



OHIO AUDITOR OF STATE
KEITH FABER



**JACKSON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
JACKSON COUNTY
DECEMBER 31, 2024 AND 2023**

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INDEPENDENT AUDITOR'S REPORT

Jackson County Family and Children First Council
Jackson County
102 Twin Oaks Drive
Jackson, Ohio 45640

To the Council:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Jackson County Family and Children First Council, Jackson County, Ohio (the Council), which comprises the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, 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 December 31, 2024 and 2023, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code § 117.38 and Ohio Administrative Code § 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 December 31, 2024 and 2023, or the changes in financial position thereof for the years 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 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 § 117.38 and Ohio Administrative Code § 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.

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 § 117.38 and Ohio Administrative Code § 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.

Jackson County Family and Children First Council
Jackson County
Independent Auditor's Report
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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 January 29, 2026, 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

January 29, 2026

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Jackson County Family and Children First Council

Jackson County

Combined Statement of Receipts, Disbursements

and Changes in Fund Balances (Regulatory Cash Basis)

All Governmental Fund Types

For the Year Ended December 31, 2024

	General	Special Revenue	Combined Total
Cash Receipts			
Intergovernmental:	\$65,236	\$238,796	\$304,032
Miscellaneous	80	10,564	10,644
<i>Total Cash Receipts</i>	65,316	249,360	314,676
Cash Disbursements			
Salaries	26,028	24,457	50,485
Fringe Benefits	16,081	3,980	20,061
Supplies	500	0	500
Contract Services	0	389,006	389,006
Travel	886	0	886
Other	4,954	12,969	17,923
<i>Total Cash Disbursements</i>	48,449	430,412	478,861
<i>Excess of Receipts Over (Under) Disbursements</i>	16,867	(181,052)	(164,185)
Other Financing Receipts (Disbursements)			
Transfers In	0	12,000	12,000
Transfers Out	0	(12,000)	(12,000)
<i>Total Other Financing Receipts (Disbursements)</i>	0	0	0
<i>Net Change in Fund Cash Balances</i>	16,867	(181,052)	(164,185)
<i>Fund Cash Balances, January 1</i>	19,851	181,377	201,228
<i>Fund Cash Balances, December 31</i>	\$36,718	\$325	\$37,043

See accompanying notes to the basic financial statements

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Jackson County Family and Children First Council

Jackson County

Notes to the Financial Statements

For the Year Ended December 31, 2024

Note 1 – Reporting Entity

Ohio Revised Code § 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:

1. 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;
2. 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;
3. 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;
4. The Director of the County Department of Job and Family Services;
5. 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 § 5153.15;
6. 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;
7. 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;
8. 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;
9. A representative of the municipal corporation with the largest population in the County;
10. The President of the Board of County Commissioners or an individual designated by the Board;
11. A representative of the regional office of the Ohio Department of Youth Services;
12. A representative of the County's Head Start agencies, as defined in Ohio Revised Code § 3301.32;
13. 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

Jackson County Family and Children First Council

Jackson County

Notes to the Financial Statements

For the Year Ended December 31, 2024

(Continued)

Note 1 – Reporting Entity (Continued)

14. A representative of a local nonprofit entity that funds, advocates, or provides services to children and families.

A County Family and Children First Council may invite any other local public or private agency or group that funds, advocates, or provides services to children to have a representative become a permanent or temporary member of the Council.

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

1. Referrals to the Cabinet Council of those children for whom the County Council cannot provide adequate services;
2. 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;
3. 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”;
4. Maintenance of an accountability system to monitor the County Council’s progress in achieving results for families and children; and
5. 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 receipts, 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:

Jackson County Family and Children First Council

Jackson County

Notes to the Financial Statements

For the Year Ended December 31, 2024

(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

General Fund The general fund accounts for and reports all financial resources not accounted for and reported 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.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Council had the following significant Special Revenue Fund:

Home Choice Fund This fund receives state and federal grant monies restricted for the purpose of grant provisions designed to support children and adolescents with complex needs who require services from multiple child-serving systems.

Administrative/Fiscal Agent

Ohio Revised Code § 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 the Jackson County Combined General Health District to serve as the administrative agent. The Council authorizes the Jackson County Combined General Health District, as fiscal agent 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 Jackson County Combined General Health 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 § 117.38 and Ohio Administrative Code § 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 § 117.38 and Ohio Administrative Code § 117-2-03(C) permit.

Budgetary Process

A Family and Children First Council established under Ohio Revised Code § 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 Jackson County Auditor as required by Ohio law.

Jackson County Family and Children First Council

Jackson County

Notes to the Financial Statements

For the Year Ended December 31, 2024

(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Budgetary Process (Continued)

The Council filed an estimate of financial resources and an appropriation measure with the Jackson County Auditor as required by Ohio law.

A summary of 2024 budgetary activity appears in Note 3.

Deposits and Investments

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

Capital Assets

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

Accumulated Leave

Council employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

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 Council classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Council.

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.

Committed The Council can *commit* amounts via formal action (resolution). The Council must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Jackson County Family and Children First Council

Jackson County

Notes to the Financial Statements

For the Year Ended December 31, 2024

(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *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 amounts not included in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance.

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 9.

Note 3 – Budgetary Activity

Budgetary activity for the years ending December 31, 2024, follows:

2024 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$136,523	\$136,523	\$0
Special Revenue	190,153	190,153	0
Total	<u>\$326,676</u>	<u>\$326,676</u>	<u>\$0</u>

2024 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$118,772	\$119,656	(\$884)
Special Revenue	284,848	371,205	(86,357)
Total	<u>\$403,620</u>	<u>\$490,861</u>	<u>(\$87,241)</u>

Note 4 – Deposits and Investments

The Jackson County Auditor, as fiscal agent for the Council, maintains a cash and investments pool used by all of Jackson County Auditor's funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments and the Jackson County Auditor is responsible for compliance. The carrying amount of deposits and investments at December 31 was as follows:

Jackson County Family and Children First Council
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2024
(Continued)

Note 4 – Deposits and Investments (Continued)

	<u>2024</u>
Total deposits	<u><u>37,043</u></u>

This fiscal agent is responsible for maintaining adequate depository collateral for all funds in the fiscal agent's pooled and deposit accounts. All risks associated with the above deposits are the responsibility of the fiscal agent.

Note 5 – Risk Management

The Jackson County Commissioners maintain comprehensive insurance coverage. The Council is covered by these policies.

Note 6 – Defined Benefit Pension Plan

The Council's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2024, OPERS members contributed 10 percent of their gross salaries, and the Council contributed an amount equaling 14 percent of participants' gross salaries. The Council has paid all contributions required through December 31, 2024.

Note 7 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2024, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2024, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

Note 8 – Contingent Liabilities

Amounts grantor agencies pay to the Council are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow.

Note 9 – Fund Balances

Included in fund balance are amounts the Council cannot spend, including the balance of unclaimed monies, which cannot be spent for five years. Encumbrances are commitments related to unperformed contracts for goods or services.

Jackson County Family and Children First Council

Jackson County

Notes to the Financial Statements

For the Year Ended December 31, 2024

(Continued)

Note 9 – Fund Balances (Continued)

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 Council had no unclaimed monies or encumbrances.

The fund balance of special revenue funds is either restricted or committed. These restricted or committed amounts in the special revenue funds would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 10 – Subsequent Event

At December 31, 2024, the Jackson County Board of Health's (administrative agent of the Council) General Fund granted \$71,206.83 to the Council to cover the Home Choice Fund deficit fund balance related to the Council's Multi-System Youth (MSY) funding. In addition, the Council owed two private vendors, Abraxas and Fox Run, \$96,225 and \$35,200, respectively at December 31, 2024 for unpaid services and owed the State of Ohio \$62,589.36 for reimbursement for amounts received in excess of costs. As of December 12, 2025, the administrative agent has granted an additional \$104,076.03 necessary to settle all of the Council's debts. This additional grant from the administrative agent, along with existing Council funds, was used to pay the debts in full on December 17, 2025. After payment of these debts, the Council's General Fund and Home Choice Fund have \$0 fund balances as of December 31, 2025.

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Jackson County Family and Children First Council

Jackson County

*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)*

All Governmental Fund Types

For the Year Ended December 31, 2023

	General	Special Revenue	Combined Total
Cash Receipts			
Intergovernmental:	\$50,960	\$441,681	\$492,641
Miscellaneous	104	55	159
<i>Total Cash Receipts</i>	51,064	441,736	492,800
Cash Disbursements			
Salaries	23,946	24,670	48,616
Fringe Benefits	14,987	4,320	19,307
Supplies	496	0	496
Contract Services	0	427,499	427,499
Travel	74	0	74
Other	4,918	5,773	10,691
<i>Total Cash Disbursements</i>	44,421	462,262	506,683
<i>Excess of Receipts Over (Under) Disbursements</i>	6,643	(20,526)	(13,883)
<i>Fund Cash Balances, January 1</i>	13,208	201,903	215,111
<i>Fund Cash Balances, December 31</i>	\$19,851	\$181,377	\$201,228

See accompanying notes to the basic financial statements

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Jackson County Family and Children First Council

Jackson County

Notes to the Financial Statements

For the Year Ended December 31, 2023

Note 1 – Reporting Entity

Ohio Revised Code § 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:

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3. 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;
4. The Director of the County Department of Job and Family Services;
5. 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 § 5153.15;
6. 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;
7. 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;
8. 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;
9. A representative of the municipal corporation with the largest population in the County;
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Jackson County Family and Children First Council

Jackson County

Notes to the Financial Statements

For the Year Ended December 31, 2023

(Continued)

Note 1 – Reporting Entity (Continued)

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4. Maintenance of an accountability system to monitor the County Council’s progress in achieving results for families and children; and
5. 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 receipts, 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:

Jackson County Family and Children First Council

Jackson County

Notes to the Financial Statements

For the Year Ended December 31, 2023

(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

General Fund The general fund accounts for and reports all financial resources not accounted for and reported 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.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Council had the following significant Special Revenue Funds:

Home Choice Fund This fund receives state and federal grant monies restricted for the purpose of grant provisions designed to support children and adolescents with complex needs who require services from multiple child-serving systems.

Administrative/Fiscal Agent

Ohio Revised Code § 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 the Jackson County Combined General Health District to serve as the administrative agent. The Council authorizes the Jackson County Combined General Health District, as fiscal agent 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 Jackson County Combined General Health 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 § 117.38 and Ohio Administrative Code 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 § 117.38 and Ohio Administrative Code 117-2-03(C) permit.

Budgetary Process

A Family and Children First Council established under Ohio Revised Code § 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 Jackson County Auditor as required by Ohio law.

Jackson County Family and Children First Council

Jackson County

Notes to the Financial Statements

For the Year Ended December 31, 2023

(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Budgetary Process (Continued)

The Council filed an estimate of financial resources and an appropriation measure with the Jackson County Auditor as required by Ohio law.

A summary of 2023 budgetary activity appears in Note 3.

Deposits and Investments

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

Capital Assets

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

Accumulated Leave

Council employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

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 Council classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Council.

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.

Committed The Council can *commit* amounts via formal action (resolution). The Council must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Jackson County Family and Children First Council
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *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 amounts not included in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance.

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 9.

Note 3 – Budgetary Activity

Budgetary activity for the years ending December 31, 2023, follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$51,064	\$51,064	\$0
Special Revenue	441,736	441,736	0
Total	<u>\$492,800</u>	<u>\$492,800</u>	<u>\$0</u>

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$41,652	\$44,421	(\$2,769)
Special Revenue	249,542	462,262	(212,720)
Total	<u>\$291,194</u>	<u>\$506,683</u>	<u>(\$215,489)</u>

Note 4 – Deposits and Investments

The Jackson County Auditor, as fiscal agent for the Council, maintains a cash and investments pool used by all of Jackson County Auditor's funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments and the Jackson County Auditor is responsible for compliance. The carrying amount of deposits and investments at December 31 was as follows:

Jackson County Family and Children First Council
Jackson County
Notes to the Financial Statements
For the Year Ended December 31, 2023
(Continued)

Note 4 – Deposits and Investments (Continued)

	<u>2023</u>
Total deposits	<u>201,228</u>

This fiscal agent is responsible for maintaining adequate depository collateral for all funds in the fiscal agent's pooled and deposit accounts. All risks associated with the above deposits are the responsibility of the fiscal agent.

Note 5 – Risk Management

The Jackson County Commissioners maintain comprehensive insurance coverage. The Council is covered by these policies.

Note 6 – Defined Benefit Pension Plan

The Council's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2023, OPERS members contributed 10 percent of their gross salaries, and the Council contributed an amount equaling 14 percent of participants' gross salaries. The Council has paid all contributions required through December 31, 2023.

Note 7 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

Note 8 – Contingent Liabilities

Amounts grantor agencies pay to the Council are subject to audit and adjustment by the grantor, principally the federal 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.

Note 9 – Fund Balances

Included in fund balance are amounts the Council cannot spend, including the balance of unclaimed monies, which cannot be spent for five years. Encumbrances are commitments related to unperformed contracts for goods or services.

Jackson County Family and Children First Council

Jackson County

Notes to the Financial Statements

For the Year Ended December 31, 2023

(Continued)

Note 9 – Fund Balances (Continued)

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 Council had no unclaimed monies or encumbrances.

The fund balance of special revenue funds is either restricted or committed. These restricted or committed amounts in the special revenue funds would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

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

Jackson County Family and Children First Council
Jackson County
102 Twin Oaks Drive
Jackson, Ohio 45640

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 for the years ended December 31, 2024 and 2023 and the related notes to the financial statements of the Jackson County Family and Children First Council, Jackson County, Ohio (the Council) and have issued our report thereon dated January 29, 2026, wherein we noted the Council followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

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.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all 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. We identified a certain deficiencies in internal controls, described in the accompanying Schedule of Findings as items 2024-001 through 2024-003 that we consider to be material weaknesses.

Jackson County Family and Children First Council
Jackson 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 an instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and which is described in the accompanying Schedule of Findings and questioned costs as item 2024-001.

Council's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Council's response to the finding identified in our audit and described in the accompanying Schedule of Findings. The Council's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

January 29, 2026

**JACKSON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
JACKSON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2024 AND 2023**

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

FINDING NUMBER 2024-001

Noncompliance/Material Weakness

Ohio Admin. Code 117-2-01(D)(4) states that when designing the public office's system of internal control and the specific control activities, management should plan for adequate segregation of duties or compensating controls.

The Council's Coordinator was responsible for various financial statement activities including submitting applications for grant funding and processing invoices to be paid. The Council received Multi System Youth funding during the audit period. However, neither the Coordinator or their Administrative Agent, Jackson County Combined General Health District, reconciled the funding awarded to the amounts paid to the treatment centers for each child. As such, the Council and Administrative Agent did not have controls in place to detect overspending in the Council's Multi System Youth (MSY) fund.

At December 31, 2024, the Administrative Agent's General Fund granted the Council's MSY fund \$71,206.83 to cover the deficit fund balance at year end. In addition, the Council owes two vendors, Abraxas and Fox Run, \$96,225 and \$35,200, respectively for residential treatment facility care for children for which funding was not obtained, either due to not submitting the funding application or the funding application was denied. Finally, the Council owes the State of Ohio \$62,589.36 for reimbursement of amounts received in excess of costs related to treatment for two residential placements.

The Council and administrative agent should implement controls to ensure all active participants have approved funding before being placed in treatment facilities. In addition, monthly financial activity should be reviewed to determine all funding has been received and recorded. Further, a corrective action plan should be implemented to rectify these outstanding liabilities owed by the Council.

Officials' Response:

At their regular meeting on November 12th, 2025, the Jackson County Combined General Health District passed Resolution 2025-24 and thereby decided that they will no longer serve as the administrative agent/fiscal agent for the Family and Children First Council going forward and which also instructed the Health Commissioner to pay off the Council's debts first using existing Council funds and then using the Health District's General Fund. With the debts settled and the Health District no longer involved in administering the Council, this situation will not be repeated.

FINDING NUMBER 2024-002

Material Weakness

The Jackson County Combined General Health District, Administrative Agent for the Council, maintained a financial report excel file. The Fiscal Agent, Jackson County, entered financial activity into the accounting system. The Administrative Agent did not have controls in place to reconcile its financial report to the underlying County ledgers monthly. In addition, at each bi-monthly meeting held by Council, the Administrative Agent only reported to the Council the total expenditures for the preceding month(s) as documented in the minute record. Detailed financial reports showing each fund's beginning cash balances, receipts, expenditures, and ending cash fund balances were not provided to the Council.

Failure to provide detailed financial reports hinders the Council's ability to make sound financial decisions. This also resulted in the Multi Youth System Fund paying a disbursement related to another County department on August 23, 2023 in the amount of \$2,137.50. The County has corrected the posting of this expenditure in 2025.

**JACKSON COUNTY FAMILY AND CHILDREN FIRST COUNCIL
JACKSON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2024 AND 2023
(Continued)**

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

FINDING NUMBER 2024-002 (Continued)

The Administrative Agent should implement procedures to reconcile its financial report each month to the Fiscal Agent's underlying accounting reports. If any discrepancies are found, they should be communicated to the Fiscal Agent and corrected as soon as possible. In addition, detailed monthly reports should be provided to Council for review and approval. A copy of these reports should be maintained for audit to support the reports provided and approved by Council.

Officials' Response:

The Jackson County Combined General Health District will no longer be serving as the administrative agent for the Council going forward, so this deficiency will be not be repeated.

FINDING NUMBER 2024-003

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.

The following error was noted in the 2024 financial statements that required audit adjustment:

- General Fund intergovernmental revenue and contract service disbursements of \$71,207 were incorrectly reported in the Home Choice 887 Fund due to disbursements in excess of MSY grant reimbursements paid from fund 887. The Administrative Agent granted the FCFC these funds to cover the deficit fund balance in fund 887 at December 31, 2024.

The funds granted by the Administrative Agent and the related disbursements should be reported in the General Fund rather than the Home Choice Fund where the MSY grant activity is recorded due to disbursements made in excess of reimbursements for the MSY grant were not grant disbursements due to lack of grant funding.

Officials' Response:

The grant disbursement will be corrected to be taken from the General Fund rather than the Home Choice Fund. The Jackson County Combined General Health District will no longer be serving as the administrative agent for the Council going forward, so this deficiency will be not be repeated.

OHIO AUDITOR OF STATE KEITH FABER



JACKSON COUNTY FAMILY AND CHILDREN FIRST COUNCIL

JACKSON 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 2/10/2026

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
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