



Dave Yost • Auditor of State

**GREENE COUNTY FAMILY AND CHILDREN FIRST COUNCIL
GREENE COUNTY
DECEMBER 31, 2016, AND 2015**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Council:

Report on the Financial Statements

We have audited the accompanying cash-basis 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 years ended December 31, 2016 and 2015, 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 such 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 the Greene County Family and Children First Council, Greene County, Ohio, as of December 31, 2016 and 2015, and the respective changes in cash financial position thereof 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2018, 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

March 22, 2018

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

**STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31,2016**

	<u>Governmental Activities</u>
Assets	
Cash and Cash Equivalents	\$204,008
Total Assets	<u>204,008</u>
Net Position	
Restricted	160,916
Unrestricted	43,092
Total Net Position	<u>\$204,008</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, 2016**

	<u>Program Cash Receipts</u>	<u>Net (Disbursements) Receipts and Change in Net Position</u>
<u>Cash Disbursements</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities		
Human Services	\$1,392,686	(\$412,624)
Total Governmental Activities	<u>1,392,686</u>	<u>(412,624)</u>
General Receipts		
Grants and Entitlements not Restricted to Specific Programs		85,894
Miscellaneous		1,670
Advances from County		<u>213,500</u>
Total General Receipts		<u>301,064</u>
Change in Net Position		(111,560)
Net Position Beginning of Year		<u>315,568</u>
Net Position End of Year		<u><u>\$204,008</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, 2016**

	General	Shared Youth Placement	Help Me Grow EI SFY16	Help Me Grow CC SFY17	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and Cash Equivalents	\$43,092	\$88,574		\$44,061	\$28,281	\$204,008
Total Assets	<u>43,092</u>	<u>88,574</u>		<u>44,061</u>	<u>28,281</u>	<u>204,008</u>
Fund Balances						
Restricted for:						
Shared Youth		88,574				88,574
Help Me Grow				44,061		44,061
Other Grants					28,281	28,281
Assigned for:						
Subsequent Year Appropriations	12,144					12,144
Outstanding Encumbrances	39					39
Unassigned	30,909					30,909
Total Fund Balances	<u>\$43,092</u>	<u>\$88,574</u>		<u>\$44,061</u>	<u>28,281</u>	<u>\$204,008</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, 2016**

	General	Shared Youth Placement	Help Me Grow EI SFY16	Help Me Grow CC SFY17	Other Governmental Funds	Total Governmental Funds
Receipts						
Intergovernmental	\$85,894	\$362,000	\$260,577	\$31,362	\$316,211	\$1,056,044
Miscellaneous	1,670	823			9,089	11,582
Total Receipts	87,564	362,823	260,577	31,362	325,300	1,067,626
Disbursements						
Salary	78,797			17,767	137,671	234,235
Benefits	32,821			12,510	58,516	103,847
Materials/Supplies	261		228	193	3,821	4,503
Contractual Services	36	356,669	289,352		112,244	758,301
Audit Services						-
Rent					3,400	3,400
Phone (Utilities)				159	3,116	3,275
Financial Assistance					4,683	4,683
Travel/Training	73		13	93	1,808	1,987
Adv/Printing	48		84	727	109	968
Other		6,248			41,265	47,513
Dues/Subscriptions	100				140	240
Grant to Non-County Entities	8,500					8,500
Equipment	182		-			182
Repayment to County	10,752		170,000		25,000	205,752
Repayment to Grantor	-		-		15,300	15,300
Total Disbursements	131,570	362,917	459,677	31,449	407,073	1,392,686
Excess of Receipts Over (Under) Disbursements	(44,006)	(94)	(199,100)	(87)	(81,773)	(325,060)
Other Financing Sources (Uses)						
Advances from County	8,500		170,000	25,000	10,000	213,500
Transfers In	40,072		-	21,752	10,420	72,244
Transfers Out			(8,612)	(2,604)	(61,028)	(72,244)
Advances In					30,000	30,000
Advances Out					(30,000)	(30,000)
Total Other Financing Sources (Uses)	48,572		161,388	44,148	(40,608)	213,500
Net Change in Fund Balances	4,566	(94)	(37,712)	44,061	(122,381)	(111,560)
Fund Balances Beginning of Year	38,526	88,668	37,712		150,662	315,568
Fund Balances End of Year	\$43,092	\$88,574		\$44,061	\$28,281	\$204,008

See accompanying notes to the basic financial statements

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

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 administration 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, 2016
(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

As discussed further in the "Basis of Accounting" section of this note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Council's accounting policies.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Fund Accounting

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

4. Governmental Funds

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

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

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) Early Intervention (EI) State Fiscal Year 2016 – The Help Me Grow (HMG) Early Intervention SFY2016 is used to account for revenue received and expended from State General Revenue and Federal grant monies.

Help Me Grow (HMG) Centralized Coordination (CC) State Fiscal Year 2017 – The Help Me Grow (HMG) Centralized Coordination SFY2017 Fund 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(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 \$160,916 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:

Nonspendable – The nonspendable 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, 2016
(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 \$204,008. The Greene County Board of Commissioners, as the fiscal agent for the Council, is responsible for maintaining adequate depository 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, 2016
(Continued)**

4. CONTRACTUAL COMMITMENTS

At December 31, 2016, the Council had \$410,726 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	\$410,726

5. INTERFUND TRANSFERS

Inter-fund cash transfers for the year ended December 31, 2016 were as follows:

Contractor	Transfers To			Totals
	General	Help Me Grow CC SFY 17	Other Governmental Funds	
Help Me Grow EI SFY16	\$8,612			\$8,612
Help Me Grow CC SFY17	2,604			2,604
Other Governmental Funds	28,856	21,752	10,420	61,028
Totals	\$40,072	\$21,752	\$10,420	\$72,244

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 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, 2016
(Continued)**

7. DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System (OPERS)

Plan Description – Council employees participate 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 and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Council employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS’ fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements:	Age and Service Requirements:	Age and Service Requirements:
Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula:	Formula:	Formula:
2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member’s career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member’s career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Continued)**

7. DEFINED BENEFIT PENSION PLAN (Continued)

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local	
2015 Statutory Maximum Contribution Rates		
Employer	14.0	%
Employee	10.0	%
2015 Actual Contribution Rates		
Employer:		
Pension	12.0	%
Post-employment Health Care Benefits	2.0	
Total Employer	14.0	%
Employee	10.0	%

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Council's contractually required contribution was \$26,399 for year 2016.

8. POST-EMPLOYMENT BENEFITS

Ohio Public Employees Retirement System (OPERS)

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional 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.

In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate all health care assets into the OPERS 115 Health Care Trust. Transition to the new health care trust structure was completed July 1, 2016. OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Continued)**

8. POST-EMPLOYMENT BENEFITS (Continued)

OPERS funds a Retiree Medical Account (RMA) for participants in the Member-Directed Plan. At retirement or refund, participants can be reimbursed for qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by 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 the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2016, state and local employers contributed at a rate of 14.0 percent of earnable salary. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active member contributions do not fund health care.

At the beginning of 2016, OPERS maintained three health care trusts. The two cost-sharing multiple employer trusts, the 401(h) Health Care Trust (401(h) Trust) and the 115 Health Care Trust (115 Trust), worked together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans.

As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0 percent for both the Traditional Pension and Combined plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) Trust that provides funding for a Retiree Medical Account (RMA) for Member-Directed Plan members. The employer contribution as a percentage of covered payroll deposited to the RMAs for 2016 was 4.0 percent.

Substantially all of the Council's contribution allocated to fund postemployment health care benefits relates to the cost-sharing, multiple employer trusts. The corresponding contribution for the years ended December 31, 2016, 2015, and 2014 was \$4,400, \$4,512, and \$4,186, respectively. The full amount has been contributed for all three years.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(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 2016 amounted to \$398,481.

Agency	Amount
Greene County Combined Health District	\$398,437
Greene County Department of Job & Family Services	44
Total	\$398,481

10. ADVANCE FROM COUNTY

The Greene County Commissioners provides the Council with short term financing to meet its current obligations until grant funds are available. These amounts have been reported as Advances from County and Repayment to County on the financial statements. Following is a summary of advance activity during 2016:

January 1, 2016 Balance	Advances Received	Advances Repaid	Ending Balance
\$30,000	\$213,500	(\$200,000)	\$43,500

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

**STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31,2015**

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$315,568
Total Assets	<u>315,568</u>
Net Position	
Restricted	277,042
Unrestricted	<u>38,526</u>
Total Net Position	<u><u>\$315,568</u></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, 2015**

		<u>Program Cash Receipts</u>	<u>Net (Disbursements) Receipts and Change in Net Position</u>
	<u>Cash Disbursements</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities			
Human Services	1,283,746	1,018,908	(264,838)
Total Governmental Activities	<u>1,283,746</u>	<u>1,018,908</u>	<u>(264,838)</u>
 General Receipts			
Grants and Entitlements not Restricted to Specific Programs			67,085
Miscellaneous			633
Advances from County			115,000
Total General Receipts			<u>182,718</u>
 Change in Net Position			 (82,120)
 Net Position Beginning of Year			 <u>397,688</u>
 Net Position End of Year			 <u><u>\$315,568</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, 2015

	General	Shared Youth Placement	Help Me Grow EI SFY15	Help Me Grow Subsidy SFY16	Help Me Grow EI SFY16	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and Cash Equivalents	\$38,526	\$88,668		\$31,594	\$37,712	\$119,068	\$315,568
Total Assets	<u>38,526</u>	<u>88,668</u>		<u>31,594</u>	<u>37,712</u>	<u>119,068</u>	<u>315,568</u>
Fund Balances							
Restricted for:							
Shared Youth Placements		88,668					88,668
Help Me Grow				31,594	37,712		69,306
Other Grants						119,068	119,068
Assigned for:							
Subsequent Year Appropriations	5,105						5,105
Outstanding Encumbrances	183						183
Unassigned	33,238						33,238
Total Fund Balances	<u>\$38,526</u>	<u>\$88,668</u>		<u>\$31,594</u>	<u>\$37,712</u>	<u>\$119,068</u>	<u>\$315,568</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, 2015

	General	Shared Youth Placement	Help Me Grow EI SFY15	Help Me Grow Subsidy SFY16	Help Me Grow EI SFY16	Other Governmental Funds	Total Governmental Funds
Receipts							
Intergovernmental	67,085	252,410	246,206	21,640	212,938	266,654	1,066,933
Miscellaneous	633	5,940				13,121	19,694
Total Receipts	67,718	258,350	246,206	21,640	212,938	279,775	1,086,627
Disbursements							
Salary	63,076			21,808		142,359	227,243
Benefits	32,819			16,486		63,812	113,117
Materials/Supplies	197		166	84	50	5,541	6,038
Contractual Services		263,057	303,666		172,568	3,631	742,922
Audit Services	7,872						7,872
Rent						5,600	5,600
Phone				177		4,009	4,186
Financial Assistance						8,838	8,838
Travel/Training	240		23	69	5	4,581	4,918
Adv/Printing	100		124			1,252	1,476
Dues/Subscriptions	225					300	525
Equipment	92					494	586
Repayment to County	13,412		85,000			27,000	125,412
Repayment to Grantor		22,994				12,020	35,014
Total Disbursements	118,033	286,051	388,979	38,624	172,623	279,437	1,283,747
Excess of Receipts Over (Under) Disbursements	(50,315)	(27,701)	(142,773)	(16,984)	40,315	338	(197,120)
Other Financing Sources (Uses)							
Advance from County	5,000		85,000			25,000	115,000
Transfers In	43,614			53,460		26,576	123,650
Transfers Out			(8,983)	(4,882)	(2,603)	(107,182)	(123,650)
Advances In	14,500				25,000	39,500	79,000
Advances Out	(14,500)				(25,000)	(39,500)	(79,000)
Total Other Financing Sources (Uses)	48,614		76,017	48,578	(2,603)	(55,606)	115,000
Net Change in Fund Balances	(1,701)	(27,701)	(66,756)	31,594	37,712	(55,268)	(82,120)
Fund Balances Beginning of Year	40,227	116,369	66,756			174,336	397,688
Fund Balances End of Year	\$38,526	\$88,668		\$31,594	\$37,712	\$119,068	\$315,568

See accompanying notes to the basic financial statements

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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. 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 administration 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, 2015
(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

As discussed further in the "Basis of Accounting" section of this note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Council's accounting policies.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Fund Accounting

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

4. Governmental Funds

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

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

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) 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.

Help Me Grow (HMG) Subsidy (SB) State Fiscal Year 2016 – The Help Me Grow (HMG) Subsidy SFY2016 is used to account for revenue received and expended from State General Revenue.

Help Me Grow (HMG) Early Intervention (EI) State Fiscal Year 2016 – The Help Me Grow (HMG) Early Intervention SFY2016 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, 2015
(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 \$277,042 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:

Nonspendable – The nonspendable 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, 2015
(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 \$315,568. The Greene County Board of Commissioners, as the fiscal agent for the Council, is responsible for maintaining adequate depository 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, 2015
(Continued)**

4. CONTRACTUAL COMMITMENTS

At December 31, 2015, the Council had \$342,805 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	\$342,805

5. INTERFUND TRANSFERS

Inter-fund cash transfers for the year ended December 31, 2015 were as follows:

Contractor	Transfers To			Totals
	General	Help Me Grow Subsidy SFY 16	Other Governmental Funds	
Help Me Grow EI SFY15	\$8,983			\$8,983
Help Me Grow Subsidy SFY16	4,882			4,882
Help Me Grow EI SFY16	2,603			2,603
Other Governmental Funds	27,146	53,460	26,576	107,182
Totals	\$43,614	\$53,460	\$26,576	\$123,650

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 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:

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, 2015
(Continued)**

7. DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System (OPERS)

Plan Description - Council employees participate 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 and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Council employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements:	Age and Service Requirements:	Age and Service Requirements:
Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula:	Formula:	Formula:
2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(Continued)**

7. DEFINED BENEFIT PENSION PLANS (Continued)

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local	
2015 Statutory Maximum Contribution Rates		
Employer	14.0	%
Employee	10.0	%
2015 Actual Contribution Rates		
Employer:		
Pension	12.0	%
Post-employment Health Care Benefits	2.0	
Total Employer	14.0	%
Employee	10.0	%

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Council's contractually required contribution was \$27,084 for year 2015.

8. POST-EMPLOYMENT BENEFITS

Ohio Public Employees Retirement System (OPERS)

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(Continued)**

8. POST-EMPLOYMENT BENEFITS (continued)

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 20 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 2015, state and local employers contributed at a rate of 14.0 percent of covered payroll. This is 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 2015. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.0 percent for 2015.

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, 2015, 2014, and 2013 were \$4,512, \$4,186, and \$2,021, respectively. The full amount has been contributed for all three years.

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 CY 2015 amounted to \$476,674.

<u>Agency</u>	<u>Amount</u>
Greene County Combined Health District	\$476,234
Greene County Department of Job & Family Services	440
Total	<u><u>\$476,674</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(Continued)**

10. ADVANCE FROM COUNTY

The Greene County Commissioners provides the Council 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 2015:

January 1,2015 Balance	Advances Received	Advances Repaid	Ending Balance
<u>\$35,000</u>	<u>\$115,000</u>	<u>(\$120,000)</u>	<u>\$30,000</u>



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 East 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 cash-basis 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 years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements and have issued our report thereon dated March 22, 2018, wherein we noted the Council uses a special purpose framework other than generally accepted accounting principles.

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.

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 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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*.

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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

March 22, 2018



**BOARD OF
COMMISSIONERS**

**Family & Children First
Department**

Brent Lewis, Director

158 E. Main Street
Xenia, Ohio 45385

Phone: (937) 562-5600
Dayton: (937) 427-2883, ext. 5600
Fax: (937) 562-5601

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2016**

Finding Number	Finding Summary	Status	Additional Information
2014-001	Material Weakness finding regarding errors on the financial statements.	Fully Corrected	None
2014-002	Material Weakness regarding the reporting of Major Funds according to GASB 34.	Fully Corrected	None.
2014-003	Material Weakness regarding the reporting of fund balance restrictions according to GASB 54.	Partially Corrected	Repeated in management letter.

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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
APRIL 17, 2018**