



**Auditor of State
Betty Montgomery**

**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2002	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2001	4
Notes to the Financial Statements	5
Independent Accountants' Report on Compliance and on Internal Controls Required By <i>Government Auditing Standards</i>	11

This page intentionally left blank.



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Family and Children First Council
Gallia County
53 Shawnee Lane, P.O. Box 514
Gallipolis, Ohio 45631

To the Family and Children First Council:

We have audited the accompanying financial statements of Family and Children First Council, Gallia County, Ohio (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.

As discussed in Note 2, the Council reported its unrestricted grant funds in the General Fund of their financial statements in the prior audit. These funds should be reported in the Special Revenue Fund Type.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Family and Children First Council, Gallia 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 June 24, 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 and Children First Council
Gallia County
Independent Accountants' Report
Page 2

This report is intended solely for the information and use of the audit committee, management, the Family and Children First 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

June 24, 2003

**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA 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>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$20,000	\$522,598	\$542,598
Total Cash Receipts	<u>20,000</u>	<u>522,598</u>	<u>542,598</u>
Cash Disbursements:			
Current:			
Salaries	9,674	47,942	57,616
Benefits	3,397	16,832	20,229
Travel	2,071		2,071
Contract Services		470,769	470,769
Administrative	3,750		3,750
Other	3,562		3,562
Total Cash Disbursements	<u>22,454</u>	<u>535,543</u>	<u>557,997</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(2,454)</u>	<u>(12,945)</u>	<u>(15,399)</u>
Fund Cash Balances, January 1	<u>24,503</u>	<u>26,897</u>	<u>51,400</u>
Fund Cash Balances, December 31	<u>\$22,049</u>	<u>\$13,952</u>	<u>\$36,001</u>
Reserve for Encumbrances, December 31	<u>\$0</u>	<u>\$22,896</u>	<u>\$22,896</u>

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

**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA 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>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$20,000	\$359,928	\$379,928
Total Cash Receipts	<u>20,000</u>	<u>359,928</u>	<u>379,928</u>
Cash Disbursements:			
Current:			
Salaries	497	53,562	54,059
Benefits	173	18,610	18,783
Travel	1,359		1,359
Contract Services		294,604	294,604
Administrative	1,150	797	1,947
Other	<u>3,727</u>		<u>3,727</u>
Total Cash Disbursements	<u>6,906</u>	<u>367,573</u>	<u>374,479</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>13,094</u>	<u>(7,645)</u>	<u>5,449</u>
Fund Cash Balances, January 1	<u>11,409</u>	<u>34,542</u>	<u>45,951</u>
Fund Cash Balances, December 31	<u>\$24,503</u>	<u>\$26,897</u>	<u>\$51,400</u>
Reserve for Encumbrances, December 31	<u>\$126</u>	<u>\$16,817</u>	<u>\$16,943</u>

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

**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Ohio Rev. Code Section 121.37 created the Ohio Family and Children First Cabinet Council and required the Board of County Commissioners in each County to establish County Family and Children First Councils. A Board of County Commissioners may invite any 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 its County Council. Each County Council must include the following individuals:

- a. At least three individuals whose families are or have received services from an agency represented on the Council or another County's Council. Where possible, the number of members representing families shall be equal to twenty percent of the Council's membership;
- b. The Director of the Board of Alcohol, Drug Addiction, and Mental Health Services that serves the County, or, in the case of a county that has a Board of Alcohol and Drug Addiction Services and a Community Mental Health Board, the Directors of both Boards. If a Board of Alcohol, Drug Addiction, and Mental Health Services covers more than one county, the Director may designate a person to participate on the County's Council;
- c. The Health Commissioner, or the Commissioner's designee, of the Board of Health of each city and general health district in the County. If the County has two or more health districts, the Health Commissioner membership may be limited to the Commissioners of the two districts with the largest populations;
- d. The Director of the County Department of Job and Family Services;
- e. The Executive Director of the county agency responsible for the administration of children services pursuant to Section 5153.15 of the Revised Code;
- f. The Superintendent of the County Board of Mental Retardation and Developmental Disabilities;
- g. The County's Juvenile Court Judge senior in service or another judge of the juvenile court designated by the administrative judge, or, where there is no administrative judge, by the judge senior in service;
- h. 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 Board of County Commissioners of its determination at least biennially;
- i. 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;
- j. A representative of the municipal corporation with the largest population in the County;
- k. The President of the Board of County Commissioners, or an individual designated by the Board;
- l. A representative of the regional office of the Department of Youth Services;

**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Description of the Entity (Continued)

- m. A representative of the County's Head Start agencies, as defined in Section 3301.31 of the Revised Code;
- n. 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"; and
- o. A representative of a local nonprofit entity that funds, advocates, or provides services to children and families.

A County Council shall provide for the following:

- a. Referrals to the Cabinet Council of those children for whom the Council cannot provide adequate services;
- b. 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;
- c. 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 "Education of the Handicapped Act Amendments of 1986";
- d. Maintenance of an accountability system to monitor the County Council's progress in achieving results for families and children; and
- e. Establishment of a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the County system.

B. 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.

**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting

The Council classifies its funds into the following types:

1. General

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

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 Special Revenue Funds:

Wellness Block Grant I Fund – This fund receives state and federal monies to provide community-based programs of prevention services to reduce the rate of births to teens and to plan for and implement a child abuse and neglected prevention program.

Help Me Grow Fund – This fund receives a blended pool of state and federal grant funds to be used for an early intervention program to aid children ages one through three for developing social skills and interaction with other children.

D. Administrative/Fiscal Agent

The Gallia-Jackson-Meigs Alcohol Drug Addiction and Mental Health Services (ADAMHS) Board is the designated administrative agent for the Council. The Gallia County Auditor is the designated fiscal agent for the ADAMHS Board. The Council's fund is maintained by the ADAMHS in an agency fund and the ADAMHS Board's fund is maintained by Gallia County in an agency fund.

E. Equity in Pooled Cash

The Council's cash is maintained by the Gallia County Auditor. The Ohio Revised Code prescribes allowable deposits and investments and the County is responsible for compliance. As of December 31, 2002 and 2001, the Council's share of the County's cash pool was as follows:

	2002	2001
Demand deposits	<u>\$ 36,001</u>	<u>\$ 51,400</u>

All risks associated with such deposits are the responsibility of Gallia County.

**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Budgetary Activity

The Council files an annual estimate of expenditures and revenue with the Gallia-Jackson-Meigs Alcohol Drug Addiction and Mental Health Services (ADAMHS) Board as required by Ohio law. This estimate is adopted by the ADAMHS Board and is presented to the Gallia County Commissioners. The ADAMHS Board approves any changes made to these estimates during the year. The ADAMHS Board ensures that the Council's expenditures do not exceed appropriations.

G. 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.

2. RESTATEMENT OF PRIOR YEAR FUND BALANCE

At December 31, 2000, the fund balance of the General Fund was overstated by \$34,542 while the Special Revenue Fund was understated by \$34,542 due to restricted grant funds being incorrectly reported in the General Fund instead of the Special Revenue Fund type. As a result, the December 31, 2000 General Fund fund balance was restated from \$45,951 to \$11,409 and the December 31, 2000 Special Revenue Fund type fund balance was restated from \$0 to \$34,542.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2002 and 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 20,000	\$ 20,000	\$ 0
Special Revenue	522,598	522,598	0
Total	\$ 542,598	\$ 542,598	\$ 0

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 22,454	\$ 22,454	\$ 0
Special Revenue	558,439	558,439	0
Total	\$ 580,893	\$ 580,893	\$ 0

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 20,000	\$ 20,000	\$ 0
Special Revenue	359,928	359,928	0
Total	\$ 379,928	\$ 379,928	\$ 0

**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 7,032	\$ 7,032	\$ 0
Special Revenue	384,390	384,390	0
Total	\$ 391,422	\$ 391,422	\$ 0

4. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

This page intentionally left blank.



**Auditor of State
Betty Montgomery**

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

Family and Children First Council
Gallia County
53 Shawnee Lane, P.O. Box 514
Gallipolis, Ohio 45631

To the Family and Children First Council:

We have audited the accompanying financial statements of the Family and Children First Council, Gallia County, Ohio (the Council), as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated June 24, 2003. 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.

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 the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express 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 and Children First Council
Gallia 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, and the Family and Children First Council, 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

June 24, 2003



**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

GALLIA 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
AUGUST 26, 2003**