



OHIO AUDITOR OF STATE  
**KEITH FABER**





**ROSS COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
ROSS COUNTY**

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## INDEPENDENT AUDITOR'S REPORT

Ross County Family and Children First Council  
Ross County  
425 Yoctangee Pkwy  
Chillicothe, Ohio 45601

To the Council:

### **Report on the Audit of the Financial Statements**

#### ***Qualified and Adverse Opinions***

We have audited the financial statements of the Ross County Family and Children First Council, Ross County, Ohio (the Council), which comprises the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements.

#### ***Qualified Opinion on Regulatory Basis of Accounting***

In our opinion, except for the possible effects of the matter described in the *Basis for Additional Opinion Qualification* section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Council, as of June 30, 2024 and 2023, or the changes in financial position thereof for the year then ended.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Council, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and qualified audit opinions.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 2 of the financial statements, the financial statements are prepared by the Council on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

***Basis for Additional Opinion Qualification***

Intergovernmental receipts are reported in the General Fund in the amount of \$30,750 and \$15,750 for the years ended June 30, 2024 and 2023, respectively, which are 34 percent of total General Fund receipts for the year ended June 30, 2024 and 100 percent of total General Fund receipts for the year ended June 30, 2023. Intergovernmental receipts are reported in the Special Revenue Funds in the amount of \$33,875 and \$34,755 for the years ended June 30, 2024 and 2023, respectively, which are 15 percent of total Special Revenue Funds receipts for the year ended June 30, 2024 and 31 percent of total Special Revenue Funds receipts for the year ended June 30, 2023. We were unable to obtain sufficient appropriate audit evidence supporting the classification by fund of these amounts recorded as intergovernmental receipts. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2025, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's 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.

KEITH FABER  
Ohio Auditor of State



Tiffany L Ridenbaugh, CPA, CFE, CGFM  
Chief Deputy Auditor

September 9, 2025

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**Ross County Family and Children First Council**  
**Ross County**  
*Combined Statement of Cash Receipts, Cash Disbursements, and  
 Changes in Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Fiscal Year Ended June 30, 2024*

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	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Intergovernmental	\$30,750	\$220,851	\$251,601
Charges for Services	59,064	0	59,064
<i>Total Cash Receipts</i>	<i>89,814</i>	<i>220,851</i>	<i>310,665</i>
<b>Cash Disbursements</b>			
Salaries and Benefits	54,387	0	54,387
Contractual Services	10,591	0	10,591
Occupancy	1,200	0	1,200
Mentoring Programs	161	0	161
Early Intervention - GRF	0	7,894	7,894
Early Intervention - Part C	0	96,612	96,612
Fatherhood Initiative	0	100	100
Family Centered Support and Services - FCSS	0	21,298	21,298
Strong Families, Safe Communities	0	6,385	6,385
<i>Total Cash Disbursements</i>	<i>66,339</i>	<i>132,289</i>	<i>198,628</i>
<i>Net Change in Fund Cash Balances</i>	<i>23,475</i>	<i>88,562</i>	<i>112,037</i>
<i>Fund Cash Balances, January 1</i>	<i>(33,421)</i>	<i>99,335</i>	<i>65,914</i>
<i>Fund Cash Balances, June 30</i>	<i>(\$9,946)</i>	<i>\$187,897</i>	<i>\$177,951</i>

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

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**Ross County Family and Children First Council**

**Ross County**

*Notes to the Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

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**Note 1 – Reporting Entity**

Ohio Revised Code Section 121.37 created the Ohio Family and Children First Cabinet Council and required each Board of County Commissioners to establish a County Family and Children First Council. Statutory membership of County Council consists of 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 Addition, 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 or 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 the Ohio Revised Code Section 5153.15;
- f. The Superintendent of the County Board of Developmental Disabilities or if the Superintendent serves as Superintendent as 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;
- 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 Ohio Revised Code Section 3301.32;
- 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.

**Ross County Family and Children First Council**

**Ross County**

*Notes to the Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

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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 County Council cannot provide adequate services;
- b. Development and implementation of a process that annually evaluates and prioritizes services, fills service gaps where possible, and invents new approaches to achieve better results for families and children;
- c. Participation in the development of a countywide, comprehensive, coordinated, multi-disciplinary interagency system for infants and toddlers with developmental disabilities or delays and their families, as established pursuant to federal grants received and administered by the Department of Health for early intervention services under the "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.

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

**Note 2 – Summary of Significant Accounting Policies**

**Basis of Presentation**

The Council's financial statements consist of a combined statement of cash receipts, cash disbursements, and changes in fund balances (regulatory cash basis).

**Fund Accounting**

The Council uses funds 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. The funds of the Council are presented below:

**General Fund**

The general fund accounts for and reports all financial resources except those required to be accounted for in another fund.

**Special Revenue Funds**

These funds account for and report proceeds from specific sources (other than from trusts or for capital projects) that are restricted to disbursement for specific purposes. The Council had the following significant special revenue funds:

*Family Centered Support and Services-FCSS* – This fund receives grant funds to maintain children and youth in their own homes through the provision of non-clinical, community-based services.

## **Ross County Family and Children First Council**

### **Ross County**

*Notes to the Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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*Early Intervention-Part C* – This fund receives monies for the purpose of the grant provisions.

#### **Administrative Agent/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 Chillicothe City School District (the School District) as fiscal and 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 School District agrees to be ultimately responsible for fulfilling the fiscal and administrative obligations of the agreement.

#### **Basis of Accounting**

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Council recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

#### **Budgetary Process**

A Family and Children First Council established under Ohio Revised Code Section 121.37 is not a taxing authority and is not subject to Ohio Revised Code Chapter 5705. As of October 1, 1997, all Family and Children First Councils are required to file an annual budget with its administrative agent. The Council filed an estimate of financial resources and an appropriation measure with Chillicothe City School District as required by Ohio law. The Council follows the same encumbrance method of accounting as its administrative agent.

A summary of 2024 budgetary activity appears in note 3.

#### **Deposits and Investments**

The Council designated Chillicothe City School District (the School District) as the fiscal agent for all funds received in the name of the Council. Deposits of monies are made with the School District and fund expenditures and balances are reported through the School District. Deposits and investments are made in accordance with the Ohio Revised Code and are valued at the School District Treasurer's carrying amount.

#### **Capital Assets**

The Council records cash disbursements for acquisitions of property, plant and equipment when paid. These items are not reflected as assets in the accompanying financial statements.

#### **Fund Balance**

Fund balance is divided into five 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:

*Nonspendable* – The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

**Ross County Family and Children First Council**

**Ross County**

*Notes to the Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

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*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.

*Committed* – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Council. Those committed amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned* – Amounts in the assigned fund balance classification are intended to be used by Council for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

*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.

For regulatory purposes, limited disclosure related to fund balance is included in note 7.

**Note 3 – Budgetary Activity**

Budgetary activity for the fiscal year ending June 30, 2024 follows:

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$89,814	\$89,814	\$0
Special Revenue	220,851	220,851	0
<b>Total</b>	<b>\$310,665</b>	<b>\$310,665</b>	<b>\$0</b>

  

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$72,724	\$66,339	\$6,385
Special Revenue	220,777	145,791	74,986
<b>Total</b>	<b>\$293,501</b>	<b>\$212,130</b>	<b>\$81,371</b>

**Ross County Family and Children First Council**

**Ross County**

*Notes to the Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

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**Note 4 – Deposits and Investments**

Chillicothe City School District (the School District), as fiscal agent for the Council, maintains a cash and investments pool used by all of the School District's funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments and the School District Treasurer is responsible for compliance. The carrying amount of deposits and investments at June 30, 2024 was as follows:

Held by the School District      \$177,951

*Deposits:* The School District is responsible for maintaining adequate depository collateral for all funds in the School District's pooled and deposit accounts. All risks associated with the above deposits are the responsibility of the School District.

**Note 5 – Risk Management**

The Council is exposed to various risk of loss related to torts; theft or damage to, and destruction of assets. During the fiscal year ended June 30, 2024, the Council's fiscal agent, Chillicothe City School District, provided insurance for the assets of the Council. Settled claims have not exceeded coverage in any of the last three years (which included years covered by Ross County, as the Council's previous fiscal agent). There has not been a significant reduction in coverage from the prior year.

**Note 6 – Contingent Liabilities**

Amounts grantor agencies pay to the Council are subject to audit and adjustment by the grantor, principally the federal and state government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

The Council is not currently party to legal proceedings.

**Note 7 – Fund Balances**

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the balances of these amounts were \$13,502 in special revenue funds.

The fund balance of special revenue funds is either restricted or unassigned. Unassigned balances are due to negative fund balances in certain funds due to the Council's requirement to spend certain grant funds prior to submission of request for reimbursement. The Council had negative fund balances at June 30, 2024 in the following funds:

General Fund	\$9,946
Strong Families	32,306
Fatherhood Initiative	200
Childs Trust	455

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**Ross County Family and Children First Council**  
**Ross County**  
*Combined Statement of Cash Receipts, Cash Disbursements, and*  
*Changes in Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Fiscal Year Ended June 30, 2023*

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	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Intergovernmental	\$15,750	\$111,195	\$126,945
<i>Total Cash Receipts</i>	<i>15,750</i>	<i>111,195</i>	<i>126,945</i>
<b>Cash Disbursements</b>			
Salaries and Benefits	31,192	0	31,192
Occupancy	2,400	0	2,400
Early Intervention - GRF	0	7,556	7,556
Early Intervention - Part C	0	96,618	96,618
Fatherhood Initiative	0	10,100	10,100
Family Centered Support and Services - FCSS	0	48,498	48,498
Strong Families, Safe Communities	0	32,270	32,270
<i>Total Cash Disbursements</i>	<i>33,592</i>	<i>195,042</i>	<i>228,634</i>
<i>Net Change in Fund Cash Balances</i>	<i>(17,842)</i>	<i>(83,847)</i>	<i>(101,689)</i>
<i>Fund Cash Balances, January 1</i>	<i>(15,579)</i>	<i>183,182</i>	<i>167,603</i>
<i>Fund Cash Balances, June 30</i>	<i><u>(\$33,421)</u></i>	<i><u>\$99,335</u></i>	<i><u>\$65,914</u></i>

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

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**Ross County Family and Children First Council**

**Ross County**

*Notes to the Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

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**Note 1 – Reporting Entity**

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- c. The Health Commissioner, or the Commissioner's designee, of the Board of Health of each City or 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 the Ohio Revised Code Section 5153.15;
- f. The Superintendent of the County Board of Developmental Disabilities or if the Superintendent serves as Superintendent as 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;
- 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 Ohio Revised Code Section 3301.32;
- 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
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## **Ross County Family and Children First Council**

### **Ross County**

#### *Notes to the Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

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- 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.

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

### **Note 2 – Summary of Significant Accounting Policies**

#### **Basis of Presentation**

The Council's financial statements consist of a combined statement of cash receipts, cash disbursements, and changes in fund balances (regulatory cash basis).

#### **Fund Accounting**

The Council uses funds 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. The funds of the Council are presented below:

##### **General Fund**

The general fund accounts for and reports all financial resources except those required to be accounted for in another fund.

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**Ross County Family and Children First Council**

**Ross County**

*Notes to the Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

---

*Early Intervention-Part C* – This fund receives monies for the purpose of the grant provisions.

**Administrative Agent/Fiscal Agent**

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**Basis of Accounting**

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These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

**Budgetary Process**

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A summary of 2023 budgetary activity appears in note 3.

**Deposits and Investments**

The Council designated Chillicothe City School District (the School District) as the fiscal agent for all funds received in the name of the Council. Deposits of monies are made with the School District and fund expenditures and balances are reported through the School District. Deposits and investments are made in accordance with the Ohio Revised Code and are valued at the School District Treasurer's carrying amount.

**Capital Assets**

The Council records cash disbursements for acquisitions of property, plant and equipment when paid. These items are not reflected as assets in the accompanying financial statements.

**Fund Balance**

Fund balance is divided into five 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:

*Nonspendable* – The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

**Ross County Family and Children First Council**

**Ross County**

*Notes to the Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

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*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.

*Committed* – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Council. Those committed amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned* – Amounts in the assigned fund balance classification are intended to be used by Council for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

*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.

For regulatory purposes, limited disclosure related to fund balance is included in note 7.

**Note 3 – Budgetary Activity**

Budgetary activity for the fiscal year ending June 30, 2023 follows:

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$23,250	\$15,750	(\$7,500)
Special Revenue	103,695	111,195	7,500
Total	<u>\$126,945</u>	<u>\$126,945</u>	<u>\$0</u>

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$43,935	\$33,592	\$10,343
Special Revenue	191,910	202,253	(10,343)
Total	<u>\$235,845</u>	<u>\$235,845</u>	<u>\$0</u>

**Ross County Family and Children First Council**

**Ross County**

*Notes to the Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

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**Note 4 – Deposits and Investments**

Chillicothe City School District (the School District), as fiscal agent for the Council, maintains a cash and investments pool used by all of the School District's funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments and the School District Treasurer is responsible for compliance. The carrying amount of deposits and investments at June 30, 2023 was as follows:

Held by the School District	\$65,914
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*Deposits:* The School District is responsible for maintaining adequate depository collateral for all funds in the School District's pooled and deposit accounts. All risks associated with the above deposits are the responsibility of the School District.

**Note 5 – Risk Management**

The Council is exposed to various risk of loss related to torts; theft or damage to, and destruction of assets. During the fiscal year ended June 30, 2023, the Council's fiscal agent, Chillicothe City School District, provided insurance for the assets of the Council. Settled claims have not exceeded coverage in any of the last three years (which included years covered by Ross County, as the Council's previous fiscal agent). There has not been a significant reduction in coverage from the prior year.

**Note 6 – Contingent Liabilities**

Amounts grantor agencies pay to the Council are subject to audit and adjustment by the grantor, principally the federal and state government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

The Council is not currently party to legal proceedings.

**Note 7 – Fund Balances**

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the balances of these amounts were \$7,211 in special revenue funds.

The fund balance of special revenue funds is either restricted or unassigned. Unassigned balances are due to negative fund balances in certain funds due to the Council's requirement to spend certain grant funds prior to submission of request for reimbursement. The Council had negative fund balances at June 30, 2023 in the following funds:

General	\$33,421
Strong Families	2,937
Fatherhood Initiative	100
Child Trust	455

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# OHIO AUDITOR OF STATE KEITH FABER



65 East State Street  
Columbus, Ohio 43215  
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800-282-0370

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Ross County Family and Children First Council  
Ross County  
425 Yoctangee Pkwy  
Chillicothe, Ohio 45601

To the Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the years ended June 30, 2024 and 2023 and the related notes to the financial statements of the Ross County Family and Children First Council, Ross County, Ohio (the Council) and have issued our report thereon dated September 9, 2025, wherein we noted the Council followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also qualified our opinion due to the lack of sufficient appropriate audit evidence supporting the fund allocation of amounts recorded as intergovernmental receipts in the governmental fund type for the years ended June 30, 2024 and 2023.

### ***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control that we consider to be material weaknesses and a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Council's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings as items 2024-001 and 2024-002 to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings as item 2024-003 to be a significant deficiency.

Ross County Family and Children First Council  
Ross County  
Independent Auditor's Report On Internal Control Over  
Financial Reporting And On Compliance And Other Matters  
Required By *Government Auditing Standards*  
Page 2

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Council's Response to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on the Council's responses to the findings identified in our audit and described in the accompanying schedule of findings. The Council's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KEITH FABER  
Ohio Auditor of State



Tiffany L Ridenbaugh, CPA, CFE, CGFM  
Chief Deputy Auditor

September 9, 2025

**ROSS COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
ROSS COUNTY**

**SCHEDULE OF FINDINGS  
JUNE 30, 2024 AND 2023**

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

**FINDING NUMBER 2024-001**

**Material Weakness**

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

Due to deficiencies in the Council's financial statement monitoring and review process, the following conditions were noted in relation to the 2024 Reporting:

General Fund:

- Mentoring Program and Cash Fund Balance were overstated in the amount of \$6,385 due to incorrect posting of disbursements.

Special Revenue:

- Mentoring Program and Cash Fund Balance were understated in the amount of \$6,385 in the Strong Families Safe Communities Fund due to incorrect posting of disbursements.

Due to deficiencies in the Council's financial statement monitoring and review process, the following conditions were noted in relation to the 2023 Reporting:

General Fund:

- Salaries were overstated and Cash Fund Balance was understated in the amount \$10,343 due to incorrect allocation of salaries.
- Charges for Services and Cash Fund Balance were overstated in the amount of \$7,500 due to incorrect posting of receipts.

Special Revenue Fund:

- Salaries were understated and Cash Fund Balance was overstated in the amount of \$10,343 in the FCSS Fund due to incorrect allocation of salaries.
- Charges for Services and Cash Fund Balance were understated in the amount of \$7,500 in the Multisystem Youth Fund due to incorrect posting of receipts.
- Intergovernmental and Cash Fund Balance were overstated in the amount of \$14,935 in the Family Support Services Fund due to incorrect posting of receipts.
- Intergovernmental and Cash Fund Balance were understated in the amount of \$14,935 in the Multisystem Youth Fund due to incorrect posting of receipts.

The Council agreed to the proposed adjustments and corrected the financial statements and their accounting system, where applicable, for all identified errors.

**FINDING NUMBER 2024-001**  
**(Continued)**

Failure to accurately post and report transactions could result in material errors in the Council's financial statements and reduces the Council's ability to monitor financial activity and to make sound decisions which affect the overall available cash position of the Council.

The Council should accurately record financial transactions. The Council should also establish and implement control procedures for reviewing and monitoring of financial transactions and financial reporting.

**Officials' Response:**

The Ross County FCFC defers to the administrative/fiscal agent, Chillicothe City Schools, for all financial reporting and accounting procedures. As the administrative agent, the district was responsible for implementing internal controls, maintaining accurate financial records, and ensuring fair representation of financial statements. The weaknesses identified in these findings are expected to be addressed and resolved as administrative responsibilities transition to SCOJFS.

**FINDING NUMBER 2024-002**

**Material Weakness**

Maintaining organized documentation and support for financial transactions is essential in assuring the Council's financial statements are not materially misstated.

Additionally, Ohio Admin. Code 117-2-02 states that all local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets and liabilities, document compliance with finance-related legal and contractual requirements and prepare financial statements.

For 2024, due to a lack of controls over accounting records, the Council did not maintain supporting documentation for the following:

- Fund allocation of 1 out of 1 (100%) of General Fund intergovernmental receipts tested
- Fund allocation of 3 out of 9 (33%) of Special Revenue Fund intergovernmental receipts tested.

For 2023, due to a lack of controls over accounting records, the Council did not maintain supporting documentation for the following:

- Fund allocation of 1 out of 1 (100%) of General Fund intergovernmental receipts tested
- Fund allocation of 4 out of 8 (50%) of Special Revenue Fund intergovernmental receipts tested.

Due to lack of supporting documentation, we were unable to determine if receipts were posted to the proper funds. This resulted in a modified opinion over the Council's financial statements.

Failure to maintain underlying documentation and support of financial transactions can increase the risk of fraud, result in financial statement misstatements, and revenues incorrectly charged or held for long periods of time.

The Council should establish and implement internal controls procedures over account records. In addition, they should maintain all supporting documentation for all financial transactions and records should be maintained in an orderly manner to support all transactions.

**FINDING NUMBER 2024-002**  
**(Continued)**

**Officials' Response:**

The Ross County FCFC defers to the administrative/fiscal agent, Chillicothe City Schools, for all financial reporting and accounting procedures. As the administrative agent, the district was responsible for implementing internal controls, maintaining accurate financial records, and ensuring fair representation of financial statements. The weaknesses identified in these findings are expected to be addressed and resolved as administrative responsibilities transition to SCOJFS.

**FINDING NUMBER 2024-003**

**Significant Deficiency**

Auditing standards from the American Institute of Public Accountants (AICPA) outlined in AU-C 240, Consideration of Fraud in a Financial Statement Audit, discuss the responsibility for the prevention and detection of fraud, which lies with the Council's management and those charged with governance. AU-C 240.04 further indicates, "It is important that management, with the oversight of those charged with governance, places a strong emphasis on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment. This involves a commitment to creating a culture of honesty and ethical behavior, which can be reinforced by active oversight by those charged with governance." Additionally, as communicated in the engagement letter, management and those charged with governance are not only responsible to design and implement programs and controls to prevent and detect fraud, but also to report to us fraud of which they are aware.

Due to insufficient Fraud Risk Assessment Questionnaire responses from six members of the Council and the lack of related assurances, additional fraud risks exist at the Council. The lack of oversight and active involvement in the governing process by all board members increases the chance of fraud. Additional risks were due to a lack of communication, implementation, support, or enforcement of the Council's ethical standards by management.

In order to mitigate fraud risk identified above, the Council should make all board members aware of responsibilities as governing board members, including but not limited to reporting responsibility of control environment and potential fraud as required by the Council.

**Officials' Response:**

While our court completed and returned the Fraud Risk Assessment Questionnaire, we recognize that not all Council members complied. Moving forward, the FCFC will take steps to ensure all members return the questionnaire as required for future audits.

**OTHER – FINDINGS FOR RECOVERY**

In addition, we identified the following other issues related to Findings for Recovery. These issues did not impact our GAGAS report.

**FINDING NUMBER 2024-004**

**Finding for Recovery – Repaid Under Audit**

All public officials are responsible for the design and operation of a system of internal control that is adequate to provide reasonable assurance to safeguard public funds and to ensure that all transactions are properly authorized and paid in accordance with management's policies.

The Council reimburses mentors for expenses incurred for the mentoring of each child. The mentor completes a Mentoring Program Invoice form listing the dates of service, child mentored and amount of expenses to be reimbursed. The form is signed by both the provider and Coordinator. The invoices are attached to the reimbursement form.

Due to insufficient implementation of policies and procedures, the Council reimbursed a mentor for duplicate expenses on forms dating from August 31, 2022 through May 31, 2023 and on July 27, 2023 paid on July 27, 2023.

In accordance with the forgoing facts and pursuant to Ohio Revised Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Sarah Deacon, Mentor in the amount of \$1,207.47, and in favor of the Ross County Family and Children First Council's Strong Family Safe Communities fund in the amount of \$1,207.47.

The Council should establish and consistently implement policies and procedures to ensure reimbursements are made timely and require proper support. Approval of such policies and procedures should be memorialized in the minutes.

On September 5, 2025, \$1,207.47 was repaid to Ross County Family and Children First Council's Strong Family Safe Communities fund.

**Officials' Response:**

We acknowledge the audit's identification of over/understated fund balances in various accounts. As the administrative/fiscal agent, Chillicothe City Schools was responsible for proper oversight and financial reporting. We expect these issues to be corrected under the new administrative agent.

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**ROSS COUNTY**  
**FAMILY & CHILDREN FIRST COUNCIL**

*Chillicothe City Schools – Fiscal Agent*  
167 West Main Street, Chillicothe, OH 45601

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**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**JUNE 30, 2024 AND 2023**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2022-001	Financial reporting and posting of receipts, disbursements and cash fund balance	Not corrected	Reissued as finding 2024-001
2022-002	Grant Management Reconciliation	Corrected	
2022-003	Finding for Recovery Repaid Under Audit	Corrected	



# OHIO AUDITOR OF STATE KEITH FABER



ROSS COUNTY FAMILY AND CHILDREN FIRST COUNCIL

ROSS COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 9/23/2025

65 East State Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)