



Dave Yost • Auditor of State

**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA COUNTY**

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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 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, 2014 and 2013, 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, 2014 and 2013, and the respective changes in cash financial position and the respective budgetary comparisons 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.

Emphasis of a Matter

As discussed in Note 1 to the financial statements, during 2013, the Council adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. We did not modify our opinion regarding this matter.

Other Matters

Supplemental and Other Information

We audited to opine on the Council's financial statements that collectively comprise its basic financial statements.

We applied no procedures to the Management's Discussion & Analysis presented on pages 3-6 of the report, and 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 June 18, 2015, 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

June 18, 2015

GALLIA COUNTY FAMILY AND CHILDREN FIRST COUNCIL

Management's Discussion and Analysis
For January 1, 2013 through December 31, 2014
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, 2013 through December 31, 2014, 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 2013-2014 are as follows:

- Net position for 2014 decreased \$6,306. The Council had receipts for 2014 equaling \$128,590. Cash disbursements for the same period equaled \$ 134,896. The ending net position was \$55,170.
- Net position for 2013 increased \$1,865. The Council had receipts for 2013 equaling \$138,105. Cash disbursements for the same period equaled \$136,240. The ending net position was \$61,476.

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, 2013 through December 31, 2014
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 2014 compared to 2013.

**Table 1
Net Position**

	2014	2013
ASSET:		
Cash on deposit with Gallia County	\$55,170	\$61,476
NET POSITION:		
Restricted	9,095	4,885
Unrestricted	46,075	56,591
Total net position	\$55,170	\$61,476

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, 2013 through December 31, 2014
Unaudited

Table 2 shows the changes in net position on a cash basis for the year ended December 31, 2014 and 2013.

**Table 2
Changes in Net Position**

	2014	2013
Program Cash Receipts:		
Operating Grants and Contributions	\$ 120,590	\$ 131,105
General Receipts:		
Other Receipts	8,000	7,000
Total Receipts	128,590	138,105
Disbursements:		
Salaries	31,140	30,662
Supplies	475	475
Contracts - Services	87,857	94,086
Travel and Expenses	3,618	3,057
Public Employee's Retirement	4,360	4,293
Unemployment Compensation	910	896
Medicare	451	445
Hospitalization (Health Insurance)	0	0
Other Expenses	6,085	2,326
Total Disbursements	134,896	136,240
 Change in Net Position	 \$ (6,306)	 \$ 1,865

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 2014	Net Cost of Services 2014	Total Cost of Services 2013	Net Cost of Services 2013
Family and Children Services:				
Salaries	\$ 31,140	\$ (0)	\$ 30,662	\$ (0)
Supplies	475	(0)	475	(0)
Contracts – Services	87,857	(8,221)	94,086	(5,135)
Travel	3,618	(0)	3,057	(0)
Public Employee's Retirement	4,360	(0)	4,293	(0)
Unemployment Compensation	910	(0)	896	(0)
Medicare	451	(0)	445	(0)
Hospitalization	0	(0)	0	(0)
Other Expenses	6,085	(6,085)	2,326	(0)
Total Expenses	\$ 134,896	\$(14,306)	\$136,240	\$ (5,135)

GALLIA COUNTY FAMILY AND CHILDREN FIRST COUNCIL

Management's Discussion and Analysis
For January 1, 2013 through December 31, 2014
Unaudited

The Council's Fund Financial Statements

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

For 2014, these fund financial statements had total receipts of \$128,590 and disbursements of \$134,896. The financial statements had a decrease in the cash balance of \$6,306 over 2013 year-end cash balance. The General Fund had an increase in fund cash balance of \$9,068. The Children's Trust Fund had an increase in fund cash balance of \$4,210. The Help Me Grow Fund had a decrease in fund cash balance of \$19,584.

For 2013, these fund financial statements had total receipts of \$138,105 and disbursements of \$136,240. The financial statements had an increase in the cash balance of \$1,865 over 2012 year-end cash balance. The General Fund had an increase in fund cash balance of \$20,969. The Children's Trust Fund had no change in fund cash balance. The Help Me Grow Fund had a decrease in fund cash balance of \$19,104.

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, 2014*

	Governmental Activities
Assets	
Cash Equivalents	\$55,170
<i>Total Assets</i>	<u>\$55,170</u>
Net Position	
Restricted for:	
Other Purposes	9,095
Unrestricted	<u>46,075</u>
<i>Total Net Position</i>	<u>\$55,170</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, 2014*

	<u>Cash Disbursements</u>	<u>Program Cash Receipts Operating Grants and Contributions</u>	<u>Net (Disbursements) and Changes in Net Position Governmental Activities</u>
<i>Governmental Activities:</i>			
Salaries	\$31,140	\$31,140	-
Supplies	475	475	-
Contracts - Services	87,857	79,636	(\$8,221)
Travel and Expenses	3,618	3,618	-
Public Employees Retirement	4,360	4,360	-
Medicare	451	451	-
Unemployment Compensation	910	910	-
Other Expenses	6,085		(6,085)
	<hr/>	<hr/>	<hr/>
<i>Total Governmental Activities</i>	<u>\$134,896</u>	<u>\$120,590</u>	<u>(14,306)</u>
			<hr/>
			8,000
			<hr/>
			8,000
			<hr/>
			(6,306)
			<hr/>
			61,476
			<hr/>
			\$55,170
			<hr/> <hr/>

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, 2014*

	General	HMG	OCTF	Total Governmental Funds
Assets				
Cash Equivalent	\$75,720	(\$29,645)	\$9,095	\$55,170
<i>Total Assets</i>	<u>\$75,720</u>	<u>(\$29,645)</u>	<u>\$9,095</u>	<u>\$55,170</u>
Fund Balances				
Restricted			\$9,095	\$9,095
Unassigned	\$75,720	(\$29,645)		46,075
<i>Total Fund Balances</i>	<u>\$75,720</u>	<u>(\$29,645)</u>	<u>\$9,095</u>	<u>\$55,170</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 Fiscal Year Ending December 31, 2014*

	General	HMG	OCTF	Total Governmental Funds
RECEIPTS				
Grants	\$48,107	\$57,524	\$14,959	\$120,590
Dues	8,000			8,000
<i>Total Receipts</i>	<u>56,107</u>	<u>57,524</u>	<u>14,959</u>	<u>128,590</u>
DISBURSEMENTS				
Current:				
Salaries	31,140			31,140
Supplies	475			475
Contracts - Services	-	77,108	10,749	87,857
Travel and Expenses	3,618			3,618
Public Employee's Retirement	4,360			4,360
Medicare	451			451
Unemployment Compensation	910		-	910
Other Expenses	6,085			6,085
<i>Total Disbursements</i>	<u>47,039</u>	<u>77,108</u>	<u>10,749</u>	<u>134,896</u>
<i>Excess of Cash Receipts over (under) Disbursements</i>	<u>9,068</u>	<u>(19,584)</u>	<u>4,210</u>	<u>(6,306)</u>
<i>Fund Balance Beginning of Year</i>	<u>66,652</u>	<u>(10,061)</u>	<u>4,885</u>	<u>61,476</u>
<i>Fund Balance End of Year</i>	<u>\$75,720</u>	<u>(\$29,645.00)</u>	<u>\$9,095</u>	<u>\$55,170</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, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
RECEIPTS				
Intergovernmental	\$54,266	\$54,266	\$48,107	(\$6,159)
Dues- Other Miscellaneous Revenue	0	0	8,000	8,000
<i>Total Receipts</i>	<u>54,266</u>	<u>54,266</u>	<u>56,107</u>	<u>1,841</u>
DISBURSEMENTS				
Current:				
Salaries	30,767	31,140	31,140	-
Supplies	475	475	475	-
Travel and Expenses	3,500	3,618	3,618	-
Public Employee's Retirement	4,307	4,360	4,360	-
Unemployment Compensation	910	910	910	-
Medicare	499	451	451	-
Other Expenses	-	-	6,085	(6,085)
<i>Total Disbursements</i>	<u>40,458</u>	<u>40,954</u>	<u>47,039</u>	<u>(6,085)</u>
<i>Excess Receipts over (under) Disbursements</i>	<u>13,808</u>	<u>13,312</u>	<u>9,068</u>	<u>(4,244)</u>
<i>Fund Balance Beginning of Year</i>	66,652	66,652	66,652	-
<i>Fund Balance End of Year</i>	<u>\$80,460</u>	<u>\$79,964</u>	<u>\$75,720</u>	<u>(\$4,244)</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 FUND
For The Year Ended December 31, 2014*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
RECEIPTS				
Intergovernmental	<u>\$59,366</u>	<u>\$59,366</u>	<u>\$57,524</u>	<u>(\$1,842)</u>
<i>Total Receipts</i>	<u>59,366</u>	<u>59,366</u>	<u>57,524</u>	<u>(1,842)</u>
DISBURSEMENTS				
Current:				
Contracts - Services	<u>86,652</u>	<u>83,902</u>	<u>77,108</u>	<u>6,794</u>
<i>Total Disbursements</i>	<u>86,652</u>	<u>83,902</u>	<u>77,108</u>	<u>6,794</u>
<i>Excess Receipts over (under) Disbursements</i>	<u>(27,286)</u>	<u>(24,536)</u>	<u>(19,584)</u>	<u>4,952</u>
<i>Fund Balance Beginning of Year</i>	<u>(14,869)</u>	<u>(14,869)</u>	<u>(14,869)</u>	<u>-</u>
Prior Year Encumbrances	<u>4,808</u>	<u>4,808</u>	<u>4,808</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u><u>(\$37,347)</u></u>	<u><u>(\$34,597)</u></u>	<u><u>(\$29,645)</u></u>	<u><u>\$4,952</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 Children's Trust Fund
For The Year Ended December 31, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
RECEIPTS				
Intergovernmental	\$14,959	\$14,959	\$14,959	\$ -
<i>Total Receipts</i>	<u>14,959</u>	<u>14,959</u>	<u>14,959</u>	<u>-</u>
DISBURSEMENTS				
Current:				
Contracts - Services	14,250	10,040	10,749	(709)
<i>Total Disbursements</i>	<u>14,250</u>	<u>10,040</u>	<u>10,749</u>	<u>(709)</u>
<i>Excess Receipts over (under) Disbursements</i>	<u>709</u>	<u>4,919</u>	<u>4,210</u>	<u>(709)</u>
<i>Fund Balance Beginning of Year</i>	2,510	2,510	2,510	-
Prior Year Encumbrances	2,375	2,375	2,375	-
<i>Fund Balance End of Year</i>	<u>\$5,594</u>	<u>\$9,804</u>	<u>\$9,095</u>	<u>(\$709)</u>

See accompanying notes to the basic financial statements.

**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA COUNTY**

*Statement of Net Position - Cash Basis
December 31, 2013*

	<u>Governmental Activities</u>
Assets	
Cash Equivalents	<u>\$61,476</u>
<i>Total Assets</i>	<u><u>\$61,476</u></u>
Net Position	
Restricted for:	
Other Purposes	4,885
Unrestricted	<u>56,591</u>
<i>Total Net Position</i>	<u><u>\$61,476</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, 2013*

		<u>Program Cash Receipts</u>	<u>Net (Disbursements) and Changes in Net Position</u>
	<u>Cash Disbursements</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities:			
Salaries	\$30,662	\$30,662	\$ -
Supplies	475	475	-
Equipment	-		-
Contracts - Repairs	-		-
Contracts - Services	94,086	88,951	(5,135)
Travel and Expenses	3,057	3,057	-
Public Employees Retirement	4,293	4,293	-
Workers Compensation	-		-
Medicare	445	445	-
Unemployment Compensation	896	896	-
Hospitalization (Health Insurance)	-		-
Other Expenses	2,326	2,326	-
	<u>\$136,240</u>	<u>\$131,105</u>	<u>(5,135)</u>
<i>Total Governmental Activities</i>			
			<u>7,000</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>1,865</u>
<i>Net Position Beginning of Year</i>			<u>59,611</u>
<i>Net Position End of Year</i>			<u>\$61,476</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, 2013*

	General	HMG	OCTF	Total Governmental Funds
Assets				
Cash Equivalent	\$66,652	(\$10,061)	\$4,885	\$61,476
<i>Total Assets</i>	<u>\$66,652</u>	<u>(\$10,061)</u>	<u>\$4,885</u>	<u>\$61,476</u>
Fund Balances				
Restricted			\$4,885	\$4,885
Unassigned	\$66,652	(\$10,061)		56,591
<i>Total Fund Balances</i>	<u>\$66,652</u>	<u>(\$10,061)</u>	<u>\$4,885</u>	<u>\$61,476</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, 2013*

	General	HMG	OCTF	Total Governmental Funds
RECEIPTS				
Grants	\$56,123	\$59,982	\$15,000	\$131,105
Dues	7,000			7,000
<i>Total Receipts</i>	<u>63,123</u>	<u>59,982</u>	<u>15,000</u>	<u>138,105</u>
DISBURSEMENTS				
Current:				
Salaries	30,662			30,662
Supplies	475			475
Contracts - Services	-	79,086	15,000	94,086
Travel and Expenses	3,057			3,057
Public Employee's Retirement	4,293			4,293
Medicare	445			445
Unemployment Compensation	896		-	896
Other Expenses	2,326			2,326
<i>Total Disbursements</i>	<u>42,154</u>	<u>79,086</u>	<u>15,000</u>	<u>136,240</u>
<i>Excess of Cash Receipts over (under) Disbursements</i>	<u>20,969</u>	<u>(19,104)</u>	<u>-</u>	<u>1,865</u>
<i>Fund Balance Beginning of Year</i>	<u>45,683</u>	<u>9,043</u>	<u>4,885</u>	<u>59,611</u>
<i>Fund Balance End of Year</i>	<u>\$66,652</u>	<u>(\$10,061)</u>	<u>\$4,885</u>	<u>\$61,476</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, 2013*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
RECEIPTS				
Intergovernmental	\$57,104	\$56,123	\$56,123	\$ -
Dues- Other Miscellaneous Revenue		7,000	7,000	
<i>Total Receipts</i>	<u>57,104</u>	<u>63,123</u>	<u>63,123</u>	<u>-</u>
DISBURSEMENTS				
Current:				
Salaries	29,914	30,662	30,662	-
Supplies	475	475	475	-
Travel and Expenses	3,500	3,057	3,057	-
Public Employee's Retirement	4,188	4,293	4,293	-
Unemployment Compensation	875	896	896	-
Medicare	434	445	445	-
Other Expenses	1,523	2,326	2,326	-
<i>Total Disbursements</i>	<u>40,909</u>	<u>42,154</u>	<u>42,154</u>	<u>-</u>
<i>Excess Receipts over (under) Disbursements</i>	<u>16,195</u>	<u>20,969</u>	<u>20,969</u>	<u>-</u>
<i>Fund Balance Beginning of Year</i>	43,711	43,711	43,711	-
Prior Year Encumbrances	<u>1,972</u>	<u>1,972</u>	<u>1,972</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u><u>\$61,878</u></u>	<u><u>\$66,652</u></u>	<u><u>\$66,652</u></u>	<u><u>\$ -</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)
Help Me Grow Fund
For The Year Ended December 31, 2013*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
RECEIPTS				
Intergovernmental	\$65,991	\$62,733.00	\$59,982	(\$2,751)
<i>Total Receipts</i>	65,991	62,733	59,982	(2,751)
DISBURSEMENTS				
Current:				
Contracts - Services	80,956	88,643	83,894	4,749
<i>Total Disbursements</i>	80,956	88,643	83,894	4,749
<i>Excess Receipts over (under) Disbursements</i>	(14,965)	(25,910)	(23,912)	1,998
<i>Fund Balance Beginning of Year</i>	(4,522)	(4,522)	(4,522)	-
Prior Year Encumbrances	13,565	13,565	13,565	-
<i>Fund Balance End of Year</i>	(\$5,922)	(\$16,867)	(\$14,869)	\$1,998

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 Children's Trust Fund
For The Year Ended December 31, 2013*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
RECEIPTS				
Intergovernmental	\$15,000	\$15,000	\$15,000	\$ -
<i>Total Receipts</i>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
DISBURSEMENTS				
Current:				
Contracts - Services	14,250	14,250	17,375	(3,125)
Other Expenses	750	750	-	750
<i>Total Disbursements</i>	<u>15,000</u>	<u>15,000</u>	<u>17,375</u>	<u>(2,375)</u>
<i>Excess Receipts over (under) Disbursements</i>	<u>-</u>	<u>-</u>	<u>(2,375)</u>	<u>(2,375)</u>
<i>Fund Balance Beginning of Year</i>	2,510	2,510	2,510	-
Prior Year Encumbrances	2,375	2,375	2,375	-
<i>Fund Balance End of Year</i>	<u><u>\$4,885</u></u>	<u><u>\$4,885</u></u>	<u><u>\$2,510</u></u>	<u><u>-\$2,375</u></u>

See accompanying notes to the basic financial statements.

**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2014**

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 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 Ohio 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 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, 2013 AND 2014
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Description of the Entity (Continued)

- k. A representative of the regional office of the Ohio 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.
- o. The county's juvenile judge shall serve as the judicial advisor to the county family and children first council. The judge may advise the county council on the court's utilization of resources, services or programs provided by the entities represented by the members of the county council and how those resources, services, or programs assist the court in its administration 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.

The purpose of the County Council is to streamline and coordinate existing government services for families seeking services for their children. In seeking to fulfill its purpose, a County Council shall provide for the following:

- 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.
- f. Participate in the development of a county service coordination mechanism.

**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2014
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Description of the Entity (Continued)

- g. An interagency process to establish local indicators and monitor the county's progress toward increasing child well-being in the county
- h. An interagency process to identify local priorities to increase child-well being. The local priorities shall focus on expectant parents and newborns thriving; infants and toddlers thriving; children being ready for school; children and youth succeeding in school; youth choosing healthy behaviors; and youth successfully transitioning into adulthood and take into account the indicators established by the cabinet council.
- i. An annual plan that identifies the county's interagency efforts to increase child well-being in the county
- j. On an annual basis, the county council shall submit a report on the status of efforts by the county to increase child well-being in the county to the county's board of county commissioners and the cabinet council. This report shall be made available to any other person on request.

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 1.B.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 *modified* 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.

**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2014
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

1. Basis of Presentation (Continued)

Government-Wide Financial Statements

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

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.

**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2014
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Reporting Entity (Continued)

2. Fund Accounting (Continued)

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.

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 has selected the Gallia-Jackson-Meigs Board of Alcohol, Drug Addiction, and Mental Health Services as the administrative agent and Gallia County Auditor as the fiscal agent. The Council authorizes Gallia-Jackson-Meigs Board of Alcohol, Drug Addiction, and Mental Health Services, as administrative agent, to subcontract with, designate, and/or seek assistance from any agencies and/or organizations that it deems necessary in order to complete the obligations set forth in the agreement. The Gallia-Jackson-Meigs Board of Alcohol, Drug Addiction, and Mental Health Services and Gallia County Auditor agree 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.

**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2014
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. 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.

F. 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.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Council's cash basis of accounting.

H. Fund Balance

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

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.

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.

**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2014
(Continued)**

2. DEFINED BENEFIT PENSION PLANS

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.

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, 2014 and 2013, the members in state and local classifications contributed 10.0 percent of covered payroll.

The Council's 2014 and 2013 contribution rate was 14.0 percent of covered payroll. For 2014 and 2013, 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, 2014, and 2013 were \$3,737, and \$3,590 respectively; 100 percent has been contributed for 2014 and 100 percent for 2013.

3. POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan – a defined contribution plan; and the Combined Plan – a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2014
(Continued)**

3. POSTEMPLOYMENT BENEFITS (Continued)

OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

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 mandate OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments.cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, 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 administrated in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as percentage of the covered payroll of active members. In 2014, state and local employers contributed at a rate of 12.0 percent of covered payroll. This is the maximum employer contribution rate permitted by the Ohio Revised Code.

Each year, the OPERS Retirement Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post-employer health care benefits. For 2014, the portion of employer contributions allocated to health care for members in the Traditional Plan and the Combined Plan was 2.0 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 Board's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2014 and 2013, were \$623 and \$598, respectively. The full amount has been contributed for 2014 and 2013.

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 expects to be able to consistently allocate 4.00 percent of the employer contributions toward the health care fund after the end of the transition period.

**FAMILY AND CHILDREN FIRST COUNCIL
GALLIA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2014
(Continued)**

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.

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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 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, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements and have issued our report thereon dated June 18, 2015, wherein we noted the Council adopted Governmental Accounting Standards Board Statement No. 54.

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. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

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

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Council's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Dave Yost
Auditor of State

Columbus, Ohio

June 18, 2015



Dave Yost • Auditor of State

GALLIA COUNTY 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
JULY 7, 2015**