COUNTY FAMILY & CHILDREN FIRST COUNCIL
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
(Continued)**

Reporting the Government as a Whole

The statement of net assets and the statement of activities reflect how the Council did financially during 2004, within the limits of modified cash basis accounting. The statement of net assets presents the cash balances of the Council at year end. The statement of activities presents the revenue and disbursement activity during 2004.

Table 1 provides a summary of the Council's net assets for 2004 compared to 2003 on a modified cash basis:

**TABLE 1
NET ASSETS**

ASSETS:	2004	2003
Cash and Cash Equivalents	\$206,272	\$160,805
Total Assets	206,272	160,805
 NET ASSETS:		
Restricted	191,125	142,960
Unrestricted	15,147	17,845
Total Net Assets	\$206,272	\$160,805

As mentioned previously, net assets increased \$45,467 or 28.3% during 2004. The increase was primarily associated with funds restricted for specific grants and programs.

Fund Financial Statements Reporting Major Funds

The major funds of the Council include the General, Help Me Grow (HMG) and Temporary Aid to Needy Families (TANF) State Fiscal Year 2005, Shared Youth Placement, and Help Me Grow (HMG) Temporary Aid to Needy Families (TANF) and State General Revenue State Fiscal Year 2004 funds. The statement of modified cash basis assets and fund balances and the statement of cash receipts, disbursements and changes in modified cash basis fund balances report the Council's cash position and the changes in cash position by major fund. Keeping in mind the limitations of the modified cash basis of accounting, you can think of these changes as one way to measure the Council's financial health. Over time, increases or decreases in the Council's cash position is one indicator of the Council's financial health is improving or deteriorating. When evaluating the Council's financial condition, you should also consider other financial factors such as the reliance on non-local financial resources for operations and the need for continued growth in other local revenue sources.

**GREENE COUNTY FAMILY & CHILDREN FIRST COUNCIL
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
(Continued)**

Table 2 reflects the changes in net fund balances during 2004. Since the Council did not prepare financial statements in this format for 2003, a comparative analysis has not been presented. In future years, when prior year information is available, a comparative analysis will be presented.

**TABLE 2
CHANGE IN NET FUND BALANCES**

RECEIPTS:	<u>2004</u>
Intergovernmental	\$1,352,852
Miscellaneous	14,967
Total Receipts	<u>1,367,549</u>
DISBURSEMENTS:	
Salary/Benefits	287,044
Utilities	3,939
Contractual Services	990,295
Supplies and Materials	3,359
Miscellaneous	11,449
Repayment to County	8,181
Repayment to Grantor	17,815
Total Disbursements	<u>1,322,082</u>
Excess Receipts Over (Under) Disbursements	<u>45,467</u>
OTHER FINANCING SOURCES (USES):	
Transfers In	52,527
Transfers Out	(52,527)
Advances In	41,642
Advances Out	(41,642)
Total from Other Financing Sources (Uses)	<u> </u>
Change in Net Fund Balances	<u>45,467</u>
Fund Balances, Beginning of Year	<u>160,805</u>
Fund Balances, End of Year	<u><u>\$206,272</u></u>

Intergovernmental revenue represented 99% of total receipts and is primarily comprised of local contributions from local public entities, state and federal grants. The largest category of disbursements was Contractual Services. These services include payment to residential providers for youth in out-of-home placements and for grant related services provided by public and not-for-profit organizations.

**GREENE COUNTY FAMILY & CHILDREN FIRST COUNCIL
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
(Continued)**

Budgetary Highlights

The Council made numerous revisions to the original appropriation approved by the Council and the Council's fiscal agent, the Greene County Commission. Overall, these changes resulted in little significant change in fund balance. During 2004, the Council spent 93% of the amount appropriated in the general fund. The Council's 2004 financial statements include budgetary statements for the General, Help Me Grow (HMG) and Temporary Aid to Needy Families (TANF) State Fiscal Year 2005, Shared Youth Placement, and Help Me Grow (HMG) Temporary Aid to Needy Families (TANF) and State General Revenue State Fiscal Year 2004 funds.

Capital Assets and Debt Administration

The Council has no capital assets and no debt.

Contacting the Council's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Council's finances and to reflect the Council's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Mark McDonnell, Greene County Family and Children First Council-Audit/Finance Committee Chair, Greene County Family and Children First Council, 158 E. Main Street, Xenia, Ohio 45385, (937) 562-5600.

**GREENE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
GREENE COUNTY**

**STATEMENT OF NET ASSETS - MODIFIED CASH BASIS
DECEMBER 31, 2004**

	<u>Governmental Activities</u>
Assets	
Cash and Cash Equivalents	<u>\$206,272</u>
Total Assets	<u><u>206,272</u></u>
Net Assets	
Restricted (Special Revenue)	191,125
Unrestricted (General)	<u>15,147</u>
Total Net Assets	<u><u>\$206,272</u></u>

See accompanying notes to the basic financial statements.

**GREENE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
GREENE COUNTY**

**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2004**

	Cash Disbursements	Program Cash Receipts	Net (Disbursements) Receipts and Changes in Net Assets
		Operating Grants and Contributions	Governmental Activities
Governmental Activities			
Human Services	\$1,322,082	\$1,349,752	\$27,670
Total Governmental Activities	\$1,322,082	\$1,349,752	27,670
General Receipts			
Grants and Entitlements not Restricted to Specific Programs			3,100
Miscellaneous			14,697
Total General Receipts			17,797
Change in Net Assets			45,467
Net Assets Beginning of Year			160,805
Net Assets End of Year			\$206,272

See accompanying notes to the basic financial statements.

GREENE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
GREENE COUNTY

STATEMENT OF MODIFIED CASH BASIS ASSETS AND FUND BALANCE:
GOVERNMENTAL FUNDS
DECEMBER 31, 2004

	General	Help Me Grow (HMG) and Temporary Aid to Needy Families (TANF) State Fiscal Year 2005	Shared Youth Placement	Help Me Grow (HMG), Temporary Aid to Needy Families (TANF) and State General Revenue State Fiscal Year 2004	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and Cash Equivalents	\$15,147	\$28,975	\$91,759	\$556	\$69,835	\$206,272
Total Assets	<u>15,147</u>	<u>28,975</u>	<u>91,759</u>	<u>556</u>	<u>69,835</u>	<u>206,272</u>
Fund Balances						
Restricted		28,975	91,759	556	69,835	191,125
Unreserved	<u>15,147</u>					<u>15,147</u>
Total Fund Balances	<u>\$15,147</u>	<u>\$28,975</u>	<u>\$91,759</u>	<u>\$556</u>	<u>\$69,835</u>	<u>\$206,272</u>

See accompanying notes to the basic financial statements.

**GREENE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
GREENE COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN MODIFIED CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004**

	General	Help Me Grow (HMG) and Temporary Aid to Needy Families (TANF) State Fiscal Year 2005	Shared Youth Placement	Help Me Grow (HMG), Temporary Aid to Needy Families (TANF) and State General Revenue State Fiscal Year 2004	Other Governmental Funds	Total Governmental Funds
Receipts						
Intergovernmental	\$53,310	\$107,995	\$575,479	\$207,930	\$408,138	\$1,352,852
Miscellaneous	4,155		7,998	27	2,517	14,697
Total Receipts	<u>57,465</u>	<u>107,995</u>	<u>583,477</u>	<u>207,957</u>	<u>410,655</u>	<u>1,367,549</u>
Disbursements						
Salary and Benefits	94,415	21,487		36,583	134,559	287,044
Utilities		273		762	2,904	3,939
Contractual Services	222	65,310	532,580	157,731	234,452	990,295
Supplies & Materials	498	252		501	2,108	3,359
Miscellaneous	6,472	161		281	4,535	11,449
Repayment to County					8,181	8,181
Repayment to Grantor			7,433		10,382	17,815
Total Disbursements	<u>101,607</u>	<u>87,483</u>	<u>540,013</u>	<u>195,858</u>	<u>397,121</u>	<u>1,322,082</u>
Receipts Over/(Under) Disbursements	<u>(44,142)</u>	<u>20,512</u>	<u>43,464</u>	<u>12,099</u>	<u>13,534</u>	<u>45,467</u>
Other Financing Sources (Uses)						
Transfers In	51,666			659	202	52,527
Transfers Out		(467)		(27,114)	(24,946)	(52,527)
Advances In	15,710	8,930			17,002	41,642
Advances Out	(25,932)				(15,710)	(41,642)
Total Other Financing Sources/(Uses)	<u>41,444</u>	<u>8,463</u>		<u>(26,455)</u>	<u>(23,452)</u>	
Net Change in Fund Balances	(2,698)	28,975	43,464	(14,356)	(9,918)	45,467
Fund Balances Beginning of Year	<u>17,845</u>		<u>48,295</u>	<u>14,912</u>	<u>79,753</u>	<u>160,805</u>
Fund Balances End of Year	<u>\$15,147</u>	<u>\$28,975</u>	<u>\$91,759</u>	<u>\$556</u>	<u>\$69,835</u>	<u>\$206,272</u>

See accompanying notes to the basic financial statements.

**GREENE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
GREENE COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN MODIFIED-CASH BASIS
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$20,000	\$20,000	\$18,800	(\$1,200)
Donations			955	955
Other Revenue	5,000	5,000	5,500	500
Refunds			100	100
Reimbursements			800	800
Total Receipts	<u>25,000</u>	<u>25,000</u>	<u>26,155</u>	<u>1,155</u>
Disbursements				
Salary	78,694	78,694	78,221	473
PERS	10,665	10,665	10,506	159
Health Ins	4,690	4,690	2,885	1,805
Medicare	1,143	1,143	1,121	22
Dental Ins	105	105	104	1
Life Ins	81	81	81	
Workers Comp	2,168	2,168	1,497	671
Material & Supplies	580	580	498	82
Outside Services	224	224	223	1
Travel/Training	773	773	490	283
Advertising/Printing	112	112	89	23
Other	3,900	3,900	140	3,760
Dues	476	476	476	
Equipment & Vehicles			420	(420)
Audit	6,000	6,000	5,288	712
Total Disbursements	<u>109,611</u>	<u>109,611</u>	<u>102,039</u>	<u>7,572</u>
Receipts (Under) Disbursements	<u>(84,611)</u>	<u>(84,611)</u>	<u>(75,884)</u>	<u>8,727</u>
Other Financing Sources (Uses)				
Transfers In	22,979	22,979	22,980	1
Expense Reallocations In	53,787	53,787	59,996	6,209
Advances In (Repayment)		24,640	15,710	(8,930)
Advances Out		(24,640)	(25,932)	(1,292)
Total Other Financing Sources (Uses)	<u>76,766</u>	<u>76,766</u>	<u>72,754</u>	<u>(4,012)</u>
Net Change in Fund Balance	<u>(7,845)</u>	<u>(7,845)</u>	<u>(3,130)</u>	<u>4,715</u>
Fund Balance Beginning of Year	17,325	17,325	17,325	
Prior Year Encumbrances Appropriated	520	520	520	
Fund Balance End of Year	<u><u>\$10,000</u></u>	<u><u>\$10,000</u></u>	<u><u>\$14,715</u></u>	<u><u>\$4,715</u></u>

See accompanying notes to the basic financial statements.

**GREENE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
GREENE COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN MODIFIED-CASH BASIS
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
HELP ME GROW (HMG) AND TEMPORARY AID TO NEEDY FAMILIES (TANF) STATE FISCAL YEAR 2005
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$139,232	\$109,232	\$107,995	(\$1,237)
Total Receipts	<u>139,232</u>	<u>109,232</u>	<u>107,995</u>	<u>(1,237)</u>
Disbursements				
Salary	27,756	18,826	16,959	1,867
PERS	2,551	2,057	1,119	938
Health Ins	2,888	3,196	3,061	135
Medicare	273	273	234	39
Dental Ins	84	84	84	
Life Ins	33	33	30	3
Workers Comp	448	448		448
Material & Supplies	407	593	423	170
Outside Services	93,006	71,936	71,936	
Phone	366	366	342	24
Travel/Training	366	366	182	184
Advertising/Printing	274	274		274
Other	274	274	9	265
Total Disbursements	<u>128,726</u>	<u>98,726</u>	<u>94,379</u>	<u>4,347</u>
Receipts Over Disbursements	<u>10,506</u>	<u>10,506</u>	<u>13,616</u>	<u>3,110</u>
Other Financing Sources (Uses)				
Expense Reallocations Out	(10,506)	(10,506)	(467)	10,039
Advances In		8,930	8,930	
Advances Out (Repayment)		(8,930)		8,930
Total Other Financing Sources (Uses)	<u>(10,506)</u>	<u>(10,506)</u>	<u>8,463</u>	<u>18,969</u>
Net Change in Fund Balance			22,079	22,079
Fund Balance Beginning of Year				
Prior Year Encumbrances Appropriated				
Fund Balance End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$22,079</u>	<u>\$22,079</u>

See accompanying notes to the basic financial statements.

**GREENE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
GREENE COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN MODIFIED-CASH BASIS
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
SHARED YOUTH PLACEMENT
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$35,000	\$35,000	\$9,533	(\$25,467)
Local Match	886,227	886,226	551,159	(335,067)
Refunds			7,998	7,998
Reimbursements			14,787	14,787
Total Receipts	<u>921,227</u>	<u>921,226</u>	<u>583,477</u>	<u>(337,749)</u>
Disbursements				
Outside Services	969,522	582,089	566,117	15,972
Other		7,433	7,433	
Total Disbursements	<u>969,522</u>	<u>589,522</u>	<u>573,550</u>	<u>15,972</u>
Receipts Over/(Under) Disbursements	<u>(48,295)</u>	<u>331,704</u>	<u>9,927</u>	<u>(321,777)</u>
Net Change in Fund Balance	(48,295)	331,704	9,927	(321,777)
Fund Balance Beginning of Year	39,845	39,845	39,845	
Prior Year Encumbrances Appropriated	<u>8,450</u>	<u>8,450</u>	<u>8,450</u>	
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$379,999</u></u>	<u><u>\$58,222</u></u>	<u><u>(\$321,777)</u></u>

See accompanying notes to the basic financial statements.

**GREENE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
GREENE COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN MODIFIED-CASH BASIS
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
HELP ME GROW (HMG), TEMPORARY AID TO NEEDY FAMILIES (TANF)
AND STATE GENERAL REVENUE STATE FISCAL YEAR 2004
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$39,830	\$39,829	\$39,830	\$1
Refunds			27	27
Reimbursements	174,364	168,101	168,101	
Total Receipts	<u>214,194</u>	<u>207,930</u>	<u>207,958</u>	<u>28</u>
Disbursements				
Salary	33,590	26,786	26,786	
PERS	6,319	5,386	5,462	(76)
Health Ins	1,583	3,438	3,438	
Medicare	495	370	370	
Dental Ins	274	85	82	3
Life Ins	41	35	38	(3)
Workers Comp	1,155	182	407	(225)
Material & Supplies	391	501	501	
Outside Services	167,600	155,152	157,731	(2,579)
Phone	606	762	762	
Travel/Training	848	142	151	(9)
Advertising/Printing	440	2,674	95	2,579
Other	16,509	36	36	
Total Disbursements	<u>229,851</u>	<u>195,549</u>	<u>195,859</u>	<u>(310)</u>
Receipts Over/(Under) Disbursements	<u>(15,657)</u>	<u>12,381</u>	<u>12,099</u>	<u>(282)</u>
Other Financing Sources (Uses)				
Expense Reallocations In	745	659	659	
Expense Reallocations Out		(27,284)	(27,114)	170
Total Other Financing Sources (Uses)	<u>745</u>	<u>(26,625)</u>	<u>(26,455)</u>	<u>170</u>
Net Change in Fund Balance	<u>(14,912)</u>	<u>(14,244)</u>	<u>(14,356)</u>	<u>(112)</u>
Fund Balance Beginning of Year	8,514	8,514	8,514	
Prior Year Encumbrances Appropriated	6,398	6,398	6,398	
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$668</u></u>	<u><u>\$556</u></u>	<u><u>(\$112)</u></u>

See accompanying notes to the basic financial statements.

**GREENE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004**

1. DESCRIPTION OF THE COUNCIL AND REPORTING ENTITY

A. Description of the Entity

Ohio Revised Code Section 121.37 created the Ohio Family and Children First Council and permitted counties to establish county family and children first councils. Greene County Family and Children First Council (the Council) is a government entity that is directly concerned with issues of fact or policy on matter other than the improvement of the law, the legal system, or the administrative of justice." The 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.

The Council's statutory responsibilities include the following:

- Refer to the cabinet council those children for whom the council cannot provide adequate services.
- 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;
- 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;
- 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";
- Maintain an accountability system to monitor the Council's progress in achieving its purposes;
- Establish a mechanism to ensure ongoing input from a board representation of families who are receiving services within the county system.

The Council was officially recognized as being established by the Governor on March 30, 1995. The purpose of the Council is to create and sustain an efficient, effective, and responsive countywide system to provide: human, social, health and educational services to families and children.

The Council meets on a quarterly basis.

B. Reporting Entity

A reporting entity is comprised of the primary government and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the Council consists of all funds, departments, and activities that are not legally separate from the Council. They comprise the Council's legal entity which provides various services including human, social, health and educational services to families and children. The Council, the Steering Committee, and the Director have direct responsibility for these activities.

**GREENE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
GREENE COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

These financial statements follow the basis of accounting the Auditor of State prescribes or permits.

The Council's Basic Financial Statements consist of government-wide statements, including a Statement of Net Assets and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

1. Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the Council as a whole. These statements include the financial activities of the primary government.

The Statement of Net Assets presents the financial condition of the governmental activities of the Council at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the Council's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Council, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing or draws from the general revenues of the Council.

2. Fund Financial Statements

During the year, the Council segregates transactions related to certain Council functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Council at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

3. Fund Accounting

The Council uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Council utilizes the governmental category of funds.

4. Governmental Funds

Governmental funds are those through which most governmental functions of the Council typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. The following are the Council's major governmental funds:

General Fund – The General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the Council for any purpose provided it is expended or transferred according to the general laws of Ohio and the Charter of the Council.

**GREENE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
GREENE COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Help Me Grow (HMG) and Temporary Aid to Needy Families (TANF) State Fiscal Year 2005 – The Help Me Grow (HMG) and Temporary Aid to Needy Families (TANF) State Fiscal Year 2005 Fund is used to account for revenue received and expended from State Help Me Grow and Federal TANF grant monies.

Shared Youth Placement – The Shared Youth Placement Fund is used to account for revenue received and expended from the State Shared Youth Placement grant.

Help Me Grow (HMG) Temporary Aid to Needy Families (TANF) and State General Revenue State Fiscal Year 2004 – The Help Me Grow (HMG) Temporary Aid to Needy Families (TANF) and State General Revenue State Fiscal Year 2004 Fund is used to account for revenue received and expended from State Help Me Grow, Federal TANF, and State General Revenue grant monies.

The other governmental funds of the Council account for grants and other resources whose use is restricted for a particular purpose.

5. Measurement Focus

The Council has elected to present its financial statements on a modified cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Council's modified cash basis of accounting, receipts are recognized when received in cash, rather than when earned, and disbursements when paid, rather than when a liability is incurred.

6. Basis of Accounting

As a result of using the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the modified cash basis of accounting.

B. Cash

As required by Ohio Revised Code, the County Treasurer is custodian for the Council's cash. The Council's assets are held in the County's cash and investment pool, and are valued at the County Treasurer's reported carrying amount.

C. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. Acquisitions of property are not reflected as an asset under the basis of accounting the Council uses.

D. Long-term Debt Obligations

The Council did not have any bonds or other long-term debt obligations.

**GREENE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
GREENE COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Net Assets

These statements report restricted net assets when enabling legislation or creditors, grantors or laws or regulations of other governments have imposed limitations on their use.

The Council first applies restricted resources when incurring a disbursement for which it may use either restricted or unrestricted resources.

F. Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The Council must annually file a budget with its administrative agent. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of budgetary control has been established by Council at the fund level.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources in effect at the time final appropriations were passed by Council.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payment for unused leave. Unpaid leave is not reflected as liability under the basis of accounting the Council uses.

3. CHANGE IN ACCOUNTING PRINCIPLE

For the year ended December 31, 2004, the Council revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

4. CASH AND CASH EQUIVALENTS

The Greene County Commissioners maintain 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. At year-end, the carrying amount of the Council's deposits with the Greene County Commissioners was \$206,272. The Greene County Board of Commissioners, as the fiscal agent for the Council, is responsible for maintaining adequate depositor collateral for all funds in the County's pooled cash and deposit accounts.

**GREENE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
GREENE COUNTY**

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

5. INTERFUND BALANCES

Unpaid interfund cash advances at December 31, 2004 were as follows:

	Interfund Receivable	Interfund Payable
General	\$10,222	\$0
Help Me Grow – Temporary Aid for Needy Families - State Fiscal Year 05		8,930
Other Governmental Funds		1,292
Total Interfund Receivable/Payable	\$10,222	\$10,222

The interfund transactions between general and special revenue funds are due to the timing of the receipt of grant monies.

6. CONTRACTUAL COMMITMENTS

At December 31, 2004, the Authority had \$346,916 in contractual commitments for services provided to children and families. These contracts will be funded by federal and state program grants.

<u>Contractor</u>	<u>Amount</u>
Council on Rural Services Program	\$136,786
Girl Scouts - Buckeye Trails Council	15,902
Greene County MR/DD	54,228
Greene County Combined Heath District	32,464
Greene County Educational Services Center	32,000
Greene County Family Violence Prevention Center	10,366
Greene County OSU Extension	12,500
Wright State University (CUPA)	52,670
Total:	\$346,916

7. INTERFUND TRANSFERS

Interfund cash transfers for the year ended December 31, 2004 were as follows:

TRANSFER FROM	TRANSFER TO					Totals
	General	HMG-TANF SFY 05	Shared Youth Placement	HMG-TANF SGR SFY 04	Other Gov Funds	
General						\$0
Help Me Grow, TANF State Fiscal Year 05	-	-	-	467	-	467
Shared Youth Placement Help Me Grow, TANF and State General Revenue State Fiscal Year 04	-	-	-	-	-	-
Other Governmental Funds	27,087	-	-	-	27	27,114
	24,579	-	-	192	175	24,946
Totals	\$51,666	\$0	\$0	\$659	\$202	\$52,527

The Council transferred cash for grant reimbursement purposes due to the timing of the receipt of grant monies.

**GREENE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
GREENE COUNTY**

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

8. RISK MANGAMENT

The Council is covered under the County's insurance policies. The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. During 1986, the County joined the Public Entities Pool of Ohio (PEP) a local government risk-sharing pool. The pool consists of 227 local governments who pool risk for property, liability and public official liability.

The County pays an annual premium to PEP for this coverage. The agreement provides that PEP will be self-sustaining through member premiums and excess insurance. The deductibles per occurrence for all types of coverage are as follows:

<u>Type of Coverage</u>	<u>Deductible</u>
General Liability	\$ 5,000
Police Professional	5,000
Public Official	2,500

PEP retains general liability insurance with no aggregate, professional and public official's liability risks up to \$2 million in aggregate per year and automobile liability risks up to \$1 million in aggregate per year. Claims exceeding \$2,000,000 are reinsured with no aggregate limitations per year. Settled claims have not exceeded this coverage in any of the last three years.

The Council is also exposed to a risk of loss related to employee health care costs. On September 1, 1994, the County became self-insured for employee health care benefits. The program is administered by United Health Care, Inc., in Minneapolis, Minnesota, which provides claims review, processing services and maintains its own provider network.

9. PENSION OBLIGATIONS

The Council participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans as described below:

- The Traditional Pension Plan —a cost sharing, multiple-employer defined benefit pension plan.
- The Member-Directed Plan —a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.
- The Combined Plan —a cost sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, employer contributions are invested by OPERS to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member- Directed Plan.

OPER provides retirement, disability, survivor and death benefits and annual cost-of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPER issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-6701 or 800-222-7377.

**GREENE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
GREENE COUNTY**

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

9. PENSION OBLIGATIONS (Continued)

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2004, member and employer contribution rates were consistent across all three plans. Separate divisions for law enforcement and public safety exist only within the Traditional Pension Plan. The 2004 member contribution rates were 9.55% for members in classifications other than law enforcement and public safety. The 2004 employer contribution rate for local government employer units was 13.55% of covered payroll.

The Council's contributions for pension obligations to the traditional, combined, and member directed plans for the year ended December 31, 2004 was \$27,413. 83.6% has been contributed for 2004 with the remaining 16.4%, which is the 4th quarter employer match, to be paid in the 1st quarter of 2005.

10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

The Ohio Public employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2004 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 4 percent of covered payroll was the portion that was used to fund health care.

A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2004 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 4.00 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2003, include rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.00 percent annually plus an additional factor ranging from 1 to 6 percent for the next eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 369,885. Actual employer contributions for 2004 which were used to fund postemployment benefits were \$11,482. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2003, (the latest information available) were \$10.5 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$26.9 billion and \$16.4 billion, respectively.

**GREENE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
GREENE COUNTY**

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

10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (Continued)

In December 2001, the Board adopted the Health Care "Choices" Plan. The Choices Plan will be offered to all persons newly hired in an OPERS covered position after January 1, 2003, with no prior service credit accumulated toward health care coverage. Choices will incorporate a cafeteria approach, offering a broader range of health care options. The Plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit. This is in contrast to the ten-year "cliff" eligibility standard for the present Plan.

The benefit recipient will be free to select the option that best meets their needs. Recipients will fund health care costs in excess of their monthly health care benefit. The Plan will also offer a spending account feature, enabling the benefit recipient to apply their allowance toward specific medical expenses, much like a Medical Spending Account.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to skyrocketing health care costs.

Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

11. RELATED PARTY TRANSACTIONS

The Council had related party transactions with other agencies in which their members were on the Council's governing board. The total amount of related party transactions for 2004 amounted to \$402,975.

<u>Agency</u>	<u>Amount</u>
Council on Rural Services Program	\$192,432
Girl Scouts - Buckeye Trails Council	10,863
Greene County MRDD	76,209
Greene County Combined Heath District	46,141
Greene County Educational Services Center	49,992
Greene County Family Violence Prevention Center	9,088
Greene County Juvenile Court	3,500
Greene County OSU Extension	<u>14,750</u>
Total:	<u><u>\$402,975</u></u>



**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***

Greene County Family and Children First Council
158 East Main Street
Xenia, Ohio 45385

To Members of the Council:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Greene County Family and Children First Council (the Council) as of and for the year ended December 31, 2004 which collectively comprise the Council's basic financial statements and have issued our report thereon dated August 30, 2005, wherein we noted that the Council revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. 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 in order 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. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses.

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 or other matters we must report under *Government Auditing Standards*.

One First National Plaza / 130 W. Second St. / Suite 2040 / Dayton, OH 45402
Telephone: (937) 285-6677 (800) 443-9274 Fax: (937) 285-6688
www.auditor.state.oh.us

We intend this report solely for the information and use of the audit committee, management, the Council, federal awarding agencies, and pass-through entities. It is not intended for 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 30, 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

GREENE COUNTY FAMILY AND CHILDREN FIRST COUNCIL

GREENE 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**