



Mary Taylor, CPA
Auditor of State

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

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Members of the Council:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Greene County Family and Children First Council, Greene County, Ohio (the Council), as of and for the year ended December 31, 2005, which collectively comprise the Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Council's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Greene County Family and Children First Council, Greene County, Ohio, as of December 31, 2005, and the respective changes in cash financial position and the respective budgetary comparison for the General, Help Me Grow (HMG) and Temporary Aid to Needy Families (TANF) State Fiscal Year 2005, Help Me Grow (HMG) and Temporary Aid to Needy Families (TANF) State Fiscal Year 2006 and Shared Youth Placements funds thereof for the year then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2007, on our consideration of the Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

November 1, 2007

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005**

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, 2005, 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 2005 are as follows:

- Total Net assets increased \$74,431, or 36%, during 2005. The increase was primarily associated with funds restricted for specific grants and programs.
- Most of the Council's revenue (99%) was associated with intergovernmental funding, from local, state, and federal sources.
- Contract Services represented 67% of the Council's 2005 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 assets and the statement of activities provide information about the Council's cash position and the changes in cash position at the entity wide level. The statement of 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 statements of cash receipts, disbursements and changes in cash basis fund balance budget-and-actual-budget basis provides original and final budgeted amounts, with variances reflecting comparison of final budgeted amounts with actual receipts and expenditures. The notes to the financial statements are an integral part of the financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. These financial statements follow the basis of accounting the Auditor of State prescribes or permits. The Council has elected to present its financial statements on a 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 AND CHILDREN FIRST COUNCIL
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)**

Reporting the Government as a Whole

The statement of net assets and the statement of activities reflect how the Council did financially during 2005, within the limits of cash basis accounting. The statement of net assets presents the cash balances of the Council at year end. The statement of activities presents the revenue and disbursement activity during 2005.

Table 1 provides a summary of the Council's net assets for 2005 compared to 2004 on a cash basis:

**Table 1
Net Assets**

Assets:	2005	2004
Cash and Cash Equivalents	\$280,703	\$206,272
Total Assets	\$280,703	\$206,272
 Net Assets:		
Restricted	\$262,100	\$191,125
Unrestricted	18,603	15,147
Total Net Assets	\$280,703	\$206,272

As mentioned previously, net assets increased \$74,431 or 36% during 2005. The increase was primarily associated with funds restricted for specific grants and programs.

Fund Financial Statements Reporting Major Funds

The major funds of the Council include the General, Help Me Grow (HMG) and Temporary Aid to Needy Families (TANF) State Fiscal Year 2005, Shared Youth Placements, and Help Me Grow (HMG) Temporary Aid to Needy Families (TANF) and State General Revenue State Fiscal Year 2006 funds. 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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)**

Table 2 reflects the changes in net fund balances during 2005, compared to net fund balances in 2004.

**Table 2
Change in Net Fund Balances**

Receipts:	2005	2004
Intergovernmental	\$1,406,054	\$1,352,852
Miscellaneous	16,903	14,697
Total Receipts	<u>1,422,957</u>	<u>1,367,549</u>
Disbursements:		
Salary/Benefits	287,308	287,044
Utilities	3,891	3,939
Contractual Services	909,001	990,295
Supplies and Materials	2,533	3,359
Equipment	397	
Financial Assistance	38,808	592
Miscellaneous	17,557	10,857
Repayment to County	64,800	8,181
Repayment to Grantor	24,231	17,815
Total Disbursements	<u>1,348,526</u>	<u>1,322,082</u>
Excess Receipts Over (Under) Disbursements	<u>74,431</u>	<u>45,467</u>
Other Financing Sources (Uses):		
Transfers In	89,654	52,527
Transfers Out	(89,654)	(52,527)
Advances In	60,222	41,642
Advances Out	<u>(60,222)</u>	<u>(41,642)</u>
Total from Other Financing Sources (Uses)	<u> </u>	<u> </u>
Change in Net Fund Balances	<u>74,431</u>	<u>45,467</u>
Fund Balances, Beginning of Year	<u>206,272</u>	<u>160,805</u>
Fund Balances, End of Year	<u>\$ 280,703</u>	<u>\$ 206,272</u>

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

Budgetary Highlights

The Council made numerous revisions to the original appropriation approved by the Council and the Council's fiscal agent, the Greene County Commission. Overall, these changes resulted in little significant change in fund balance. During 2005, the Council spent 98% of the amount appropriated in the general fund. The Council's 2005 financial statements include budgetary statements for the General, Help Me Grow (HMG) and Temporary Aid to Needy Families (TANF) State Fiscal Year 2005, Help Me Grow (HMG) Temporary Aid to Needy Families (TANF) and State General Fiscal Year 2006 and Shared Youth Placements funds.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)**

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 Phil Masten, Greene County Family and Children First Council-Audit/Finance Committee Chair, Greene County Family and Children First Council, 158 E. Main Street, Xenia, Ohio 45385, (937) 562-5600.

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

**STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2005**

	<u>Governmental Activities</u>
Assets	
Cash and Cash Equivalents	\$280,703
Total Assets	<u>280,703</u>
Net Assets	
Restricted (Special Revenue)	262,100
Unrestricted (General)	18,603
Total Net Assets	<u>\$280,703</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, 2005**

	<u>Program Cash Receipts</u>	<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
<u>Cash Disbursements</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities		
Human Services	\$1,348,526	\$18,950
Total Governmental Activities	<u>\$1,348,526</u>	<u>18,950</u>
General Receipts		
Grants and Entitlements not Restricted to Specific Programs		38,578
Miscellaneous		16,903
Total General Receipts		<u>55,481</u>
Change in Net Assets		74,431
Net Assets Beginning of Year		<u>206,272</u>
Net Assets End of Year		<u>\$280,703</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, 2005

	<u>General</u>	<u>Help me Grow (HMG) and Temporary Aid to Needy Families (TANF) State Fiscal Year 2006</u>	<u>Shared Youth Placements</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash & Cash Equivalents	\$18,603	\$40,844	\$87,877	\$133,379	\$280,703
Total Assets	<u>18,603</u>	<u>40,844</u>	<u>87,877</u>	<u>133,379</u>	<u>280,703</u>
Fund Balances					
Reserved:					
Reserved for Encumbrances	412	40,844	87,737	63,562	192,555
Unreserved:					
Undesignated (Deficit), Reported in:					
General Funds	18,191				18,191
Special Revenue Funds			140	69,817	69,957
Total Fund Balances	<u>\$18,603</u>	<u>\$40,844</u>	<u>\$87,877</u>	<u>\$133,379</u>	<u>\$280,703</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
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005**

	General	Help me Grow (HMG) and Temporary Aid to Needy Families (TANF) State Fiscal Year 2005	Help me Grow (HMG) and Temporary Aid to Needy Families (TANF) State Fiscal Year 2006	Shared Youth Placements	Other Governmental Funds	Total Governmental Funds
Receipts						
Intergovernmental	\$38,578	\$187,068	\$93,512	\$511,684	\$575,212	\$1,406,054
Miscellaneous	13,667	32			3,204	16,903
Total Receipts	52,245	187,100	93,512	511,684	578,416	1,422,957
Disbursements						
Salaries/Benefits	99,150	27,934	15,128		145,096	287,308
Utilities		470	367		3,054	3,891
Contractual Services	79	136,786	32,460	508,014	231,662	909,001
Supplies & Materials	338	181	315		1,699	2,533
Equipment	397					397
Miscellaneous	7,250	2,466	308		7,533	17,557
Financial Assistance					38,808	38,808
Repayment to County		16,600	10,000		38,200	64,800
Repayment to Grantor				13,849	10,382	24,231
Total Disbursements	107,214	184,437	58,578	521,863	476,434	1,348,526
Receipts Over/(Under) Disbursements	(54,969)	2,663	34,934	(10,179)	101,982	74,431
Other Financing Sources (Uses)						
Transfers In	68,490	14		6,297	14,853	89,654
Transfers Out	(10,287)	(22,722)	(4,090)		(52,555)	(89,654)
Advances In	30,222		10,000		20,000	60,222
Advances Out	(30,000)	(8,930)			(21,292)	(60,222)
Total Other Financing Sources (Uses)	58,425	(31,638)	5,910	6,297	(38,994)	
Net Change in Fund Balance	3,456	(28,975)	40,844	(3,882)	62,988	74,431
Fund Balances Beginning of Year	15,147	28,975		91,759	70,391	206,272
Fund Balances End of Year	\$18,603	\$0	\$40,844	\$87,877	\$133,379	\$280,703

See accompanying notes to the basis financial statements.

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

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$21,016	\$22,216	\$36,078	\$13,862
Donations		(456)	10,458	10,914
Other Revenue	5,000	5,700	5,700	
Refunds		3	3	
Reimbursements		6	6	
Total Receipts	<u>26,016</u>	<u>27,469</u>	<u>52,245</u>	<u>24,776</u>
Disbursements				
Salary	74,701	80,159	80,159	
PERS	10,294	11,374	11,374	
Health Ins	4,884	5,384	5,005	379
Medicare	1,102	1,252	1,149	103
Dental Ins	99	180	145	35
Life Ins	81	94	94	
Workers Comp	1,644	1,224	1,224	
Materials & Supplies	636	636	386	250
Outside Services	128	128	80	48
State Audit	6,000	6,000	5,277	723
Travel & Training	461	1,461	1,244	217
Advertising/Printing	64	89	89	
Other	3,000	1,028	983	45
Dues	451	451	20	431
Equipment	420	420	397	23
Total Disbursements	<u>103,965</u>	<u>109,880</u>	<u>107,626</u>	<u>2,254</u>
Receipts (Under) Disbursements	<u>(77,949)</u>	<u>(82,411)</u>	<u>(55,381)</u>	<u>27,030</u>
Other Funding Sources (Uses)				
Transfer Out		(10,000)	(10,000)	
Advances In (Repayment)		30,222	30,222	
Advances Out		(30,000)	(30,000)	
Expense Reallocation Out		(287)	(287)	
Expense Reimbursement In	72,203	82,353	68,490	(13,863)
Total Other Financing Sources (Uses)	<u>72,203</u>	<u>72,288</u>	<u>58,425</u>	<u>(13,863)</u>
Net Change In Fund Balance	(5,746)	(10,123)	3,044	13,167
Fund Balance Beginning of Year	14,715	14,715	14,715	
Prior Year Encumbrances Appropriated	432	432	432	
Fund Balance End of Year	<u>\$9,401</u>	<u>\$5,024</u>	<u>\$18,191</u>	<u>\$13,167</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
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
HELP ME GROW (HMG) AND TEMPORARY AID TO NEEDY FAMILIES (TANF) STATE FISCAL YEAR 2005
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Positive (Negative)
Receipts				
Intergovernmental	\$170,468	\$170,868	\$187,068	\$16,200
Other Revenue			32	32
Total Receipts	<u>170,468</u>	<u>170,868</u>	<u>187,100</u>	<u>16,232</u>
Disbursements				
Salary	21,721	21,245	20,429	816
PERS	3,882	4,077	3,882	195
Health Ins	2,026	2,380	2,380	
Medicare	304	345	285	60
Dental Ins	57	87	70	17
Life Ins	30	41	30	11
Workers Comp	523	265	265	
Materials & Supplies	181	575	181	394
Outside Services	136,786	132,116	136,786	(4,670)
Phone	470	554	470	84
Travel & Training	277	376	296	80
Advertising/Printing	2,170	2,243	2,170	73
Other		49		49
Dues				
Expense Reallocation			593	(593)
Advance Repaid to County	22,087	18,490	16,600	1,890
Total Disbursements	<u>190,514</u>	<u>182,843</u>	<u>184,437</u>	<u>(1,594)</u>
Receipts (Under) Disbursements	<u>(20,046)</u>	<u>(11,975)</u>	<u>2,663</u>	<u>14,638</u>
Other Funding Sources (Uses)				
Advances In (Repayment)	(8,930)	(8,930)	(8,930)	
Expense Reallocation Out	(22,087)	(18,490)	(22,722)	(4,232)
Expense Reallocation In			14	14
Total Other Financing Sources (Uses)	<u>(31,017)</u>	<u>(27,420)</u>	<u>(31,638)</u>	<u>(4,218)</u>
Net Change In Fund Balance	(51,063)	(39,395)	(28,975)	10,420
Fund Balance Beginning of Year	22,079	22,079	22,079	
Prior Year Encumbrances Appropriated	6,896	6,896	6,896	
Fund Balance End of Year	<u>(\$22,088)</u>	<u>(\$10,420)</u>	<u>\$0</u>	<u>\$10,420</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
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
HELP ME GROW (HMG) AND TEMPORARY AID TO NEEDY FAMILIES (TANF) STATE FISCAL YEAR 2006
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Receipts				
Intergovernmental	\$157,564	\$157,758	\$93,512	(\$64,246)
Refunds				
Reimbursements				
Total receipts	<u>157,564</u>	<u>157,758</u>	<u>93,512</u>	<u>(64,246)</u>
Disbursements				
Salary	19,539	15,949	12,964	2,985
PERS	2,612	2,612	781	1,831
Health Ins	1,260	2,965	1,102	1,863
Medicare	280	227	187	40
Dental Ins	112	95	76	19
Life Ins	32	22	18	4
Workers Comp	428	428		428
Material & Supplies	420	515	429	86
Outside Services	119,149	107,028	73,080	33,948
Phone	378	473	408	65
Travel/Training	378	378	259	119
Advertising/Printing	284	284	52	232
Other	95	95	66	29
Advance Repaid to County		10,000	10,000	
Total Disbursements	<u>144,967</u>	<u>141,071</u>	<u>99,422</u>	<u>41,649</u>
Excess of Receipts Over (Under) Disbursements	<u>12,597</u>	<u>16,687</u>	<u>(5,910)</u>	<u>(22,597)</u>
Other Financing Sources (Uses)				
Expense Reallocations Out	(12,600)	(16,690)	(4,090)	12,600
Advance In		10,000	10,000	
Total Other Financing Sources (Uses)	<u>(12,600)</u>	<u>(6,690)</u>	<u>5,910</u>	<u>12,600</u>
Net Change in Fund Balance	(3)	9,997		(9,997)
Fund Balance Beginning of Year				
Prior Year Encumbrances Appropriated				
Fund Balance End of Year	<u>(\$3)</u>	<u>\$9,997</u>	<u>\$0</u>	<u>(\$9,997)</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
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
SHARED YOUTH PLACEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Local Match	\$605,572	\$605,572	\$511,684	(\$93,888)
Total receipts	<u>605,572</u>	<u>605,572</u>	<u>511,684</u>	<u>(93,888)</u>
Disbursements				
Outside Services	697,331	683,482	595,751	87,731
Other		13,849	13,849	
Total Disbursements	<u>697,331</u>	<u>697,331</u>	<u>609,600</u>	<u>87,731</u>
Excess of Receipts Over (Under) Disbursements	<u>(91,759)</u>	<u>(91,759)</u>	<u>(97,916)</u>	<u>(6,157)</u>
Other Financing Sources (Uses)				
Expense Reallocation In			6,297	6,297
Total Other Financing Sources (Uses)			<u>6,297</u>	<u>6,297</u>
Net Change in Fund Balance	(91,759)	(91,759)	(91,619)	140
Fund Balance Beginning of Year	58,222	58,222	58,222	
Prior Year Encumbrances Appropriated	<u>33,537</u>	<u>33,537</u>	<u>33,537</u>	
Fund Balance End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$140</u>	<u>\$140</u>

See accompanying notes to the basic financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005**

1. DESCRIPTION OF THE COUNCIL AND REPORTING ENTITY

A. Description of the Entity

Ohio Revised Code Section 121.37 created the Ohio Family and Children First Council and permitted counties to establish county family and children first councils. Greene County Family and Children First Council (the Council) is a government entity that is directly concerned with issues of fact or policy on matter other than the improvement of the law, the legal system, or the administrative of justice.” The Council may invite any other local public or private agency or group that funds, advocates, or provides services to children to have a representative become a permanent or temporary member of the council.

The Council’s statutory responsibilities include the following:

- Refer to the cabinet council those children for whom the council cannot provide adequate services;
- Make periodic reports to the cabinet council regarding the number of children referred to the county council and the progress made in meeting the needs of each child;
- Develop a plan that reviews and adjusts existing programs, fills service gaps where possible, or invents new approaches to achieve better results for families and children;
- Participate in the development of a countywide, comprehensive, coordinated, multi-disciplinary, interagency system for infants and toddlers with developmental disabilities or delays and their families, as established pursuant to federal grants received and administered by the Department of Health for early intervention services under the “Education of the Handicapped Act Amendments of 1986”;
- Maintain an accountability system to monitor the Council’s progress in achieving its purposes;
- Establish a mechanism to ensure ongoing input from a board representation of families who are receiving services within the county system.

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

The Council meets on a quarterly basis.

B. Reporting Entity

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

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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

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

1. Government-Wide Financial Statements

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

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

2. Fund Financial Statements

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

3. Fund Accounting

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

4. Governmental Funds

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

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

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

Help Me Grow (HMG) Temporary Aid to Needy Families (TANF) State Fiscal Year 2006 – The Help Me Grow (HMG) and Temporary Aid to Needy Families (TANF) Revenue is used to account for revenue received and expended from State Help Me Grow and Federal TANF 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.

C. Capital Assets

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

D. Long-term Debt Obligations

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

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Net Assets

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

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

The statement of net assets reports \$262,100 of restricted net assets, of which none is restricted by enabling legislation.

F. Fund Balance Reserves

The Council reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

G. Budgetary Process

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

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

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

H. 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005
(Continued)**

3. CHANGE IN ACCOUNTING PRINCIPLE

For fiscal year 2005, the Council has implemented Governmental Accounting Standards Board (GASB) Statement No. 40, "Deposits and Investment Risk Disclosure". GASB Statement No. 40 creates new disclosure requirements for deposits and investments related to credit risk, concentration of credit risk, interest rate risk and foreign currency risk. The implementation of this statement had no effect on the Council's financial statements for fiscal year 2005.

4. CASH AND CASH EQUIVALENTS

The Greene County Commissioners maintain a cash pool used by all of the County's funds, including those of the Family and Children First Council. The Ohio Revised Code prescribes allowable deposits and investments. At year-end, the carrying amount of the Council's deposits with the Greene County Commissioners was \$280,703. 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 interfund cash advances at December 31, 2005 were as follows:

	Interfund Receivable	Interfund Payable
General	\$10,000	
Help Me Grow – Temporary Aid for Needy Families – State Fiscal Year 06		\$10,000
Total Interfund Receivable/Payable	\$10,000	\$10,000

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

6. CONTRACTUAL COMMITMENTS

At December 31, 2005, the Authority had \$401,736 in contractual commitments for services provided to children and families. These contracts will be funded by federal and state program grants.

Contractor	Amount
Council on Rural Services Program	\$226,698
Greene County MR/DD	39,256
Greene County Combined Heath District	51,453
Greene County Family Violence Prevention Center	17,005
Greene County OSU Extension	10,633
Wright State University (CUPA)	56,691
Total	\$401,736

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005
(Continued)**

7. INTERFUND TRANSFERS

Interfund cash transfers for the year ended December 31, 2005 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>				<u>Totals</u>
	<u>General</u>	<u>HMG-TANF SFY 05</u>	<u>Shared Youth Placements</u>	<u>Other Gov Funds</u>	
General				\$10,287	\$10,287
Help Me Grow, TANF State Fiscal Year 05	\$22,722				22,722
Help Me Grow, TNAF State Fiscal Year 06	4,090				4,090
Other Governmental Funds	41,678	\$14	\$6,297	4,566	52,555
Totals	\$68,490	\$14	\$6,267	\$14,853	\$89,654

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

8. RISK MANGAMENT

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

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005
(Continued)**

9. PENSION OBLIGATIONS

The Council participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invest both member and employer contributions (employer contributions vest over 5 years at 20% 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, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, the investment of which is self directed by the member, 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 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. OPER issues a stand-alone financial report that may be obtained by writing OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling 614-222-6701 or 800-222-7377.

The ORC provides statutory authority for member and employer contributions. For 2005, member and employer contribution rates were consistent across all three plans. The 2005 member contribution rates were 8.5% for members in classifications other than law enforcement and public safety. The 2005 employer contribution rate for local government employer units was 13.55% of covered payroll.

The Council's contributions for pension obligations to the traditional, combined, and member directed plans for the years ended December 31, 2005 and 2004 were \$29,402 and \$29,430 respectively. 76.85% has been contributed for 2005 and 100% for 2004.

10. POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

The Ohio Public employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Post-employment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2005 local government employer contribution rate was 13.55% of covered payroll; 4% of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2004, include rate of return on investments of 8.00%, an annual increase in active employee total payroll of 4% compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3% based on additional annual pay increases. Health care premiums were assumed to increase 4% annually plus an additional factor ranging from 1 to 6% for the next eight years.

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005
(Continued)**

10. POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (Continued)

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

The number of active contributing participants in the traditional and combined plans was 376,109. Actual employer contributions for 2005 which were used to fund post-employment benefits were \$6,670. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2004, (the latest information available) were \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 billion and \$18.7 billion, respectively.

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

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

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 2005 amounted to \$331,887.

Agency	Amount
Council on Rural Services Program	\$181,851
Girl Scouts - Buckeye Trails Council	15,384
Greene County MRDD	73,063
Greene County Combined Heath District	36,089
Greene County Family Violence Prevention Center	11,894
Greene County OSU Extension	12,773
Integrated Youth Services	833
Total:	\$331,887



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

To the Members of the Council:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Greene County Family and Children First Council, Greene County, (the Council) as of and for the year ended December 31, 2005, which collectively comprise the Council's basic financial statements and have issued our report thereon dated November 1, 2007, wherein, we noted the Council uses a comprehensive accounting basis other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Council's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Council's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Council's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Council's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Council's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Council's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the Council's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of the audit committee, management and the Council. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

November 1, 2007



Mary Taylor, CPA
Auditor of State

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 29, 2007**