



**SENECA COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
SENECA COUNTY**

**REGULAR AUDIT**

**FOR THE FISCAL YEARS ENDED JUNE 30, 2024 - 2023**



**SENECA COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
SENECA COUNTY  
JUNE 30, 2024 AND 2023**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Seneca County Family and Children First Council  
Seneca County  
928 West Market Street  
Tiffin, Ohio 44883

To the Members of the Council:

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

#### ***Unmodified and Adverse Opinions***

We have audited the financial statements of Seneca County Family and Children First Council, Seneca 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.

#### ***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 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 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 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.

***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 January 31, 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  
Auditor of State  
Columbus, Ohio

January 31, 2025

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**Seneca County Family and Children First Council**  
*Seneca 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*

	General	Special Revenue	Combined Total
<b>Cash Receipts</b>			
Membership Dues	\$43,000		\$43,000
Administrative Fees	59,496		59,496
Intergovernmental	277,135	\$618,270	895,405
Donations	15,227	27,863	43,090
Miscellaneous	8,000	23,143	31,143
<i>Total Cash Receipts</i>	<u>402,858</u>	<u>669,276</u>	<u>1,072,134</u>
<b>Cash Disbursements</b>			
Salaries/Benefits	172,254	335,916	508,170
Purchased Services	233,110	256,310	489,420
Supplies and Materials	5,283	5,743	11,026
Loan Repayment		7,456	7,456
Other	7,441	35,450	42,891
<i>Total Cash Disbursements</i>	<u>418,088</u>	<u>640,875</u>	<u>1,058,963</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(15,230)</u>	<u>28,401</u>	<u>13,171</u>
<b>Other Financing Receipts</b>			
Loan Proceeds		17,845	17,845
<i>Net Change in Fund Cash Balances</i>	(15,230)	46,246	31,016
<i>Fund Cash Balances, January 1</i>	<u>240,166</u>	<u>314,380</u>	<u>554,546</u>
<i>Fund Cash Balances, December 31</i>	<u>\$224,936</u>	<u>\$360,626</u>	<u>\$585,562</u>

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

# Seneca County Family and Children First Council

*Seneca 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:

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 Section 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 Section 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

## Seneca County Family and Children First Council

*Seneca County*

*Notes to the Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

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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:

**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.

## Seneca County Family and Children First Council

*Seneca County*

*Notes to the Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

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***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:

***Help Me Grow Grant Fund*** This fund receives state and federal grant monies restricted for the purpose of the grant provisions.

***SMYL Fund (Seneca Mentoring Youth Links)*** This fund receives grant monies used to pair local youth with mentors in order to provide a positive, stable influence in the youth's life.

***Wraparound Fund*** This fund receives federal grant monies used for coordination of support for families with multiple needs.

### ***Administrative/Fiscal Agent***

Ohio Revised Code Section 121.37(B)(5)(a) requires the Council to select an administrative agent to provide fiscal and administrative services to the Council. The Council Selected North Central Ohio Educational Service Center. The Council authorizes North Central Ohio Educational Service Center, 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. North Central Ohio Educational Service Center 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 North Central Ohio Educational Service Center as required by Ohio law.

A summary of 2024 budgetary activity appears in Note 3.

# Seneca County Family and Children First Council

Seneca County

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2024

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## ***Deposits and Investments***

The Council designated the North Central Ohio Educational Service Center as the fiscal agent for all funds received in the name of the Council. Deposits of monies are made with the North Central Ohio Educational Service Center and fund expenditures and balances are reported through the North Central Ohio Educational Service Center. 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***

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

## ***Leases***

The Council is the lessee in a lease (as defined by GASB 87) related to office space under noncancelable leases. Lease disbursements are recognized when they are paid.

## ***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.

***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.

**Seneca County Family and Children First Council**

*Seneca County*

*Notes to the Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

**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 10.

**Note 3 – Budgetary Activity**

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

2024 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$615,827	\$402,858	(\$212,969)
Special Revenue	634,638	687,121	52,483
<b>Total</b>	<b>\$1,250,465</b>	<b>\$1,089,979</b>	<b>(\$160,486)</b>

2024 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$797,752	\$492,623	\$305,129
Special Revenue	647,621	660,096	(12,475)
<b>Total</b>	<b>\$1,445,373</b>	<b>\$1,152,719</b>	<b>\$292,654</b>

**Note 4 – Deposits and Investments**

North Central Ohio Educational Service Center, as fiscal agent for the Council, maintains a cash and investments pool used by all of North Central Ohio Educational Service Center’s funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments and the North Central Ohio Educational Service Center is responsible for compliance. The carrying amount of deposits and investments at June 30 was as follows:

Total deposits and investments	2024
	<u>\$585,562</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.

# Seneca County Family and Children First Council

*Seneca County*

*Notes to the Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

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## **Note 5 – Risk Management**

### ***Commercial Insurance***

The Council is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Council, through the Council's fiscal agent North Central Ohio Educational Service Center, has obtained risk management by traditional means of insuring through a commercial company. With the exception of a deductible, the risk of loss transfers entirely from North Central Ohio Educational Service Center to the commercial company. Settled claims resulting from these risks have not exceeded commercial insurance in any of the past three fiscal years.

## **Note 6 – Defined Benefit Pension Plan**

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

The Ohio Revised Code also prescribes contribution rates. For 2024, SERS 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 June 30, 2024.

## **Note 7 – Postemployment Benefits**

SERS offers cost-sharing, multiple-employer defined benefit postemployment plans. SERS' Health Care program provides health care benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and, therefore, enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. 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. The portion of employer contributions allocated to health care for SERS members was 0 percent, for the period from July 1, 2023, through July 1, 2024.

## **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 – Related Party Transactions**

The former Executive Director is the sister of an owner of a company from which the Council acquired space for an after school program. The Council paid \$1,430 for rental of the space in fiscal year 2024. There is no contract voted on for payments made to this company. The former Executive Director was not a signer on the check issued to the company during the audit period.

**Seneca County Family and Children First Council**

*Seneca County*

*Notes to the Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

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**Note 10 – 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 as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Outstanding Encumbrances	<u>\$74,535</u>	<u>\$19,221</u>	<u>\$93,756</u>

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

**Note 11 – Loans Payable**

On June 30, 2024, the Council received a short-term loan from North Central Ohio Educational Service Center in the amount of \$17,845 for the purpose of FCFC Start Grant and Communities of Support funds. The loan shall mature in one year and carry an interest rate of 0% with payment due June 30, 2025.



**Seneca County Family and Children First Council**  
*Seneca 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**

	General	Special Revenue	Combined Total
<b>Cash Receipts</b>			
Membership Dues	\$32,000		\$32,000
Administrative Fees	51,691		51,691
Intergovernmental	726,581	\$604,091	1,330,672
Donations	12,417	70,343	82,760
Miscellaneous	5,530	13,287	18,817
<i>Total Cash Receipts</i>	<u>828,219</u>	<u>687,721</u>	<u>1,515,940</u>
<b>Cash Disbursements</b>			
Salaries/Benefits	139,914	284,967	424,881
Purchased Services	680,926	237,566	918,492
Supplies and Materials	8,815	11,364	20,179
Loan Repayment		56,490	56,490
Other	7,011	43,906	50,917
<i>Total Cash Disbursements</i>	<u>836,666</u>	<u>634,293</u>	<u>1,470,959</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(8,447)</u>	<u>53,428</u>	<u>44,981</u>
<b>Other Financing Receipts (Disbursements)</b>			
Loan Proceeds		7,456	7,456
Transfers In		5,500	5,500
Transfers Out	(5,500)		(5,500)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(5,500)</u>	<u>12,956</u>	<u>7,456</u>
<i>Net Change in Fund Cash Balances</i>	(13,947)	66,384	52,437
<i>Fund Cash Balances, January 1</i>	<u>254,113</u>	<u>247,996</u>	<u>502,109</u>
<i>Fund Cash Balances, December 31</i>	<u>\$240,166</u>	<u>\$314,380</u>	<u>\$554,546</u>

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

# Seneca County Family and Children First Council

*Seneca County*

*Notes to the Financial Statements*

*For the Fiscal Year Ended June 30 2023*

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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:

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 Section 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 Section 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

## Seneca County Family and Children First Council

*Seneca County*

*Notes to the Financial Statements*

*For the Fiscal Year Ended June 30 2023*

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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:

**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.

## Seneca County Family and Children First Council

*Seneca County*

*Notes to the Financial Statements*

*For the Fiscal Year Ended June 30 2023*

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***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:

***Help Me Grow Grant Fund*** This fund receives state and federal grant monies restricted for the purpose of the grant provisions.

***SMYL Fund (Seneca Mentoring Youth Links)*** This fund receives grant monies used to pair local youth with mentors in order to provide a positive, stable influence in the youth's life.

***Wraparound Fund*** This fund receives federal grant monies used for coordination of support for families with multiple needs.

### ***Administrative/Fiscal Agent***

Ohio Revised Code Section 121.37(B)(5)(a) requires the Council to select an administrative agent to provide fiscal and administrative services to the Council. The Council Selected North Central Ohio Educational Service Center. The Council authorizes North Central Ohio Educational Service Center, 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. North Central Ohio Educational Service Center 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 North Central Ohio Educational Service Center as required by Ohio law.

A summary of 2023 budgetary activity appears in Note 3.

## Seneca County Family and Children First Council

Seneca County

Notes to the Financial Statements

For the Fiscal Year Ended June 30 2023

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### ***Deposits and Investments***

The Council designated the North Central Ohio Educational Service Center as the fiscal agent for all funds received in the name of the Council. Deposits of monies are made with the North Central Ohio Educational Service Center and fund expenditures and balances are reported through the North Central Ohio Educational Service Center. 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***

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

### ***Leases***

The Council is the lessee in a lease (as defined by GASB 87) related to office space under noncancelable leases. Lease disbursements are recognized when they are paid

### ***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.

***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.

**Seneca County Family and Children First Council**

*Seneca County*

*Notes to the Financial Statements*

*For the Fiscal Year Ended June 30 2023*

**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 year ending June 30, 2023, follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$950,568	\$828,219	(\$122,349)
Special Revenue	649,013	700,677	51,664
Total	<u>\$1,599,581</u>	<u>\$1,528,896</u>	<u>(\$70,685)</u>

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,097,851	\$1,050,186	\$47,665
Special Revenue	781,331	651,446	129,885
Total	<u>\$1,879,182</u>	<u>\$1,701,632</u>	<u>\$177,550</u>

**Note 4 – Deposits and Investments**

North Central Ohio Educational Service Center, as fiscal agent for the Council, maintains a cash and investments pool used by all of North Central Ohio Educational Service Center’s funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments and the North Central Ohio Educational Service Center is responsible for compliance. The carrying amount of deposits and investments at June 30 was as follows:

Total deposits and investments	<u>2023</u> <u>\$554,546</u>
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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.

## Seneca County Family and Children First Council

*Seneca County*

*Notes to the Financial Statements*

*For the Fiscal Year Ended June 30 2023*

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### **Note 5 – Risk Management**

#### ***Commercial Insurance***

The Council is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Council, through the Council's fiscal agent North Central Ohio Educational Service Center, has obtained risk management by traditional means of insuring through a commercial company. With the exception of a deductible, the risk of loss transfers entirely from North Central Ohio Educational Service Center to the commercial company. Settled claims resulting from these risks have not exceeded commercial insurance in any of the past three fiscal years.

### **Note 6 – Defined Benefit Pension Plan**

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

The Ohio Revised Code also prescribes contribution rates. For 2023, SERS 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 June 30, 2023.

### **Note 7 – Postemployment Benefits**

SERS offers cost-sharing, multiple-employer defined benefit postemployment plans. SERS' Health Care program provides health care benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and, therefore, enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. 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 2 percent for members in the 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. The portion of employer contributions allocated to health care for SERS members was 0 percent, for the period from July 1, 2022, through July 1, 2023.

### **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**

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 as follows:

**Seneca County Family and Children First Council**

*Seneca County*

*Notes to the Financial Statements*

*For the Fiscal Year Ended June 30 2023*

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<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Outstanding Encumbrances	<u>\$208,020</u>	<u>\$17,153</u>	<u>\$225,173</u>

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 – Loans Payable**

On July 1, 2022, the Council repaid three short-term loans totaling \$56,490 to North Central Ohio Educational Service Center for loan proceeds received in fiscal year 2022.

On June 30, 2023, the Council received a short-term loan from North Central Ohio Educational Service Center in the amount of \$7,456 for the purpose of FCFC Start Grant initial funds. The loan shall mature in one year and carry an interest rate of 0% with payment due June 30, 2024.



# 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

Seneca County Family and Children First Council  
Seneca County  
928 West Market Street  
Tiffin, Ohio 44883

To the Members of 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 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 Seneca County Family and Children First Council, Seneca County, Ohio (the Council) and have issued our report thereon dated January 31, 2025, wherein we noted the Council followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(D) 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 deficiency in internal control, described in the accompanying schedule of findings as item 2024-001 that we consider to be a material weakness.

***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 Finding***

*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  
Auditor of State  
Columbus, Ohio

January 31, 2025

**SENECA COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
SENECA 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**

**Budgetary Reporting and Amounts Improperly Recorded in Accounting System**

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.

Sound accounting practices require accurately posted estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparison and to allow the Council to make informed decisions regarding budgetary matters

The Council approved appropriations and subsequent amendments establish the legal spending authority of the Council and the appropriation ledger provides the basis by which the Council controls spending, it is therefore necessary the amounts appropriated by the Council are precisely stated and accurately posted to the appropriation ledger.

Similarly, the Council approved and County Budget Commission-certified estimated receipts establishes the amounts available for expenditures for the Council and the receipts ledger provides the basis by which the Council controls what is available, it is therefore necessary the amounts estimated by the Council are posted accurately to the receipts ledger.

Budgetary amounts were not input into the Council's accounting system in the correct amounts, causing the following errors in the Council's Budgetary Activity notes to the financial statements:

- Budgeted Receipts used in the Budgetary Activity note to the financial statements exceeded the Council approved estimated receipts for Special Revenue funds by \$50,504 for fiscal year 2024;
- Appropriation Authority used in the Budgetary Activity notes to the financial statements did not agree to the Council approved appropriations and subsequent amendments by \$293,303 and (\$68,791) for the General fund and Special Revenue funds, respectively, for fiscal year 2024;

Additionally, Budgetary Expenditures reported in the Council's Budgetary Activity note to the financial statements for fiscal year 2024 did not properly include outstanding encumbrances of \$74,535 and \$19,221 for the General fund and Special Revenue funds, respectively.

The Council's Budgetary Activity note to the financial statements for fiscal year 2024 has been adjusted to correct these errors. The Council did not have procedures in place to accurately post authorized budgetary measures to the accounting system. The appropriations and amendments thereof approved by Council were not properly posted to the accounting system. Additionally, the approved estimated receipts were not properly posted to the accounting system.

Failure to accurately post the appropriations and estimated receipts to the ledgers could result in overspending and negative cash balances. In addition, this could lead to inaccurate reporting of the budgetary information in the financial statements.

To effectively control the budgetary cycle and to maintain accountability over receipt and expenditures, the Council should post to the ledgers, on a timely basis, estimated receipts and appropriations approved by the Council. The Council should then monitor budget versus actual reports to help ensure estimated receipts and appropriations have been properly posted to the ledgers. Additionally, the Council should implement policies and procedures to help ensure budgetary expenditures reported in their Budgetary Activity notes to the financial statements properly include encumbrances outstanding at fiscal year-end.

**Officials' Response:**

We will make sure the reports are thoroughly reviewed before submission in the future. We will also make sure all appropriations are updated and included in the official meeting minutes to ensure accuracy and correct errors.



**SENECA COUNTY**  
**FAMILY & CHILDREN**  
**FIRST COUNCIL**  
**WHERE HELP BEGINS**

**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	Finding was first reported in the audit of the 2019-2020 financial statements. Material weakness over financial reporting due to errors in the financial statements.	Fully corrected.	

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# OHIO AUDITOR OF STATE KEITH FABER



**SENECA COUNTY FAMILY AND CHILDREN FIRST COUNCIL**

**SENECA 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 2/25/2025**

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)