



Dave Yost • Auditor of State

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

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Council Members:

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities and each major fund of the Family and Children First Council, Gallia 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 1 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities and each major fund of the Family and Children First Council, Gallia County, Ohio, as of December 31, 2016 and 2015, and the respective changes in cash financial position and the respective budgetary comparison for the General, Help Me Grow, and Ohio Children's Trust Funds thereof for the years then ended in accordance with the accounting basis described in Note 1.

Accounting Basis

We draw attention to Note 1 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 Matters

Supplemental Information

Our audit was conducted to opine on the financial statements taken as a whole.

Other Information

We applied no procedures to Management's Discussion & Analysis as listed in the table of contents. Accordingly, we express no opinion or any other assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 19, 2017, 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

July 19, 2017

GALLIA COUNTY FAMILY AND CHILDREN FIRST COUNCIL

Management's Discussion and Analysis
For January 1, 2015 through December 31, 2016
Unaudited

The discussion and analysis of the Gallia County Family and Children First Council' (the Council) financial performance provides an overall review of the Council's financial activities for the period covering January 1, 2015 through December 31, 2016, within the limitations of the Council's cash basis of accounting. The intent of this discussion and analysis is to look at the Council's financial performance as a whole. Readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Council's financial performance.

Financial Highlights

Key financial highlights for the years 2015-2016 are as follows:

- Net position for 2016 decreased \$10,772. The Council had receipts for 2016 equaling \$150,519. Cash disbursements for the same period equaled \$161,291. The ending net position was \$85,651.
- Net position for 2015 increased \$41,253. The Council had receipts for 2015 equaling \$200,707. Cash disbursements for the same period equaled \$159,454. The ending net position was \$96,423.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Council's cash basis of accounting.

Report Components

The statement of net position and the statement of activities provide information about the cash activities of the Council as a whole.

Fund financial statements provide the next level of detail. Funds are created and maintained on the financial records of the Council as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances to most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. 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 and disbursements are recorded when cash is received or paid.

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 modified cash basis of accounting.

GALLIA COUNTY FAMILY AND CHILDREN FIRST COUNCIL

Management’s Discussion and Analysis
For January 1, 2015 through December 31, 2016
Unaudited

Report the Council as a Whole

Statement of Net Position – Cash Basis and Statement of Activities – Cash Basis

While this document contains information used by the Council to provide programs and services for its service area, the view of the Council as a whole looks at all financial transactions and asks the question, “How did we do financially?” The Statement of Net Position – Cash Basis and the Statement of Activities – Cash Basis answer this question. These two statements report the Council’s net position and changes in net position. This change in net position is important because it tells the reader that, for the Council as a whole, the financial position of the Council has improved or diminished. The causes of this change may be the result of many factors, some financial, some not.

In the Statement of Net Position and the Statement of Activities, all of the Council’s activities are considered to be Governmental Activities.

- Governmental Activities – The Council’s only program and associated services are reported here.

Reporting the Council’s Fund Financial Statements

Fund Financial Statements

Fund financial statements provide detailed information about the Council. The Council’s activities are reported in the fund financial statements, which focus on how money flows and the balance left at year-end available for spending in future periods. These fund financial statements are reported on a cash basis of accounting. The fund financial statements provide a detailed short-term view of the Council’s mental health and dependency rehabilitation operations and the services they provide. Governmental information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance mental health and dependency rehabilitation programs.

The Council as a Whole

Recall that the Statement of Net Position provides the perspective of the Council as a whole. Table 1 provides a summary of the Council’s net position for 2016 compared to 2015.

**Table 1
Net Position**

| | 2016 | 2015 |
|------------------------------------|-----------|-----------|
| ASSET: | | |
| Cash on deposit with Gallia County | \$ 85,651 | \$ 96,423 |
| NET Position: | | |
| Restricted | 2,509 | 7,922 |
| Unrestricted | 83,142 | 88,501 |
| Total net position | \$ 85,651 | \$ 96,423 |

The decreases in net position are due primarily to the difference between the Funding fiscal year (July 1 through June 30) and the audited calendar year and the loss of a funding source due to state budget cuts.

GALLIA COUNTY FAMILY AND CHILDREN FIRST COUNCIL

Management's Discussion and Analysis
For January 1, 2015 through December 31, 2016
Unaudited

Table 2 shows the changes in net position on a cash basis for the year ended December 31, 2016 and 2015.

**Table 2
Changes in Net Position**

| | 2016 | 2015 |
|------------------------------------|--------------------|------------------|
| Program Cash Receipts: | | |
| Operating Grants and Contributions | \$ 123,699 | \$ 167,982 |
| CFS – Admin | 19,820 | 25,725 |
| Total Receipts | <u>143,519</u> | <u>193,707</u> |
| General Receipts: | | |
| Other | 7,000 | 7,000 |
| Total Receipts | 150,519 | 200,707 |
| Disbursements: | | |
| Salaries | 30,751 | 32,524 |
| Supplies | 475 | 475 |
| Contract – Admin | 19,820 | 25,725 |
| Contracts – Services | 93,154 | 78,207 |
| Travel and Expenses | 2,838 | 3,761 |
| Public Employee's Retirement | 4,305 | 4,553 |
| Workers Compensation | 891 | 940 |
| Medicare | 439 | 466 |
| Other Expenses | 8,618 | 12,803 |
| Total Disbursements | <u>161,291</u> | <u>159,454</u> |
| Change in Nets Position | <u>\$ (10,772)</u> | <u>\$ 41,253</u> |

The Statement of Activities shows the cost of program services and the operating grants and contributions offsetting those services.

Table 3 shows the total cost of services and the net cost of services. In other words, it identifies the cost of those services supported by property tax receipts and unrestricted state entitlements.

**Table 3
Governmental Activities**

| | Total Cost of Services 2016 | Net Cost of Services 2016 | Total Cost of Services 2015 | Net Cost of Services 2015 |
|-------------------------------|-----------------------------------|---------------------------------|-----------------------------------|---------------------------------|
| Family and Children Services: | | | | |
| Salaries | 30,751 | (0) | 32,524 | (0) |
| Supplies | 475 | (0) | 475 | (0) |
| Contract - Admin | 19,820 | (0) | 25,725 | (0) |
| Contracts – Services | 93,154 | (17,772) | 78,207 | 34,253 |
| Travel | 2,838 | (0) | 3,761 | (0) |
| Public Employee's Retirement | 4,305 | (0) | 4,553 | (0) |
| Workers Compensation | 891 | (0) | 940 | (0) |
| Medicare | 439 | (0) | 466 | (0) |
| Other Expenses | 8,618 | (0) | 12,803 | (0) |
| Total Expenses | <u>161,291</u> | <u>(17,772)</u> | <u>159,454</u> | <u>34,253</u> |

GALLIA COUNTY FAMILY AND CHILDREN FIRST COUNCIL

Management's Discussion and Analysis
For January 1, 2015 through December 31, 2016
Unaudited

The Council's Fund Financial Statements

The Council's fund financial statements are accounted for using the cash basis of accounting.

For 2016, these fund financial statements had total receipts of \$150,519 and disbursements of \$161,291. The financial statements had a decrease in the cash balance of \$10,772 over 2015 year-end cash balance. The General Fund had a decrease in fund cash balance of \$1,313. The Children's Trust Fund had a decrease in fund cash balance of \$5,413. The Help Me Grow Fund had a decrease in fund cash balance of \$4,046.

For 2015, these fund financial statements had total receipts of \$200,707 and disbursements of \$159,454. The financial statements had an increase in the cash balance of \$41,253 over 2014 year-end cash balance. The General Fund had an increase in fund cash balance of \$27,597. The Children's Trust Fund had a decrease in fund cash balance of \$1,173. The Help Me Grow Fund had an increase in fund cash balance of \$14,829.

The change in cash balance is primarily due to timing issues stemming from operating with a fiscal year and reporting on a calendar year.

Budgeting Highlights

The Council's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

The Gallia-Jackson-Meigs Board of Alcohol, Drug Addiction and Mental Health Services is the Administrative Agency for the Council. The Council's budget is contained within the Board's budget and is therefore reported as part of the Board's Financials.

Economic Factors

The Council services the residents of Gallia County.

The Council will be challenged to maintain the current level of services and programs due to a decrease in receipts base and ordinary inflation. The Council and its administration must maintain careful financial planning and prudent fiscal management in order to balance the budget annually.

Contracting the Council's Financial Management

This financial report is designed to provide our citizens, taxpayers, and providers with a general overview of the Council's finances and to show the Council's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Jennifer Metts, Fiscal Officer, at Gallia-Jackson-Meigs Board of Alcohol, Drug Addiction and Mental Health Services (Administrative Agency for the Council), P.O. Box 514, 53 Shawnee Lane, Gallipolis, Ohio 45631.

**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA COUNTY**

*Statement of Net Position - Cash Basis
December 31, 2016*

| | <u>Governmental Activities</u> |
|---------------------------|------------------------------------|
| Assets | |
| Cash Equivalents | <u>\$ 85,651</u> |
| <i>Total Assets</i> | <u><u>\$ 85,651</u></u> |
| | |
| Net Position | |
| Restricted for: | |
| Other Purposes | \$ 2,509 |
| Unrestricted | <u>83,142</u> |
| <i>Total Net Position</i> | <u><u>\$ 85,651</u></u> |

See accompanying notes to the basic financial statements.

**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA COUNTY**

*Statement of Activities - Cash Basis
For The Year Ended December 31, 2016*

| | <u>Program Cash Receipts</u> | | | Net (Disbursements) and Changes in Net Position |
|---------------------------------------|-------------------------------|---------------------------------|---|--|
| | <u>Cash Disbursements</u> | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Governmental Activities</u> |
| Governmental Activities: | | | | |
| Salaries | \$ 30,751 | \$ 0 | \$ 30,751 | \$ 0 |
| Supplies | 475 | 0 | 475 | 0 |
| Contracts - Administrative | 19,820 | 19,820 | | 0 |
| Contracts - Services | 93,154 | 0 | 75,382 | (17,772) |
| Travel and Expenses | 2,838 | 0 | 2,838 | 0 |
| Public Employees Retirement | 4,305 | 0 | 4,305 | 0 |
| Workers Compensation | 891 | 0 | 891 | 0 |
| Medicare | 439 | 0 | 439 | 0 |
| Other Expenses | 8,618 | 0 | 8,618 | 0 |
| <i>Total Governmental Activities</i> | <u>\$ 161,291</u> | <u>\$ 19,820</u> | <u>\$ 123,699</u> | (17,772) |
| General Receipts: | | | | |
| Other Receipts | | | | <u>7,000</u> |
| <i>Total General Receipts</i> | | | | <u>7,000</u> |
| <i>Changes in Net Position</i> | | | | <u>(10,772)</u> |
| <i>Net Position Beginning of Year</i> | | | | <u>96,423</u> |
| <i>Net Position End of Year</i> | | | | <u>\$ 85,651</u> |

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

**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA COUNTY**

*Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2016*

| | General | Help Me Grow | Ohio Childrens Trust | Total Governmental Funds |
|----------------------------|-------------------|--------------------|-------------------------|--------------------------------|
| Assets | | | | |
| Cash Equivalent | \$ 102,004 | \$ (18,862) | \$ 2,509 | \$ 85,651 |
| <i>Total Assets</i> | <u>\$ 102,004</u> | <u>\$ (18,862)</u> | <u>\$ 2,509</u> | <u>\$ 85,651</u> |
| Fund Balances | | | | |
| Restricted | \$ 0 | \$ 0 | \$ 2,509 | \$ 2,509 |
| Assigned | 42,270 | 0 | 0 | 42,270 |
| Unassigned | 59,734 | (18,862) | 0 | 40,872 |
| <i>Total Fund Balances</i> | <u>\$ 102,004</u> | <u>\$ (18,862)</u> | <u>\$ 2,509</u> | <u>\$ 85,651</u> |

See accompanying notes to the basic financial statements.

**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA COUNTY**

*Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2016*

| | General | Help Me Grow | Ohio Childrens Trust | Total Governmental Funds |
|---|-------------------|--------------------|-------------------------|--------------------------------|
| RECEIPTS | | | | |
| Grants | \$ 61,265 | \$ 54,934 | \$ 7,500 | \$ 123,699 |
| Charges for Services - Administrative | 19,820 | 0 | 0 | 19,820 |
| Other | 7,000 | 0 | 0 | 7,000 |
| <i>Total Receipts</i> | <u>88,085</u> | <u>54,934</u> | <u>7,500</u> | <u>150,519</u> |
| DISBURSEMENTS | | | | |
| Salaries | 30,751 | 0 | 0 | 30,751 |
| Supplies | 475 | 0 | 0 | 475 |
| Contracts - Administrative | 0 | 19,445 | 375 | 19,820 |
| Contracts - Services | 35,406 | 45,210 | 12,538 | 93,154 |
| Travel and Expenses | 2,838 | 0 | 0 | 2,838 |
| Public Employee's Retirement | 4,305 | 0 | 0 | 4,305 |
| Workers Compensation | 891 | 0 | 0 | 891 |
| Medicare | 439 | 0 | 0 | 439 |
| Other Expenses | 8,618 | 0 | 0 | 8,618 |
| <i>Total Disbursements</i> | <u>83,723</u> | <u>64,655</u> | <u>12,913</u> | <u>161,291</u> |
| <i>Excess of Cash Receipts over (under) Disbursements</i> | <u>4,362</u> | <u>(9,721)</u> | <u>(5,413)</u> | <u>(10,772)</u> |
| OTHER FINANCING SOURCES/(USES) | | | | |
| Advances In | 8,334 | 14,009 | 0 | 22,343 |
| Advances Out | (14,009) | (8,334) | 0 | (22,343) |
| <i>Total Other Financing Sources/(Uses)</i> | (5,675) | 5,675 | 0 | 0 |
| <i>Net Changes in Fund Cash Balances</i> | (1,313) | (4,046) | (5,413) | (10,772) |
| <i>Fund Balance Beginning of Year</i> | <u>103,317</u> | <u>(14,816)</u> | <u>7,922</u> | <u>96,423</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 102,004</u> | <u>\$ (18,862)</u> | <u>\$ 2,509</u> | <u>\$ 85,651</u> |

See accompanying notes to the basic financial statements.

**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA COUNTY**

*Statement of Receipts, Disbursements, and Changes
In Cash Basis Fund Balance - Budget and Actual (Budget Basis)
General Fund
For The Year Ended December 31, 2016*

| | Budgeted Amounts | | Actual | Variance with |
|---|------------------|------------------|------------------|--|
| | Original | Final | | Final Budget Positive (Negative) |
| RECEIPTS | | | | |
| Intergovernmental | \$ 86,418 | \$ 86,418 | \$ 61,265 | \$ (25,153) |
| Charges for Services - Administrative | 0 | 0 | 19,820 | 19,820 |
| Other | 7,000 | 7,000 | 7,000 | 0 |
| <i>Total Receipts</i> | <u>93,418</u> | <u>93,418</u> | <u>88,085</u> | <u>(5,333)</u> |
| DISBURSEMENTS | | | | |
| Salaries | 31,971 | 31,971 | 30,751 | 1,220 |
| Supplies | 475 | 475 | 475 | 0 |
| Contracts - Services | 53,460 | 53,460 | 56,931 | (3,471) |
| Travel and Expenses | 3,875 | 3,875 | 2,899 | 976 |
| Public Employee's Retirement | 4,616 | 4,616 | 4,305 | 311 |
| Workers Compensation | 974 | 974 | 891 | 83 |
| Medicare | 478 | 478 | 439 | 39 |
| Other Expenses | 28,618 | 28,618 | 8,618 | 20,000 |
| <i>Total Disbursements</i> | <u>124,467</u> | <u>124,467</u> | <u>105,309</u> | <u>19,158</u> |
| <i>Excess Receipts over (under) Disbursements</i> | <u>(31,049)</u> | <u>(31,049)</u> | <u>(17,224)</u> | <u>13,825</u> |
| OTHER FINANCING SOURCES/(USES) | | | | |
| Advances In | 0 | 0 | 8,334 | 8,334 |
| Advances Out | 0 | 0 | (14,009) | (14,009) |
| <i>Total Other Financing Sources/(Uses)</i> | <u>0</u> | <u>0</u> | <u>(5,675)</u> | <u>(5,675)</u> |
| <i>Net Changes in Fund Cash Balances</i> | (31,049) | (31,049) | (22,899) | 8,150 |
| <i>Fund Balance Beginning of Year</i> | 98,616 | 98,616 | 98,616 | 0 |
| <i>Prior Year Encumbrances Appropriated</i> | 4,701 | 4,701 | 4,701 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$ 72,268</u> | <u>\$ 72,268</u> | <u>\$ 80,418</u> | <u>\$ 8,150</u> |

See accompanying notes to the basic financial statements.

**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA COUNTY**

*Statement of Receipts, Disbursements, and Changes
In Cash Basis Fund Balance - Budget and Actual (Budget Basis)
Help Me Grow Fund
For The Year Ended December 31, 2016*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|-----------------|--------------------|---|
| | Original | Final | | |
| RECEIPTS | | | | |
| Intergovernmental | \$ 66,975 | \$ 66,975 | \$ 54,934 | \$ (12,041) |
| <i>Total Receipts</i> | <u>66,975</u> | <u>66,975</u> | <u>54,934</u> | <u>(12,041)</u> |
| DISBURSEMENTS | | | | |
| Contracts - Administrative | 0 | 0 | 19,445 | (19,445) |
| Contracts - Services | 45,029 | 45,210 | 53,094 | (7,884) |
| <i>Total Disbursements</i> | <u>45,029</u> | <u>45,210</u> | <u>72,539</u> | <u>(27,329)</u> |
| <i>Excess Receipts over (under) Disbursements</i> | <u>21,946</u> | <u>21,765</u> | <u>(17,605)</u> | <u>(39,370)</u> |
| OTHER FINANCING SOURCES/(USES) | | | | |
| Advances In | 0 | 0 | 14,009 | 14,009 |
| Advances Out | 0 | 0 | (8,334) | (8,334) |
| <i>Total Other Financing Sources/(Uses)</i> | <u>0</u> | <u>0</u> | <u>5,675</u> | <u>5,675</u> |
| <i>Net Changes in Fund Cash Balances</i> | 21,946 | 21,765 | (11,930) | (33,695) |
| <i>Fund Balance Beginning of Year</i> | (21,635) | (21,635) | (21,635) | 0 |
| <i>Prior Year Encumbrances Appropriated</i> | <u>6,819</u> | <u>6,819</u> | <u>6,819</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 7,130</u> | <u>\$ 6,949</u> | <u>\$ (26,746)</u> | <u>\$ (33,695)</u> |

See accompanying notes to the basic financial statements.

**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA COUNTY**

*Statement of Receipts, Disbursements, and Changes
In Cash Basis Fund Balance - Budget and Actual (Budget Basis)
Ohio Childrens Trust Fund
For The Year Ended December 31, 2016*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------------|------------------------|------------------------|---|
| | Original | Final | | |
| RECEIPTS | | | | |
| Intergovernmental | \$ 15,000 | \$ 15,000 | \$ 7,500 | \$ (7,500) |
| <i>Total Receipts</i> | <u>15,000</u> | <u>15,000</u> | <u>7,500</u> | <u>(7,500)</u> |
| DISBURSEMENTS | | | | |
| Contracts - Administrative | 0 | 0 | 375 | (375) |
| Contracts - Services | 14,250 | 14,250 | 12,538 | 1,712 |
| <i>Total Disbursements</i> | <u>14,250</u> | <u>14,250</u> | <u>12,913</u> | <u>1,337</u> |
| <i>Excess Receipts over (under) Disbursements</i> | 750 | 750 | (5,413) | (6,163) |
| <i>Fund Balance Beginning of Year</i> | <u>7,922</u> | <u>7,922</u> | <u>7,922</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$ 8,672</u></u> | <u><u>\$ 8,672</u></u> | <u><u>\$ 2,509</u></u> | <u><u>\$ (6,163)</u></u> |

See accompanying notes to the basic financial statements.

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**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA COUNTY**

*Statement of Net Position - Cash Basis
December 31, 2015*

| | <u>Governmental Activities</u> |
|---------------------------|------------------------------------|
| Assets | |
| Cash Equivalents | \$ 96,423 |
| <i>Total Assets</i> | <u>\$ 96,423</u> |
| | |
| Net Position | |
| Restricted for: | |
| Other Purposes | \$ 7,922 |
| Unrestricted | <u>88,501</u> |
| <i>Total Net Position</i> | <u>\$ 96,423</u> |

See accompanying notes to the basic financial statements.

**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA COUNTY**

*Statement of Activities - Cash Basis
For The Year Ended December 31, 2015*

| | Cash Disbursements | Program Cash Receipts | | Net (Disbursements) and Changes in Net Position |
|---------------------------------------|-------------------------------|---------------------------------|---|--|
| | | Charges for Services | Operating Grants and Contributions | Governmental Activities |
| Governmental Activities: | | | | |
| Salaries | \$ 32,524 | \$ 0 | \$ 32,524 | \$ 0 |
| Supplies | 475 | 0 | 475 | 0 |
| Contracts - Administrative | 25,725 | 25,725 | 0 | 0 |
| Contracts - Services | 78,207 | 0 | 112,460 | 34,253 |
| Travel and Expenses | 3,761 | 0 | 3,761 | 0 |
| Public Employees Retirement | 4,553 | 0 | 4,553 | 0 |
| Workers Compensation | 940 | 0 | 940 | 0 |
| Medicare | 466 | 0 | 466 | 0 |
| Other Expenses | 12,803 | 0 | 12,803 | 0 |
| <i>Total Governmental Activities</i> | <u>\$ 159,454</u> | <u>\$ 25,725</u> | <u>\$ 167,982</u> | <u>34,253</u> |
| General Receipts: | | | | |
| Other Receipts | | | | <u>7,000</u> |
| <i>Total General Receipts</i> | | | | <u>7,000</u> |
| <i>Changes in Net Position</i> | | | | <u>41,253</u> |
| <i>Net Position Beginning of Year</i> | | | | <u>55,170</u> |
| <i>Net Position End of Year</i> | | | | <u>\$ 96,423</u> |

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

**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA COUNTY**

*Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2015*

| | General | Help Me Grow | Ohio Childrens Trust | Total Governmental Funds |
|----------------------------|-------------------|--------------------|-------------------------|--------------------------------|
| Assets | | | | |
| Cash Equivalent | \$ 103,317 | \$ (14,816) | \$ 7,922 | \$ 96,423 |
| <i>Total Assets</i> | <u>\$ 103,317</u> | <u>\$ (14,816)</u> | <u>\$ 7,922</u> | <u>\$ 96,423</u> |
| Fund Balances | | | | |
| Restricted | \$ 0 | \$ 0 | \$ 7,922 | \$ 7,922 |
| Assigned | 35,355 | 0 | 0 | 35,355 |
| Unassigned | 67,962 | (14,816) | 0 | 53,146 |
| <i>Total Fund Balances</i> | <u>\$ 103,317</u> | <u>\$ (14,816)</u> | <u>\$ 7,922</u> | <u>\$ 96,423</u> |

See accompanying notes to the basic financial statements.

**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA COUNTY**

*Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2015*

| | General | Help Me Grow | Ohio Childrens Trust | Total Governmental Funds |
|---|-------------------|--------------------|-------------------------|--------------------------------|
| RECEIPTS | | | | |
| Grants | \$ 62,816 | \$ 81,416 | \$ 23,750 | \$ 167,982 |
| Charges for Services - Administrative | 25,725 | 0 | 0 | 25,725 |
| Other | 7,000 | 0 | 0 | 7,000 |
| <i>Total Receipts</i> | <u>95,541</u> | <u>81,416</u> | <u>23,750</u> | <u>200,707</u> |
| DISBURSEMENTS | | | | |
| Salaries | 32,524 | 0 | 0 | 32,524 |
| Supplies | 475 | 0 | 0 | 475 |
| Contracts - Administrative | 0 | 22,225 | 3,500 | 25,725 |
| Contracts - Services | 12,422 | 44,362 | 21,423 | 78,207 |
| Travel and Expenses | 3,761 | 0 | 0 | 3,761 |
| Public Employee's Retirement | 4,553 | 0 | 0 | 4,553 |
| Workers Compensation | 940 | 0 | 0 | 940 |
| Medicare | 466 | 0 | 0 | 466 |
| Other Expenses | 12,803 | 0 | 0 | 12,803 |
| <i>Total Disbursements</i> | <u>67,944</u> | <u>66,587</u> | <u>24,923</u> | <u>159,454</u> |
| <i>Excess of Cash Receipts over (under) Disbursements</i> | 27,597 | 14,829 | (1,173) | 41,253 |
| <i>Fund Balance Beginning of Year</i> | <u>75,720</u> | <u>(29,645)</u> | <u>9,095</u> | <u>55,170</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 103,317</u> | <u>\$ (14,816)</u> | <u>\$ 7,922</u> | <u>\$ 96,423</u> |

See accompanying notes to the basic financial statements.

**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA COUNTY**

*Statement of Receipts, Disbursements, and Changes
In Cash Basis Fund Balance - Budget and Actual (Budget Basis)
General Fund
For The Year Ended December 31, 2015*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|------------------|------------------|---|
| | Original | Final | | |
| RECEIPTS | | | | |
| Intergovernmental | \$ 62,816 | \$ 62,816 | \$ 62,816 | \$ 0 |
| Charges for Services - Administrative | 0 | 0 | 25,725 | 25,725 |
| Other | 7,000 | 7,000 | 7,000 | 0 |
| <i>Total Receipts</i> | <u>69,816</u> | <u>69,816</u> | <u>95,541</u> | <u>25,725</u> |
| DISBURSEMENTS | | | | |
| Salaries | 32,274 | 32,524 | 32,524 | 0 |
| Supplies | 475 | 475 | 475 | 0 |
| Contracts - Services | 47,066 | 13,888 | 16,823 | (2,935) |
| Travel and Expenses | 3,725 | 3,956 | 4,061 | (105) |
| Public Employee's Retirement | 4,518 | 4,553 | 4,553 | 0 |
| Workers Compensation | 949 | 940 | 940 | 0 |
| Medicare | 468 | 466 | 466 | 0 |
| Other Expenses | 13,635 | 12,803 | 12,803 | 0 |
| <i>Total Disbursements</i> | <u>103,110</u> | <u>69,605</u> | <u>72,645</u> | <u>(3,040)</u> |
| <i>Excess Receipts over (under) Disbursements</i> | (33,294) | 211 | 22,896 | 22,685 |
| <i>Fund Balance Beginning of Year</i> | <u>75,720</u> | <u>75,720</u> | <u>75,720</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 42,426</u> | <u>\$ 75,931</u> | <u>\$ 98,616</u> | <u>\$ 22,685</u> |

See accompanying notes to the basic financial statements.

**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA COUNTY**

*Statement of Receipts, Disbursements, and Changes
In Cash Basis Fund Balance - Budget and Actual (Budget Basis)
Help Me Grow Fund
For The Year Ended December 31, 2015*

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---|---------------------------|------------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| RECEIPTS | | | | |
| Intergovernmental | \$ 72,769 | \$ 81,416 | \$ 81,416 | \$ 0 |
| <i>Total Receipts</i> | <u>72,769</u> | <u>81,416</u> | <u>81,416</u> | <u>0</u> |
| DISBURSEMENTS | | | | |
| Contracts - Administrative | 0 | 0 | 22,225 | (22,225) |
| Contracts - Services | <u>72,841</u> | <u>48,183</u> | <u>51,181</u> | <u>(2,998)</u> |
| <i>Total Disbursements</i> | <u>72,841</u> | <u>48,183</u> | <u>73,406</u> | <u>(25,223)</u> |
| <i>Excess Receipts over (under) Disbursements</i> | (72) | 33,233 | 8,010 | (25,223) |
| <i>Fund Balance Beginning of Year</i> | <u>(29,645)</u> | <u>(29,645)</u> | <u>(29,645)</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$ (29,717)</u></u> | <u><u>\$ 3,588</u></u> | <u><u>\$ (21,635)</u></u> | <u><u>\$ (25,223)</u></u> |

See accompanying notes to the basic financial statements.

**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA COUNTY**

*Statement of Receipts, Disbursements, and Changes
In Cash Basis Fund Balance - Budget and Actual (Budget Basis)
Ohio Childrens Trust Fund
For The Year Ended December 31, 2015*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------------|-------------------------|------------------------|---|
| | Original | Final | | |
| RECEIPTS | | | | |
| Intergovernmental | \$ 23,750 | \$ 23,750 | \$ 23,750 | \$ 0 |
| <i>Total Receipts</i> | <u>23,750</u> | <u>23,750</u> | <u>23,750</u> | <u>0</u> |
| DISBURSEMENTS | | | | |
| Contracts - Administrative | 0 | 0 | 3,500 | (3,500) |
| Contracts - Services | 22,250 | 21,423 | 21,423 | 0 |
| <i>Total Disbursements</i> | <u>22,250</u> | <u>21,423</u> | <u>24,923</u> | <u>(3,500)</u> |
| <i>Excess Receipts over (under) Disbursements</i> | 1,500 | 2,327 | (1,173) | (3,500) |
| <i>Fund Balance Beginning of Year</i> | <u>9,095</u> | <u>9,095</u> | <u>9,095</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$ 10,595</u></u> | <u><u>\$ 11,422</u></u> | <u><u>\$ 7,922</u></u> | <u><u>\$ (3,500)</u></u> |

See accompanying notes to the basic financial statements.

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**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2016**

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 representing the interest 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.
- 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 public children's services agency or 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 Developmental Disabilities or if the Superintendent serves as Superintendent for more than one County Board of Developmental Disabilities, the Superintendent's Designee;
- 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 Board of County Commissioners 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 municipal corporation with the largest population in the County;
- j. The President of the Board of County Commissioners, or an individual designated by the Board;

**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2016
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Description of the Entity (Continued)

- 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 3301.32 of the Revised Code;
- m. A representative of the County's early intervention collaborative established pursuant to the federal early intervention program operated under the "Individuals with Disabilities Education Act of 2004", and
- n. A representative of a local nonprofit entity that funds, advocates, or provides services to children and families.

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.

The purpose of the County Council is to streamline and coordinate existing government services for families seeking services for their children. In seeking fulfill its purpose, 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 countrywide, 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";
- 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.

**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2016
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 Executive Committee, and the Executive Director have direct responsibility for these activities.

As discussed further in Note 3 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. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Council's accounting policies.

1. Basis of Presentation

The Council's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Councils a whole. These statements include the financial activities of the primary government. The statement of net assets presents the financial condition of the governmental activities of the Council at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Council's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirement 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.

**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2016
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Reporting Entity (Continued)

1. Basis of Presentation (Continued)

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

2. Fund Accounting

The Council uses fund accounting 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. Funds are used to segregate resources that are restricted as to use. The Council utilizes the governmental category of funds.

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.

Help Me Grow (HMG) Fund – The Help Me Grow (HMG) Fund is used to account for revenue received and expended from state and federal grant monies for early intervention programs.

Ohio Children's Trust Fund – The Ohio Children's Trust Fund is used to account for revenue received from state grants for Children.

3. Basis of Accounting

The Council's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Council are described in the appropriate section in this note.

**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2016
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Reporting Entity (Continued)

3. Basis of Accounting (Continued)

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

C. 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 selected the Gallia-Jackson-Meigs Board of Alcohol, Drug Addiction, and Mental Health Services, as administrative agent and Gallia County as fiscal 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 Gallia-Jackson-Meigs Board of Alcohol, Drug Addiction, and Mental Health Services and Gallia County agreed to be ultimately responsible for fulfilling the fiscal and administrative obligations of the agreement.

D. Cash and Investments

The Council designated the Gallia County Auditor as the fiscal agent for all funds received in the name of the Council. Deposits of monies are made with the Gallia County Treasurer and fund expenditures and balances are reported through the Gallia County Auditor. Deposits and investments are made in accordance with the Ohio Revised Code and are valued at the Fiscal Agent's carrying amount. At December 31, 2016 and 2015, the Council's share of the County's cash pool was as follows:

| | | |
|----------------|-------------|-------------|
| | <u>2015</u> | <u>2016</u> |
| Demand deposit | \$96,423 | \$85,651 |

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

E. 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.

F. Capital Assets

The Council records disbursements for acquisitions of property, plant and equipment when paid. The accompanying financial statements do not report these items as assets.

**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2016
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

H. Fund Balance

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

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.

Assigned – Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by 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.

2. DEFINED BENEFIT PENSION PLAN

A. Ohio Public Employees Retirement System

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

**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2016
(Continued)**

2. DEFINED BENEFIT PENSION PLAN (Continued)

A. Ohio Public Employees Retirement System (Continued)

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2016 and 2015, the members in state and local classifications contributed 10.0 percent of covered payroll.

The Council's 2016-2015 contribution rate was 14.0 percent of covered payroll. For 2016 and 2015, a portion of the Council's contribution equal to 2.0 percent of covered payroll was allocated to fund the post-employment health care plan. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the Council of 14.0 percent.

The Council's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2016, and 2015 were \$3,690, and \$3,902 respectively; 100 percent has been contributed for 2016 and 100 percent for 2015.

3. POST EMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System

Plan Description- Ohio Public Employees Retirement System (OPERS) administer three separate pension plans: the Traditional pension 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 order to qualify for post-employment health care coverage, age and service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, 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.html>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or calling 614-222-5601 or 1-800-222-7377

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). State statute requires that public employers fund post-employment 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.

**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2016
(Continued)**

3. POSTEMPLOYMENT BENEFITS (Continued)

A. Ohio Public Employees Retirement System (Continued)

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2016 and 2015, state and local government employers contributed at a rate of 14.0 percent of covered payroll. Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. The amount of employer contributions which were allocated to fund post-employment health care was 0.0 percent.

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, 2016, and 2015 were \$615 and \$650. The full amount has been contributed for 2016 and 2015.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September, 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes. OPERS expect to be able to consistently allocate 4.00 percent of the employer contribution toward the health care fund after the end of the transition period.

4. RISK MANAGEMENT

Insurance is carried through the Gallia-Jackson-Meigs Board of ADAMHS and it has obtained commercial insurance for the following risks:

- Comprehensive property and general liability and
- Errors and omissions.

5. 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.



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

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

To the Council Members:

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 and each major fund of the Family and Children First Council, Gallia 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 and have issued our report thereon dated July 19, 2017 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 opinions 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. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings that we consider a material weakness. We consider Finding 2016-001 to be a material weakness.

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.

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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*.

Entity's Response to Findings

The Council's response to the finding identified in our audit is described in the accompanying Schedule of Findings. We did not audit the Council's response and, accordingly, we express no opinion on it.

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

July 19, 2017

**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2016 AND 2015**

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|--|
| FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS |
|--|

FINDING NUMBER 2016-001

Material Weakness

Sound financial reporting is the responsibility of the fiscal officer and governing board and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. As a result of the audit procedures performed, the following errors were noted in the financial statements that required audit adjustment or reclassification:

In 2015:

- Restricted net position was understated by \$3,191 and unrestricted net position was overstated by \$3,191 on the Statement of Net Position.
- Disbursements reported on the Budget and Actual Budget Basis General Fund Statement (BVA) Actual column did not agree to disbursements reported on the Statement of Receipts, Disbursements, and Changes in Cash Basis Fund Balances. Contract Services were overstated in the amount of \$1,388, Travel was overstated in the amount of \$274, and prior year encumbrances were overstated in the amount of \$1,661.
- Disbursements reported on the Budget and Actual Budget Basis Help Me Grow Fund Statement (BVA) Actual column did not agree to disbursements reported on the Statement of Receipts, Disbursements, and Changes in Cash Basis Fund Balances. Contract Services were overstated in the amount of \$3,821 and prior year encumbrances were overstated in the amount of \$3,821.
- Disbursements reported on the Budget and Actual Budget Basis Ohio Children's Trust Fund Statement (BVA) Actual column did not agree to disbursements reported on the Statement of Receipts, Disbursements, and Changes in Cash Basis Fund Balances. Contract Services were overstated in the amount of \$563.
- Amounts received by the General Fund from the Help Me Grow Fund and Ohio Children's Trust Fund for contract administration were incorrectly reported as Transfers In instead of Contracts - Admin. Receipts in the amount of \$24,975. In addition, transfers in on the Budget and Actual (Budget Basis) General Fund Statement (BVA) Original and Final columns were overstated by \$24,975.
- Amounts disbursed from the Help Me Grow Fund for contract administration were incorrectly reported as Transfers Out instead of Contract Administration Disbursements in the amount of \$22,225. In addition, transfers out on the Budget and Actual (Budget Basis) Help Me Grow Fund Statement (BVA) Original and Final columns were overstated by \$22,225.
- Amounts disbursed from the Ohio Children's Trust Fund for contract administration were incorrectly reported as Transfers Out instead of Contract Administration Disbursements in the amount of \$2,750. In addition, transfers out on the Budget and Actual (Budget Basis) Ohio Children's Trust Fund Statement (BVA) Original and Final columns were overstated by \$2,750.
- A receipt for contract administration in the General Fund from the Ohio Children's Trust Fund was not recorded as Contract - Admin. receipts in the General Fund or as Contract Administration Disbursements in the Ohio Children's Trust Fund in the amount of \$750.
- The Council incorrectly reported outstanding encumbrances of \$4,701 in the General Fund as unassigned fund balance instead of assigned fund balance.
- Statement No. 54 of the Governmental Accounting Standards Board (GASB) defines the reporting of fund balances on the financial statements and was codified as follows: GASB Cod. 1800.176 require reporting amounts as assigned when subsequent appropriations exceed estimated receipts. The Council improperly reported the assigned portion of the General Fund's cash fund balance as unassigned, in the amount of \$30,654.

**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2015 AND 2016
(Continued)**

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|--|
| FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued) |
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FINDING NUMBER 2016-001 (Continued)

Material Weakness (Continued)

In 2016:

- Restricted net position was overstated by \$8,824 and unrestricted net position was understated by \$8,824 on the Statement of Net Position.
- Receipts and disbursements reported on the Budget and Actual Budget Basis General Fund Statement (BVA) Actual column did not agree to disbursements reported on the Statement of Receipts, Disbursements, and Changes in Cash Basis Fund Balances. Grant receipts were overstated in the amount of \$30,828, Contract Services disbursements were understated in the amount of \$37,771, Other disbursements were overstated in the amount of \$20,000, Transfers In were overstated in the amount of \$19,254. In addition, the Beginning Fund Balance reported on the General Fund BVA was understated in the amount of \$22,146.
- Grant receipts reported on the Budget and Actual Budget Basis Help Me Grow Fund Statement (BVA) Actual column did not agree to Grant receipts reported on the Statement of Receipts, Disbursements, and Changes in Cash Basis Fund Balances. Grant Receipts overstated in the amount of \$6,366.
- Beginning fund balance reported on the Budget and Actual (Budget Basis) Ohio Children's Trust Fund Statement (BVA) Actual column did not agree to the amount reported on the Statement of Receipts, Disbursements, and Changes in Cash Basis Fund Balances. Beginning fund balance was understated in the amount of \$563.
- Amounts received by the General Fund from the Help Me Grow Fund and Ohio Children's Trust Fund for contract administration were incorrectly reported as Transfers In instead of Contracts - Admin. Receipts in the amount of \$19,820. In addition, transfers in on the Budget and Actual (Budget Basis) General Fund Statement (BVA) Original and Final columns were overstated by \$39,074.
- Amounts disbursed from the Help Me Grow Fund for contract administration were incorrectly reported as Transfers Out instead of Contract Administration Disbursements in the amount of \$19,445. In addition, transfers out on the Budget and Actual (Budget Basis) Help Me Grow Fund Statement (BVA) Original and Final columns were overstated by \$19,445.
- Amounts disbursed from the Ohio Children's Trust Fund for contract administration were incorrectly reported as Transfers Out instead of Contract Administration Disbursements in the amount of \$375. In addition, transfers out on the Budget and Actual (Budget Basis) Ohio Children's Trust Fund Statement (BVA) Original and Final columns were overstated by \$375.
- Advances In and Out were not reported in the General Fund in the amounts of \$8,334 and \$14,009, respectively. The net difference of \$5,675 was incorrectly reported as a reduction to Grant Receipts resulting in that line item being understated.
- Advances In and Out were not reported in the Help Me Grow Fund in the amounts of \$14,009 and \$8,334, respectively. The net difference of \$5,675 was incorrectly reported as Grant Receipts resulting in that line item being overstated.
- The Council incorrectly reported outstanding encumbrances of \$21,586 in the General Fund as unassigned fund balance instead of assigned fund balance.
- Statement No. 54 of the Governmental Accounting Standards Board (GASB) defines the reporting of fund balances on the financial statements and was codified as follows: GASB Cod. 1800.176 require reporting amounts as assigned when subsequent appropriations exceed estimated receipts. The Council improperly reported the assigned portion of the General Fund's cash fund balance as unassigned, in the amount of \$20,684.

**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2016 AND 2015
(Continued)**

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|--|
| FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued) |
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FINDING NUMBER 2016-001 (Continued)

Material Weakness (Continued)

- Statement No. 54 of the Governmental Accounting Standards Board (GASB) defines the reporting of fund balances on the financial statements. The Council improperly reported the Ohio Children's Trust Fund cash balance of \$3,259 as assigned instead of restricted.

The Alcohol, Drug Addiction, Mental Health Fund and the Family and Children First Funds were maintained in one fund at the County Level. The Fiscal Officer then had to maintain spreadsheets to separate activity between the entities and funds. The ADAMH had one fund and the FCFC had three funds. This caused or contributed to the many reclassifications and adjustments as noted above.

The audited financial statements reflect the above adjustments.

To ensure the Family and Children First Council financial statements and notes to the financial statements are complete and accurate, the Fiscal Officer should take more care in the preparation of the financial statements. Each separate fund should be established at the County level to ensure activity is being properly recorded within each fund.

Officials' Response:

As noted above, all of the financial statements reflect the adjustments above.

Instructions from AOS stemming from the ADAMHS Board audit for CY2015 were incorporated into these FCFC financial statements regarding Transfers In/Out. Upon receiving the list of adjustments it is now noted and changes have been made. The line item transfers will not be used, but will be reported as Charges for Services – Administrative in Receipts and Contracts – Administrative in disbursements.

Steps are being taken to meet with the proper County employee's to separate the FCFC funds from the GJM Board of ADAMHS funds. A date of January 1, 2018 is what we are shooting for to have the new funds established.

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Dave Yost • Auditor of State

GALLIA 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 1, 2017**