



Dave Yost • Auditor of State

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

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Greene County Family and Children First Council, Greene County, Ohio (the Council), as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Council's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Council's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Greene County Family and Children First Council, Greene County, Ohio, as of December 31, 2014 and 2013, and the respective changes in cash financial position for the years then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during 2013, the Council adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and Governmental Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflow of Resources, and Net Position*. Our opinion is not modified with respect to these matters.

Other Matters

Supplemental and Other Information

We applied no procedures to the Management's Discussion & Analysis presented on pages 3 - 5 for the year ended December 31, 2014 and pages 23 - 25 for the year ended December 31, 2013 of the report, and accordingly, we express no opinion or any other assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2015, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.



Dave Yost
Auditor of State
Columbus, Ohio

October 8, 2015

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)**

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, 2014, within the limits of the Council's 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 2014 are as follows:

- Compared to 2013, Total Net Position decreased \$116,374 or 23% during 2014 (\$397,688 in 2014 compared to \$514,062 in 2013). Fund Balance in Special Revenue Funds decreased \$110,225 from \$467,686 in 2013 to \$357,461 in 2014. Both revenue and expenses were higher in 2014 than in 2013. Revenue increased \$170,344 (\$988,021 in 2013 compared to \$1,158,365 in 2014). The increase in expenses was \$385,218 (\$889,521 in 2013 compared to \$1,274,739 in 2014). There were several key changes in staff in 2013 as well as higher amounts paid for contractual services. In the Council's General Fund, Fund Balance decreased (\$6,149) from \$46,376 in 2013 to \$40,227 in 2014.
- Almost all of the Council's revenue in 2014 (95%) was associated with intergovernmental funding, from local, state, and federal sources.
- Contract Services represented 69% of the Council's 2014 expenditures.

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 cash basis of accounting.

Report Components

The statement of Net Position 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 cash basis assets and fund balances and the statement of cash receipts, disbursements and changes in cash basis fund balances report the Council's cash position and the changes in cash position by major fund. 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 cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Council's 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 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 cash basis of accounting.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)
(Continued)**

Reporting the Government as a Whole

The statement of Net Position and the statement of activities reflect how the Council did financially during 2013 and 2014 within the limits of cash basis accounting. The statement of Net Position presents the cash balances of the Council at year end. The statement of activities presents the revenue and disbursement activity during 2014

Table 1 provides a summary of the Council's Net Position for 2014 compared to 2013 on a cash basis:

**Table 1
Net Position**

Assets:	2014	2013
Cash and Cash Equivalents	\$397,688	\$514,062
Total Assets	397,688	514,062
Net Position:		
Restricted	357,461	467,685
Unrestricted	40,227	46,377
Total Net Position	\$397,688	\$514,062

Net Position decreased \$116,374 or 23% during 2014. Fund Balance in Special Revenue Funds decreased from 467,686 in 2013 to \$357,461 in 2014. Net Position in the General Fund decreased from \$46,376 in 2013 to \$40,227 in 2014.

Fund Financial Statements Reporting Major Funds

The major funds of the Council in 2014 include General, Shared Youth Placements, Help Me Grow (HMG) State General Revenue (STGR) State Fiscal Year 2011, Help Me Grow (HMG) EI (Early Intervention) State Fiscal Year 2014 and Help Me Grow (HMG) State Fiscal Year 2015 EI (Early Intervention). The statement of cash basis assets and fund balances and the statement of cash receipts, disbursements and changes in 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 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 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.

Table 2 reflects the changes in net fund balances during 2014 compared to net fund balances in 2013.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)
(Continued)**

**Table 2
Changes In Net Fund Balances**

Receipts:	2014	2013
Intergovernmental	\$1,105,887	\$940,710
Miscellaneous	17,478	18,811
Total Receipts	1,123,365	959,521
Disbursements:		
Salaries/ Benefits	301,638	291,982
Utilities	4,069	3,752
Contractual Services	873,786	486,390
Materials and Supplies	6,596	6,079
Equipment	1,227	148
Financial Assistance	17,729	32,024
Miscellaneous	13,451	13,727
Audit		2,050
Repayment to County	30,749	42,968
Repayment to Grantor	25,494	10,401
Total Disbursements	1,274,739	889,521
Excess of Receipts Over (Under) Disbursements	(151,374)	70,000
Other Financing Sources (Uses):		
Advance from County	35,000	28,500
Transfers In	57,230	40,994
Transfers Out	(57,230)	(40,994)
Advances In	50,808	34,000
Advances Out	(50,808)	(34,000)
Total Other Financing Sources (Uses)	35,000	28,500
Change in Fund Balances	(116,374)	98,500
Fund Balances, Begin. Of Year	514,062	415,562
Fund Balances, End of Year	<u>\$397,688</u>	<u>\$514,062</u>

Intergovernmental revenue represented 98% of total receipts in 2014. This revenue is primarily comprised of 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.

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 Mr. John La Rock, 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.

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

**STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31,2014**

	<u>Governmental Activities</u>
Assets:	
Cash and Cash Equivalents	\$397,688
Total Assets	<u>397,688</u>
Net Position:	
Restricted	357,461
Unrestricted	40,227
Total Net Position	<u>\$397,688</u>

See accompanying notes to the basic financial statements.

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

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

		<u>Program Cash Receipts</u>	<u>Net (Disbursements) Receipts and Changes in Net Position</u>
	<u>Cash Disbursements</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities			
Human Services	\$1,274,739	\$1,064,526	(\$210,213)
Total Governmental Activities	<u>1,274,739</u>	<u>1,064,526</u>	<u>(210,213)</u>
 General Receipts:			
Grants and Entitlements not Restricted to Specific Programs			56,455
Miscellaneous			2,384
Advances from County			35,000
Total General Receipts			<u>93,839</u>
Change in Net Position			(116,374)
Net Position Beginning of Year			<u>514,062</u>
Net Position End of Year			<u><u>\$397,688</u></u>

See accompanying notes to the basic financial statements.

GREENE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
GREENE COUNTY

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2014

	General	Shared Youth Placement	Help Me Grow EI SFY 14	Help Me Grow EI SFY 15	Help Me Grow State GR SFY 11	Other Governmental Funds	Total Governmental Funds
Assets:							
Cash and Cash Equivalents	\$40,227	\$116,369	\$0	\$66,756	\$66,068	\$108,268	\$397,688
Total Assets	<u>40,227</u>	<u>116,369</u>	<u>\$0</u>	<u>66,756</u>	<u>66,068</u>	<u>108,268</u>	<u>397,688</u>
Fund Balances:							
Restricted for:							
Shared Youth		116,369					116,369
Help Me Grow				66,756	66,068		132,824
Other Grants						108,268	108,268
Assigned for:							
Subsequent Year Appropriations	25,104						25,104
Outstanding Encumbrances	130						130
Unassigned	14,993						14,993
Total Fund Balances	<u>\$40,227</u>	<u>\$116,369</u>	<u>\$0</u>	<u>\$66,756</u>	<u>\$66,068</u>	<u>\$108,268</u>	<u>\$397,688</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 CASH BASIS FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	General	Shared Youth Placement	Help Me Grow (HMG) EI SFY14	Help Me Grow (HMG) EI SFY15
Receipts:				
Intergovernmental	\$56,455	\$393,281	\$175,811	\$199,710
Miscellaneous	2,384	3,006		
Total Receipts	58,839	396,287	175,811	199,710
Disbursements:				
Salary	60,928			
Benefits	31,710			
Materials/Supplies	294		229	115
Contractual Services	15	411,658	332,073	129,988
Audit Services				
Rent				
Phone				
Financial Assistance				
Travel/Training	705		23	13
Adv/Printing			120	
Dues/Subscriptions	225			
Equipment	377			
Repayment to County	9,749			
Repayment to Grantor		2,066		
Total Disbursements	104,003	413,724	332,445	130,116
Excess of Receipts Over (Under) Disbursements	(45,164)	(17,437)	(156,634)	69,594
Other Financing Sources (Uses):				
Advances from County	8,000			
Transfers In	31,015			
Transfers Out			(6,971)	(2,838)
Advances In	3,000		17,404	
Advances Out	(3,000)		(17,404)	
Total Other Financing Sources (Uses)	39,015		(6,971)	(2,838)
Net Change in Fund Balances	(6,149)	(17,437)	(163,605)	66,756
Fund Balances Beginning of Year	46,376	133,806	163,605	
Fund Balances End of Year	<u>\$40,227</u>	<u>\$116,369</u>	<u>\$0</u>	<u>\$66,756</u>

See accompanying notes to the basic financial statements.

Help Me Grow (HMG) State GR SFY11	Other Governmental Funds	Total Governmental Funds
	\$280,630	\$1,105,887
	12,088	17,478
	292,718	1,123,365
	148,372	209,300
	60,628	92,338
	5,958	6,596
	52	873,786
	5,600	5,600
	4,069	4,069
	17,729	17,729
	5,701	6,442
	959	1,079
	105	330
	850	1,227
	21,000	30,749
	23,428	25,494
	294,451	1,274,739
	(1,733)	(151,374)
	27,000	35,000
	26,215	57,230
	(47,421)	(57,230)
\$27,404	3,000	50,808
(17,404)	(13,000)	(50,808)
10,000	(4,206)	35,000
10,000	(5,939)	(116,374)
56,068	114,207	514,062
\$66,068	\$108,268	\$397,688

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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 Cabinet Council and permitted counties to establish county Family and Children First Councils. In 2006 House Bill 289 amended ORC Section 121.37 and Section 121.374. 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 purpose of the county Council is to streamline and coordinate existing government services for families seeking services for their children. In seeking to fulfill its purpose, a county Council shall provide for the following:
- Referrals to the Cabinet Council of those children for whom the county Council cannot provide adequate services;
- Development and implementation of a process that annually evaluates and prioritizes services, fills service gaps where possible, and invents new approaches to achieve better results for families and children:
- Participation 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 "Individuals with Disabilities Education Act of 2004"
- Maintenance of an accountability system to monitor the county Council's progress in achieving results for families and children;
- Establishment of a mechanism to ensure ongoing input from a board representation of families who are receiving services within the county system.

The Council has developed and implemented the following:

- (a.) An interagency system to monitor the county's progress toward increasing child well-being in the county.
- (b.) An interagency process to identify local priorities to increase child well-being and the associated indicators established by the Cabinet. The local priorities and indicators shall focus on expectant parents and newborns thriving; infants and toddlers thriving; children being ready for school; children and youth succeeding in school; youth choosing healthy behaviors; and youth successfully transitioning into adulthood.
- (c.) An annual plan that identifies the county's interagency efforts to increase child well-being in the county.

On an annual basis, the Council shall submit a report on the status of efforts by the county to increase child well-being in the county to the county's board of county commissioners and the cabinet council. This report shall be made available to any other person on request.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(Continued)**

1. DESCRIPTION OF THE COUNCIL AND REPORTING ENTITY (Continued)

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.

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 Position 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 Position 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 Position 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Shared Youth Placement – The Shared Youth Placement Fund is used to account for revenue received and expended from local entities for Shared Youth Placements.

Help Me Grow (HMG) State General Revenue (STGR) State Fiscal Year 2011 – The Help Me Grow (HMG) State General Revenue State Fiscal Year 2011 Fund is used to account for revenue received and expended from State General Revenue grant monies. This fund is a carry-over fund and did not receive any new revenue.

Help Me Grow (HMG) Early Intervention (EI) State Fiscal Year 2014 – The Help Me Grow (HMG) Early Intervention SFY2014 is used to account for revenue received and expended from State General Revenue and Federal grant monies.

Help Me Grow (HMG) Early Intervention (EI) State Fiscal Year 2015 – The Help Me Grow (HMG) Early Intervention SFY2015 is used to account for revenue received and expended from State General Revenue and Federal 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 cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Council's 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 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 cash basis of accounting.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

E. Net Position

These statements report restricted Net Position 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.

The statement of Net Position reports \$357,461 of restricted Net Position, of which none is restricted by enabling legislation.

F. Administrative/Fiscal Agent

Ohio Revised Code Section 121.37(B)(5)(a) requires the Council to select an administrative agent to provide fiscal and administrative services to the Council. The Council has selected the Greene County Auditor. The Council authorizes the Greene County Auditor, as fiscal agent and administrative agent, to subcontract with, designate, and/or seek assistance from any agencies and/or organizations that it deems necessary in order to complete the obligations set forth in the agreement. The Greene County Auditor agrees to be ultimately responsible for fulfilling the fiscal and administrative obligations of the agreement.

G. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Council must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Non-spendable – The non-spendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

Restricted – Fund balance is restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions or enabling legislation.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Council. Those committed amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by Council for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by policies of the Council, which includes giving the administrative/fiscal agent the authority to constrain monies for intended purposes.

Unassigned – Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from the overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The Council applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

H. Budgetary Process

A Family and Children First Council established under Ohio Revised Code Section 121.37 is not a taxing authority and is not subject to Ohio Revised Code Chapter 5705. As of October 1, 1997, all Family and Children First Councils are required to file an annual budget with its administrative agent. No budgetary information is presented because the budget is not established by ordinance or resolution of Council prior to filing with its administrative agent.

I. 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. 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 deposit with the Greene County Commissioners was \$397,688. 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
FOR THE YEAR ENDED DECEMBER 31, 2014
(Continued)**

4. CONTRACTUAL COMMITMENTS

At December 31, 2014, the Council had \$355,734 in contractual commitments for services provided to children and families. These contracts will be funded by federal and state program grants.

Contractor	Amount
Greene County Combined Health District	\$355,734
Total Obligated	\$355,734

5. INTERFUND TRANSFERS

Inter-fund cash transfers for the year ended December 31, 2014 were as follows:

Transfer From	Transfers To		Totals
	General	Other Governmental Funds	
Help Me Grow, EI - SFY14 (7111)	\$6,971		\$6,971
Help Me Grow, EI - SFY15 (7117)	2,838		2,838
Other Governmental Funds	21,206	\$26,215	47,421
Totals	\$31,015	\$26,215	\$57,230

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

6. RISK MANAGEMENT

The Council is covered under the County's insurance policies. The Council 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:

Type of Coverage	Deductible
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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(Continued)**

7 DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System

Plan Description – The Council participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, 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.

OPERS 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 by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14.0 percent of covered payroll for state and local employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in State and local divisions. For the year ended December 31, 2014, members in state and local divisions contributed 10.0 percent of covered payroll. For 2014, member and employer contribution rates were consistent across all three plans.

The Council's 2014 contribution rate was 14.0 percent. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 1.0 percent for 2013. Effective January 1, 2014, the portion of the employer contributions allocated to health care increased to 2.0 percent. Employer contribution rates are actuarially determined.

The Council's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2014, 2013, and 2012 were \$25,116, \$26,273, and \$27,483, respectively. The full amount has been contributed for all three years.

8. POST-EMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(Continued)**

8. POST-EMPLOYMENT BENEFITS (Continued)

OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2014, state and local employers contributed at a rate of 14.0 percent of covered payroll. These are the maximum employer contribution rates permitted by the Ohio Revised Code.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 2.0 percent for 2014. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.0 percent for 2014.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

The Council's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2014, 2013, and 2012 were \$4,186, \$2,021, and \$10,992, respectively. The full amount has been contributed for all three years.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(Continued)**

9. 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 2014 amounted to \$462,456.

Agency	Amount
Greene County Combined Health District	\$462,060
Greene County Department of Job & Family Services	396
Total	\$462,456

10. ADVANCE FROM COUNTY

The Greene County provides the FCFC with short term financing to meet its current obligations until grant funds are available. These amounts have been reported as Advance from County and Repayment to County on the financial statements. Following is summary of advance activity during 2014:

January 1, 2014 Balance	Advances Received	Advances Repaid	Ending Balance
\$28,500	\$35,000	(\$28,500)	\$35,000

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)**

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, 2013, within the limits of the Council's 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 2013 are as follows:

- Compared to 2012, Total Net Position increased \$98,500 or 23% during 2013 (\$514,062 in 2013 compared to \$415,562 in 2012). Net Position in Special Revenue Funds increased \$94,770 from \$372,915 in 2012 to \$467,685 in 2013. Both revenue and expenses were lower in 2013 than in 2012. Revenue decreased \$190,416 (\$1,178,437 in 2012 compared to \$988,021 in 2013). The decrease in expenses was \$326,450 (\$1,215,971 in 2012 compared to \$889,521 in 2013). There were several key changes in staff in 2012 as well as lower amounts paid for contractual services. In the Council's General Fund, Net Position increased (\$3,729) from \$42,647 in 2012 to \$46,376 in 2013.
- Almost all of the Council's revenue in 2013 (95%) was associated with intergovernmental funding, from local, state, and federal sources.
- Contract Services represented 55% of the Council's 2013 expenditures.

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 cash basis of accounting.

Report Components

The statement of Net Position 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 cash basis assets and fund balances and the statement of cash receipts, disbursements and changes in cash basis fund balances report the Council's cash position and the changes in cash position by major fund. 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 cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Council's 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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)**

As a result of using the 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 cash basis of accounting.

Reporting the Government as a Whole

The statement of Net Position and the statement of activities reflect how the Council did financially during 2012 and 2013 within the limits of cash basis accounting. The statement of Net Position presents the cash balances of the Council at year end. The statement of activities presents the revenue and disbursement activity during 2013.

Table 1 provides a summary of the Council's Net Position for 2013 compared to 2012 on a cash basis:

**Table 1
Net Position**

Assets:	2013	2012
Cash and Cash Equivalents	\$514,062	\$415,562
Total Assets	<u>514,062</u>	<u>415,562</u>
Net Position:		
Restricted	467,685	372,915
Unrestricted	46,377	42,647
Total Net Position	<u>\$514,062</u>	<u>\$415,562</u>

Net Position increased \$98,500 or 23.7% during 2013. Fund Balance in Special Revenue Funds increased from \$372,915 in 2012 to \$467,686 in 2013. Fund Balance in the General Fund increased from \$42,647 in 2012 to \$46,376 in 2013.

Fund Financial Statements Reporting Major Funds

The major funds of the Council in 2013 include General, Shared Youth Placements, Help Me Grow (HMG) State General Revenue (STGR) State Fiscal Year 2011, and Help Me Grow (HMG) EI (Early Intervention) State Fiscal Year 2013 and Help Me Grow (HMG) State Fiscal Year 2014 EI (Early Intervention). The statement of cash basis assets and fund balances and the statement of cash receipts, disbursements and changes in 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 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.

Table 2 reflects the changes in net fund balances during 2013 compared to net fund balances in 2012.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)**

**Table 2
Change In Net Fund Balances**

Receipts:	2013	2012
Intergovernmental	\$940,710	\$1,120,473
Miscellaneous	18,811	18,964
Total Receipts	959,521	1,139,437
Disbursements:		
Salaries/ Benefits	291,982	377,492
Utilities	3,752	3,296
Contractual Services	486,390	717,049
Materials and Supplies	6,079	7,169
Equipment	148	
Financial Assistance	32,024	37,100
Miscellaneous	13,727	13,918
Audit	2,050	
Repayment to County	42,968	37,539
Repayment to Grantor	10,401	22,409
Total Disbursements	889,521	1,215,972
Excess of Receipts Over (Under) Disbursements	70,000	(76,535)
Other Financing Sources (Uses):		
Advance from County	28,500	39,000
Transfers In	40,994	90,614
Transfers Out	(40,994)	(90,614)
Advances In	34,000	217,400
Advances Out	(34,000)	(217,400)
Total Other Financing Sources (Uses)	28,500	39,000
Change in Fund Balances	98,500	(37,535)
Fund Balances, Begin. Of Year	415,562	453,097
Fund Balances, End of Year	<u>\$514,062</u>	<u>\$415,562</u>

Intergovernmental revenue represented 95% of total receipts in 2013. This revenue is primarily comprised of 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.

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 Mr. John La Rock, 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.

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

**STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2013**

	Governmental Activities
Assets:	
Cash and Cash Equivalents	\$514,062
Total Assets	<u>514,062</u>
Net Position:	
Restricted	467,685
Unrestricted	46,377
Total Net Position	<u>\$514,062</u>

See accompanying notes to the basic financial statements.

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

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013**

		<u>Program Cash Receipts</u>	<u>(Disbursements) Receipts and Changes in Net Position</u>
	<u>Cash Disbursements</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities:			
Human Services	\$889,521	\$888,993	(\$528)
Total Governmental Activities	<u>\$889,521</u>	<u>\$888,993</u>	<u>(528)</u>
 General Receipts:			
Grants and Entitlements not Restricted to Specific Programs			69,573
Miscellaneous			955
Advances from the County			<u>28,500</u>
Total General Receipts			<u>99,028</u>
Change in Net Position			98,500
Net Position Beginning of Year			<u>415,562</u>
Net Position End of Year			<u><u>\$514,062</u></u>

See accompanying notes to the basic financial statements.

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

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2013**

	General	Shared Youth Placement	Help Me Grow State GR SFY 11	Help Me Grow EI SFY 13	Help Me Grow EI SFY 14	Other Governmental Funds	Total Governmental Funds
Assets:							
Cash and Cash Equivalents	\$46,376	\$133,806	\$56,068	\$291	\$163,605	\$113,916	\$514,062
Total Assets	<u>46,376</u>	<u>133,806</u>	<u>56,068</u>	<u>291</u>	<u>163,605</u>	<u>113,916</u>	<u>514,062</u>
Fund Balances:							
Restricted for:							
Shared Youth Placement		133,806					133,806
Help Me Grow			56,068	291	163,605		219,964
Other Grants						113,916	113,916
Assigned for:							
Subsequent Year Appropriations	39,452						39,452
Outstanding Encumbrances	910						910
Unassigned	6,014						6,014
Total Fund Balances	<u>\$46,376</u>	<u>\$133,806</u>	<u>\$56,068</u>	<u>\$291</u>	<u>\$163,605</u>	<u>\$113,916</u>	<u>\$514,062</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
FOR THE YEAR ENDED DECEMBER 31, 2013**

	General	Shared Youth Placement	Help Me Grow (HMG) STATE GR SFY11	Help Me Grow (HMG) EI SFY13
Receipts:				
Intergovernmental	\$67,903	\$224,222		\$157,444
Miscellaneous	2,625	92		492
Total Receipts	70,528	224,314		157,936
Disbursements:				
Salary	52,279			11,389
Benefits	26,029			4,676
Materials/Supplies	496			263
Contractual Services		181,109		240,255
Audit Services	2,050			
Rent				
Phone				141
Financial Assistance				
Travel/Training	375			230
Adv/Printing	270			62
Other				
Misc				
Dues/Subscriptions	225			
Equipment	148			
Repayment to County	15,968			
Repayment to Grantor				5,648
Total Disbursements	97,840	181,109		262,664
Excess of Receipts Over (Under) Disbursements	(27,312)	43,205		(104,728)
Other Financing Sources (Uses):				
Advance from County	7,500			
Transfers In	27,896			1,176
Transfers Out	(4,355)			(4,110)
Advances In			\$12,000	
Advances Out			(10,000)	
Total Other Financing Sources (Uses)	31,041		2,000	(2,934)
Net Change in Fund Balances	3,729	43,205	2,000	(107,662)
Fund Balances Beginning of Year	42,647	90,601	54,068	107,953
Fund Balances End of Year	\$46,376	\$133,806	\$56,068	\$291

See accompanying notes to the basic financial statements.

Help Me Grow (HMG) EI SFY14	Other Governmental Funds	Total Governmental Funds
\$232,640	\$258,501	\$940,710
	15,602	18,811
<u>232,640</u>	<u>274,103</u>	<u>959,521</u>
	138,431	202,099
	59,178	89,883
189	5,131	6,079
65,026		486,390
		2,050
	5,600	5,600
	3,611	3,752
	32,024	32,024
3	3,240	3,848
	3,319	3,651
	126	126
	10	10
	267	492
		148
	27,000	42,968
	4,753	10,401
<u>65,218</u>	<u>282,690</u>	<u>889,521</u>
<u>167,422</u>	<u>(8,587)</u>	<u>70,000</u>
	21,000	28,500
	11,922	40,994
(3,817)	(28,712)	(40,994)
	22,000	34,000
	(24,000)	(34,000)
<u>(3,817)</u>	<u>2,210</u>	<u>28,500</u>
163,605	(6,377)	98,500
	120,293	415,562
<u>\$163,605</u>	<u>\$113,916</u>	<u>\$514,062</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

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 Cabinet Council and permitted counties to establish county Family and Children First Councils. In 2006 House Bill 289 amended ORC Section 121.37 and Section 121.374. 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 purpose of the county Council is to streamline and coordinate existing government services for families seeking services for their children. In seeking to fulfill its purpose, a county Council shall provide for the following:

- Referrals to the Cabinet Council of those children for whom the county Council cannot provide adequate services;
- Development and implementation of a process that annually evaluates and prioritizes services, fills service gaps where possible, and invents new approaches to achieve better results for families and children:
- Participation 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 "Individuals with Disabilities Education Act of 2004"
- Maintenance of an accountability system to monitor the county Council's progress in achieving results for families and children;
- Establishment of a mechanism to ensure ongoing input from a board representation of families who are receiving services within the county system.

The Council has developed and implemented the following:

- (a.) An interagency system to monitor the county's progress toward increasing child well-being in the county.
- (b.) An interagency process to identify local priorities to increase child well-being and the associated indicators established by the Cabinet. The local priorities and indicators shall focus on expectant parents and newborns thriving; infants and toddlers thriving; children being ready for school; children and youth succeeding in school; youth choosing healthy behaviors; and youth successfully transitioning into adulthood.
- (c.) An annual plan that identifies the county's interagency efforts to increase child well-being in the county.

On an annual basis, the Council shall submit a report on the status of efforts by the county to increase child well-being in the county to the county's board of county commissioners and the cabinet council. This report shall be made available to any other person on request.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013
(Continued)**

1. DESCRIPTION OF THE COUNCIL AND REPORTING ENTITY (Continued)

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.

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 Position 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 Position 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 Position 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Shared Youth Placement – The Shared Youth Placement Fund is used to account for revenue received and expended from local entities for Shared Youth Placements.

Help Me Grow (HMG) State General Revenue (STGR) State Fiscal Year 2011 – The Help Me Grow (HMG) State General Revenue State Fiscal Year 2011 Fund is used to account for revenue received and expended from State General Revenue grant monies. This fund is a carry-over fund and did not receive any new revenue.

Help Me Grow (HMG) Early Intervention (EI) State Fiscal Year 2013 – The Help Me Grow (HMG) Early Intervention SFY2013 is used to account for revenue received and expended from State General Revenue grant monies.

Help Me Grow (HMG) Early Intervention (EI) State Fiscal Year 2014 – The Help Me Grow (HMG) Early Intervention SFY2013 is used to account for revenue received and expended from 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 cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Council's 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 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 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

E. Net Position

These statements report restricted Net Position 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.

The statement of Net Position reports \$467,685 of restricted Net Position, of which none is restricted by enabling legislation.

F. Administrative/Fiscal Agent

Ohio Revised Code Section 121.37(B)(5)(a) requires the Council to select an administrative agent to provide fiscal and administrative services to the Council. The Council has selected the Greene County Auditor. The Council authorizes the Greene County Auditor, as fiscal agent and administrative agent, to subcontract with, designate, and/or seek assistance from any agencies and/or organizations that it deems necessary in order to complete the obligations set forth in the agreement. The Greene County Auditor agrees to be ultimately responsible for fulfilling the fiscal and administrative obligations of the agreement.

G. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Council must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Non-spendable – The non-spendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted – Fund balance is restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions or enabling legislation.

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Council. Those committed amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assigned – Amounts in the assigned fund balance classification are intended to be used by Council for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by policies of the Council, which includes giving the administrative/fiscal agent the authority to constrain monies for intended purposes.

Unassigned – Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from the overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The Council applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

H. Budgetary Process

A Family and Children First Council established under Ohio Revised Code Section 121.37 is not a taxing authority and is not subject to Ohio Revised Code Chapter 5705. As of October 1, 1997, all Family and Children First Councils are required to file an annual budget with its administrative agent. No budgetary information is presented because the budget is not established by ordinance or resolution of Council prior to filing with its administrative agent.

I. 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 fiscal year 2013, the Council implemented Governmental Accounting Standard Board (GASB) Statement No.54, "Fund Balance Reporting and Governmental Fund Type Definitions." GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. The implementation of GASB Statement No. 54 had no effect on previously reported fund balances.

Also for fiscal year 2013, the Council implemented Governmental Accounting Standard Board (GASB) Statement No. 63 "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." GASB 63 changes the naming of Net Assets to Net Position. The implementation of GASB Statement No. 63 had no effect on previously reported statements.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013
(Continued)**

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 deposit with the Greene County Commissioners was \$514,062. 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.

5. INTERFUND BALANCES

Unpaid inter-fund cash advances at December 31, 2013 were as follows:

	Inter-fund Receivable	Inter-fund Payable
Help Me Grow SFY11 STGR (1145)	\$10,000	
Help Me Grow SFY14 Subsidy (7112)		\$10,000
Total Inter-fund Receivable/Payable	\$10,000	\$10,000

The inter-fund transactions between special revenue funds are due to the timing of the receipt of grant monies.

6. CONTRACTUAL COMMITMENTS

At December 31, 2013, the Council had \$419,162 in contractual commitments for services provided to children and families. These contracts will be funded by federal and state program grants.

Contractor	Amount
Greene County Combined Health District	\$419,162
Total Obligated	\$419,162

7. INTERFUND TRANSFERS

Inter-fund cash transfers for the year ended December 31, 2013 were as follows:

Transfer From	Transfers To			Totals
	General	HMG - EI SFY 13	Other Governmental Funds	
General (1156)			\$4,355	\$4,355
Help Me Grow, EI - SFY13 (7107)	\$4,110			4,110
Help Me Grow, EI - SFY14 (7111)	3,817			3,817
Other Governmental Funds	19,969	\$1,176	7,567	28,712
Totals	\$27,896	\$1,176	\$11,922	\$40,994

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
FOR THE YEAR ENDED DECEMBER 31, 2013
(Continued)**

8. RISK MANAGEMENT

The Council is covered under the County's insurance policies. The Council 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. DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System

Plan Description – The Council participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, 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.

OPERS 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 by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013
(Continued)**

9. DEFINED BENEFIT PENSION PLAN (Continued)

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in State and local divisions. For the year ended December 31, 2013, members in state and local divisions contributed 10 percent of covered payroll. For 2013, member and employer contribution rates were consistent across all three plans.

The District's 2013 contribution rate was 14 percent. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 1 percent for 2013. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for 2013. Employer contribution rates are actuarially determined.

The Council's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2013, 2012, and 2011 were \$26,273, \$27,483, and \$26,270, respectively. The full amount has been contributed for 2013, 2012 and 2011.

10. POST-EMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013
(Continued)**

10. POST-EMPLOYMENT BENEFITS (Continued)

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2013, state and local employers contributed at a rate of 14 percent of covered payroll. These are the maximum employer contribution rates permitted by the Ohio Revised Code.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 1 percent for 2013. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for 2013.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

The Council's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2013, 2012, and 2011 were \$2,021, \$10,992, and \$10,507, respectively. The full amount has been contributed for 2013, 2012 and 2011.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

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 CY 2013 amounted to \$305,843.

Agency	Amount
Greene County BODD (Fairways COG)	\$100
Greene County Combined Health District	305,281
Greene County Dept. of Job & Family Services	462
Total	\$305,843

12. ADVANCE FROM COUNTY

The Greene County provides the FCFC with short term financing to meet its current obligations until grant funds are available. These amounts have been reported as Advance from County and Repayment to County on the financial statements. Following is a summary of advance activity during 2014:

January 1, 2013 Balance	Advances Received	Advances Repaid	Ending Balance
\$39,000	\$28,500	(\$39,000)	\$28,500

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S 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
Greene County
158 E. Main Street
Xenia, Ohio 45385

To the Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Greene County Family and Children First Council, Greene County, Ohio (the Council), as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements and have issued our report thereon dated October 8, 2015, wherein we noted the Council uses a special purpose framework other than generally accepted accounting principles. We also noted that during 2013, the Council adopted provisions of Government Accounting Standards Board statements No. 54 and 63.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Council's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Council's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Council's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider findings 2014-001 through 2014-003 described in the accompanying schedule of findings to be 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, opining 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*.

Council's Response to Findings

The Council's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Council's responses and, accordingly, we express no opinion on them.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Council's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dave Yost
Auditor of State
Columbus, Ohio

October 8, 2015

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

**SCHEDULE OF FINDINGS
DECEMBER 31, 2014 AND 2013**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2014-001

MATERIAL WEAKNESS

Following errors noted in the Council's financial statements were material and required audit adjustments in the accompanying financial statements to correctly reflect the transactions:

Statement of Activities

1. During 2013, the Council reported \$28,500 in advances from the County as operating grants and contributions (\$21,000) and grants and entitlements not restricted to specific programs (\$7,500)
2. During 2014, the Council reported \$35,000 in advances from the County as operating grants and contributions (\$27,000) and grants and entitlements not restricted to specific programs (\$8,000)

Statement of Cash Basis Assets and Fund Balances

The Council incorrectly reported total receipts as cash and cash equivalents on the financial statements. This resulted in assets not agreeing to fund balances and causing the following errors:

2013

- (a) General Fund cash was overstated by \$31,652
- (b) Shared Youth Placement cash was overstated by \$90,508
- (c) Help Me Grow State Gr SFY 11 cash was understated by \$56,068
- (d) Help Me Grow EI SFY 13 cash was overstated by \$157,646
- (e) Help Me Grow EI SFY 14 cash was overstated by \$69,036
- (f) Other Governmental Funds cash was overstated by \$181,186

2014

- (a) General Fund cash was overstated by \$26,613
- (b) Shared Youth Placement was overstated by \$279,919
- (c) Help Me Grow EI SFY 14 was overstated by \$175,812
- (d) Help Me Grow EI SFY 15 was overstated by \$132,954
- (e) Other Governmental Funds was overstated by \$145,382

Policies and procedures should be established and implemented to verify the accuracy of amounts reported in the financial statements in accordance with applicable accounting standards. Failure to do so could result in the users of the financial statements basing their conclusions on materially misstated financial data.

Official's Response:

These amounts were incorrectly entered into the wrong column on the financial statements prepared for the audit. This was a recording error that was not identified upon internal review due to the inexperience of the new director. We acknowledge this error in data entry as a deficiency; however, given the County's internal controls it does not reach the level of *material weakness*. This has been corrected.

**FINDING NUMBER 2014-001
(Continued)**

AOS Conclusion:

AU-C Section 265 defines material weakness as a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. The standard requires auditors to communicate in writing to those charged with governance on a timely basis significant deficiencies and material weaknesses identified during the audit, including those that were remediated during the audit.

Material misstatements requiring audit adjustments were detected during the audit and in accordance with AU-C Section 265, these have been reported as material weakness as the Council's internal controls were unable to prevent, detect or correct these errors.

FINDING NUMBER 2014-002

MATERIAL WEAKNESS

GASB Statement No. 34 places the focus of governmental and proprietary fund financial statements on major funds. Fund statements should present the financial information of each major fund in a separate column. Non-major funds should be aggregated and displayed in a single column. Major funds are based on the following criteria:

1. total assets + deferred outflow of resources, liabilities + deferred inflow of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total (assets, liabilities, and so forth) for all funds of that category or type (that is total governmental or total enterprise funds) and
2. Total assets + deferred outflows, liabilities + deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined

During 2014, Help Me Grow FY11 fund met the criteria of a major fund as its assets exceeded 10 percent of total governmental fund assets and 5 percent of total assets. However, the Council did not report this fund as a major fund.

Policies and procedures should be established and implemented to verify the accuracy of amounts reported in the financial statements in accordance with applicable accounting standards. Failure to do so could result in the users of the financial statements basing their conclusions on materially misstated financial data.

Official's Response:

The need to report this as a major fund was misinterpreted. This fund had no new revenue and no actual expenditures, only an advance in and out due to the timing of receipt of grant funds for Help Me Grow. This has already been corrected.

FINDING NUMBER 2014-003

MATERIAL WEAKNESS

The Governmental Accounting Standards Board (GASB) issued Statement 54 effective for periods beginning after June 15, 2010. The objective of this Statement was to enhance the usefulness of fund balance information by providing clearer fund balance classifications that could be more consistently applied and clarifying the existing governmental fund type definitions. This Statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

GASB Statement No. 63 was effective for the periods beginning after December 15, 2011. This statement identified net position as the residual of all other elements presented in a statement of financial position. This Statement amended the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

The Council did not adopt the provisions of GASB Statement No. 54 and 63 in their 2013 and 2014 financial statements. Audit adjustments were made to disclose the GASB 54 fund balance classifications in the Statement of Cash Basis Assets and Fund Balances and the proper net position in the Statement of Net Position.

Policies and procedures should be established and implemented to verify that the Council adopts and properly discloses all applicable GASB statements. Failure to do so could result in material misstatements on the financial statements and opinion modification in future audits.

Official's Response:

The spreadsheet used for our financial statements were designed by AOS staff. The FCFC has not had a full audit since 2008. We were subject to Agreed-Upon Procedures in the intervening years. The new spreadsheet format was not brought to our attention during that time. If we had been made aware during our AUP's or when our 2013-2014 audit documents were submitted to the AOS in February of 2015, this correction could have been made in a matter of few minutes. Once again, this error in formatting does not seem to reasonably meet the definition of *material weakness*. Corrective action has been taken. Both Family and Children First Council Coordinator and the Family and Children First Fiscal Coordinator will monitor the Ohio AOS Technical Bulletins page on a routine basis.

AOS Conclusion:

The Council failed to implement the requirements of GASB Statements No. 54 and 63. GASB Statement No. 54 was effective for the periods beginning after June 15, 2010. On September 29, 2011 Auditor of State issued Bulletin No. 2011-004 providing guidance to local governments on the implementation of GASB Statement No. 54.

Correct implementation of GASB statements is critical for an entity to receive an unmodified opinion. Audit adjustments were proposed to correctly present the Council's financial statements in accordance with Statement No. 54 and 63. In accordance with AU-C Section 265, Council's failure to correctly apply GASB Statements was determined to be a material weakness.

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Dave Yost • Auditor of State

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
NOVEMBER 24, 2015**