



Dave Yost • Auditor of State

**SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES
ROSS COUNTY**

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ROSS COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

South Central Ohio Job and Family Services
Ross County
475 Western Avenue Suite B
Chillicothe, Ohio 45601

To the Board:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the South Central Ohio Job and Family Services, Ross County, Ohio (the Board), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Board's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Board's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the South Central Ohio Job and Family Services, Ross County, Ohio, as of June 30, 2014, and the respective changes in financial position thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis and Required budgetary comparison schedules* listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the Board's basic financial statements taken as a whole.

The Schedule of Federal Award Expenditures presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is also not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2015, on our consideration of the Board'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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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 Board's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

March 25, 2015

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SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2014 (Unaudited)

The discussion and analysis of the South Central Ohio Job and Family Services (the Board) financial performance provides an overview and analysis of the Board's financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the Board's financial performance as a whole. Readers should also review our notes to the basic financial statements and the financial statements themselves to enhance their understanding of the Board's financial performance. Certain comparative information between the current year and the prior year is required to be presented in the MD&A. However, the Board began operations January 1, 2013, therefore, the comparison information for the prior year is only for a six month period.

Financial Highlights

- ▶ The assets of South Central Ohio Job and Family Services exceeded its liabilities at June 30, 2014 by \$848,408.
- ▶ In total, net position of governmental activities decreased by \$239,966 or 22.05 percent.
- ▶ Program specific revenues in the form of charges for services and grants and contributions accounted for \$17,800,850 or 90.34 percent of total revenues.
- ▶ The Board had \$19,944,258 in expenses related to governmental activities; \$17,800,850 of these expenses was offset by programs specific charges for services, grants and contributions. General revenues (primarily taxes) and miscellaneous revenues of \$1,903,442 were utilized to provide for these programs.
- ▶ The Board recognizes five major governmental funds: the Public Assistance Fund, the Child Support Fund, the Children's Services Fund, the Workforce Development Fund and the Help Me Grow Fund. In terms of dollars received and spent, the Public Assistance Fund is significantly larger than all the other funds of the Board. The Public Assistance Fund had \$11,684,616 in revenues and \$14,039,546 in expenditures in fiscal year 2014.

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. These statements are presented following the requirements of GASB Statement No. 34, and are organized so the reader can understand South Central Ohio Job and Family Services as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

This discussion and analysis is intended to serve as an introduction to the Board's basic financial statements. The Board's basic financial statements are comprised of three components: the government-wide financial statements, fund financial statements and notes to the basic financial statements.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
(Unaudited)*

Reporting the Board as a Whole

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Board's finances, in a manner similar to private-sector business. The statement of net position and statement of activities provide information about the activities of the whole Board, presenting both an aggregate view of the Board's finances and a longer-term view of those finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

The statement of net position presents information on all of the Board's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position are important because they serve as a useful indicator of whether the financial position of the Board as a whole is improving or deteriorating. The cause of this change may be the result of several factors, some financial and some not. Nonfinancial factors include the Board's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required but unfunded programs, and other factors. Ultimately, the Board's goal is to provide services to our citizens, not to generate profits as commercial entities do.

The statement of activities presents information showing how the Board's net position changed during the recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

In both of the government-wide financial statements, the Board activities are shown as governmental activities. All of the Board's programs and services are reported here including public assistance, workforce development, children's services and child support enforcement. These services are funded primarily by taxes, charges for services, and intergovernmental revenues including federal and state grants and other shared revenues.

Reporting the Board's Most Significant Funds

Fund Financial Statements

The analysis of the Board's major fund begins on page 14. Fund financial reports provide detailed information about the Board's major fund. The Board uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Board's most significant funds. The Board's major governmental funds are the Public Assistance, Child Support, Children's Services, Workforce Development and Help Me Grow Funds.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objective. The Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Board can be divided into one of two categories: governmental and fiduciary funds.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
(Unaudited)*

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term requirements. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Board's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Fiduciary Funds

The Board's fiduciary fund is a private purpose trust. The Board's fiduciary fund is reported in separate financial statements. We exclude these activities from the Board's other financial statements because the Board cannot use these assets to finance its operations. The Board is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Fiduciary funds use the accrual basis of accounting.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
(Unaudited)*

Government-Wide Financial Analysis

Recall that the statement of net position provides the perspective of the Board as a whole, showing assets, liabilities, and the difference between them (net position). Table 1 provides a summary of the Board's net position for fiscal year 2014 and provides a comparison to fiscal year 2013.

Table 1
Net Position at Year End

	<u>Governmental Activities</u>	
	<u>2014</u>	<u>2013</u>
<u>Assets:</u>		
Current and Other Assets	\$3,111,951	\$3,064,849
Capital Assets, net	214,951	325,083
<i>Total Assets</i>	<u>3,326,902</u>	<u>3,389,932</u>
<u>Liabilities:</u>		
Long-Term Liabilities	872,205	910,372
Other Liabilities	1,606,289	1,391,186
<i>Total Liabilities</i>	<u>2,478,494</u>	<u>2,301,558</u>
<u>Net Position:</u>		
Net Investment in Capital Assets	202,928	306,464
Restricted	645,480	781,910
<i>Total Net Position</i>	<u>\$848,408</u>	<u>\$1,088,374</u>

Current and other assets increased \$47,102 or 1.54 percent from fiscal year 2013 due to an increase in cash and cash equivalents.

Capital assets decreased by \$110,132 or 33.88 percent during fiscal year 2014 due to the disposal of a few vehicles and current year depreciation.

Current (other) liabilities increased by \$215,103 or 15.46 percent due primarily to an increase in contracts payable.

Long-term liabilities decreased by \$38,167 or 4.19 percent due primarily to a decrease in compensated absences.

The net position of \$645,480 or 76.08 percent is restricted. Restricted net position is subject to external restrictions on how it may be used.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
(Unaudited)*

The remaining portion of net position of \$202,928 is related to net investment in capital assets. This accounts for 23.92 percent of net position. The Board used these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Board's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to pay these liabilities.

Table 2 shows the changes in net position for fiscal year 2014 and provides a comparison to fiscal year 2013.

Table 2
Changes in Net Position

	Governmental Activities	
	2014	2013
<u>Revenues:</u>		
<i>Program Revenues:</i>		
Charges for Services and Sales	\$538,599	\$455,266
Operating Grants and Contributions	17,262,251	10,501,929
<i>General Revenues:</i>		
Property Taxes	957,555	543,486
Refunds	54,302	131,273
Miscellaneous	891,585	367,498
Total Revenues	19,704,292	11,999,452
<u>Expenses:</u>		
<i>Program Expenses:</i>		
Public Assistance	14,105,883	7,722,462
Child Support	1,975,292	1,239,948
Children's Services	2,938,640	1,593,372
Workforce Development	777,289	276,483
Help Me Grow	145,448	77,701
Interest and Fiscal Charges	1,706	1,112
Total Expenses	19,944,258	10,911,078
Change in Net Position	(239,966)	1,088,374
Net Position - Beginning of Year	1,088,374	0
Net Position - End of Year	\$848,408	\$1,088,374

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
(Unaudited)*

The most significant program expenses for the Board are Public Assistance, Child Support, and Children's Services. These programs account for 95.37 percent of the total governmental activities. Public Assistance, which accounts for 70.73 percent of the total, represents costs associated with providing public assistance to general relief recipients and to pay their providers of medical assistance and certain public social services. Children's Services, which represents 14.74 percent of the total, represent costs associated with providing foster care and other services for neglected, battered and abused children. Child Support, which represents 9.90 percent of the total, represents costs associated with providing reimbursements of expenditures for child support enforcement operations.

The Board had program revenue of \$17,800,850, and general revenue of \$1,903,442.

The total expenses for governmental activities were \$19,944,258.

Governmental Activities

The Board is heavily dependent on intergovernmental revenue and, like most Ohio governments, is hampered by a lack of revenue growth. Property taxes made up 4.86 percent and intergovernmental revenue made up 87.61 percent of the total revenue for the governmental activities in fiscal year 2014.

Public Assistance accounts for 70.73 percent of governmental activities program expenses. The statement of activities shows the cost of program services and charges for services and grants offsetting those services.

Table 3 shows, for governmental activities, the total cost of services and the net cost of services for fiscal year 2014 and provides a comparison to fiscal year 2013. That is, it identifies the cost of these services supported by tax revenue and miscellaneous revenue.

Table 3

	Net Cost of Governmental Activities			
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
	<u>2014</u>	<u>2014</u>	<u>2013</u>	<u>2013</u>
<i>Program Expenses:</i>				
Public Assistance	\$14,105,883	\$2,507,634	\$7,722,462	\$1,188,459
Child Support	1,975,292	(325,804)	1,239,948	(107,018)
Children's Services	2,938,640	494,956	1,593,372	(784,230)
Workforce Development	777,289	(496,168)	276,483	(320,339)
Help Me Grow	145,448	(38,916)	77,701	(24,101)
Interest and Fiscal Charges	<u>1,706</u>	<u>1,706</u>	<u>1,112</u>	<u>1,112</u>
Total Expenses	<u><u>\$19,944,258</u></u>	<u><u>\$2,143,408</u></u>	<u><u>\$10,911,078</u></u>	<u><u>(\$46,117)</u></u>

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2014 (Unaudited)

It should be noted that 89.25 percent of the costs of services for governmental activities are derived from program revenues including charges for services and operating grants and other contributions. The \$2,507,634 in net cost of services for Public Assistance demonstrates the costs of services that are not supported from the state and federal grant resources. For 2014, the net cost of providing these Public Assistance was only 17.78 percent of the total cost.

The Board's Funds

The Board's governmental funds are accounted for using the modified accrual basis of accounting (See Note 2 for discussion of significant accounting policies). All governmental funds had total revenues and other financing sources of \$21,610,626 and expenditures and other financing uses of \$21,778,627.

The fund balances of the total governmental funds decreased by \$168,001 or 10.04 percent. The decrease in fund balance for the year was most significant in the Public Assistance Fund, which decreased \$448,596 or 66.91 percent.

Budget Highlights

The Board's budget is reflected in the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

During fiscal year 2014, the Board amended its budget to reflect changing circumstances. The budgeted receipts and disbursements are prepared on a program-based budget technique that is designed to control program budgets while providing administrators and supervisors flexibility for program management.

For the Public Assistance Fund, the final budget basis revenue was \$12,738,120, representing an increase of \$190,525 from the original budget revenues of \$12,547,595. The final budget reflected a 1.52 percent increase from the original budgeted amount. The final budget basis expenditures were \$14,806,501 representing an increase of \$1,064,328 from the original budget basis expenditures of \$13,742,173. The final budget reflected a 7.74 percent increase from the original budgeted amount. There was an 8.32 percent positive variance in actual expenditures as compared to the final budget.

For the Child Support Fund, the final budget basis revenue was \$2,178,170, representing a decrease of \$781,606 from the original budget revenues of \$2,959,776. The final budget reflected a 26.41 percent increase from the original budgeted amount. The final budget basis expenditures were \$1,860,975 representing a decrease of \$149,380 from the original budget basis expenditures of \$2,010,355. The final budget reflected a 7.43 percent decrease from the original budgeted amount. There was a 13.82 percent positive variance in actual expenditures as compared to the final budget.

For the Children's Services Fund, the final budget basis revenue was \$4,134,629, representing a decrease of \$309,183 from the original budget revenues of \$4,443,812. The final budget reflected a 6.96 percent increase from the original budgeted amount. The final budget basis expenditures were \$3,027,070 representing a decrease of \$179,503 from the original budget basis expenditures of \$3,206,573. The final budget reflected a 5.60 percent increase from the original budgeted amount. There was a 1.27 percent positive variance in actual expenditures as compared to the final budget.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
(Unaudited)*

For the Workforce Development Fund, the final budget basis revenue was \$1,960,284, representing an increase of \$427,340 from the original budget revenues of \$1,532,944. The final budget reflected a 27.88 percent increase from the original budgeted amount. The final budget basis expenditures were \$1,281,583 representing an increase of \$553,455 from the original budget basis expenditures of \$728,128. The final budget reflected a 76.01 percent increase from the original budgeted amount. There was a 39.35 percent positive variance in actual expenditures as compared to the final budget.

For the Help Me Grow Fund, the final budget basis revenue was \$163,702, representing a decrease of \$19,833 from the original budget revenues of \$183,535. The final budget reflected a 10.81 percent increase from the original budgeted amount. The final budget basis expenditures were \$163,702 representing a decrease of \$19,833 from the original budget basis expenditures of \$183,535. The final budget reflected a 10.81 percent decrease from the original budgeted amount. There was a 11.15 percent positive variance in actual expenditures as compared to the final budget.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2014, the Board had \$767,108 invested in furniture, fixtures, and equipment, and vehicles, of which all was in governmental activities. That total carries an accumulated depreciation of \$552,157. Table 4 shows fiscal year 2014 balances and provides a comparison to fiscal year 2013.

Table 4

Capital Assets & Accumulated Depreciation at Year End

	Governmental Activities	
	2014	2013
<i>Depreciable Capital Assets:</i>		
Furniture, Fixtures and Equipment	603,555	603,555
Vehicles	163,553	224,347
<i>Total Capital Assets</i>	<u>767,108</u>	<u>827,902</u>
<i>Less Accumulated Depreciation:</i>		
Furniture, Fixtures and Equipment	400,307	340,888
Vehicles	151,850	161,931
<i>Total Accumulated Depreciation</i>	<u>552,157</u>	<u>502,819</u>
Capital Assets, Net	<u>\$214,951</u>	<u>\$325,083</u>

More detailed information pertaining to the Board's capital asset activity can be found in the notes to the basic financial statements.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
(Unaudited)*

Debt Administration

At June 30, 2014, the Board had no general obligation debt outstanding.

Current Issues

Vinton County Commissioners placed a 1.5 mill human services levy combined for senior and child welfare activities on the ballot in May 2014 and it failed. They plan to place it back on the ballot in May 2015. The Board would share the tax revenue with the Vinton County Senior Citizen agency and only the amount for child welfare would be seen on our records.

Contacting the Board's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Board's finances and to show the Board's accountability for the money it receives. If you have any questions about this report or need additional information, contact Paula Ogan, Fiscal Supervisor at South Central Ohio Job and Family Services, 475 Western Avenue, Suite B, P.O. Box 469, Chillicothe, Ohio.

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SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

Statement of Net Position

June 30, 2014

	Governmental Activities
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$2,440,415
Cash and Cash Equivalents in Segregated Accounts	11,267
Materials and Supplies Inventory	64,450
Intergovernmental Receivable	547,251
Prepaid Items	48,568
Depreciable Capital Assets, Net	214,951
	<hr/>
<i>Total Assets</i>	3,326,902
	<hr/>
<u>Liabilities:</u>	
Accrued Wages and Benefits	284,327
Contracts Payable	954,361
Intergovernmental Payable	367,601
<i>Long-Term Liabilities:</i>	
Due within One Year	554,781
Due in More Than One Year	317,424
	<hr/>
<i>Total Liabilities</i>	2,478,494
	<hr/>
<u>Net Position:</u>	
Net Investment in Capital Assets	202,928
<i>Restricted for:</i>	
Other Purposes	645,480
	<hr/>
<i>Total Net Position</i>	\$848,408
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See accompanying notes to the basic financial statements.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

Balance Sheet

Governmental Funds

June 30, 2014

	Public Assistance	Child Support	Children's Services	Workforce Development	Help Me Grow	Total Governmental Funds
<u>Assets:</u>						
Equity in Pooled Cash and Cash Equivalents	\$845,632	\$604,775	\$884,548	\$42,443	\$63,017	\$2,440,415
Cash and Cash Equivalents in Segregated Accounts	0	11,267	0	0	0	11,267
Materials and Supplies Inventory	64,450	0	0	0	0	64,450
Interfund Receivable	339,069	149,532	0	0	0	488,601
Intergovernmental Receivable	176,877	60,668	309,706	0	0	547,251
Prepaid Items	48,568	0	0	0	0	48,568
Total Assets	\$1,474,596	\$826,242	\$1,194,254	\$42,443	\$63,017	\$3,600,552
<u>Liabilities:</u>						
Accrued Wages and Benefits	247,965	36,362	0	0	0	284,327
Contracts Payable	543,044	950	410,367	0	0	954,361
Interfund Payable	149,532	65,815	100,356	172,898	0	488,601
Intergovernmental Payable	312,174	35,247	20,180	0	0	367,601
Total Liabilities	1,252,715	138,374	530,903	172,898	0	2,094,890
<u>Fund Balances:</u>						
Nonspendable	113,018	0	0	0	0	113,018
<i>Restricted for:</i>						
Public Assistance	108,863	0	0	0	0	108,863
Child Support	0	687,868	0	0	0	687,868
Children's Services	0	0	663,351	0	0	663,351
Help Me Grow	0	0	0	0	63,017	63,017
Unassigned	0	0	0	(130,455)	0	(130,455)
Total Fund Balances	221,881	687,868	663,351	(130,455)	63,017	1,505,662
Total Liabilities and Fund Balances	\$1,474,596	\$826,242	\$1,194,254	\$42,443	\$63,017	\$3,600,552

See accompanying notes to the basic financial statements.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

Reconciliation of Total Governmental Fund Balances to

Net Position of Governmental Activities

June 30, 2014

Total Governmental Funds Balances		\$1,505,662
<i>Amounts reported for governmental activities in the statement of net position is different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		214,951
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These liabilities consist of:		
Capital leases	(12,023)	
Compensated absences	<u>(860,182)</u>	
Total liabilities not reported in funds		<u>(872,205)</u>
<i>Net Position of Governmental Activities</i>		<u><u>\$848,408</u></u>

See accompanying notes to the basic financial statements.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2014

	Public Assistance	Child Support	Children's Services	Workforce Development	Help Me Grow	Total Governmental Funds
<u>Revenues:</u>						
Property Taxes	\$0	\$0	\$957,555	\$0	\$0	\$957,555
Intergovernmental	11,085,616	2,301,096	2,417,718	1,273,457	184,364	17,262,251
Charges for Services	512,633	0	25,966	0	0	538,599
Refunds	54,302	0	0	0	0	54,302
Miscellaneous	32,065	564,838	294,682	0	0	891,585
<i>Total Revenues</i>	<u>11,684,616</u>	<u>2,865,934</u>	<u>3,695,921</u>	<u>1,273,457</u>	<u>184,364</u>	<u>19,704,292</u>
<u>Expenditures</u>						
<i>Current:</i>						
Public Assistance	14,031,244	0	0	0	0	14,031,244
Child Support	0	1,971,370	0	0	0	1,971,370
Children's Services	0	0	2,938,640	0	0	2,938,640
Workforce Development	0	0	0	777,289	0	777,289
Help Me Grow	0	0	0	0	145,448	145,448
<i>Debt Service:</i>						
Principal Retirement	6,596	0	0	0	0	6,596
Interest and Fiscal Charges	1,706	0	0	0	0	1,706
<i>Total Expenditures</i>	<u>14,039,546</u>	<u>1,971,370</u>	<u>2,938,640</u>	<u>777,289</u>	<u>145,448</u>	<u>19,872,293</u>
<i>Excess of Revenues Over (under) Expenditures</i>	<u>(2,354,930)</u>	<u>894,564</u>	<u>757,281</u>	<u>496,168</u>	<u>38,916</u>	<u>(168,001)</u>
<u>Other Financing Sources (Uses):</u>						
Transfers In	1,906,334	0	0	0	0	1,906,334
Transfers Out	0	(469,371)	(715,351)	(721,612)	0	(1,906,334)
<i>Total Other Financing Sources (Uses)</i>	<u>1,906,334</u>	<u>(469,371)</u>	<u>(715,351)</u>	<u>(721,612)</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(448,596)</u>	<u>425,193</u>	<u>41,930</u>	<u>(225,444)</u>	<u>38,916</u>	<u>(168,001)</u>
<i>Fund Balance at Beginning of Year</i>	<u>670,477</u>	<u>262,675</u>	<u>621,421</u>	<u>94,989</u>	<u>24,101</u>	<u>1,673,663</u>
<i>Fund Balance at End of Year</i>	<u>\$221,881</u>	<u>\$687,868</u>	<u>\$663,351</u>	<u>(\$130,455)</u>	<u>\$63,017</u>	<u>\$1,505,662</u>

See accompanying notes to the basic financial statements.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2014*

Net Change in Fund Balances - Total Governmental Funds (\$168,001)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period. (110,132)

Repayment of bond principal and capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 6,596

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Compensated absences 31,571

Change in Net Position of Governmental Activities (\$239,966)

See accompanying notes to the basic financial statements.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

Statement of Fiduciary Net Position

Fiduciary Fund

June 30, 2014

	<u>Private Purpose Trust</u>
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$41,048
Investments	<u>267,188</u>
<i>Total Assets</i>	<u><u>\$308,236</u></u>
<u>Liabilities:</u>	
<i>Total Liabilities</i>	<u>0</u>
<u>Net Position:</u>	
Held in Trust for Other Individuals and Organizations	<u>308,236</u>
<i>Total Net Position</i>	<u><u>\$308,236</u></u>

See accompanying notes to the basic financial statements.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended June 30, 2014

	Private Purpose Trust
<u>Additions:</u>	
Interest	\$1,508
<i>Total Additions</i>	1,508
<u>Deductions:</u>	
Payments in Accordance with Trust Agreements	69
<i>Change in Net Position</i>	1,439
<i>Net Position at Beginning of Year</i>	306,797
<i>Net Position at End of Year</i>	\$308,236

See accompanying notes to the basic financial statements.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

NOTE 1 - DESCRIPTION OF ENTITY

South Central Ohio Job and Family Services (the Board), was established as a Joint County Department of Job and Family Services by and for the Board of County Commissioners of three counties. The member counties are Hocking, Ross and Vinton. Three Commissioners from each member county for a total of nine commissioners serve on the Board. The Board commenced operations on January 1, 2013. The purpose of exercising all powers granted to the Joint County Department of Job and Family Services pursuant to Chapter 329 of the Ohio Revised Code with the purpose of coordinating their powers and duties as provided by the Ohio Revised Code for county administration and operation to better serve and for the benefit of those persons who are seeking services from a county department of job and family services, including but not limited to, income maintenance programs (food stamps, Medicaid, cash assistance), child welfare, child support enforcement, and workforce development who reside within the member counties.

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 the Board consists of all funds, departments, boards, and agencies that are not legally separate from the Board. For South Central Ohio Job and Family Services this is the general operations.

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

The Board has two organizations for which they serve as administrative agent. The Area 20/21 Workforce Investment Board and the Ross County Family and Children First Council are legally separate entities for which the Board serves as the administration agent. The Board provides administrative and operational services to assist these organizations in accomplishing their intended purposes. Ross County serves as the fiscal agent for the Area 20/21 Workforce Investment Board and the Ross County Family and Children First Council. Accordingly these organizations are presented as agency funds within the Ross County financial statements.

Management believes that the financial statements included in this report represent all of the financial activity of the Board over which the Board has the ability to exercise direct operating control.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the Board's accounting policies are described below.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

A. Basis of Presentation

The Board's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the Board as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net position presents the financial condition of the governmental activities of the Board at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Board's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Board, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Board.

Fund Financial Statements - During the year, the Board segregates transactions related to certain Board functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Board at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

B. Fund Accounting

The Board uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are two categories of funds: governmental and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Board's major governmental funds:

Public Assistance Fund – This fund accounts for various Federal and State grants that are used to provide public assistance to general relief recipients and to pay their providers of medical assistance and certain public social services.

Child Support Fund – This fund accounts for poundage fees that are restricted for use by state statute and Title IV-D grants that reimburse expenditures for child support enforcement operations.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Children's Services Fund – This fund accounts for a county-wide tax levy in Ross County and various state and federal monies to be used for providing foster care and other services for neglected, battered and abused children.

Workforce Development Fund – This fund accounts for a grant received from the U.S. Department of Labor to strengthen the local workforce by providing training services to employed adults, youth and dislocated workers.

Help Me Grow Fund - This fund accounts for administrative costs for the program administration of a contract with the Health District.

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the Board under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Board's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The Board's fiduciary fund is a private-purpose trust fund. The Board's private-purpose trust fund is established to account for assets that were set up as trust for Children's Services.

C. Measurement Focus

Government-Wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the Board are included on the statement of net position.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The private-purpose trust fund is reported using the economic resources measurement focus.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources, and in the presentation of expenses versus expenditures.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenues - Exchange and Nonexchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Board, available means expected to be received within sixty days of year-end.

Non-exchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 5). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, revenue sources considered to be both measurable and available at year-end include grants.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

E. Cash, Cash Equivalents, and Investments

The Ross County Treasurer is the custodian of the Board cash. The Board assets are held in the Ross County's cash and investment pool and are valued at the County Treasurer's reported carrying amount.

F. Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental funds when used.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2014, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

H. Capital Assets

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The Board maintains a capitalization threshold of five thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method, with monthly depreciation charges, over the following useful lives:

Description	Governmental Activities Estimated Lives
Leasehold Improvements	3-20 years
Furniture, Fixtures and Equipment	3-20 years
Vehicles	3-20 years
Capitalized Leases	3-20 years

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental activities column of the statement of net position. As of June 30, 2014, there were no internal balances reported on the statement of net position.

J. Compensated Absences

The Board reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences" as interpreted by Interpretation No. 6 of the GASB, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements."

Vacation and compensatory time benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those employees for whom it is probable will become eligible to receive payment in the future. The Board has determined that employees with the Board for ten or more years are probable to receive payment in the future. The liability is based on accumulated sick leave and employees' wage rates at year end.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

K. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported on the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as a liability on the fund financial statements only to the extent that they are due for payment during the current year. Capital leases are recognized as a liability in the governmental fund financial statements when due.

L. Fund Balance Reserves

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. Fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent because they are either not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because either (a) constraints imposed by law through constitutional provisions, charter requirements or enabling legislation; or (b) constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.

Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the Board. Those committed amounts cannot be used for any other purpose unless the Board removes the specified use by taking the same type of action as when imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assigned – amounts constrained by the Board’s “intent” to be used for specific purposes, but are neither restricted nor committed. The Board has the authority to assign amount to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds that are not classified as nonspendable and are neither restricted nor committed.

Unassigned – this is used to report negative fund balances in other governmental funds.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the Board considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned or unassigned fund balances are available, the Board considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in their commitment or assignment actions.

M. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The Board’s policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

N. Interfund Transactions

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

O. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 3 – NEW GASB PRONOUNCEMENT

For fiscal year 2014, the District implemented GASB Statement No. 67, “Financial Reporting for Pension Plans”. GASB Statement No. 67 improves financial reporting by state and local governmental pension plans. The implementation of GASB Statement No. 67 had no effect on the prior period fund balances of the District.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

NOTE 4 – CASH AND INVESTMENTS

The Ross County Treasurer maintains a cash pool used by all of the County’s funds, including those of the Board. The Ohio Revised Code prescribes allowable deposits and investments. At fiscal year-end, the carrying amount of the Board’s deposits with the Ross County Treasurer was \$2,492,730 and reflected as Cash and Cash Equivalent on the financial statements. The Ross County Treasurer is responsible for maintaining adequate depository collateral for all funds in the County’s pooled cash and deposit accounts.

Investments – As of June 30, 2014, the Board had the following investments and maturities:

Investment Type	Fair Value	Investment In
		Maturities in Years
		1-2 Years
U.S. Government Securities	\$267,188	\$267,188
Total Investments	\$267,188	\$267,188

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the Board limits investment portfolio matures to five years or less.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Board limits its investments to those authorized by State statute. Moody’s has assigned a rating of “AAA” to U.S. Government Securities.

Custodial Credit Risk - For investments, custodial credit risk is the risk that, in event of the failure of the counter party, the Board will not be able to recover the value of its investments or collateral securities in the possession of an outside party. The Board’s policy provides that investments be held in the Board’s name. All of the Board’s investments are held in the Board’s name.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The Board’s policy minimizes concentration of credit risk by diversifying assets by issuer as necessary. The Board’s investments in U.S. Government Securities account were 100% of the Board’s total investments.

NOTE 5 – LEVIES

The Ross County Commissioners serve as the taxing authority to levy a special levy outside the ten-mill limitation to provide the Board with sufficient funds to carry out Children Services programs. The Board’s portion of the levy was \$957,555 for fiscal year 2014, with the remaining portion of the levy being paid to the Ross County Juvenile Court by the taxing authority. This amount is reflected as property tax receipts on the accompanying basic financial statements.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

NOTE 6 - RECEIVABLES

Receivables at June 30, 2014, consisted of intergovernmental grants. All receivables are considered fully collectible.

A summary of the principal items of intergovernmental receivable follows:

<u>Governmental Activities:</u>	
Public Assistance	\$176,877
Child Support	60,668
Children's Services	<u>309,706</u>
Total	<u><u>\$547,251</u></u>

NOTE 7- CAPITAL ASSETS

A summary of changes in general capital assets during 2014 were as follows:

	<u>Balance at June 30, 2013</u>	<u>Adjustments/ Transfers</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2014</u>
<i>Depreciable Capital Assets:</i>					
Furniture, Fixtures and Equipment	603,555	0	0	0	603,555
Vehicles	224,347	0	0	(60,794)	163,553
Total Capital Assets	<u>827,902</u>	<u>0</u>	<u>0</u>	<u>(60,794)</u>	<u>767,108</u>
<i>Accumulated Depreciation:</i>					
Furniture, Fixtures and Equipment	(340,888)	(44,169)	(15,250)	0	(400,307)
Vehicles	(161,931)	0	(50,713)	60,794	(151,850)
Total Accumulated Depreciation	<u>(502,819)</u>	<u>(44,169)</u>	<u>(65,963)</u>	<u>60,794</u>	<u>(552,157)</u>
Total Net Capital Assets	<u><u>\$325,083</u></u>	<u><u>(\$44,169)</u></u>	<u><u>(\$65,963)</u></u>	<u><u>\$0</u></u>	<u><u>\$214,951</u></u>

During fiscal year 2014, the \$44,169 in adjustment/transfers column above are capital assets for which the depreciable life of the asset was changed to comply with changes made by the Board to their capital asset policy.

At June 30, 2014, capital assets include \$31,895 of furniture, fixtures and equipment under capitalized leases.

NOTE 8 - RISK MANAGEMENT

The Board is exposed to various risks of loss related to torts, theft or damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During 2014, the Board contracted with County Risk Sharing Authority (CORSA), for liability, property, and crime insurance. The CORSA program has a \$2,500 deductible.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

NOTE 8 - RISK MANAGEMENT *(Continued)*

General liability insurance is maintained in the amount of \$1,000,000 for each occurrence with no annual aggregate. Other liability insurance includes \$1,000,000 for automobile liability, \$1,000,000 for public officials' errors and omissions liability and \$10,000,000 excess liability.

In addition, the Board maintains replacement cost insurance on equipment in the amount of \$5,942,819. Other property insurance includes the following: \$1,000,000 for extra expense/business income, \$1,000,000 for crime. Comprehensive equipment coverage is carried on the boiler, machinery, and data processing equipment in the amount of \$100,000,000.

Settled claims have not exceeded this coverage in the prior years. There has been no significant change in coverage from last year.

NOTE 9 - DEFINED BENEFIT RETIREMENT PLANS

All the Board employees participate in the Ohio Public Employee Retirement System.

Ohio Public Employees Retirement System

- (1) Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below:
 - a. The Traditional Pension Plan – a cost sharing, multiple-employer defined benefit pension plan.
 - b. The Member-Directed Plan – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.
 - c. The Combined Plan – a cost sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirements assets in a manner similar to the Member-Directed Plan.
- (2) OPERS provide retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits.
- (3) Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.
- (4) OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

NOTE 9 - DEFINED BENEFIT RETIREMENT PLANS (Continued)

- (5) The Ohio Revised Code provides statutory authority for member and employer contributions. For 2014, member and employer contributions rates were consistent across all three plans.

Member contributions were 10.0 percent of covered payroll for 2014 for the Board.

The employer contribution rate was 14.0 percent of covered payroll.

- (6) The Board's required contributions for pension obligations to OPERS for the years ended June 30, 2014 and 2013, was \$207,203 and \$205,557 which was equal to the required contribution for the year.

NOTE 10 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan – a cost sharing, multiple-employer defined benefit pension plan; the Member Directed Plan – a defined contribution plan; and the Combined Plan – a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

- (1) Plan Description: OPERS maintains cost-sharing multiple employer defined post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients are available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement No. 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible member and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

- (2) Funding Policy: The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care benefits.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

NOTE 10 - POSTEMPLOYMENT BENEFITS *(Continued)*

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2014, the Board contributed at a rate of 14.00 percent of covered payroll. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active members do not make contributions to OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0 percent during the calendar year of 2013. The portion of employer contributions allocated to health care for the calendar year beginning June 30, 2014 remained the same, but they are subject to change based on Board action. Employers will be notified if the portion allocated to health care changes during calendar year 2014. The OPERS Board of Trustees is also authorized to establish rules for the retiree, or their surviving beneficiaries, to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Board's required contributions that were allocated to fund postemployment benefits with OPERS for the years ended June 30, 2014 and 2013 was \$82,881 and \$82,223.

The Health Care preservation Plan (HCPP) adopted by the OPERS Board of Trustees September 9, 2004, was effective January 1, 2007. Member and employer contribution rates for state and local employers increased January 1st of each year from 2006 to 2008. These rate increases allowed additional funds to be allocated to the health care plan.

NOTE 11 - LONG-TERM OBLIGATIONS

The Board's long-term obligations activity for the year ended June 30, 2014, was as follows:

	<u>Principal Outstanding at June 30, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Principal Outstanding at June 30, 2014</u>	<u>Amount Due In One Year</u>
<i><u>Governmental Activities:</u></i>					
Compensated Absences Payable	\$891,753	\$436,454	\$468,025	\$860,182	\$547,429
Capital Leases Payable	<u>18,619</u>	<u>0</u>	<u>6,596</u>	<u>12,023</u>	<u>7,352</u>
Total Governmental Activities Long-Term Liabilities	<u>\$910,372</u>	<u>\$436,454</u>	<u>\$474,621</u>	<u>\$872,205</u>	<u>\$554,781</u>

Compensated absences will be paid from the fund from which the employee is paid. Capital leases will be paid from the Public Assistance Fund.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

NOTE 12 - CAPITALIZED LEASES - LESSEE DISCLOSURE

The Board has entered into agreements to lease equipment and other assets. Such agreements are, in substance, lease purchases and are reflected as capital lease obligations in the basic financial statements. New leases are, in substance, capital purchases and are recorded as current expenditures and proceeds from capital leases on the fund financial statements. The capital lease obligations reflected above as part of the long-term obligations represent the present value of the net future minimum lease payments on all capital leases.

The following is a schedule of the future minimum lease payments under lease obligations which have been capitalized as of June 30, 2014.

For the Year Ended June 30,	Capital Lease Obligations
2015	\$8,302
2016	4,843
Total Minimum Lease Payments	13,145
Less: Amount Representing Interest	1,122
Present Value of Minimum Lease Payments	<u>\$12,023</u>

NOTE 13 – OPERATING LEASES

The South Central Ohio Job and Family Services has entered into agreements for seven operating leases for office space and operating leases for four storage units. The Board's fiscal year 2014 total annual operating lease payments for these agreements was \$588,683.

NOTE 14 - INTERFUND TRANSACTIONS

Interfund balances at June 30, 2014, consist of the following receivables and payables:

	Interfund Receivables	Interfund Payable
Public Assistance	\$339,069	\$149,532
Child Support	149,532	65,815
Children's Services	0	100,356
Workforce Development	0	172,898
Totals	<u>\$488,601</u>	<u>\$488,601</u>

All balances are scheduled to be collected in the subsequent year. All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

NOTE 14 - INTERFUND TRANSACTIONS (Continued)

A summary of interfund transfers for 2014 were as follows:

	Transfers In	Transfers Out
Public Assistance	\$1,906,334	\$0
Child Support	0	469,371
Children's Services	0	715,351
Workforce Development	0	721,612
Totals	<u>\$1,906,334</u>	<u>\$1,906,334</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the public assistance fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 15 – FUND CASH BALANCES

As of June 30, 2014 fund balances are composed of the following:

	Public Assistance	Child Support	Children's Services	Workforce Development	Help Me Grow	Total Governmental Funds
<i>Nonspendable:</i>						
Prepaid Items	\$48,568	\$0	\$0	\$0	\$0	48,568
Materials and Supplies	64,450	0	0	0	0	64,450
Total Nonspendable	<u>113,018</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>113,018</u>
<i>Restricted:</i>						
Public Assistance	108,863	0	0	0	0	108,863
Child Support	0	687,868	0	0	0	687,868
Children Services	0	0	663,351	0	0	663,351
Help Me Grow	0	0	0	0	63,017	63,017
Total Restricted	<u>108,863</u>	<u>687,868</u>	<u>663,351</u>	<u>0</u>	<u>63,017</u>	<u>1,523,099</u>
<i>Unassigned</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(130,455)</u>	<u>0</u>	<u>(130,455)</u>
Total Fund Balances	<u>\$221,881</u>	<u>\$687,868</u>	<u>\$663,351</u>	<u>(\$130,455)</u>	<u>\$63,017</u>	<u>\$1,505,662</u>

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

Notes to the Basic Financial Statements

For the Year Ended June 30, 2014

NOTE 16 – CONTINGENT LIABILITIES

Grants

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed cost may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

Litigation

The Board is not currently party to legal proceedings.

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SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)*

Public Assistance Fund

For the Fiscal Year Ended June 30, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
State Grants	\$10,866,545	\$11,778,990	\$10,760,857	(\$1,018,133)
Remit from County JFS	868,929	0	0	0
Support & Assistance	423,222	540,000	569,793	29,793
Overpayments - Refunds	72,460	97,000	54,302	(42,698)
Local County Monies	316,439	322,130	288,243	(33,887)
<i>Total Revenues</i>	<u>12,547,595</u>	<u>12,738,120</u>	<u>11,673,195</u>	<u>(1,064,925)</u>
<u>Expenditures:</u>				
Salaries	6,228,284	6,360,724	6,022,572	338,152
Fringe Benefits	2,793,765	2,875,215	2,594,658	280,557
Supplies	158,000	217,996	185,977	32,019
Travel & Training	78,000	57,599	47,731	9,868
Contracts - Repair/Maint.	75,000	60,814	43,159	17,655
Contract Services	2,931,124	3,672,757	3,400,493	272,264
Indirect Costs	200,000	202,000	114,922	87,078
Equipment	87,000	98,871	32,333	66,538
Facilities	1,050,000	1,049,345	974,828	74,517
PA Payments	34,000	141,466	41,454	100,012
Medical Assistance	20,000	2,500	675	1,825
Other Expenses	87,000	67,214	116,537	(49,323)
<i>Total Expenditures</i>	<u>13,742,173</u>	<u>14,806,501</u>	<u>13,575,339</u>	<u>1,231,162</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,194,578)</u>	<u>(2,068,381)</u>	<u>(1,902,144)</u>	<u>166,237</u>
<u>Other Financing Sources:</u>				
Transfers In	2,063,507	2,038,387	1,836,189	(202,198)
<i>Total Other Financing Sources</i>	<u>2,063,507</u>	<u>2,038,387</u>	<u>1,836,189</u>	<u>(202,198)</u>
<i>Net Change in Fund Balance</i>	868,929	(29,994)	(65,955)	(35,961)
<i>Fund Balance at Beginning of Year</i>	<u>911,587</u>	<u>911,587</u>	<u>911,587</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$1,780,516</u>	<u>\$881,593</u>	<u>\$845,632</u>	<u>(\$35,961)</u>

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Child Support Fund
For the Fiscal Year Ended June 30, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
State Grants	\$2,048,792	\$1,735,618	\$1,809,518	\$73,900
Remit from County JFS	532,848	0	0	0
Local County Monies	30,000	30,000	30,000	0
Miscellaneous	348,136	412,552	423,252	10,700
<i>Total Revenues</i>	<u>2,959,776</u>	<u>2,178,170</u>	<u>2,262,770</u>	<u>84,600</u>
<u>Expenditures:</u>				
Salaries	938,217	1,004,529	882,301	122,228
Fringe Benefits	428,037	453,236	408,230	45,006
Travel & Training	2,300	2,300	1,098	1,202
Contract Services	589,493	343,410	292,904	50,506
Indirect Costs	10,000	12,500	11,092	1,408
Other Expenses	42,308	45,000	8,152	36,848
<i>Total Expenditures</i>	<u>2,010,355</u>	<u>1,860,975</u>	<u>1,603,777</u>	<u>257,198</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>949,421</u>	<u>317,195</u>	<u>658,993</u>	<u>341,798</u>
<u>Other Financing (Uses):</u>				
Transfers Out	<u>(500,000)</u>	<u>(450,000)</u>	<u>(481,208)</u>	<u>(31,208)</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(500,000)</u>	<u>(450,000)</u>	<u>(481,208)</u>	<u>(31,208)</u>
<i>Net Changes in Fund Balance</i>	449,421	(132,805)	177,785	310,590
<i>Fund Balance at Beginning of Year</i>	<u>426,990</u>	<u>426,990</u>	<u>426,990</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$876,411</u></u>	<u><u>\$294,185</u></u>	<u><u>\$604,775</u></u>	<u><u>\$310,590</u></u>

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)*

Children's Services Fund

For the Fiscal Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<u>Revenues:</u>				
State Child Protection Allocation	\$559,734	\$559,734	\$638,247	\$78,513
Title VI-B	162,766	86,603	49,328	(37,275)
Title VI-E Admin & Training	704,418	710,543	467,175	(243,368)
IV-E Reimbursement	1,050,099	1,050,099	1,169,287	119,188
Remit from County JFS	308,427	0	0	0
SSI/Social Security Benefits	70,636	70,636	55,889	(14,747)
Other Grants	292,484	227,247	124,134	(103,113)
Parent Fees	16,295	20,000	25,966	5,966
Gifts	267	267	425	158
Ross Levy Funds	948,071	877,000	957,555	80,555
Local County Monies	220,000	232,500	179,375	(53,125)
Miscellaneous	110,615	300,000	279,781	(20,219)
<i>Total Revenues</i>	<u>4,443,812</u>	<u>4,134,629</u>	<u>3,947,162</u>	<u>(187,467)</u>
<u>Expenditures:</u>				
Contract Services	2,908,554	2,725,138	2,784,123	(58,985)
Chaffee	8,043	18,819	3,548	15,271
ESSA	78,476	78,144	27,136	51,008
Legal	61,500	52,000	41,283	10,717
Foster Parent Training	18,000	20,000	19,460	540
Kinship Permanency Incentive	59,400	61,000	67,875	(6,875)
Alternative Response	37,600	21,646	3,060	18,586
Other Expenses	35,000	50,323	42,180	8,143
<i>Total Expenditures</i>	<u>3,206,573</u>	<u>3,027,070</u>	<u>2,988,665</u>	<u>38,405</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,237,239</u>	<u>1,107,559</u>	<u>958,497</u>	<u>(149,062)</u>
<u>Other Financing (Uses):</u>				
Transfers Out	(936,412)	(1,114,387)	(774,202)	340,185
<i>Total Other Financing (Uses)</i>	<u>(936,412)</u>	<u>(1,114,387)</u>	<u>(774,202)</u>	<u>340,185</u>
<i>Net Change in Fund Balance</i>	300,827	(6,828)	184,295	191,123
<i>Fund Balance at Beginning of Year</i>	<u>700,253</u>	<u>700,253</u>	<u>700,253</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$1,001,080</u>	<u>\$693,425</u>	<u>\$884,548</u>	<u>\$191,123</u>

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Workforce Development Fund
For the Fiscal Year Ended June 30, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
State Grants	\$1,490,784	\$1,685,284	\$1,237,328	(\$447,956)
Local County Monies	42,067	0	0	0
Miscellaneous	93	275,000	36,129	(238,871)
<i>Total Revenues</i>	<u>1,532,944</u>	<u>1,960,284</u>	<u>1,273,457</u>	<u>(686,827)</u>
<u>Expenditures:</u>				
Administration	500	3,458	3,137	321
Adult	171,891	196,000	156,646	39,354
Dislocated Workers	286,486	484,631	313,846	170,785
Youth	236,306	332,997	269,041	63,956
Special Projects	32,945	264,497	34,619	229,878
<i>Total Expenditures</i>	<u>728,128</u>	<u>1,281,583</u>	<u>777,289</u>	<u>504,294</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>804,816</u>	<u>678,701</u>	<u>496,168</u>	<u>(182,533)</u>
<u>Other Financing (Uses):</u>				
Transfers Out	(762,656)	(678,701)	(548,714)	129,987
<i>Total Other Financing (Uses)</i>	<u>(762,656)</u>	<u>(678,701)</u>	<u>(548,714)</u>	<u>129,987</u>
<i>Net Change in Fund Balance</i>	42,160	0	(52,546)	(52,546)
<i>Fund Balance at Beginning of Year</i>	<u>94,989</u>	<u>94,989</u>	<u>94,989</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$137,149</u>	<u>\$94,989</u>	<u>\$42,443</u>	<u>(\$52,546)</u>

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Help Me Grow Fund
For the Fiscal Year Ended June 30, 2014*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Help Me Grow	<u>\$183,535</u>	<u>\$163,702</u>	<u>\$184,364</u>	<u>\$20,662</u>
<i>Total Revenues</i>	<u>183,535</u>	<u>163,702</u>	<u>184,364</u>	<u>20,662</u>
<u>Expenditures:</u>				
Help Me Grow - State	<u>106,169</u>	<u>86,614</u>	<u>80,424</u>	<u>6,190</u>
Help Me Grow - Federal	<u>77,366</u>	<u>77,088</u>	<u>65,024</u>	<u>12,064</u>
<i>Total Expenditures</i>	<u>183,535</u>	<u>163,702</u>	<u>145,448</u>	<u>18,254</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>0</u>	<u>0</u>	<u>38,916</u>	<u>38,916</u>
<i>Fund Balance at Beginning of Year</i>	<u>24,101</u>	<u>24,101</u>	<u>24,101</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$24,101</u>	<u>\$24,101</u>	<u>\$63,017</u>	<u>\$38,916</u>

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Notes to the Supplementary Information
For the Fiscal Year Ended June 30, 2014*

NOTE 1 – BUDGETARY SCHEDULE

Ross County (the fiscal agent) required the Board to budget all funds. The major documents prepared are the budget based on the South Central Ohio Job and Family Service’s (Board) grant allocations. The budgetary basis reports expenditures when a commitment is made (i.e., when an encumbrance is approved). The Board grant allocations establishes a limit on the amounts the Board may budget. The budget is the Board’s authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control the Board selects. The Board uses the object level as its legal level of control. Individual grants are limited to their approved budget.

The amounts reported as the original budget in the budgetary statements reflect the amounts in the Board grant allocations when the Board adopted the original budget. The amounts reported as the final budget in the budgetary statements reflect the amounts in the Board grant allocations in effect at the time of the final budget.

The Board may amend the budget throughout the year with the restriction that the budget may not exceed Board grant allocations. The amounts reported as the final budget represent the final budget the Ross County Commissioners passed during the year.

Adjustments necessary to convert the results of operations at end of year on the modified accrual basis (GAAP) to the budget basis:

	<u>Public Assistance</u>	<u>Child Support</u>	<u>Children's Services</u>	<u>Workforce Development</u>	<u>Help Me Grow</u>
Net Change in Fund Balance per the Statement of Revenues, Expenditures, and Changes in Fund Balance	(\$448,596)	\$425,193	\$41,930	(\$225,444)	\$38,916
Net revenue accruals	(11,421)	(603,164)	251,241	0	0
Net expenditure accruals	464,207	367,593	(50,025)	0	0
Net Other Financing Sources/(Uses):	<u>(70,145)</u>	<u>(11,837)</u>	<u>(58,851)</u>	<u>172,898</u>	<u>0</u>
Net Change in Fund Balance per the Budgetary Schedule	<u><u>(\$65,955)</u></u>	<u><u>\$177,785</u></u>	<u><u>\$184,295</u></u>	<u><u>(\$52,546)</u></u>	<u><u>\$38,916</u></u>

**SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES
ROSS COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2014**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Pass Through Entity Number	Federal CFDA Number	Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Job & Family Services</i>			
Supplemental Nutrition Assistance Program	G-1213-11-0055	10.561	<u>\$688,396</u>
Total U.S. Department of Agriculture			<u>688,396</u>
U.S. DEPARTMENT OF LABOR			
<i>Passed Through Ohio Department of Job & Family Services</i>			
WIA Cluster:			
WIA Adult Program	G-1213-11-0055	17.258	504,362
WIA Youth Activities	G-1213-11-0055	17.259	366,450
WIA Dislocated Worker Formula Grants	G-1213-11-0055	17.278	<u>682,929</u>
Total U.S. Department of Labor/WIA Cluster			<u>1,553,741</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through Ohio Department of Job & Family Services</i>			
Special Education - Grants for Infants and Families	07110021GF0413	84.181	<u>65,024</u>
Total U.S. Department of Education			<u>65,024</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed Through Ohio Department of Job & Family Services</i>			
Promoting Safe and Stable Families	G-1213-11-0055	93.556	46,993
TANF	G-1213-11-0055	93.558	3,195,038
Child Support Enforcement	G-1213-11-0055	93.563	1,222,936
Child Care and Development Block Grant	G-1213-11-0055	93.575	137,833
Community-Based Child Abuse Prevention Grants	G-1213-11-0055	93.590	6,014
Title VI-B	G-1213-11-0055	93.645	94,687
Foster Care-Title IV-E	G-1213-11-0055	93.658	1,306,223
Adoption Assistance	G-1213-11-0055	93.659	214,359
Social Services Block Grant	G-1213-11-0055	93.667	1,490,706
Chafee Foster Care Independence Program	G-1213-11-0055	93.674	2,839
Children's Health Insurance Program	G-1213-11-0055	93.767	2,901
Medical Assistance Program	G-1213-11-0055	93.778	<u>2,592,777</u>
Total U.S. Department of Health and Human Services			<u>10,313,306</u>
Total Federal Awards Expenditures			<u><u>\$12,620,467</u></u>

The accompanying notes are an integral part of this schedule.

**SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES
ROSS COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FISCAL YEAR ENDED JUNE 30, 2014**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) reports the South Central Ohio Job and Family Services' (the Board's) federal award programs' disbursements. The Schedule has been prepared on the cash basis of accounting.

NOTE B - SUBRECIPIENTS

The Board passes certain federal awards received from Ohio Department of Job & Family Services to other governments or not-for-profit agencies (subrecipients). As Note A describes, the Board reports expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, the Board has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.



Dave Yost • Auditor of State

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

South Central Ohio Job and Family Services
Ross County
475 Western Avenue Suite B
Chillicothe, Ohio 45601

To the Board:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the South Central Ohio Job and Family Services, Ross County, (the Board) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements and have issued our report thereon dated March 25, 2015.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Board's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Board's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Board's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Board's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Board's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

March 25, 2015



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

South Central Ohio Job and Family Services
Ross County
475 Western Avenue Suite B
Chillicothe, Ohio 45601

To the Board:

Report on Compliance for Each Major Federal Program

We have audited the South Central Ohio Job and Family Services' (the Board) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the South Central Ohio Job and Family Services' major federal programs for the year ended June 30, 2014. The *Summary of Auditor's Results* in the accompanying schedule of findings and questioned costs identifies the Board's major federal programs.

Management's Responsibility

The Board's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the Board's compliance for each of the Board's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Board's major programs. However, our audit does not provide a legal determination of the Board's compliance.

Basis for Qualified Opinion on Temporary Assistance for Needy Families Program and Social Services Block Grant

As described in Findings 2014-001 and 2014-003 in the accompanying schedule of findings and questioned costs, the Board did not comply with requirements regarding the following:

Finding #	CFDA #	Program (or Cluster) Name	Compliance Requirement
2014-001	93.558	Temporary Assistance for Needy Families	Allowable Costs/Cost Principles
2014-003	93.667	Social Services Block Grant	Reporting

Compliance with these requirements is necessary, in our opinion, for the Board to comply with the requirements applicable to these programs.

Basis for Qualified Opinion on the Temporary Assistance for Needy Families and Social Services Block Grant

As described in findings 2014-001 and 2014-003 in the accompanying schedule of findings and questioned costs, the Board did not comply with requirements regarding reporting applicable to its Temporary Assistance for Needy Families and Social Services Block Grant major federal programs. Compliance with these requirements is necessary, in our opinion, for the Board to comply with requirements applicable to these programs.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, South Central Ohio Job and Family Services complied in all material respects with the requirements referred to above that could directly and materially affect each of its other major federal programs identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2014.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which OMB Circular A-133 requires us to report, described in the accompanying schedule of findings and questioned costs as item 2014-002. This finding did not require us to modify our compliance opinion on the major federal program.

The Board's responses to our noncompliance findings are described in the accompanying schedule of findings and questioned costs and / or corrective action plan. We did not audit the Board's responses and, accordingly, we express no opinion on them.

Report on Internal Control over Compliance

The Board's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Board's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Board's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and a deficiency we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program's compliance requirement will not be prevented, or timely detected and corrected. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 20014-001 and 2014-003 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency or a combination of deficiencies in internal control over compliance with a federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2014-002 to be a significant deficiency.

The Board's responses to our internal control over compliance findings are described in the accompanying schedule of findings and questioned costs and / or corrective action plan. We did not audit the Board's responses and, accordingly, we express no opinion on them.

This report only describes the scope of our tests of internal control over compliance and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.



Dave Yost
Auditor of State

Columbus, Ohio

March 25, 2014

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**SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES
ROSS COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2014**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	Yes
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	Yes
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Qualified on Allowable Costs/Cost Principle Requirement – Temporary Assistance for Needy Families CFDA# 93.558 Qualified on Reporting Requirement – Social Services Block Grant CFDA# 93.667 Unmodified on all other major programs.
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	Yes
<i>(d)(1)(vii)</i>	Major Programs (list):	CFDA #93.558 – Temporary Assistance for Needy Families CFDA #93.778 – Medical Assistance Program CFDA #93.667 – Social Services Block Grant CFDA #93.658 – Foster Care/Title IV E CFDA #93.563 – Child Support Enforcement CFDA #17.258, 17.259, 17.278 – WIA Cluster CFDA #10.561 – Supplemental Nutrition Assistance Program
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 378,289 Type B: \$100,000
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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Allowable Costs/Cost Principles

Finding Number	2014-001
CFDA Title and Number	Temporary Assistance for Needy Families CFDA #93.558
Federal Award Number / Year	2014
Federal Agency	U.S. Department of Health and Human Services
Pass-Through Agency	Ohio Department of Job and Family Services

Noncompliance / Material Weakness / Questioned Cost

Per 2 CFR 225, Appendix B, section 14, costs of entertainment, including amusement, diversion, and social activities and any costs directly associated with such costs are unallowable.

The Board had expenses for TANF eligible families to obtain an annual pool pass from the local department of Parks and Recreation. The costs of these pool passes were recorded to the TANF PRC program through the use of the Other Diversion Activities-PRC accounting code. Entertainment costs are specifically listed as unallowable under 2 CFR 225, Appendix B. This resulted in federal questioned costs in the amount of \$52,560.

We recommend the Board strengthen its internal controls in this area. We also recommend the persons approving expenditures review 2 CFR 225, Appendix B when determining allowability for TANF PRC expenditures. Further, we recommend the PRC Plan be updated to identify TANF purposes, reasons for special projects, and identify unallowable costs per 2 CFR 225, Appendix B.

Officials' Response:

Summer pool passes were initially expensed to TANF funding under the agency PRC program. It was determined in an ODJFS monitoring visit that these expenses were not eligible under TANF funding. SCOJFS has updated our PRC plan to identify TANF purposes and reasons for special projects. We have also changed the funding source for these expenditures to correct the problem.

Eligibility

Finding Number	2014-002
CFDA Title and Number	Temporary Assistance for Needy Families CFDA #93.558
Federal Award Number / Year	2014
Federal Agency	U.S. Department of Health and Human Services
Pass-Through Agency	Ohio Department of Job and Family Services

**FINDING NUMBER 2014-002
 (Continued)**

Noncompliance and Significant Deficiency

45 CFR 263.2 (b) lists the requirements for families to be eligible for the prevention, retention and contingency (PRC) benefits and services of the Temporary Assistance for Needy Families (TANF) Program. Ohio Administrative Code 5101:1-24-20 lists additional guidelines when determining financial eligibility for prevention, retention and contingency (PRC) benefits and services. In addition, the Board has developed a PRC plan for the TANF program. The plan states the applicants will apply for services by completing the South Central Ohio PRC form.

In one of the 29 TANF PRC charges selected for testing, or 3%, the TANF PRC application, documenting approving signatures for eligibility was not maintained.

Failure to maintain applications could result in an inability to substantiate payments made and/or made to persons who are ineligible for benefits.

We recommend the Board take the necessary steps to ensure TANF PRC applications are properly maintained.

Officials' Response:

We did not receive a response from Officials to this finding

Reporting

Finding Number	2014-003
CFDA Title and Number	Social Services Block Grant CFDA #93.667
Federal Award Number / Year	2014
Federal Agency	U.S. Department of Health and Human Services
Pass-Through Agency	Ohio Department of Job and Family Services

Noncompliance and Material Weakness

Ohio Job and Family Services Administrative Procedure Manual Section 5501 requires the Board to complete an electronic report referred to as JFS 04282 in order to facilitate required federal reporting. The JFS 04282 report captures data for individuals receiving public or private services funded in whole or part with SSBG funds. The 04282 reports are due to be submitted to the ODJFS Bureau of Federal Financial Reporting no later than 45 calendar days following the end of the quarter. The Board must submit a report even if SSBG direct services were not provided and/or purchased services expenditures were not made during the quarter.

The report for the quarter ending September 30, 2013 was submitted to ODJFS on December 19, 2013, which was later than 45 calendar days following the end of the quarter. Also, supporting documentation was not provided for some of the reported amounts. The other quarterly reports were not prepared or submitted to ODJFS.

**FINDING NUMBER 2014-003
(Continued)**

We recommend the Board develop internal control procedures to ensure that reports are submitted timely and accurately. This will allow the Board to comply with Ohio Department of Job and Family Services requirements that were adopted to facilitate federal reporting. We also recommend supporting documentation be maintained for each of the reported amounts.

Officials' Response:

We did not receive a response from Officials to this finding

**SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES
ROSS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
JUNE 30, 2014**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2013-001	OAC 117-2-02 Private Purpose Trust Fund Financial Statements reported \$33,940 in Payments in Accordance with Trust Agreements when actual amount was \$0	Yes	Corrected
2013-002	OMB Circular A-133 Federal Schedule presented was not accurate	Yes	Corrected

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**SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES
ROSS COUNTY**

**CORRECTIVE ACTION PLAN
OMB CIRCULAR A -133 § .315 (c)
JUNE 30, 2014**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2014-001	Summer pool passes were initially expensed to TANF funding under the agency PRC program. It was determined in an ODJFS monitoring visit that these expenses were not eligible under TANF funding. SCOJFS has updated our PRC plan to identify TANF purposes and reasons for special projects. We have also changed the funding source for these expenditures to correct the problem.	Recoding of expenses occurred in October 2014 after the audit period.	Paula Ogan, Fiscal Manager
2014-002	All PRC applications will be maintained in a file for each family applying for the specific project being offered through the SCOJFS PRC program. In addition, the application and supporting documents will be scanned in order to maintain an electronic copy. This approach will ensure that all approved applications are secured for future reference.	4/1/2015	Rick Reynolds, Community Support Manager
2014-003	SCOJFS (Director's Office) will file quarterly Title XX SSBG reports. All supporting documentation will be provided to support expenditures within the Title XX Plan line items. Beginning immediately, SCOJFS will ensure the timeliness of reporting, as well as required documentation for Title XX expenditures. Any past reports that are eligible to be filed, will be submitted.	March 31, 2015	Jody Walker, Executive Director

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SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

ROSS COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
APRIL 7, 2015**