



OHIO AUDITOR OF STATE  
KEITH FABER



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

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## INDEPENDENT AUDITOR'S REPORT

Sandusky County Family and Children First Council  
Sandusky County  
2511 Countryside Drive, Suite A  
Fremont, Ohio 43420

To the Members of Council:

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

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

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

Sandusky County Family and Children First Council  
Sandusky County  
Independent Auditor's Report  
Page 3

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 November 21, 2025, on our consideration of the Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.

KEITH FABER  
Ohio Auditor of State



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

November 21, 2025

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**Sandusky County Family and Children First Council**  
*Sandusky County*  
*Combined Statement of Cash Receipts, Cash Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2024*

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	General	Special Revenue	Combined Total
<b>Cash Receipts</b>			
Intergovernmental - Local	\$7,000	\$36,188	\$43,188
Intergovernmental - State	63,707	149,093	212,800
Intergovernmental - Federal		54,136	54,136
Charges for Services	107,159	41,006	148,165
Administrative	7,000		7,000
Miscellaneous	1,582	169	1,751
<i>Total Cash Receipts</i>	<u>186,448</u>	<u>280,592</u>	<u>467,040</u>
<b>Cash Disbursements</b>			
Personal Services	74,127	180,903	255,030
Contractual Services	3,396	63,459	66,855
Travel Reimbursements	6,744	5,811	12,555
Supplies and Materials	1,694	12,908	14,602
Other	7,020	10,010	17,030
<i>Total Cash Disbursements</i>	<u>92,981</u>	<u>273,091</u>	<u>366,072</u>
<i>Excess of Receipts Over Disbursements</i>	<u>93,467</u>	<u>7,501</u>	<u>100,968</u>
<b>Other Financing Receipts (Disbursements)</b>			
Transfers In		30,000	30,000
Transfers Out	(30,000)		(30,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(30,000)</u>	<u>30,000</u>	
<i>Net Change in Fund Cash Balances</i>	<u>63,467</u>	<u>37,501</u>	<u>100,968</u>
<i>Fund Cash Balances, January 1</i>	<u>264,411</u>	<u>301,289</u>	<u>565,700</u>
<i>Fund Cash Balances, December 31</i>	<u><b>\$327,878</b></u>	<u><b>\$338,790</b></u>	<u><b>\$666,668</b></u>

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

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

*Sandusky County*

*Notes to the Financial Statements*  
*For the Year Ended December 31, 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

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

*Sandusky County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 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:

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

*Sandusky County*

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

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**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:

**Federal Grant Fund** This fund accounts for and reports the receipt of federal grant monies restricted for the purpose of the grant provisions.

**Wrap Around Fund** This fund accounts for and reports receipts of charges of services restricted for services which are provided to multi-need youth and families.

## ***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 Sandusky County. The Council authorizes Sandusky County, 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. Sandusky County 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 Sandusky County as required by Ohio law.

A summary of 2024 budgetary activity appears in Note 3.

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

*Sandusky County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2024*

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## ***Deposits and Investments***

The Council designated the Sandusky County Auditor as the fiscal agent for all funds received in the name of the Council. Deposits of monies are made with the Sandusky County Treasurer and fund expenditures and balances are reported through the Sandusky 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.

***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.

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

*Sandusky County*

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

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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	\$184,750	\$186,448	\$1,698
Special Revenue	403,840	310,592	(93,248)
Total	<u>\$588,590</u>	<u>\$497,040</u>	<u>(\$91,550)</u>

2024 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$180,926	\$123,442	\$57,484
Special Revenue	466,306	274,751	191,555
Total	<u>\$647,232</u>	<u>\$398,193</u>	<u>\$249,039</u>

## **Note 4 – Deposits and Investments**

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

	2024
Demand deposits	<u>\$666,668</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**

Insurance for comprehensive property and general liability is provided by Sandusky County.

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

*Sandusky County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2024*

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## **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. 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:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$461	\$1,660	\$2,121

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.

**Sandusky County Family and Children First Council**  
*Sandusky County*  
*Combined Statement of Cash Receipts, Cash Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2023*

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	General	Special Revenue	Combined Total
<b>Cash Receipts</b>			
Intergovernmental - Local		\$43,156	\$43,156
Intergovernmental - State	\$34,350	206,922	241,272
Intergovernmental - Federal		86,405	86,405
Charges for Services	111,763	22,512	134,275
Administrative	4,500		4,500
<i>Total Cash Receipts</i>	<u>150,613</u>	<u>358,995</u>	<u>509,608</u>
<b>Cash Disbursements</b>			
Personal Services	97,132	123,519	220,651
Contractual Services	2,342	251,714	254,056
Travel Reimbursements	5,339	7,581	12,920
Supplies and Materials	1,962	4,557	6,519
Other	14,565	29,521	44,086
<i>Total Cash Disbursements</i>	<u>121,340</u>	<u>416,892</u>	<u>538,232</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>29,273</u>	<u>(57,897)</u>	<u>(28,624)</u>
<b>Other Financing Receipts (Disbursements)</b>			
Transfers In	14,835		14,835
Transfers Out		(14,835)	(14,835)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>14,835</u>	<u>(14,835)</u>	<u></u>
<i>Net Change in Fund Cash Balances</i>	<u>44,108</u>	<u>(72,732)</u>	<u>(28,624)</u>
<i>Fund Cash Balances, January 1</i>	<u>220,303</u>	<u>374,021</u>	<u>594,324</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$264,411</u></u>	<u><u>\$301,289</u></u>	<u><u>\$565,700</u></u>

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

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

*Sandusky County*

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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## **Note 1 – Reporting Entity**

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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 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

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

*Sandusky County*

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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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:

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

*Sandusky County*

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

---

**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:

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

**Wrap Around Fund** This fund accounts for and reports receipts of charges of services restricted for services which are provided to multi-need youth and families.

## ***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 Sandusky County. The Council authorizes Sandusky County, 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. Sandusky County 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 Sandusky County as required by Ohio law.

A summary of 2023 budgetary activity appears in Note 3.

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

*Sandusky County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2023*

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## ***Deposits and Investments***

The Council designated the Sandusky County Auditor as the fiscal agent for all funds received in the name of the Council. Deposits of monies are made with the Sandusky County Treasurer and fund expenditures and balances are reported through the Sandusky 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.

***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.

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

*Sandusky County*

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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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	\$120,000	\$165,448	\$45,448
Special Revenue	509,500	358,995	(150,505)
Total	<u>\$629,500</u>	<u>\$524,443</u>	<u>(\$105,057)</u>

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$133,125	\$121,440	\$11,685
Special Revenue	904,945	431,987	472,958
Total	<u>\$1,038,070</u>	<u>\$553,427</u>	<u>\$484,643</u>

## **Note 4 – Deposits and Investments**

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

	2023
Demand deposits	<u>\$565,700</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**

Insurance for comprehensive property and general liability is provided by Sandusky County.

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

*Sandusky County*

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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## **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 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 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.

## **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:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$100	\$260	\$360

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.



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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**

Sandusky County Family and Children First Council  
Sandusky County  
2511 Countryside Drive, Suite A  
Fremont, Ohio 43420

To the Members of Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements of Sandusky County Family and Children First Council, Sandusky County, Ohio (the Council) and have issued our report thereon dated November 21, 2025, 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 deficiency in internal control, described in the accompanying schedule of findings as item 2024-001 that we consider to be a material weakness.

Sandusky County Family and Children First Council  
Sandusky County  
Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
Page 2

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

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

***Council's Response to 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  
Ohio Auditor of State



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

November 21, 2025

**SANDUSKY COUNTY FAMILY AND CHILDREN FIRST COUNCIL  
SANDUSKY 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**

**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 posting estimated receipts to the ledgers to provide information for budget versus actual comparison and to allow the Council to make informed decisions regarding budgetary matters.

The original certificate and amendments establish the amounts available for expenditures for the Council and the receipts ledger provides the process by which the Council controls what is available, it is therefore necessary the amounts estimated by the County Budget Commission 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:

Estimated receipts posted in the accounting system and used in the Budgetary Activity notes to the financial statements did not agree to amounts certified by the County Budget Commission in the following amounts:

- 2024 General fund in the amount of \$50,000
- 2024 Special Revenue fund type in the amount of \$100,813

The Council's Budgetary Activity note to the financial statements for 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 estimated receipts certified by the County Budget Commission were not properly posted to the accounting system.

Failure to accurately post 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 receipts, the Council should post to the ledgers, on a timely basis, estimated receipts certified by the County Budget Commission. The Council should then monitor budget versus actual reports to help ensure estimated receipts have been properly posted to the ledgers.

**Officials' Response:**

The Council acknowledges this comment. The budgetary receipt variances noted were the result of an increase to the certificate of estimated resources that was not entered into the county's New World accounting system. This is not an action completed under the Council's direct control but procedurally involved other county offices. Going forward, the Council will work more closely with the county auditor's staff to ensure that any amendments to the certificate are properly reflected in the accounting system and financial statement notes prior to submission.

# OHIO AUDITOR OF STATE KEITH FABER



**SANDUSKY COUNTY FAMILY AND CHILDREN FIRST COUNCIL**

**SANDUSKY 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 12/4/2025**

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)