



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

COUNCIL FOR UNION COUNTY FAMILIES
UNION COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

Members of Council
Council for Union County Families
131 N. Main Street, Ste. H
Marysville, Ohio 43040

We have reviewed the *Independent Auditor's Report* of the Council for Union County Families, Union County, prepared by BHM CPA Group, 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 Council for Union County Families is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

May 07, 2025

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COUNCIL FOR UNION COUNTY FAMILIES
UNION COUNTY

For the Fiscal Years Ended June 30, 2024 and 2023
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INDEPENDENT AUDITOR'S REPORT

Council for Union County Families
Union County
131 N. Main Street, Ste. H
Marysville, Ohio 43040

To the Members of Council:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

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

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 1.

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 1 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 1 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.

Council for Union County Families
Union County
Independent Auditor's Report
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- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 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.

BHM CPA Group

BHM CPA Group, Inc.
Portsmouth, Ohio
January 8, 2025

Council for Union County Families
Union County, Ohio
Combined Statement of Cash Receipts, Cash Disbursements
And Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Fiscal Year Ended June 30, 2024

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts:			
Intergovernmental	\$ 330,671	\$ -	\$ 330,671
Charges for Services	369	-	369
Reimbursements	135	-	135
<i>Total Cash Receipts</i>	<i>331,175</i>	<i>-</i>	<i>331,175</i>
Cash Disbursements:			
Salaries	145,107	-	145,107
Supplies	3,255	-	3,255
Contract Services	180,204	-	180,204
Travel	522	-	522
Equipment	1,351	-	1,351
Intergovernmental	7,214	-	7,214
Insurance	20,534	-	20,534
Public Employee's Retirement	20,315	-	20,315
Worker's Compensation	691	-	691
Medicare	2,030	-	2,030
<i>Total Cash Disbursements</i>	<i>381,223</i>	<i>-</i>	<i>381,223</i>
<i>Net Change in Fund Cash Balances</i>	<i>(50,048)</i>	<i>-</i>	<i>(50,048)</i>
<i>Fund Cash Balances, July 1, 2023</i>	<i>203,417</i>	<i>31,725</i>	<i>235,142</i>
<i>Fund Cash Balances, June 30, 2024</i>	<i>\$ 153,369</i>	<i>\$ 31,725</i>	<i>\$ 185,094</i>

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

**COUNCIL FOR UNION COUNTY FAMILIES
UNION COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Section 121.37, Ohio Rev. Code, created the Ohio Family and Children First Cabinet Council permitting counties to establish county family and children first councils. Statutory membership of Council for Union County Families consists of the following individuals:

- a. At least three individuals representing the interest of families in the County. Where possible, the number of members representing families shall be equal to twenty per cent of Council for Union County Families' remaining membership;
- b. The Director of the Board of Alcohol, Drug Addiction, and Mental Health Services that serves the County, or, in the case of a County that has a Board of Alcohol and Drug Addiction Services and a Community Mental Health Board, the Directors of both Boards. If a Board of Alcohol, Drug 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 or General Health District in the County. If the County has two or more health districts, the Health Commissioner membership may be limited to the Commissioners of the two districts with the largest populations;
- d. The Director of the County Department of Job and Family Services;
- e. The Executive Director of the public children services agency or the County agency responsible for the administration of children services pursuant to the Ohio Revised Code Section 5153.15;
- f. The Superintendent of the County board of Developmental Disabilities or if the Superintendent serves as Superintendent as more than one County Board of Developmental Disabilities, the Superintendent's designee;
- g. The superintendent of the city, exempted village, or local school district with the largest number of pupils residing in the County, as determined by the Ohio Department of Education, which shall notify each County of its determination at least biennially;
- h. A School Superintendent representing all other school districts within the territory in the County, as designated at a biennial meeting of the superintendents of those districts;
- i. A representative of the municipal corporation with the largest population in the county;
- j. The President of the Board of County Commissioners or an individual designated by the Board;
- k. A representative of the regional office of the Ohio Department of Youth Services;
- l. A representative of the County's Head Start agencies, as defined in the Ohio Revised Code Section 3301.32;
- m. A representative of the County's Early Intervention collaborative established pursuant to the federal early intervention program operated under the "Individuals with Disabilities Education Act of 2004"; and
- n. A representative of a local nonprofit entity that funds, advocates, or provide services to children and families.

**COUNCIL FOR UNION COUNTY FAMILIES
UNION COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Description of the Entity (Continued)

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 Council for Union County Families.

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

- a. Referrals to the Cabinet Council of those children for whom the County Council cannot provide adequate services;
- b. Development and implementation of a process that annually evaluates and prioritizes services, fills service gaps where possible, and invents new approaches to achieve better results for families and children;
- c. Participation in the development of a countywide, comprehensive, coordinated, multidisciplinary 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 board representation of families who are receiving services within the County system.

B. Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of Council for Union County Families consists of all funds, departments, and activities that are not legally separate from Council for Union County Families. They comprise Council for Union County Families’ legal entity which provides services including human, social, health and education to families and children.

Component units are legally separate organizations for which Council for Union County Families is financially accountable. Council for Union County Families is financially accountable for an organization if Council for Union County Families appoints a voting majority of the organization’s governing board and (1) Council for Union County Families is able to significantly influence the programs or services performed or provided by the organization; or (2) Council for Union County Families is legally entitled to or can otherwise access the organization’s resources; Council for Union County Families is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or Council for Union County Families is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on Council for Union County Families in that Council for Union County Families approves the budget, the issuance of debt, or the levying of taxes. Council for Union County Families has no component units.

Council for Union County Families’ management believes these financial statements present all activities for which Council for Union County Families is financially accountable.

**COUNCIL FOR UNION COUNTY FAMILIES
UNION COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. 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. Council for Union County Families 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.

D. Fund Accounting

Council for Union County Families uses fund accounting to segregate cash deposits that are restricted as to use. Council for Union County Families classifies its funds into the following types:

- 1. General Fund** – The General Fund is the operating fund of Council for Union County Families. It is used to account and report all financial resources not accounted for and reported in another fund.
- 2. Special Revenue Funds** – These funds are used to account for and report specific sources (other than from trusts or for capital projects) that are restricted or committed to expenditure for specified purposes. Council for Union County Families had the following significant Special Revenue Funds:

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

E. Administrative/Fiscal Agent

Ohio Revised Code Section 121.37(B)(5)(a) requires Council for Union County Families to select an administrative agent to provide fiscal and administrative services to Council for Union County Families. Council for Union County Families has selected the Union County Mental Health Board to serve as the administrative agent beginning January 1, 2019. Council for Union County Families authorizes the Union County Mental Health Board, as fiscal and administrative agent to subcontract with, designate, and/or seek assistance from any agencies and/or organizations that it deems necessary in order to complete the obligations set forth in the agreement. The Union County Mental Health Board agree to be ultimately responsible for fulfilling the fiscal and administrative obligations of the agreement. The Union County Auditor provides financial services to the Union County Mental Health Board and as result of the administrative agent selection also provides financial services to Council for Union County Families.

F. 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. Council for Union County Families filed an estimate of financial resources and an appropriation measure with the Union County Auditor as required by Ohio law.

A Summary of 2024 budgetary activity appears in Note 3.

**COUNCIL FOR UNION COUNTY FAMILIES
UNION COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Deposits and Investments

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

H. Capital Assets

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

I. Leases and SBITAs

The Council has entered into noncancelable Subscription-Based Information Technology Arrangements (SBITA) contracts (as defined by GASB 96) for several types of software including contracts related to financial systems and various other software. Subscription disbursements are recognized when they are paid.

J. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which Council for Union County Families must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. **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.
2. **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.
3. **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.
4. **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.
5. **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.

**COUNCIL FOR UNION COUNTY FAMILIES
UNION COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Fund Balance (Continued)

Council for Union County Families 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 8.

2. EQUITY IN POOLED CASH

The Union County Treasurer maintains a cash and investment pool used by all of Union County, including those of Council for Union County Families. The Ohio Revised Code prescribes allowable deposits and investments and the Union County Treasurer is responsible for compliance. The carrying amount of deposits and investments June 30, 2024 was \$185,094.

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.

3. BUDGETARY ACTIVITY

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

2024 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 497,822	\$ 331,175	\$ (166,647)
Special Revenue	-	-	\$ -
Total	\$ 497,822	\$ 331,175	\$ (166,647)

2024 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 513,797	\$ 421,047	\$ 92,750
Special Revenue	-	-	\$ -
Total	\$ 513,797	\$ 421,047	\$ 92,750

**COUNCIL FOR UNION COUNTY FAMILIES
UNION COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

4. DEFINED BENEFIT PENSION PLANS

Council for Union County Families' employees belong to the Ohio Public Employees Retirement System (OPERS) of Ohio. OPERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

The Ohio Revised Code also prescribes contribution rates. For 2024, members of OPERS contributed 10 percent of their wages to OPERS. Council for Union County Families contributed an amount equal to 14 percent of each employee's gross salary for 2024. Council for Union County Families has paid all contributions required through June 30, 2024.

5. POSTEMPLOYMENT BENEFITS

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. SERS' Health Care program provides health care benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and, therefore, enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. For fiscal year 2024, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2024, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves. The portion of employer contributions allocated to health care for SERS members was 0 percent, for the period from July 1, 2023, through July 1, 2024.

6. RISK MANAGEMENT

Commercial Insurance

Council for Union County Families is covered under Union County Mental Health Board policy which includes:

- Comprehensive property and general liability;
- Errors and omissions

7. CONTINGENT LIABILITIES

Amounts grantor agencies pay to Council for Union County Families are subject to audit and adjustment by the grantor. 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.

**COUNCIL FOR UNION COUNTY FAMILIES
UNION COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

8. 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	\$39,824	\$0	\$39,824
Total	\$39,824	\$0	\$39,824

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.

Council for Union County Families
Union County, Ohio
Combined Statement of Cash Receipts, Cash Disbursements
And Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Fiscal Year Ended June 30, 2023

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts:			
Intergovernmental	\$ 502,945	\$ -	\$ 502,945
Local Contributions	18,500	-	18,500
Reimbursements	495	-	495
<i>Total Cash Receipts</i>	<u>521,940</u>	-	<u>521,940</u>
Cash Disbursements:			
Salaries	183,323		183,323
Supplies	2,998		2,998
Contract Services	199,458		199,458
Travel	147		147
Insurance	21,406		21,406
Public Employee's Retirement	25,307		25,307
Worker's Compensation	1,106		1,106
Medicare	2,608		2,608
<i>Total Cash Disbursements</i>	<u>436,353</u>	-	<u>436,353</u>
<i>Net Change in Fund Cash Balances</i>	<u>85,587</u>	-	<u>85,587</u>
<i>Fund Cash Balances, July 1, 2022</i>	<u>117,830</u>	<u>31,725</u>	<u>149,555</u>
<i>Fund Cash Balances, June 30, 2023</i>	<u>\$ 203,417</u>	<u>\$ 31,725</u>	<u>\$ 235,142</u>

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

**COUNCIL FOR UNION COUNTY FAMILIES
UNION COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Section 121.37, Ohio Rev. Code, created the Ohio Family and Children First Cabinet Council permitting counties to establish county family and children first councils. Statutory membership of Council for Union County Families consists of the following individuals:

- a. At least three individuals representing the interest of families in the County. Where possible, the number of members representing families shall be equal to twenty per cent of Council for Union County Families' remaining membership;
- b. The Director of the Board of Alcohol, Drug Addiction, and Mental Health Services that serves the County, or, in the case of a County that has a Board of Alcohol and Drug Addiction Services and a Community Mental Health Board, the Directors of both Boards. If a Board of Alcohol, Drug 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 or General Health District in the County. If the County has two or more health districts, the Health Commissioner membership may be limited to the Commissioners of the two districts with the largest populations;
- d. The Director of the County Department of Job and Family Services;
- e. The Executive Director of the public children services agency or the County agency responsible for the administration of children services pursuant to the Ohio Revised Code Section 5153.15;
- f. The Superintendent of the County board of Developmental Disabilities or if the Superintendent serves as Superintendent as more than one County Board of Developmental Disabilities, the Superintendent's designee;
- g. The superintendent of the city, exempted village, or local school district with the largest number of pupils residing in the County, as determined by the Ohio Department of Education, which shall notify each County of its determination at least biennially;
- h. A School Superintendent representing all other school districts within the territory in the County, as designated at a biennial meeting of the superintendents of those districts;
- i. A representative of the municipal corporation with the largest population in the county;
- j. The President of the Board of County Commissioners or an individual designated by the Board;
- k. A representative of the regional office of the Ohio Department of Youth Services;
- l. A representative of the County's Head Start agencies, as defined in the Ohio Revised Code Section 3301.32;
- m. A representative of the County's Early Intervention collaborative established pursuant to the federal early intervention program operated under the "Individuals with Disabilities Education Act of 2004"; and
- n. A representative of a local nonprofit entity that funds, advocates, or provide services to children and families.

**COUNCIL FOR UNION COUNTY FAMILIES
UNION COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Description of the Entity (Continued)

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 Council for Union County Families.

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

- a. Referrals to the Cabinet Council of those children for whom the County Council cannot provide adequate services;
- b. Development and implementation of a process that annually evaluates and prioritizes services, fills service gaps where possible, and invents new approaches to achieve better results for families and children;
- c. Participation in the development of a countywide, comprehensive, coordinated, multidisciplinary 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 board representation of families who are receiving services within the County system.

B. Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of Council for Union County Families consists of all funds, departments, and activities that are not legally separate from Council for Union County Families. They comprise Council for Union County Families’ legal entity which provides services including human, social, health and education to families and children.

Component units are legally separate organizations for which Council for Union County Families is financially accountable. Council for Union County Families is financially accountable for an organization if Council for Union County Families appoints a voting majority of the organization’s governing board and (1) Council for Union County Families is able to significantly influence the programs or services performed or provided by the organization; or (2) Council for Union County Families is legally entitled to or can otherwise access the organization’s resources; Council for Union County Families is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or Council for Union County Families is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on Council for Union County Families in that Council for Union County Families approves the budget, the issuance of debt, or the levying of taxes. Council for Union County Families has no component units.

Council for Union County Families’ management believes these financial statements present all activities for which Council for Union County Families is financially accountable.

**COUNCIL FOR UNION COUNTY FAMILIES
UNION COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. 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. Council for Union County Families 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.

D. Fund Accounting

Council for Union County Families uses fund accounting to segregate cash deposits that are restricted as to use. Council for Union County Families classifies its funds into the following types:

- 1. General Fund** – The General Fund is the operating fund of Council for Union County Families. It is used to account and report all financial resources not accounted for and reported in another fund.
- 2. Special Revenue Funds** – These funds are used to account for and report specific sources (other than from trusts or for capital projects) that are restricted or committed to expenditure for specified purposes. Council for Union County Families had the following significant Special Revenue Funds:

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

E. Administrative/Fiscal Agent

Ohio Revised Code Section 121.37(B)(5)(a) requires Council for Union County Families to select an administrative agent to provide fiscal and administrative services to Council for Union County Families. Council for Union County Families has selected the Union County Mental Health Board to serve as the administrative agent beginning January 1, 2019. Council for Union County Families authorizes the Union County Mental Health Board, as fiscal and administrative agent to subcontract with, designate, and/or seek assistance from any agencies and/or organizations that it deems necessary in order to complete the obligations set forth in the agreement. The Union County Mental Health Board agree to be ultimately responsible for fulfilling the fiscal and administrative obligations of the agreement. The Union County Auditor provides financial services to the Union County Mental Health Board and as result of the administrative agent selection also provides financial services to Council for Union County Families.

F. 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. Council for Union County Families filed an estimate of financial resources and an appropriation measure with the Union County Auditor as required by Ohio law.

A Summary of 2023 budgetary activity appears in Note 3.

**COUNCIL FOR UNION COUNTY FAMILIES
UNION COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Deposits and Investments

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

H. Capital Assets

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

I. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which Council for Union County Families must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. **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.
2. **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.
3. **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.
4. **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.
5. **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.

**COUNCIL FOR UNION COUNTY FAMILIES
UNION COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Fund Balance (Continued)

Council for Union County Families 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.

2. EQUITY IN POOLED CASH

The Union County Treasurer maintains a cash and investment pool used by all of Union County, including those of Council for Union County Families. The Ohio Revised Code prescribes allowable deposits and investments and the Union County Treasurer is responsible for compliance. The carrying amount of deposits and investments June 30, 2023 was \$235,142.

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.

3. BUDGETARY ACTIVITY

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

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 495,635	\$ 521,940	\$ 26,305
Special Revenue	-	-	\$ -
Total	\$ 495,635	\$ 521,940	\$ 26,305

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 553,597	\$ 445,771	\$ 107,826
Special Revenue	-	-	\$ -
Total	\$ 553,597	\$ 445,771	\$ 107,826

4. DEFINED BENEFIT PENSION PLANS

Council for Union County Families' employees belong to the Ohio Public Employees Retirement System (OPERS) of Ohio. OPERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

The Ohio Revised Code also prescribes contribution rates. For 2023, members of OPERS contributed 10% percent of their wages to OPERS. Council for Union County Families contributed an amount equal to 14% percent of each employee's gross salary for 2023. Council for Union County Families has paid all contributions required through June 30, 2023.

**COUNCIL FOR UNION COUNTY FAMILIES
UNION COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

5. POSTEMPLOYMENT BENEFITS

OPERS offer 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 allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during fiscal year 2023. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during fiscal year 2023.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

6. RISK MANAGEMENT

Commercial Insurance

Council for Union County Families is covered under Union County Mental Health Board policy which includes:

- Comprehensive property and general liability;
- Errors and omissions

7. CONTINGENT LIABILITIES

Amounts grantor agencies pay to Council for Union County Families are subject to audit and adjustment by the grantor. 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.

8. COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2022, the Council received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Council. The impact on the Council's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

**COUNCIL FOR UNION COUNTY FAMILIES
UNION COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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	\$9,419	\$0	\$9,419
Total	\$9,419	\$0	\$9,419

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**

Council for Union County Families
Union County
131 N. Main Street, Ste. H
Marysville, Ohio 43040

To the Members of Council:

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 (Government Auditing Standards), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the years ended June 30, 2024 and 2023 and the related notes to the financial statements of the Council for Union County Families, Union County, (the Council) and have issued our report thereon dated January 8, 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 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.

Council for Union County Families
Union 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*.

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.

BHM CPA Group

BHM CPA Group, Inc.
Portsmouth, Ohio
January 8, 2025

OHIO AUDITOR OF STATE KEITH FABER



COUNCIL FOR UNION COUNTY FAMILIES

UNION 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 5/20/2025

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