

STARK COUNTY FAMILY COUNCIL

STARK COUNTY

Regular Audit

For the Years Ended June 30, 2024 and 2023





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Columbus, Ohio 43215
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800-282-0370

Council Members
Stark County Family Council
6057 Strip Avenue NW
North Canton, Ohio 44720

We have reviewed the *Independent Auditor's Report* of the Stark County Family Council, Stark County, prepared by Charles E. Harris & Associates, Inc., for the audit period July 1, 2022 through June 30, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Stark County Family Council is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

April 09, 2025

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Stark County Family Council
Stark County
For the Years Ended June 30, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

Stark County Family Council
Stark County
6057 Strip Avenue NW
North Canton, Ohio 44720

To the Council Members:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Stark County Family Council, Stark County, Ohio (the Council), which comprise 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 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 the financial audit standards in the Comptroller General of the United States' *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 November 24, 2024 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.



Charles E. Harris & Associates, Inc.

November 24, 2024

STARK COUNTY FAMILY COUNCIL
STARK COUNTY, OHIO
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Special Revenue Fund	Totals
Cash Receipts			
Grants			
Intergovernmental - Federal	\$ -	\$ 679,456	\$ 679,456
Intergovernmental - State	38,562	1,045,473	1,084,035
Intergovernmental - Local	170,750	517,625	688,375
Miscellaneous	6,607	3,900	10,507
<i>Total Cash Receipts</i>	<u>215,919</u>	<u>2,246,454</u>	<u>2,462,373</u>
Cash Disbursements			
Salaries and Benefits	80,702	1,462,035	1,542,737
Purchased Services	11,166	681,006	692,172
Supplies and Materials	3,976	7,929	11,905
Equipment	301	9,961	10,262
Other	200	43,282	43,482
<i>Total Cash Disbursements</i>	<u>96,345</u>	<u>2,204,213</u>	<u>2,300,558</u>
<i>Net Change in Fund Cash Balances</i>	119,574	42,241	161,815
<i>Fund Cash Balances, January 1</i>	<u>104,991</u>	<u>231,091</u>	<u>336,082</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 224,565</u></u>	<u><u>\$ 273,332</u></u>	<u><u>\$ 497,897</u></u>

See accompanying notes to the financial statements

Stark County Family Council
Stark County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 1 - Reporting Entity

The Ohio Revised Code Section 121.37 created the Ohio Family and Children First Cabinet Council and permitted counties to establish County Family and Children First Councils. Statutory membership of a County Family and Children First Council consists of the following individuals:

- a. At least three individuals who are not employed by an agency represented on the council and whose families are or have received services from an agency represented on the council or another county's council. Where possible, the number of members representing families shall be equal to twenty per cent of the council's membership;
- b. The director of the board of alcohol, drug addiction, and mental health services that serves the county, or, in the case of a county that has a board of alcohol and drug addiction services and a community mental health board, the directors of both boards. If a board of alcohol, drug addiction, and mental health services covers more than one county, the director may designate a person to participate on the county's council;
- c. The health commissioner, or the commissioner's designee, of the board of health of each city and general health district in the county. If the county has two or more health districts, the health commissioner membership may be limited to the commissioners of the two districts with the largest populations;
- d. The director of the county department of job and family services;
- e. The executive director of the public children services agency;
- f. The superintendent of the county board of developmental disabilities or, if the superintendent serves as superintendent of more than one county board of developmental disabilities, the superintendent's designee;
- g. The superintendent of the city, exempted village, or local school district with the largest number of pupils residing in the county, as determined by the department of education, which shall notify each board of county commissioners of its determination at least biennially;
- h. A school superintendent representing all other school districts with territory in the county, as designated at a biennial meeting of the superintendents of those districts;
- i. A representative of the municipal corporation with the largest population in the county;
- j. The president of the board of county commissioners or an individual designated by the board;
- k. A representative of the regional office of the department of youth services;
- l. A representative of the county's head start agencies, as defined in section 3301.32 of the Revised Code;
- m. A representative of the county's early intervention collaborative established pursuant to the federal early intervention program operated under the "Individuals with Disabilities Education Act of 2004"; and
- n. A representative of a local nonprofit entity that funds, advocates, or provides services to children and families.

A county council's statutory responsibilities include the following:

- a. Referrals to the State cabinet council of those children for whom the county council cannot provide adequate services;
- b. Development and implementation of a process that annually evaluates and prioritizes services, fills service gaps where possible, and invents new approaches to achieve better results for families and children;
- c. Participation in the development of a countywide, comprehensive, coordinated, multi-disciplinary, interagency system for infants and toddlers with developmental disabilities or delays and their families, as established pursuant to federal grants received and administered by the department of health for early intervention services under the "Individuals with Disabilities Education Act of 2004";
- d. Maintenance of an accountability system to monitor the county council's progress in achieving results for families and children; and
- e. Establishment of a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the county system.

Stark County Family Council
Stark County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 1 - Reporting Entity (continued)

The Stark County Family Council (the "Council") was officially created on March 15, 1993 by proclamation of the Governor of the State of Ohio.

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 fund accounting to segregate cash and investments that are restricted as to use. The Council classifies its funds into the following types:

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 has the following significant Special Revenue Funds:

WrapAround Local Fund This fund receives local monies from various community agencies to perform multi-system service coordination.

Ohio Children's Trust Fund This fund receives grant monies to provide services aimed at preventing child abuse and neglect.

Family-Centered Services and Supports Fund This fund receives grant monies focused on maintaining children and youth in their homes and communities by meeting the multi-systemic needs of children receiving service coordination.

Multi-System Youth Custody Relinquishment Fund This fund receives grant monies to support children and youth who are at risk for custody relinquishment or have already been relinquished and need services and/or supports to transition to community and/or non-custody settings.

Help Me Grow Early Intervention (Part C) Fund This fund receives federal grant money for the purpose of providing services to families with young children who have disabilities from birth to 3 years of age.

Stark County Family Council
Stark County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 2 - Summary of Significant Accounting Policies (continued)

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 has selected the Stark County Educational Service Center. The Council authorizes the Stark County 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. Stark County 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 Board 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 ORC Section 121.37 is not a taxing authority and is not subject to Ohio Revised Code Chapter 5705. As of October, 1997, the Council is required to file a budget with the Administrative Agent. The Council filed an estimate of financial resources and an appropriation measure with the Stark County Educational Service Center as required by Ohio law. This budget includes appropriations, estimated resources and encumbrances.

Appropriations The Council is required by its fiscal agent to adopt annual appropriations.

Estimated Resources The Council's estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of July 1.

Encumbrances The Council reserves (encumbers) appropriations when commitments are made, in accordance with the procedures of its fiscal agent. Encumbrances outstanding at year-end are carried over and are not re-appropriated.

All monies (grants, contracts, fees and other receipts) paid to the Council are deposited by the fiscal agent to the Council's funds which have been created for the purpose of accounting for Council receipts and disbursements.

A summary of the fiscal year ended June 30, 2024 budgetary activity appears in Note 3.

Deposits and Investments

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

Stark County Family Council
Stark County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 2 - Summary of Significant Accounting Policies (continued)

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 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 used only to report a deficit 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.

Fiscal Year

The Council's financial statements are prepared based on a fiscal year that commences July 1 and terminates June 30 to conform with the fiscal year of its fiscal agent and major funders.

Stark County Family Council
Stark County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 3 - Budgetary Activity

Budgetary activity for the fiscal period ended June 30, 2024 is as follows:

2024 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 117,750	\$ 215,919	\$ 98,169
Special Revenue	2,731,153	2,246,454	(484,699)

2024 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 117,750	\$ 99,475	\$ 18,275
Special Revenue	2,731,153	2,681,785	49,368

Note 4 - Deposits and Investments

The Stark County Educational Service Center (the ESC), as fiscal agent for the Council, maintains a cash and investments pool used by all of the ESC's funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments, and the ESC is responsible for compliance. The carrying amount of the Council's deposits at June 30, 2024 was \$497,897.

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

Commercial Insurance

The Council has obtained commercial insurances for the following risks:

General Liability - \$1,000,000 each occurrence; \$2,000,000 aggregate - AssuredPartners of Ohio

Settled claims have not exceeded this commercial coverage in any of the last three years. There has not been a significant reduction in this coverage from the prior year.

Risk Pool Membership

The Council is a member of the Stark County Schools Council of Governments which is a shared risk pool for health insurance provided to its member employees. The pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of June 30 (the latest information available):

	2023	2022
Cash and investments	\$ 111,970,750	\$ 100,237,869
Actuarial liabilities	39,550,000	35,977,000

Stark County Family Council
Stark County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 6 - Defined Benefit Pension Plan

The Council's employees participate in 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 post-retirement healthcare, 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 a cost-sharing, multiple-employer defined benefit postemployment plan. 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. 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

The Council may be a defendant in lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Council's financial condition.

Amounts grantor agencies pay to the Council are subject to audit and adjustment by the grantor, principally the state and federal governments. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts, if any, 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	\$ 3,130	\$ 477,572	\$ 480,702

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

STARK COUNTY FAMILY COUNCIL
STARK COUNTY, OHIO
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Special Revenue Fund	Totals
Cash Receipts			
Grants			
Intergovernmental - Federal	\$ -	\$ 612,846	\$ 612,846
Intergovernmental - State	15,750	1,655,763	1,671,513
Intergovernmental - Local	50,000	254,581	304,581
Miscellaneous	-	1,250	1,250
	<u>65,750</u>	<u>2,524,440</u>	<u>2,590,190</u>
<i>Total Cash Receipts</i>			
Cash Disbursements			
Salaries and Benefits	88,755	1,319,686	1,408,441
Purchased Services	12,841	1,081,841	1,094,682
Supplies and Materials	5,099	28,677	33,776
Equipment	-	18,819	18,819
Other	602	36,464	37,066
	<u>107,297</u>	<u>2,485,487</u>	<u>2,592,784</u>
<i>Total Cash Disbursements</i>			
<i>Net Change in Fund Cash Balances</i>	(41,547)	38,953	(2,594)
<i>Fund Cash Balances, January 1</i>	<u>146,538</u>	<u>192,138</u>	<u>338,676</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 104,991</u></u>	<u><u>\$ 231,091</u></u>	<u><u>\$ 336,082</u></u>

See accompanying notes to the financial statements

Stark County Family Council
Stark County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2023

Note 1 - Reporting Entity

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- d. The director of the county department of job and family services;
- e. The executive director of the public children services agency;
- f. The superintendent of the county board of developmental disabilities or, if the superintendent serves as superintendent of more than one county board of developmental disabilities, the superintendent's designee;
- g. The superintendent of the city, exempted village, or local school district with the largest number of pupils residing in the county, as determined by the department of education, which shall notify each board of county commissioners of its determination at least biennially;
- h. A school superintendent representing all other school districts with territory in the county, as designated at a biennial meeting of the superintendents of those districts;
- i. A representative of the municipal corporation with the largest population in the county;
- j. The president of the board of county commissioners or an individual designated by the board;
- k. A representative of the regional office of the department of youth services;
- l. A representative of the county's head start agencies, as defined in section 3301.32 of the Revised Code;
- m. A representative of the county's early intervention collaborative established pursuant to the federal early intervention program operated under the "Individuals with Disabilities Education Act of 2004"; and
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- d. Maintenance of an accountability system to monitor the county council's progress in achieving results for families and children; and
- e. Establishment of a mechanism to ensure ongoing input from a broad representation of families who are receiving services within the county system.

Stark County Family Council
Stark County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2023

Note 1 - Reporting Entity (continued)

The Stark County Family Council (the "Council") was officially created on March 15, 1993 by proclamation of the Governor of the State of Ohio.

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 fund accounting to segregate cash and investments that are restricted as to use. The Council classifies its funds into the following types:

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Administrative/Fiscal Agent

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Stark County Family Council
Stark County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2023

Note 2 - Summary of Significant Accounting Policies (continued)

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 Board 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 ORC Section 121.37 is not a taxing authority and is not subject to Ohio Revised Code Chapter 5705. As of October, 1997, the Council is required to file a budget with the Administrative Agent. The Council filed an estimate of financial resources and an appropriation measure with the Stark County Educational Service Center as required by Ohio law. This budget includes appropriations, estimated resources and encumbrances.

Appropriations - The Council is required by its fiscal agent to adopt annual appropriations.

Estimated Resources - The Council's estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of July 1.

Encumbrances - The Council reserves (encumbers) appropriations when commitments are made, in accordance with the procedures of its fiscal agent. Encumbrances outstanding at year-end are carried over and are not re-appropriated.

All monies (grants, contracts, fees and other receipts) paid to the Council are deposited by the fiscal agent to the Council's funds which have been created for the purpose of accounting for Council receipts and disbursements.

A summary of the fiscal year ended June 30, 2023 budgetary activity appears in Note 3.

Deposits and Investments

The Council designated the Stark County Educational Service Center as the fiscal agent for all funds received in the name of the Council. Deposits of monies are made with the Stark County Educational Service Center and fund expenditures and balances are reported through the Stark County 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 or retirement, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Stark County Family Council
Stark County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2023

Note 2 - Summary of Significant Accounting Policies (continued)

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 used only to report a deficit 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.

Fiscal Year

The Council's financial statements are prepared based on a fiscal year that commences July 1 and terminates June 30 to conform with the fiscal year of its fiscal agent and major funders.

Note 3 - Budgetary Activity

Budgetary activity for the fiscal period ended June 30, 2023 is as follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted	Actual	Variance
	Receipts	Receipts	
General	\$ 65,750	\$ 65,750	\$ -
Special Revenue	2,528,950	2,524,440	(4,510)

Stark County Family Council
Stark County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2023

Note 3 - Budgetary Activity (continued)

2023 Budgeted vs. Actual Budgetary Basis Disbursements			
	Appropriation	Budgetary	
Fund Type	Authority	Disbursements	Variance
General	\$ 83,802	\$ 113,343	\$29,541
Special Revenue	2,686,050	2,990,192	(304,142)

Note 4 - Deposits and Investments

The Stark County Educational Service Center (the ESC), as fiscal agent for the Council, maintains a cash and investments pool used by all of the ESC's funds, including those of the Council. The Ohio Revised Code prescribes allowable deposits and investments, and the ESC is responsible for compliance. The carrying amount of the Council's deposits at June 30, 2023 was \$336,082.

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

Note 5 - Risk Management

The Council has obtained commercial insurances for the following risks:

General Liability - \$1,000,000 each occurrence; \$2,000,000 aggregate - AssuredPartners of Ohio

Settled claims have not exceeded this commercial coverage in any of the last three years. There has not been a significant reduction in this coverage from the prior year.

The Council is a member of the Stark County Schools Council of Governments which is a shared risk pool for health insurance provided to its member employees. The pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of June 30:

	2023	2022
Cash and investments	\$ 111,970,750	\$ 100,237,869
Actuarial liabilities	39,550,000	35,977,000

Note 6 - Defined Benefit Pension Plan

The Council's employees participate in 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 post-retirement healthcare, 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 a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions SERS allocated to health care was 0.5 percent during fiscal year 2023.

Stark County Family Council
Stark County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2023

Note 8 - Contingent Liabilities

Amounts grantor agencies pay to the Council are subject to audit and adjustment by the grantor, principally the state and federal governments. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts, if any, 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:

	Special		
Fund Balances	General	Revenue	Total
Outstanding Encumbrances	\$ 6,046	\$ 504,705	\$ 510,751

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

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

Stark County Family Council
Stark County
6057 Strip Avenue NW
North Canton, Ohio 44720

To the Council Members:

We have audited, in accordance with 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, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the years ended June 30, 2024 and 2023 and the related notes to the financial statements of the Stark County Family Council, Stark County, (the Council) and have issued our report thereon dated November 24, 2024, 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 purposes 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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*.

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.



Charles E. Harris & Associates, Inc.
November 24, 2024

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OHIO AUDITOR OF STATE KEITH FABER



STARK COUNTY FAMILY COUNCIL

STARK 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 4/22/2025

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