



**Auditor of State
Betty Montgomery**

**FAMILY AND CHILDREN FIRST COUNCIL
GREENE COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

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

To Members of the Council:

We have audited the accompanying financial statements of the Family and Children First Council, Greene County (the Council), as of and for the years ended December 31, 2002 and 2001. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 1, the Council prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Family and Children First Council, Greene County as of December 31, 2002 and 2001, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2003 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Family & Children First Council
Greene County
Independent Accountants Report
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This report is intended solely for the information and use of the audit committee, management, the Council and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

May 28, 2003

**FAMILY AND CHILDREN FIRST COUNCIL
GREENE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Intergovernmental	\$29,800	\$1,377,177	\$1,406,977
Miscellaneous	5,605	4,292	9,897
Total Cash Receipts	<u>35,405</u>	<u>1,381,469</u>	<u>1,416,874</u>
Cash Disbursements:			
Salaries/Benefits	21,411	170,718	192,129
Utilities		3,238	3,238
Contract Services	187	1,110,593	1,110,780
Supplies & Materials	447	5,111	5,558
Equipment	601	3,564	4,165
Professional Services		80,251	80,251
Miscellaneous	9,491	15,068	24,559
Total Disbursements	<u>32,137</u>	<u>1,388,543</u>	<u>1,420,680</u>
Total Receipts Over/(Under) Disbursements	<u>3,268</u>	<u>(7,074)</u>	<u>(3,806)</u>
Other Financing Receipts/(Disbursements)			
Transfers-In		667	667
Advances-In	12,500	16,000	28,500
Transfers-Out	(667)		(667)
Advances-Out	(12,500)	(16,000)	(28,500)
Total Other Financing Receipts/(Disbursements)	<u>(667)</u>	<u>667</u>	
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	2,601	(6,407)	(3,806)
Fund Cash Balances, January 1, 2002	<u>10,000</u>	<u>230,313</u>	<u>240,313</u>
Fund Cash Balances, December 31, 2002	<u><u>\$12,601</u></u>	<u><u>\$223,906</u></u>	<u><u>\$236,507</u></u>

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

**FAMILY AND CHILDREN FIRST COUNCIL
GREENE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Intergovernmental	\$79,147	\$1,118,299	\$1,197,446
Miscellaneous	1,606	11,150	12,756
Total Cash Receipts	<u>80,753</u>	<u>1,129,449</u>	<u>1,210,202</u>
Cash Disbursements:			
Salaries/Benefits	63,170	203,846	267,016
Utilities		4,446	4,446
Contract Services	3,552	923,043	926,595
Supplies & Materials	553	10,254	10,807
Reimbursement		65,000	65,000
Miscellaneous	3,883	24,385	28,268
Total Disbursements	<u>71,158</u>	<u>1,230,974</u>	<u>1,302,132</u>
Total Receipts Over/(Under) Disbursements	<u>9,595</u>	<u>(101,525)</u>	<u>(91,930)</u>
Other Financing Receipts/(Disbursements):			
Transfers-In		6,867	6,867
Advances-In	30,000	37,500	67,500
Transfers-Out	(6,867)		(6,867)
Advances-Out	(30,000)	(37,500)	(67,500)
Total Other Financing Receipts/(Disbursements)	<u>(6,867)</u>	<u>6,867</u>	
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	2,728	(94,658)	(91,930)
Fund Cash Balances, January 1, 2001	<u>7,272</u>	<u>324,971</u>	<u>332,243</u>
Fund Cash Balances, December 31, 2001	<u><u>\$10,000</u></u>	<u><u>\$230,313</u></u>	<u><u>\$240,313</u></u>

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

**FAMILY AND CHILDREN FIRST COUNCIL
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

1. 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. Statutory membership of a county council consists of the following individuals:

- a. The director of the board of alcohol, drug addiction, and mental health services that serves the county, or in the case of the county that has a board of alcohol and drug addiction services and a community mental health board, the directors of both boards;
- b. The health commissioner of the board of health of each city or general health district in the county, or their designee;
- c. The director of the county department of human services;
- d. The executive director of the county agency responsible for the administration of children services pursuant to Section 5153.15 of the Ohio Revised Code;
- e. The superintendent of the county board of mental retardation and development disabilities;
- f. *The county's juvenile court judge senior in service;
- g. The superintendent of the city, exempted village, or local school district with the largest number of pupils residing in the county, as determined by the department of education, which shall notify each county of its determination at least biennially;
- h. A school superintendent representing all other school districts with territory in the county, as designated at a biennial meeting of the superintendents of those districts;
- i. A representative of the largest city in the county;
- j. The chair of the board of county commissioners, or an individual designated by the board;
- k. A representative of the regional office of the department of youth services;
- l. A representative of the county's head start agencies, as defined in Section 3301.11 of the Ohio Revised Code;
- m. A representative of the county's early intervention collaborative established pursuant to the federal early intervention program operated under the "Education of the Handicapped Act Amendments of 1986";
- n. At least three individuals representing the interests of families in the county. Where possible, the number of members representing families shall be equal to twenty percent of the council's remaining membership.
- o. A representative of a local nonprofit entity that funds, advocates, or provides services to Greene County Children and Families, as selected by the general membership of the Council biannually.

**FAMILY AND CHILDREN FIRST COUNCIL
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. DESCRIPTION OF ENTITY (Continued)

*See Opinion 2002-9 from the Ohio Supreme Court's Board of Commissioners on Grievances and Discipline. This states "...the Board advises that under Canon 4(C)(2) of the Ohio Code of Judicial Conduct, a judge should not serve as an appointed member of a County Family and Children First Council. A County Family and Children First 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." A county family and children first council may invite any other local public or private agency or group that funds, advocates, or provides services to children to have a representative become a permanent or temporary member of the council.

A county council's statutory responsibilities include the following:

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

A. Council

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.

**FAMILY AND CHILDREN FIRST COUNCIL
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. DESCRIPTION OF ENTITY (Continued)

B. Steering Committee

The Steering Committee acts on behalf of the Council. The Committee consists of representatives from the following:

1. Eastern Miami Valley ADMHS Board;
2. Greene County Children's Services Board;
3. Greene County MRDD Board;
4. Greene County Juvenile Court;
5. Greene County Early Intervention Collaborative;
6. Greene County Educational Service Center;
7. Greene County Combined Health District;
8. The Chair or designee of the Greene County Commissioners;
9. Beavercreek Local School District;
10. Two individuals representing families;
11. Four council or organizational members;
12. Greene County Jobs and Family Services;
13. Greene County Head Start

Committee responsibilities include:

1. Establish meeting dates, times and location;
2. Review and approve/disapprove request for Council support and/or endorsement;
3. Approve/disapprove all requests for membership from non-mandated organizations;
4. Reviewing all other committee reports prior to presentation to the Council.

The Steering Committee meets on a monthly basis.

The Council's management believes these financial statements present all activities for which the Council is financially accountable.

C. Audit/Finance

This Committee consists of representatives from:

1. Eastern Miami Valley ADMHS Board
2. Greene County Children's Services Board
3. Greene County MRDD Board
4. Greene County Juvenile Court
5. Greene County Educational Service Center
6. The Chair or designee of the Greene County Commissioners
7. Parents

**FAMILY AND CHILDREN FIRST COUNCIL
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. DESCRIPTION OF ENTITY (Continued)

The Committee's responsibilities include:

1. Reviewing the process used to prepare interim financial information submitted to Council
2. Reviewing audit results
3. Assure auditor's independence from management
4. Serve as liaison between management and independent auditors
5. Monitor the Council's financial reporting and control activities
6. Address long-range funding and fiscal issues.

D. County Collaborative Group

The County Collaborative Group consists of (at least) five organizational members and one parent representative. The Group's responsibilities include: working to ensure the coordination of resources and services for children ages Birth through Five and their families, including the Help Me Grow program and establishing cross-training programs.

E. Parent Involvement

The Council's Parent Involvement Committee consists of all Council members who are representing families. The Committee shall promote the inclusion of a parent/family perspective in Council and Committee activities. In addition, the Committee shall review and approve/disapprove applications for Council membership from individuals. The results of these activities are presented to the Steering Committee for review.

2. SUMMARY OF SIGNIFICANT ACCOUNT POLICIES

A. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

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. Fund Accounting

The Council uses fund accounting to segregate cash and investments that are restricted as to use. The Council classifies its funds into the following types:

**FAMILY AND CHILDREN FIRST COUNCIL
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those restricted by law or contract.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The Council had the following significant Special Revenue Funds: Fairborn Cares, Family First Resources, Shared Youth Placement, Wellness, Help Me Grow and Partnership for Success.

The Council maintains a separate special revenue fund for each program which is awarded to the Council that is either entirely or partially funded from federal sources. During 2002 and 2001, the following grants were awarded to the Council: Help Me Grow, Wellness, Fairborn Cares Fatherhood Initiative, OCTF and Partnership for Success.

D. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

3. EQUITY IN POOLED CASH

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. The Council's carrying amount of cash on deposit with the Greene County Commissioners at December 31, 2002 was \$236,507 at December 31, 2001 \$240,313. The Greene County Commissioners, as the fiscal agent for the Council, is responsible for maintaining adequate depository collateral for all funds in the County's pooled and deposit accounts.

4. RETIREMENT SYSTEM

The Council's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2002 and 2001, PERS members contributed 8.5% of their gross salaries. The Council contributed an amount equal to 13.55% of participants' gross salaries. The Council has paid all contributions required through December 31, 2002.

**FAMILY AND CHILDREN FIRST COUNCIL
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

5. RELATED PARTY TRANSACTIONS

The Council had related party transactions with other agencies in which their members were on the Council's board. The total amount of related party transactions for 2002 amounted to \$442,256 and in 2001 amounted to \$218,258.

Agency	2002	2001
Greene County Combined Health District	\$71,087	\$74,967
Council on Rural Service Programs	231,136	65,936
Family Violence Prevention Center Greene County	6,296	13,046
Ohio State University-Greene County Extension	39,987	27,183
Girl Scouts Buckeye Trail Council	7,127	1,920
Central State University	28,942	26,146
Greene County MRDD	57,681	
Wright State University		8,000
TCN-Behavioral Health Service		1,000
YMCA of Greene County		60



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND
ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

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

To Members of the Council:

We have audited the accompanying financial statements of the Family and Children First Council, Greene County (the Council), as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated May 28, 2003. We conducted our audit in accordance with auditing standards generally accepted by the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Council's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Council's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Family & Children First Council
Greene County
Independent Accountants' Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

This report is intended solely for the information and use of the audit committee, management, the Council, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

May 28, 2003

**FAMILY & CHILDREN FIRST COUNCIL
GREENE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2002 & 2001**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2000-60329-001	Posting of transfers/advances to Intergovernmental Revenue	Yes	
2000-60329-002	Utilizing one fund to account of both County and Council administrative activities.	Yes	
2000-60329-003	Allocation of expenditures between County and Council	Yes	



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

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
JULY 3, 2003**