



Mary Taylor, CPA  
Auditor of State



**FAMILY AND CHILDREN FIRST COUNCIL  
GALLIA COUNTY**

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FAMILY AND CHILDREN FIRST COUNCIL  
GALLIA COUNTY

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

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

To the Council Members:

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, 2008 and 2007, which collectively comprise the Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Council's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As discussed in Note 1, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

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, 2008 and 2007, and the respective changes in cash financial position thereof and the respective budgetary comparisons for the General, Children's Trust, and Help Me Grow Funds for the years then ended in conformity with the basis of accounting Note 1 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 4, 2009 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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

**Mary Taylor, CPA**  
Auditor of State

August 4, 2009

**FAMILY AND CHILDREN FIRST COUNCIL**  
Management's Discussion and Analysis  
For January 1, 2007 through December 31, 2008  
Unaudited

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The discussion and analysis of the Family and Children First Council's (the Council) financial performance provides an overall review of the Council's financial activities for the period covering January 1, 2007 through December 31, 2008, 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 2007-2008 are as follows:

- Net assets for 2008 increased \$19,755. The Council had receipts for 2008 equaling \$389,367 plus carry-over cash balance from 2007 of \$65,534. Cash disbursements for the same period equaled \$369,612. The ending net assets were \$85,289.
- Net assets for 2007 increased \$44,318. The Council had receipts for 2007 equaling \$490,343 plus carry-over cash balance from 2006 of \$22,141. Cash disbursements for the same period equaled \$446,025. The ending net assets were \$65,534.

### **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 assets 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 basic 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.

**FAMILY AND CHILDREN FIRST COUNCIL**  
 Management's Discussion and Analysis  
 For January 1, 2007 through December 31, 2008  
 Unaudited

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**Report the Council as a Whole**

Statement of Net Assets – 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 Assets – Cash Basis and the Statement of Activities – Cash Basis answer this question. These two statements report the Council's net assets and changes in those assets. This change in net assets 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 Assets 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 Assets provides the perspective of the Council as a whole. Table 1 provides a summary of the Council's net assets for 2008 compared to 2007.

**Table 1**  
**Net Assets**

	2008	2007
Assets:		
Cash on deposit with Gallia County	\$85,289	\$65,534
Total Assets	\$85,289	\$65,534
Net Assets:		
Unrestricted	\$85,289	\$65,534
Total Net Assets	\$85,289	\$65,534

Total assets for 2008 increased \$19,755. The total assets for 2007 increased \$44,318. The increases are due primarily to the difference between the Funding fiscal year (July 1 through June 30) and the audited calendar year.

**FAMILY AND CHILDREN FIRST COUNCIL**  
Management's Discussion and Analysis  
For January 1, 2007 through December 31, 2008  
Unaudited

Table 2 shows the changes in net assets on a cash basis for the year ended December 31, 2008 and 2007.

**Table 2**  
**Changes in Net Assets**

	<u>2008</u>	<u>2007</u>
Program Cash Receipts:		
Operating Grants and Contributions	\$389,367	\$490,343
Total Receipts	<u>389,367</u>	<u>490,343</u>
Disbursements:		
Salaries	34,244	40,517
Supplies	19	944
Equipment		1,298
Contracts - Services	317,598	378,680
Travel and Expenses	3,397	2,461
Public Employees Retirement	4,794	5,588
Unemployment Compensation	889	1,052
Medicare	497	588
Hospitalization (Health Insurance)	3,076	6,194
Other Expenditures	5,098	8,703
Total Disbursements	<u>369,612</u>	<u>446,025</u>
Change in Net Assets	<u>\$19,755</u>	<u>\$44,318</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**

	<u>Total Cost</u>	<u>Net Cost</u>	<u>Total Cost</u>	<u>Net Cost</u>
	<u>of Services</u>	<u>of Services</u>	<u>of Services</u>	<u>of Services</u>
	<u>2008</u>	<u>2008</u>	<u>2007</u>	<u>2007</u>
Governmental Activities				
Salaries	\$34,244	(\$1,830)	\$40,517	(\$4,026)
Supplies	19	(1)	944	(94)
Equipment	0	0	1,298	(129)
Contracts - Services	317,598	(16,975)	378,680	(37,626)
Travel and Expenses	3,397	(182)	2,461	(245)
Public Employees Retirement	4,794	(256)	5,588	(555)
Unemployment Compensation	889	(48)	1,052	(105)
Medicare	497	(27)	588	(58)
Hospitalization (Health Insurance)	3,076	(164)	6,194	(615)
Other Expenses	5,098	(272)	8,703	(865)
Total Expenses	<u>\$369,612</u>	<u>(\$19,755)</u>	<u>\$446,025</u>	<u>(\$44,318)</u>

**FAMILY AND CHILDREN FIRST COUNCIL**  
Management's Discussion and Analysis  
For January 1, 2007 through December 31, 2008  
Unaudited

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**The Council's Fund Financial Statements**

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

For 2008, these fund financial statements had total receipts of \$389,367 and disbursements of \$369,612. The financial statements had an increase in the cash balance of \$19,755 over 2007 year-end cash balance. The General Fund had a decrease in fund cash balance of \$8,179. The Children's Trust Fund had an increase in fund cash balance of \$1,951. The Help Me Grow Fund had an increase in fund cash balance of \$25,983.

For 2007, these fund financial statements had total receipts of \$490,343 and disbursements of \$446,025. The financial statements had an increase in the cash balance of \$44,318 from the 2006 year-end cash balance. The General Fund had an increase in fund cash balance of \$38,383. The Children's Trust Fund had a decrease in fund cash balance of \$1,950. The Help Me Grow Fund had an increase in fund cash balance of \$7,885.

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 financial statements.

**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 stagnant 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 R. Rosalee Walker, Fiscal Officer, at Gallia-Jackson-Meigs Board of Alcohol, Drug Addiction and Mental Health Services (Administrative Agency for the Council), 53 Shawnee Lane, Gallipolis, Ohio 45631.

**FAMILY AND CHILDREN FIRST COUNCIL  
GALLIA COUNTY**

*Statement of Net Assets - Cash Basis  
December 31, 2008*

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash on deposit with Gallia County	<u>\$85,289</u>
<i>Total Assets</i>	<u><u>\$85,289</u></u>
<b>Net Assets</b>	
Unrestricted	<u>\$85,289</u>
<i>Total Net Assets</i>	<u><u>\$85,289</u></u>

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

**FAMILY AND CHILDREN FIRST COUNCIL  
GALLIA COUNTY**

*Statement of Activities - Cash Basis  
For the Year Ended December 31, 2008*

	<b>Cash Disbursements</b>	<b>Program Cash Receipts Operating Grants and Contributions</b>	<b>Net (Disbursements) Receipts and Changes in Net Assets Governmental Activities</b>
Governmental Activities:			
Salaries	\$ 34,244	\$ 36,074	\$ 1,830
Supplies	19	20	1
Contracts - Services	317,598	334,573	16,975
Travel and Expenses	3,397	3,579	182
Public Employees Retirement	4,794	5,050	256
Unemployment Compensations	889	937	48
Medicare	497	524	27
Hospitalization (Health Insurance)	3,076	3,240	164
Other Expenses	5,098	5,370	272
<i>Total Governmental Activities</i>	<u>\$ 369,612</u>	<u>\$ 389,367</u>	<u>19,755</u>
			<i>Changes in Net Assets</i> 19,755
			<i>Net Assets Beginning of Year</i> 65,534
			<u><u>\$ 85,289</u></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 Cash Basis Fund Balances  
Governmental Funds  
As of December 31, 2008*

	General	Ohio Children's Trust Fund	Help Me Grow Grants	Total Governmental Funds
<b>Assets:</b>				
Cash Equivalents	\$50,820	\$1	\$34,468	\$85,289
<i>Total Cash Basis Assets</i>	<u>\$50,820</u>	<u>\$1</u>	<u>\$34,468</u>	<u>\$85,289</u>
<b>Fund Balances:</b>				
Undesignated, Reported in:				
General Fund	\$50,820			\$50,820
Special Revenue Funds		\$1	\$34,468	34,469
<i>Total Fund Balances</i>	<u>\$50,820</u>	<u>\$1</u>	<u>\$34,468</u>	<u>\$85,289</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 Receipts, Disbursements, and Changes in Cash Basis Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2008*

	General	Help Me Grow	Ohio Children's Trust Fund	Total Governmental
<b>RECEIPTS</b>				
Intergovernmental	\$74,504	\$300,675	\$14,188	\$389,367
Total Receipts	<u>74,504</u>	<u>300,675</u>	<u>14,188</u>	<u>389,367</u>
<b>DISBURSEMENTS</b>				
Current:				
Salaried	34,244			34,244
Supplies	19			19
Contracts - Services	30,669	274,692	12,237	317,598
Travel and Expenses	3,397			3,397
Public Employee's Retirement	4,794			4,794
Unemployment Compensation	889			889
Medicare	497			497
Hospitalization (Health Insurance)	3,076			3,076
Other Expenses	5,098			5,098
Total Disbursements	<u>82,683</u>	<u>274,692</u>	<u>12,237</u>	<u>369,612</u>
Excess of Cash Receipts over (under) Disbursements	(8,179)	25,983	1,951	19,755
Fund Balance Beginning of Year	<u>58,999</u>	<u>8,485</u>	<u>(1,950)</u>	<u>65,534</u>
Fund Balance End of Year	<u>\$50,820</u>	<u>\$34,468</u>	<u>\$1</u>	<u>\$85,289</u>

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

**FAMILY AND CHILDREN FIRST COUNCIL  
GALLIA COUNTY**

*Statement of Receipts, Disbursements, and Changes  
In Fund Balance - Budget and Actual (Budget Basis)*

*General Fund*

*For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>RECEIPTS</b>				
Intergovernmental	\$67,018	\$67,018	\$74,504	(\$7,486)
<i>Total Receipts</i>	<u>67,018</u>	<u>67,018</u>	<u>74,504</u>	<u>(7,486)</u>
<b>DISBURSEMENTS</b>				
Current:				
Salaried	34,244	34,244	34,244	0
Supplies	19	19	19	0
Contracts - Services	31,398	31,398	30,669	(729)
Travel and Expenses	3,397	3,397	3,397	0
Public Employee's Retirement	4,794	4,794	4,794	0
Unemployment Compensation	889	889	889	0
Medicare	497	497	497	0
Hospitalization (Health Insurance)	3,076	3,076	3,076	0
Other Expenses	5,098	5,098	5,098	0
<i>Total Disbursements</i>	<u>83,412</u>	<u>83,412</u>	<u>82,683</u>	<u>(729)</u>
<i>Excess of Receipts over (under) Disbursements</i>	(16,394)	(16,394)	(8,179)	(6,757)
<i>Fund Balance Beginning of Year</i>	<u>58,999</u>	<u>58,999</u>	<u>58,999</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$42,605</u>	<u>\$42,605</u>	<u>\$50,820</u>	<u>(\$6,757)</u>

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

**FAMILY AND CHILDREN FIRST COUNCIL  
GALLIA COUNTY**

*Statement of Receipts, Disbursements, and Changes  
In Fund Balance - Budget and Actual (Budget Basis)  
Ohio Children's Trust Fund  
For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
<b>RECEIPTS</b>				
Intergovernmental	\$15,000	\$15,000	\$14,188	\$812
<i>Total Receipts</i>	15,000	15,000	14,188	812
<b>DISBURSEMENTS</b>				
Current:				
Contracts - Services	12,237	12,237	12,237	0
<i>Total Disbursements</i>	12,237	12,237	12,237	0
<i>Excess of Receipts over (under) Disbursements</i>	2,763	2,763	1,951	812
<i>Fund Balance Beginning of Year</i>	(1,950)	(1,950)	(1,950)	0
<i>Fund Balance End of Year</i>	\$813	\$813	\$1	\$812

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

**FAMILY AND CHILDREN FIRST COUNCIL  
GALLIA COUNTY**

*Statement of Receipts, Disbursements, and Changes  
In Fund Balance - Budget and Actual (Budget Basis)  
Help Me Grow Fund  
For the Year Ended December 31, 2008*

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>RECEIPTS</b>				
Intergovernmental	\$307,349	\$307,349	\$300,675	\$6,674
<i>Total Receipts</i>	<u>307,349</u>	<u>307,349</u>	<u>300,675</u>	<u>6,674</u>
<b>DISBURSEMENTS</b>				
Current:				
Contracts - Services	274,692	274,692	274,692	0
<i>Total Disbursements</i>	<u>274,692</u>	<u>274,692</u>	<u>274,692</u>	<u>0</u>
<i>Excess of Receipts over (under) Disbursements</i>	32,657	32,657	25,983	6,674
<i>Fund Balance Beginning of Year</i>	<u>8,485</u>	<u>8,485</u>	<u>8,485</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$41,142</u>	<u>\$41,142</u>	<u>\$34,468</u>	<u>\$6,674</u>

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

**FAMILY AND CHILDREN FIRST COUNCIL  
GALLIA COUNTY**

*Statement of Net Assets - Cash Basis  
December 31, 2007*

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash on deposit with Gallia County	<u>\$65,534</u>
<i>Total Assets</i>	<u><u>\$65,534</u></u>
<b>Net Assets</b>	
Unrestricted	<u>\$65,534</u>
<i>Total Net Assets</i>	<u><u>\$65,534</u></u>

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

**FAMILY AND CHILDREN FIRST COUNCIL  
GALLIA COUNTY**

*Statement of Activities - Cash Basis  
For the Year Ended December 31, 2007*

	<b>Cash Disbursements</b>	<b>Program Cash Receipts Operating Grants and Contributions</b>	<b>Net (Disbursements) Receipts and Changes in Net Assets Governmental Activities</b>
Governmental Activities:			
Salaries	\$ 40,517	\$ 44,543	\$ 4,026
Supplies	944	1,038	94
Equipment	1,298	1,427	129
Contracts - Services	378,680	416,306	37,626
Travel and Expenses	2,461	2,706	245
Public Employees Retirement	5,588	6,143	555
Unemployment Compensations	1,052	1,157	105
Medicare	588	646	58
Hospitalization (Health Insurance)	6,194	6,809	615
Other Expenses	8,703	9,568	865
<i>Total Governmental Activities</i>	<u>\$ 446,025</u>	<u>\$ 490,343</u>	<u>44,318</u>
			<i>Changes in Net Assets</i> 44,318
			<i>Net Assets Beginning of Year (As Restated)</i> <u>21,216</u>
			<i>Net Assets End of Year</i> <u>\$ 65,534</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 Cash Basis Fund Balances  
Governmental Funds  
As of December 31,2007*

	General	Ohio Children's Trust Fund	Help Me Grow Grants	Total Governmental Funds
<b>Assets:</b>				
Cash Equivalents	\$58,999	(\$1,950)	\$8,485	\$65,534
<i>Total Cash Basis Assets</i>	<u>\$58,999</u>	<u>(\$1,950)</u>	<u>\$8,485</u>	<u>\$65,534</u>
<b>Fund Balances:</b>				
Undesignated, Reported in:				
General Fund	\$58,999			\$58,999
Special Revenue Funds		(\$1,950)	\$8,485	6,535
<i>Total Fund Balances</i>	<u>\$58,999</u>	<u>(\$1,950)</u>	<u>\$8,485</u>	<u>\$65,534</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 Receipts, Disbursements, and Changes in Cash Basis Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2007*

	General	Help Me Grow	Ohio Children's Trust Fund	Total Governmental
<b>RECEIPTS</b>				
Intergovernmental	\$112,888	\$363,517	\$13,938	\$490,343
Total Receipts	<u>112,888</u>	<u>363,517</u>	<u>13,938</u>	<u>490,343</u>
<b>DISBURSEMENTS</b>				
Current:				
Salaried	40,517			40,517
Supplies	944			944
Equipment	1,298			1,298
Contracts - Services	7,160	355,632	15,888	378,680
Travel and Expenses	2,461			2,461
Public Employee's Retirement	5,588			5,588
Unemployment Compensation	1,052			1,052
Medicare	588			588
Hospitalization (Health Insurance)	6,194			6,194
Other Expenses	8,703			8,703
Total Disbursements	<u>74,505</u>	<u>355,632</u>	<u>15,888</u>	<u>446,025</u>
Excess of Cash Receipts over (under) Disbursements	38,383	7,885	(1,950)	44,318
Fund Balance Beginning of Year (As Restated)	<u>20,616</u>	<u>600</u>	<u>0</u>	<u>21,216</u>
Fund Balance End of Year	<u>\$58,999</u>	<u>\$8,485</u>	<u>(\$1,950)</u>	<u>\$65,534</u>

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

**FAMILY AND CHILDREN FIRST COUNCIL  
GALLIA COUNTY**

*Statement of Receipts, Disbursements, and Changes  
In Fund Balance - Budget and Actual (Budget Basis)  
General Fund  
For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>\$0</u>
<b>RECEIPTS</b>				
Intergovernmental	\$112,888	\$112,888	\$112,888	\$0
<i>Total Receipts</i>	<u>112,888</u>	<u>112,888</u>	<u>112,888</u>	<u>0</u>
<b>DISBURSEMENTS</b>				
Current:				
Salaried	40,517	40,517	40,517	0
Supplies	944	944	944	0
Equipment	1,298	1,298	1,298	0
Contracts - Services	9,548	9,548	7,160	(2,388)
Travel and Expenses	2,461	2,461	2,461	0
Public Employee's Retirement	5,588	5,588	5,588	0
Unemployment Compensation	1,052	1,052	1,052	0
Medicare	588	588	588	0
Hospitalization (Health Insurance)	6,194	6,194	6,194	0
Other Expenses	8,703	8,703	8,703	0
<i>Total Disbursements</i>	<u>76,893</u>	<u>76,893</u>	<u>74,505</u>	<u>(2,388)</u>
<i>Excess of Receipts over (under) Disbursements</i>	35,995	35,995	38,383	2,388
<i>Fund Balance Beginning of Year (As Restated)</i>	<u>20,616</u>	<u>20,616</u>	<u>20,616</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$56,611</u>	<u>\$56,611</u>	<u>\$58,999</u>	<u>\$2,388</u>

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

**FAMILY AND CHILDREN FIRST COUNCIL  
GALLIA COUNTY**

*Statement of Receipts, Disbursements, and Changes  
In Fund Balance - Budget and Actual (Budget Basis)  
Ohio Children's Trust Fund  
For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
<b>RECEIPTS</b>				
Intergovernmental	\$13,938	\$13,938	\$13,938	\$0
<i>Total Receipts</i>	<u>13,938</u>	<u>13,938</u>	<u>13,938</u>	<u>0</u>
<b>DISBURSEMENTS</b>				
Current:				
Contracts - Services	14,100	14,100	15,888	1,788
<i>Total Disbursements</i>	<u>14,100</u>	<u>14,100</u>	<u>15,888</u>	<u>1,788</u>
<i>Excess of Receipts over (under) Disbursements</i>	(162)	(162)	(1,950)	(1,788)
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>(\$162)</u>	<u>(\$162)</u>	<u>(\$1,950)</u>	<u>(\$1,788)</u>

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

**FAMILY AND CHILDREN FIRST COUNCIL  
GALLIA COUNTY**

*Statement of Receipts, Disbursements, and Changes  
In Fund Balance - Budget and Actual (Budget Basis)  
Help Me Grow Fund  
For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>			(Optional) Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
<b>RECEIPTS</b>				
Intergovernmental	\$363,517	\$363,517	\$363,517	\$0
<i>Total Receipts</i>	<u>363,517</u>	<u>363,517</u>	<u>363,517</u>	<u>0</u>
<b>DISBURSEMENTS</b>				
Current:				
Contracts - Services	355,032	355,032	355,632	600
<i>Total Disbursements</i>	<u>355,032</u>	<u>355,032</u>	<u>355,632</u>	<u>600</u>
<i>Excess of Receipts over (under) Disbursements</i>	8,485	8,485	7,885	(600)
<i>Fund Balance Beginning of Year (As Restated)</i>	<u>600</u>	<u>600</u>	<u>600</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$9,085</u>	<u>\$9,085</u>	<u>\$8,485</u>	<u>(\$600)</u>

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

**FAMILY AND CHILDREN FIRST COUNCIL  
GALLIA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2008**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Ohio Rev. Code Section 121.37 created the Ohio Family and Children First Cabinet Council and required the Board of County Commissioners in each County to establish County Family and Children First Councils. A Board of County Commissioners may invite any local public or private agency or group that funds, advocates, or provides services to children to have a representative become a permanent or temporary member of its County Council. Each County Council must include the following individuals:

- a. At least three individuals whose families are or have received services from an agency represented on the Council or another County's Council. Where possible, the number of members representing families shall be equal to twenty percent of the Council's membership.
- b. The Director of the Board of Alcohol, Drug Addiction, and Mental Health Services that serves the County, or, in the case of a county that has a Board of Alcohol and Drug Addiction Services and a Community Mental Health Board, the Directors of both Boards. If a Board of Alcohol, Drug Addiction, and Mental Health Services covers more than one county, the Director may designate a person to participate on the County's Council;
- c. The Health Commissioner, or the Commissioner's designee, of the Board of Health of each city and general health district in the County. If the County has two or more health districts, the Health Commissioner membership may be limited to the Commissioners of the two districts with the largest populations;
- d. The Director of the County Department of Job and Family Services;
- e. The Executive Director of the county agency responsible for the administration of children services pursuant to Section 5153.15 of the Revised Code;
- f. The Superintendent of the County Board of Mental Retardation and Developmental Disabilities;
- g. The 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;

**FAMILY AND CHILDREN FIRST COUNCIL  
GALLIA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2008  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**A. Description of the Entity (Continued)**

- j. The President of the Board of County Commissioners, or an individual designated by the Board;
- k. A representative of the County's Head Start agencies, as defined in Section 3301.31 of the Revised Code;
- l. 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
- m. A representative of a local nonprofit entity that funds, advocates, or provides services to children and families.
- n. 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 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.
- g. An interagency process to establish local indicators and monitor the county's progress toward increasing child well-being in the county

**FAMILY AND CHILDREN FIRST COUNCIL  
GALLIA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2008  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**A. Description of the Entity (Continued)**

- h. An annual plan that identifies the county's interagency efforts to increase child well-being in the county
- i. 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.

**Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the Council as a whole. These statements include the financial activities of the primary government. The statement of net 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.

**FAMILY AND CHILDREN FIRST COUNCIL  
GALLIA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2008  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Reporting Entity (Continued)**

**1. Basis of Presentation (Continued)**

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.

*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.

**FAMILY AND CHILDREN FIRST COUNCIL  
GALLIA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2008  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Reporting Entity (Continued)**

**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**

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

**D. Equity in Pooled Cash**

The Council's cash is maintained by the Gallia County Treasurer. The Ohio Revised Code prescribes allowable deposits and investments and the County is responsible for compliance. As of December 31, 2007 and 2008, the Council's share of the County's cash pool was as follows:

	<u>2008</u>	<u>2007</u>
Demand deposit	<u>\$85,289</u>	<u>\$65,534</u>

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

**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.

**FAMILY AND CHILDREN FIRST COUNCIL  
GALLIA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2008  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

**2. RETIREMENT SYSTEM**

Plan Description - The Council participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional 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 that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, 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 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 that may be obtained 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 years ended December 31, 2008 and 2007, members in state and local classifications contributed 10 percent and 9.5 percent respectively of covered payroll.

The Council's contribution rate for 2008 and 2007 respectively was 14 percent and 13.85 percent of covered payroll. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the Board of 14 percent.

The Council's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2008, 2007, and 2006 were \$4,794, \$5,588, and \$6,194 respectively. The full amount has been contributed for 2008, 2007, and 2006.

**FAMILY AND CHILDREN FIRST COUNCIL  
GALLIA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2008  
(Continued)**

**3. POSTEMPLOYMENT BENEFITS**

Plan Description - OPERS maintains a cost-sharing multiple-employer defined benefit postemployment healthcare plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits; including postemployment healthcare plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for postemployment healthcare coverage, age and service retirees under the traditional and combined plans must have ten years or more of qualifying Ohio service credit. Healthcare coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised code permits, but does not require, OPERS to provide healthcare benefits to eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are provided separately in the OPERS financial report, which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222 – 7377.

Funding Policy – The postemployment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). State statute requires that public employers fund postemployment healthcare through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postemployment healthcare.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2008 and 2007, local government employers contributed 14 and 13.85 percent of covered payroll. Each year, The OPERS retirement board determines the portion of the employer contribution that will be set aside for funding postemployment healthcare benefits.

The Retirement Board is also authorized to establish rules for the payment of a portion of the healthcare benefits by the retiree or retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and selected coverage.

The Council's contributions allocated to fund postemployment healthcare benefits for the years ended December 31, 2008, 2007, and 2006 were \$2,397, \$2,229, and \$1,828 respectively; 100 percent has been contributed for 2008, 2007, and 2006.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP), which was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006. January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the healthcare plan.

**FAMILY AND CHILDREN FIRST COUNCIL  
GALLIA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2008  
(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.

**6. RESTATEMENT OF FUND BALANCE**

The beginning of the year fund balance has been restated due to the discovery of an error in the prior year ending balance. The corrections were made due to the Council being funded on a July 1 through June 30 fiscal year versus the January 1 through December 31 calendar year on which the numbers are audited.

This error resulted in the following restatements:

Fund Balance Restatement:

Governmental Funds Balance, December 31, 2006	\$22,141
Error in prior year ending balance	(925)
Governmental Funds Balance, January 1, 2007	<u>\$21,216</u>

Error in prior year ending balance breaks down as follows:

	2006 Ending Balance	Error Noted	Restated 2007 Beginning Balance
General Fund	\$21,541	(\$925)	\$20,616
Ohio Children's Trust Fund	0	0	0
Help Me Grow Fund	600	0	600
Totals	<u>\$22,141</u>	<u>(\$925)</u>	<u>\$21,216</u>



# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' 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 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, 2008 and 2007, which collectively comprise the Council's basic financial statements and have issued our report thereon dated August 4, 2009, wherein we noted the Council uses a comprehensive accounting basis other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Council's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the Council's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Council's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Council's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Council's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Council's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### **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, providing an opinion 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*.

We intend this report solely for the information and use of management and Council members. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

August 4, 2009



**Mary Taylor, CPA**  
Auditor of State

**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  
SEPTEMBER 1, 2009**