DEFIANCE/PAULDING CONSOLIDATED
DEPARTMENT OF JOB AND FAMILY SERVICES
DEFIANCE COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2023

OHIO AUDITOR OF STATE
KEITH FABER

DEFIANCE/PAULDING CONSOLIDATED DEPARTMENT OF JOB AND FAMILY SERVICES
DEFIANCE COUNTY
DECEMBER 31, 2023

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OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

Defiance/Paulding Consolidated Department of Job and Family Services
Defiance County
6879 Evansport Road
Defiance, Ohio 43512-6766

To the Board of Commissioners:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of Defiance/Paulding Consolidated Department of Job and Family Services, Defiance County, Ohio (the Department), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Defiance/Paulding Consolidated Department of Job and Family Services, Defiance County, Ohio as of December 31, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Department, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Department's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Department’s basic financial statements. The Schedules of Revenues, Expenditures and Change in Fund Balance – Budget and Actual and the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedules of Revenues, Expenditures and Change in Fund Balance – Budget and Actual and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2024, on our consideration of the Department's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

September 19, 2024

The management's discussion and analysis of the Defiance/Paulding Consolidated Department of Job and Family Services (the Department) financial performance provides an overall review of the Department's financial activities for the year ended December 31, 2023. The intent of this discussion and analysis is to look at the Department's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Department's financial performance.

Financial Highlights

Key financial highlights for 2023 are as follows:

- The total net position reported by the Department decreased $589,370 to a deficit balance of $428,685 from December 31, 2022's net position of $160,685.
- General revenues accounted for $43,930 or 0.73 percent of total governmental activities revenue. Program specific revenues accounted for $5,961,873 or 99.27 percent of total governmental activities revenue.
- The Department had $6,595,173 in expenses related to governmental activities. These expenses were offset by general revenues (reimbursements and other revenues) of $43,930 and program specific revenues (operating grants and contributions) of $5,961,873.
- The Department's major governmental funds are the Public Assistance, Public Children Services, and Workforce Innovation and Opportunity Act Fund Funds. The Public Assistance Fund had revenues and other financing sources of $3,542,237 and expenditures of $3,480,245 during 2023. The net increase in fund balance for the Public Assistance Fund was $61,992 or 4.98 percent.
- The Public Children Services Fund had revenues of $2,606,006 and expenditures of $2,800,927 during 2023. The net decrease in fund balance for the Public Children Services Fund was $194,921 or 25.72 percent.
- The Workforce Innovation and Opportunity Act Fund had revenues of $498,290 and expenditures of $119,430 during 2023. The net increase in fund balance for the Workforce Innovation and Opportunity Act Fund was $378,860 or 111.68 percent.

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Department as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net position and statement of activities provide information about the activities of the whole Department, presenting both an aggregate view of the Department's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Department's most significant funds. In the case of the Department, the Public Assistance, Public Children Services, and Workforce Innovation and Opportunity Act Funds are reported as major funds.

Reporting the Department as a Whole

Statement of Net Position and the Statement of Activities

While this document contains all funds used by the Department to provide programs and activities, the view of the Department as a whole looks at all financial transactions and asks the question, "How did the Department do financially during 2023?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Department's net position and changes in net position. This change in net position is important because it tells the reader that, for the Department as a whole, the financial position of the Department has improved or diminished. The causes of this change may be the result of many factors, some financial, some not.

The statement of net position and the statement of activities include all of the Department's programs and services.

Reporting the Department's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the Department's major funds. The Department uses various funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Department's most significant funds. The Department's major governmental funds are the Public Assistance, Public Children Services, and Workforce Innovation and Opportunity Act Funds.

Governmental Funds

All of the Department's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the ending balances available for spending in future years. 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. The governmental fund financial statements provide a detailed short-term view of the Department's operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Department's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the basic financial statements.

Notes to the Basic Financial Statements

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

Supplemental Information

The Department has presented budgetary comparison schedules for the Public Assistance, Public Children Services, and Workforce Innovation and Opportunity Act Funds as supplemental information.

Required Supplementary Information

In addition to the basic financial statements, accompanying notes, and supplemental information this report also presents certain required supplementary information concerning the Department's net pension liability/asset and net other postemployment benefits (OPEB) asset/liability.

Government-Wide Financial Analysis

The net pension liability/asset is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Department's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability/asset, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability/asset or net OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability/asset and the net OPEB asset/liability to equal the Department's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service.
2. Minus plan assets available to pay these benefits.

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Department is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability/asset or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB asset/liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the Department's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability/asset and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

The statement of net position provides the perspective of the Department as a whole. The table below provides a summary of the Department's net position for 2023 and 2022.

	Governmental Activities	
	2023	2022
Assets		
Current assets	$ 2,221,580	$ 3,243,281
Capital assets, net	429,652	505,471
Total assets	2,651,232	3,748,752
Deferred Outflows of Resources		
Pension	1,598,478	548,902
OPEB	303,211	205,854
Total deferred outflows of resources	1,901,689	754,756
Liabilities		
Current liabilities	229,415	446,377
Long-term liabilities:		
Due within one year	431,744	416,777
Due in more than one year	297,910	412,459
Net pension liability	3,884,579	1,148,352
Net OPEB liability	81,338	-
Total liabilities	4,924,986	2,423,965
Deferred Inflows of Resources		
Pension	27,107	1,485,967
OPEB	29,513	432,891
Total deferred inflows of resources	56,620	1,918,858
Net Position		
Net investment in capital assets	189,654	505,471
Restricted	685,318	899,688
Unrestricted (deficit)	(1,303,657)	(1,244,474)
Total net position (deficit)	$ (428,685)	$ 160,685

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2023, the Department's assets plus deferred outflows of resources were less than liabilities plus deferred inflows of resources by $428,685.

At December 31, 2023, capital assets represented 16.21 percent of total assets. Capital assets include vehicles, land improvements, and intangible right to use assets. The Department's net investment in capital assets at December 31, 2023 was $189,654. These capital assets are used to provide services and are not available for future spending.

At December 31, 2023, $685,318 of the Department's net position represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position was a deficit of $1,303,657 which was the result of reporting the net pension liability/asset required by GASB 68 and the net OPEB liability required by GASB 75.

The table below provides a summary of the Department's changes in net position for governmental activities for 2023 and 2022.

Change in Net Position

	Governmental Activities 2023	Governmental Activities 2022
Revenues		
Program revenues:		
Operating grants and contributions	$ 5,961,873	$ 6,464,150
General revenues:		
Reimbursements and other	43,930	367,785
Expenses		
Public assistance	3,734,808	1,674,070
Public children services	2,786,074	2,381,863
Workforce innovation and opportunity act	61,015	1,050,823
Interest and fiscal charges	13,276	23,360
Total expenses	6,595,173	5,130,116
Change in net position	(589,370)	1,701,819
Net position (deficit) at beginning of year	160,685	(1,541,134)
Net position (deficit) at end of year	$ (428,685)	$ 160,685

The Department is primarily funded by State and federal grants intended to assist individuals with medical expenses, foster care, child welfare, employment opportunities, and other social services. These grants are considered operating grants and contributions in the statement of activities, totaling $5,961,873 during the year.

The most significant program expenses for the Department are related to public assistance. These expenses totaled $3,734,808 during the year, representing 56.63 percent of total governmental activities expenses. Expenses of the public assistance program increased $2,060,738 or 123.10 percent. This increase is primarily the result of the changes in the net pension liability for OPERS due to changes in assumptions. For fiscal year 2023 program revenues did not exceed expenses compared to 2022 when revenues exceeded expenses. Capital assets decreased due to depreciation expense exceeding capital outlays for 2023.

The statement of activities shows the cost of program services and the grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2023 and 2022. That is, it identifies the cost of these services supported by general revenues.

	Governmental Activities			
	Total Cost of Services 2023	Net Cost of Services 2023	Total Cost of Services 2022	Net Cost of Services 2022
Program Expenses				
Public assistance	$ 3,734,808	$ 681,104	$ 1,674,070	$ (1,569,078)
Public children services	2,786,074	312,502	2,381,863	118,878
Workforce innovation and opportunity act	61,015	(373,582)	1,050,823	92,806
Interest and fiscal charges	13,276	13,276	23,360	23,360
Total	$ 6,595,173	$ 633,300	$ 5,130,116	$ (1,334,034)

The dependence upon program specific revenues for governmental activities is apparent, with 90.40 percent of expenses supported through operating grants and contributions.

Governmental Funds

The focus of the Department's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Department's financing requirements.

The Department's governmental funds reported a combined fund balance of $1,909,692, which is $245,931 more than last year's total of $1,663,761. The table below indicates the fund balances and the total change in fund balances as of December 31, 2023 and December 31, 2022 for the governmental funds.

	Fund Balances December 31, 2023	Fund Balances (deficit) December 31, 2022	Increase (Decrease)	Percentage Change
Major Funds				
Public Assistance Fund	$ 1,307,013	$ 1,245,021	$ 61,992	4.98 %
Public Children Services Fund	563,055	757,976	(194,921)	(25.72) %
Workforce Innovation and Opportunity Act Fund	39,624	(339,236)	378,860	111.68 %
Total	$ 1,909,692	$ 1,663,761	$ 245,931	14.78 %

The Public Assistance Fund had intergovernmental grants and entitlements totaling $3,518,917 and other financing sources of $23,320 during the year. These revenue sources were adequate to cover the Public Assistance Fund expenditures of $3,480,245 resulting in an increase in fund balance during 2023.

The Public Children Services Fund received intergovernmental revenue of $2,559,824, contributions and donations of $2,252, and reimbursements and other revenues of $43,930 during the year. These revenue sources were not adequate to provide for the Public Children Services Fund expenditures of $2,800,927 incurred during the year.

The Workforce Innovation and Opportunity Act Fund received intergovernmental revenue of $498,290 during the year. This revenue source was adequate to provide for the Workforce Innovation and Opportunity Act Fund expenditures of $119,430 incurred during the year.

Capital Assets

At December 31, 2023, the Department had $429,652 (net of accumulated depreciation/amortization) invested in land improvements, vehicles, and intangible right to use assets. The following table shows December 31, 2023 and December 31, 2022 capital asset balances.

Capital Assets at December 31
(Net of Accumulated Depreciation/Amortization)

	Governmental Activities	
	December 31, 2023	December 31, 2022
Capital Assets:		
Land improvements	$ 53,596	$ -
Vehicles	149,665	139,465
Intangible right to use: Buildings, Vehicles & Equipment	226,391	366,006
Total	$ 429,652	$ 505,471

The depreciation/amortization recorded for the year totaled $175,238. Capital asset additions were $117,227 and disposals, net of accumulated depreciation were $17,808.

See Note 6 to the basic financial statements for additional capital assets disclosures.

Debt Administration

The Department had the following long-term obligations in outstanding at December 31, 2023 and 2022:

	Governmental Activities	
	2023	2022
Lease payable	$ 239,998	$ 376,606

See Note 10 to the basic financial statements for detail on long-term obligations.

Economic Conditions and Current Issues

The Department consists of the Job and Family Services operations of both Defiance County and Paulding County. The Department commenced operations on October 1, 2013, with Defiance County acting as its fiscal agent.

The Department receives the majority of its funding through State and federal grant allocations, which are stable sources of revenue that promise to provide sufficient support to the Department's programs and services.

Contacting the Department's Financial Management

This financial report is designed to provide citizens, taxpayers, and investors and creditors with a general overview of the Department's finances and to show the Department's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Jennifer Coleman, Deputy Director of Operations, Defiance/Paulding Consolidated Department of Job and Family Services, 6879 Evansport Road, Defiance, Ohio 43512-6766.

DEFIANCE/PAULDING CONSOLIDATED DEPARTMENT OF JOB AND FAMILY SERVICES
DEFIANCE COUNTY

STATEMENT OF NET POSITION
DECEMBER 31, 2023

		Governmental Activities
Assets:		
Cash with fiscal agent	$	1,350,595
Receivables:		
Due from other governments		818,036
Materials and supplies inventory		5,103
Prepayments		24,845
Net pension asset		23,001
Capital assets:		
Depreciable capital assets, net		429,652
Total capital assets, net		429,652
Total assets		2,651,232
Deferred outflows of resources:		
Pension		1,598,478
OPEB		303,211
Total deferred outflows of resources		1,901,689
Total assets and deferred outflows of resources		4,552,921
Liabilities:		
Accounts payable		95,966
Accrued wages and benefits payable		91,627
Due to other governments		41,163
Accrued interest payable		659
Long-term liabilities:		
Due within one year		431,744
Due in more than one year		297,910
Net pension liability		3,884,579
Net OPEB liability		81,338
Total liabilities		4,924,986
Deferred inflows of resources:		
Pension		27,107
OPEB		29,513
Total deferred inflows of resources		56,620
Total liabilities and deferred inflows of resources		4,981,606
Net position:		
Investment in capital assets		189,654
Restricted for:		
Job and family services		662,317
Pension and OPEB		23,001
Unrestricted (deficit)		(1,303,657)
Total net position (deficit)	$	(428,685)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

DEFIANCE/PAULDING CONSOLIDATED DEPARTMENT OF JOB AND FAMILY SERVICES
DEFIANCE COUNTY

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

		Program Revenues	Net (Expense) Revenue and Changes in Net Position
	Expenses	**Operating Grants and Contributions**	**Governmental Activities**
Governmental activities:			
Public assistance	$ 3,734,808	$ 3,053,704	$ (681,104)
Public children services	2,786,074	2,473,572	(312,502)
Workforce innovation and opportunity act	61,015	434,597	373,582
Interest and fiscal charges	13,276	-	(13,276)
Totals	$ 6,595,173	$ 5,961,873	(633,300)
General revenues:			
Reimbursements and other			43,930
Total general revenues			43,930
Change in net position			(589,370)
Net position at beginning of year			160,685
Net position (deficit) at end of year			$ (428,685)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

DEFIANCE/PAULDING CONSOLIDATED DEPARTMENT OF JOB AND FAMILY SERVICES
DEFIANCE COUNTY

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	Public Assistance Fund	Public Children Services Fund	Workforce Innovation and Opportunity Act Fund	Total Governmental Funds
Assets:				
Cash with fiscal agent	$ 511,674	$ 712,093	$ 126,828	$ 1,350,595
Receivables:				
Due from other governments	688,155	122,958	6,923	818,036
Due from other funds	252,217	-	-	252,217
Materials and supplies inventory	1,701	1,701	1,701	5,103
Prepayments	24,845	-	-	24,845
Total assets	$ 1,478,592	$ 836,752	$ 135,452	$ 2,450,796
Liabilities:				
Accounts payable	$ 38,789	$ 49,541	$ 7,636	$ 95,966
Accrued wages and benefits payable	91,627	-	-	91,627
Due to other governments	41,163	-	-	41,163
Due to other funds	-	170,948	81,269	252,217
Total liabilities	171,579	220,489	88,905	480,973
Deferred inflows of resources:				
Intergovernmental revenue not available	-	53,208	6,923	60,131
Fund balances:				
Nonspendable	26,546	1,701	1,701	29,948
Restricted	1,280,467	561,354	37,923	1,879,744
Total fund balances	1,307,013	563,055	39,624	1,909,692
Total liabilities, deferred inflows of resources and fund balances	$ 1,478,592	$ 836,752	$ 135,452	$ 2,450,796

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

DEFIANCE/PAULDING CONSOLIDATED DEPARTMENT OF JOB AND FAMILY SERVICES
DEFIANCE COUNTY

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2023

Total governmental fund balances		$ 1,909,692
Amounts reported for governmental activities on the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		429,652
Other long-term assets are not available to pay for current period expenditures and therefore are deferred inflows of resources in the funds.		
Intergovernmental receivable		60,131
The net pension asset and net pension liability are not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows of resources	$ 1,598,478	
Deferred inflows of resources	(27,107)	
Net pension asset	23,001	
Net pension liability	(3,884,579)	
Total		(2,290,207)
On the statement of net position interest is accrued on outstanding debt, whereas in the governmental funds, interest is accrued when due.		(659)
The net OPEB liability is not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows of resources	303,211	
Deferred inflows of resources	(29,513)	
Net OPEB liability	(81,338)	
Total		192,360
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Lease obligations	(239,998)	
Compensated absences	(489,656)	
Total		(729,654)
Net position (deficit) of governmental activities		$ (428,685)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

DEFIANCE/PAULDING CONSOLIDATED DEPARTMENT OF JOB AND FAMILY SERVICES
DEFIANCE COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Public Assistance Fund	Public Children Services Fund	Workforce Innovation and Opportunity Act Fund	Total Governmental Funds
Revenues:				
From local sources:				
Intergovernmental	$ 3,518,917	$ 2,559,824	$ 498,290	$ 6,577,031
Contributions and donations	-	2,252	-	2,252
Reimbursements and other	-	43,930	-	43,930
Total revenues	3,518,917	2,606,006	498,290	6,623,213
Expenditures:				
Current:				
Public assistance	3,413,470	-	-	3,413,470
Public children services	-	2,730,561	-	2,730,561
Workforce innovation and opportunity act	-	-	59,136	59,136
Capital outlay	23,320	-	-	23,320
Debt service:				
Principal retirement	41,437	65,347	53,144	159,928
Interest and fiscal charges	2,018	5,019	7,150	14,187
Total expenditures	3,480,245	2,800,927	119,430	6,400,602
Excess (deficiency) of revenues over (under) expenditures	38,672	(194,921)	378,860	222,611
Other financing sources:				
Lease transaction	23,320	-	-	23,320
Net change in fund balances	61,992	(194,921)	378,860	245,931
Fund balances (deficit) at beginning of year	1,245,021	757,976	(339,236)	1,663,761
Fund balances at end of year	$ 1,307,013	$ 563,055	$ 39,624	$ 1,909,692

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

DEFIANCE/PAULDING CONSOLIDATED DEPARTMENT OF JOB AND FAMILY SERVICES
DEFIANCE COUNTY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Net change in fund balances - total governmental funds		$	245,931
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 costs of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation/amortization expense exceeded capital outlay in the current period.			
Capital asset additions	$ 117,227		
Current year depreciation/amortization	(175,238)		
Total			(58,011)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.			(17,808)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Intergovernmental revenue			(617,410)
Lease issuances are reported as an other financing source in the governmental funds, however, in the statement of activities, they are not reported as revenues as they increase the liabilities on the statement of net position.			(23,320)
Repayment of lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.			159,928
In the statement of activities, interest is accrued on outstanding leases, whereas in governmental funds, an interest expenditure is reported when due.			
Increase in accrued interest payable			911
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.			
Pension			307,664
Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability and net OPEB liability are reported as pension/OPEB expense in the statement of activities.			
Pension			(550,647)
OPEB			418
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			(37,026)
Change in net position of governmental activities		$	(589,370)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 – DESCRIPTION OF THE ENTITY

Defiance/Paulding Consolidated Department of Job and Family Services (the Department) was established as a Joint County Department of Job and Family Services by and for the Board of County Commissioners of Defiance County and Paulding County. The Department consists of six members, with equal representation from both Counties. The Board exercises total control over the operation of the Department including budgeting, contracting, and designating management. Defiance County acts as fiscal agent for the Department, which commenced operations on October 1, 2013.

The purpose of the Department is to exercise all powers granted to the Joint County Department of Job and Family Services pursuant to Chapter 329 of the Ohio Revised Code, with the intention of coordinating the Counties' 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. Such services include, but are not limited to, income maintenance programs (food stamps, Medicaid, cash assistance, etc.), child welfare, and workforce development for residents within the member Counties.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Department have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The Department significant accounting policies are described below.

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34". A reporting entity is comprised of the primary government and other organizations that are included to ensure that the financial statements are not misleading.

PRIMARY GOVERNMENT

The primary government of the Department consists of all funds, departments, boards, and agencies that are not legally separate from the Department. For the Department, this simply includes its general operations.

PUBLIC ENTITY RISK POOLS

The Department participates in the County Risk Sharing Authority, Inc. (CORSA) and the County Commissioners Association of Ohio Service Corporation. Note 7 to the basic financial statements provides additional information for these entities.

The Department's management believes these financial statements present all activities for which the Department is financially accountable.

B. Basis of Presentation

The Department'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 Department as a whole. These statements include the financial activities of the primary government.

The statement of net position presents the financial condition of the governmental activities of the Department at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Department'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, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Department, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental functions are self-financing or draw from the general revenues of the Department.

Fund Financial Statements – During the year, the Department segregates transactions related to certain Department 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 Department 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.

C. Fund Accounting

The Department 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 three categories of funds: governmental, proprietary, and fiduciary. The Department has only governmental funds.

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 plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as fund balance. The following are the Department'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.

Public Children Services Fund – This fund accounts for various Federal and State monies intended for the provision of foster care and other services for neglected, battered, and abused children.

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

The Department did not report any nonmajor governmental funds during the year.

D. Measurement Focus

Government-Wide Financial Statements – The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of the Department are included on the statement of net position. The statement of activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total 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 deferred outflows of resources and current liabilities and deferred inflows of resources are generally 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 financial statements for governmental funds.

E. 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. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources and deferred outflows of resources, and in the presentation of expenses versus expenditures.

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

Nonexchange transactions, in which the Department receives value without directly giving equal value in return, include grants, entitlements, and donations. On the accrual basis, revenue from grants, entitlements, and donations is recognized in the 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 Department must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Department on a reimbursement basis. On the modified accrual basis, revenue from nonexchange 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.

Deferred Outflows of Resources and Deferred Inflows of Resources – In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Department, see Notes 8 and 9 for deferred outflows of resources related to net pension liability/asset and net OPEB liability, respectively.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include unavailable revenue. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. Unavailable revenue includes, but is not limited to, intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the Department, see Notes 8 and 9 for deferred inflows of resources related to net pension liability/asset and net OPEB liability, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

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.

F. Cash with Fiscal Agent

The Defiance County Treasurer is the custodian of the Department's cash. The Department's assets are held in the Defiance County's cash and investment pool and are valued at the Defiance County Treasurer's reported carrying amount (See Note 4).

G. Materials and Supplies Inventory

On the government-wide and fund financial statements, materials and supplies inventory is presented at cost on a first-in, first-out basis, and is expended/expensed when used. Materials and supplies inventory consists of expendable supplies held for consumption.

On the fund financial statements, materials and supplies inventory is equally offset by nonspendable fund balance in the governmental funds. This indicates that materials and supplies inventory does not constitute available expendable resources even though it is a component of net current assets.

H. Prepayments

Payments made to vendors for services that will benefit periods beyond December 31 are recorded as prepayments 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. Prepayments are equally offset by nonspendable fund balance in the governmental funds. This indicates that prepayments do not constitute available expendable resources even though they are a component of net current assets.

I. Capital Assets

The Department's capital assets are reported in the governmental activities column on the government-wide statement of net position, but are not reported on the fund financial statements. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and disposals during the year. Donated capital assets are recorded at their acquisition value on the date donated. The Department maintains a capitalization threshold of $5,000. 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 useful life are not capitalized.

The Department's capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Useful Lives
Intangible leased assets	3-20 Years
Vehicles	8-15 Years

The Department is reporting intangible right to use assets related to leased equipment, vehicles, and buildings. The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease term or the useful life of the underlying asset.

J. Interfund Balances

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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On the fund financial statements, unpaid amounts for interfund services are reported as "due from/to other funds". Interfund balances are eliminated on the government-wide statement of net position.

K. Compensated Absences

Vacation leave 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 the Department will compensate the employees for the benefits through paid time off or some other means. The Department records a liability for accumulated unused vacation leave when earned for all employees with more than one year of service with the Department.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive sick leave benefits and those the Department has identified as probable of receiving sick leave payments in the future. The amount is based on accumulated sick leave and employee wage rates at year end, taking into consideration any limits specified in departmental personnel policies. The Department records a liability for accumulated unused sick leave for any employee with ten years of service with the Department.

The entire compensated absences 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, when applicable, are recorded in the account "compensated absences payable" in the funds from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

L. 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 lease obligations are recognized as a liability on the governmental fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

M. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Department is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

Restricted – Fund balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions.

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the Department for specific purposes, but do not meet the criteria to be classified as restricted or committed.

Unassigned – Unassigned fund balance for Department funds is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The Department applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

N. Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. The net position component "net investment in capital assets," consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing or liabilities used for the acquisition, construction, or improvement of those assets.

Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments. The Department applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

O. Estimates

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

P. Employer Contributions to Cost-Sharing Pension Plans

The Department recognized the disbursement of employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for other postemployment benefits (OPEB).

Q. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLES

For 2023, the Department has implemented GASB Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*", GASB Statement No. 96, "*Subscription Based Information Technology Arrangements*", certain questions and answers of GASB Implementation Guide 2021-1 and certain paragraphs of GASB Statement No. 99, "*Omnibus 2022*".

GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the Department.

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The implementation of GASB Statement No. 96 did not have an effect on the financial statements of the Department.

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on the financial statements of the Department.

GASB Statement No. 99 is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the Department.

NOTE 4 – DEPOSITS AND INVESTMENTS

The Defiance County Treasurer maintains a cash pool used by all of Defiance County's funds, including those of the Department. The Ohio Revised Code prescribes allowable deposits and investments. At year end, the carrying amount of the Department's deposits with the Defiance County Treasurer was $1,350,595, which is reflected as cash with fiscal agent on the basic financial statements (the Department had no investments to report during the year). The Defiance County Treasurer is responsible for maintaining adequate depository collateral for all funds in Defiance County's pooled deposits and investments.

NOTE 5 – RECEIVABLES

Receivables at December 31, 2023 consisted of intergovernmental grants and entitlements (classified as due from other governments on the basic financial statements). All receivables are considered fully collectible within one year.

A list of the principal items classified as due from other governments follows:

Governmental Activities	Amounts
Public Assistance Fund	$ 688,155
Public Children Services Fund	122,958
Workforce Innovation and Opportunity Act Fund	6,923
Total	$ 818,036

NOTE 6 – CAPITAL ASSETS

A summary of changes in capital assets during the year follows:

Governmental Activities:	Balance January 1, 2023	Additions	Disposals	Balance December 31, 2023
Capital assets, being depreciated/amortized:				
Land improvements	$ -	$ 54,970	$ -	$ 54,970
Vehicles	273,400	38,490	(22,960)	288,930
Intangible right to use:				
Buildings	419,038	-	-	419,038
Equipment	87,629	-	(17,808)	69,821
Vehicles	-	23,767	-	23,767
Total capital assets, being depreciated/amortized	780,067	117,227	(40,768)	856,526
Less: accumulated depreciation/amortization:				
Machinery and equipment	-	(1,374)	-	(1,374)
Vehicles	(133,935)	(28,290)	22,960	(139,265)
Intangible right to use:				
Buildings	(121,188)	(121,188)	-	(242,376)
Equipment	(19,473)	(20,425)	-	(39,898)
Vehicles	-	(3,961)	-	(3,961)
Total accumulated depreciation/amortization	(274,596)	(175,238)	22,960	(426,874)
Governmental activities capital assets, net	$ 505,471	$ (58,011)	$ (17,808)	$ 429,652

Depreciation/amortization expense was charged to governmental activities as follows:

Governmental Activities	Amounts
Public assistance	$ 24,386
Public children services	94,003
Workforce innovation and opportunity act	56,849
Total depreciation expense	$ 175,238

NOTE 7 – RISK MANAGEMENT

A. General Liability

The Department is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Department attained insurance coverage for these risks through a contract with the County Risk Sharing Authority (CORSA). The December 31, 2023 insurance coverage limits are as follows:

Property	$ 8,459,500
Equipment Breakdown	100,000,000
General Liability	1,000,000
Commercial Crime	1,000,000
Excess Liability	9,000,000
Automobile Liability	1,000,000
Law Enforcement Liability	1,000,000
Errors and Omission Liability	1,000,000

Settled claims related to the Department have not exceeded the commercial insurance coverage in any of the last three years and there was no significant reduction in the coverage from the previous year.

B. Health Benefits

Through Defiance County, the Department is involved in a limited risk management program for employee health care benefits. A third party administrator processes the claims, which Defiance County pays. An internal service fund of Defiance County allocates the cost of claims payments by charging a monthly premium to each individual enrolled in the health insurance program. These premiums, along with the premium Defiance County pays for each employee enrolled in the program, are paid into this internal service fund, and claims are then paid out as necessary.

An excess coverage policy covers annual individual claims in excess of $75,000. Settled claims have not exceeded this commercial coverage in any of the last three years, and there has not been any significant reduction in coverage from the prior year.

Defiance County reports claims payable, which is based on the requirements of Governmental Accounting Standards Board Statement No. 30 "Accounting for Financial Reporting for Risk Financing and Related Insurance Issues". This Statement requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be reported for information prior to issuance of the financial statements and the amount can be reasonably estimated. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Claims payable for Defiance County as of December 31, 2023 is estimated by a third party administrator at $705,680, which included all outstanding claims made by the Department's employees.

C. Workers' Compensation

Through Defiance County, the Department is subject to participation in the County Commissioners Association of Ohio Service Corporation (Plan), a workers' compensation insurance purchasing pool. The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The workers' compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate. In order to allocate the savings derived by formation of the Plan, and to maximize the number of participants in the Plan, annually the Plan's Executive Committee calculates the total savings which accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. The Plan's Executive Committee then collects rate contributions from, or pays rate equalization rebates to, the various participants.

Participation in the Plan is limited to counties that can meet the Plan's selection criteria. The firm of Comp Management, Inc. provides administrative, cost control, and actuarial services to the Plan. Each year, Defiance County pays an enrollment fee to the Plan to cover the costs of administering the program.

Participants may withdraw from the Plan if written notice is provided sixty days prior to the prescribed application deadline of the Ohio Bureau of Workers' Compensation. However, participants are not relieved of their obligation to pay any amounts owed to the Plan prior to withdrawal, and any participant leaving the Plan allows representatives of the Plan to access loss experience for three years following the last year of participation.

NOTE 8 – DEFINED BENEFIT PENSION PLANS

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability/Asset and Net OPEB Liability

The net pension liability/asset and the net OPEB liability reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

Pensions and OPEB are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions and OPEB are provided to an employee – on a deferred-payment basis – as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability/asset and the net OPEB liability represent the Department’s proportionate share of each pension/OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan’s fiduciary net position. The net pension/OPEB liability/asset calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost-of-living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

The Ohio Revised Code limits the Department’s obligation for this liability to annually required payments. The Department cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the Department does receive the benefit of employees’ services in exchange for compensation including pension and OPEB.

GASB 68/75 assumes the liability/asset is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require, the retirement systems to provide health care to eligible benefit recipients.

The proportionate share of each plan’s unfunded benefits is presented as a long-term net pension/OPEB liability/asset on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in due to other governments on both the accrual and modified accrual basis of accounting.

The remainder of this note includes the pension disclosures. See Note 9 for the OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – Department employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting https://www.opers.org/financial/reports.shtml, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group.

The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements:	**Age and Service Requirements:**	**Age and Service Requirements:**
Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula:	**Traditional Plan Formula:**	**Traditional Plan Formula:**
2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula:	**Combined Plan Formula:**	**Combined Plan Formula:**
1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests upon receipt of the initial benefit payment.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2023 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2023 Actual Contribution Rates	
Employer:	
Pension **	14.0 %
Post-employment Health Care Benefits **	0.0
Total Employer	14.0 %
Employee	10.0 %

* This rate is determined by OPERS' Board and has no maximum rate established by ORC.

** These pension and employer health care rates are for the traditional plan. The employer contributions rate for the combined and member-directed plans is allocated 2 percent and 4 percent, respectively, for health care with the remainder going to pension; however, effective July 1, 2022, a portion of the health care rate is funded with reserves.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Department's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was $307,664 for 2023. Of this amount, $36,259 is reported as due to other governments.

Net Pension Liability/(Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability (asset) for OPERS was measured as of December 31, 2022, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. The Department's proportion of the net pension liability or asset was based on the Department's share of contributions to the pension plan relative to the contributions of all participating entities.

Following is information related to the proportionate share and pension expense:

	OPERS - Traditional	OPERS - Combined	OPERS - Member-Directed	Total
Proportion of the net pension liability/asset prior measurement date	0.01319900%	0.00931400%	0.00823900%	
Proportion of the net pension liability/asset current measurement date	0.01315000%	0.00944000%	0.00961000%	
Change in proportionate share	-0.00004900%	0.00012600%	0.00137100%	
Proportionate share of the net pension liability	$ 3,884,579	$ -	$ -	$ 3,884,579
Proportionate share of the net pension asset	-	(22,249)	(752)	(23,001)
Pension expense	547,867	2,853	(73)	550,647

At December 31, 2023, the Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	OPERS - Member-Directed	Total
Deferred outflows of resources				
Differences between expected and actual experience	$ 129,029	$ 1,368	$ 2,163	$ 132,560
Net difference between projected and actual earnings on pension plan investments	1,107,226	8,109	353	1,115,688
Changes of assumptions	41,039	1,479	48	42,566
Contributions subsequent to the measurement date	307,664	-	-	307,664
Total deferred outflows of resources	$ 1,584,958	$ 10,956	$ 2,564	$ 1,598,478

	OPERS - Traditional	OPERS - Combined	OPERS - Member-Directed	Total
Deferred inflows of resources				
Differences between expected and actual experience	$ -	$ 3,175	$ -	$ 3,175
Changes in employer's proportionate percentage/ difference between employer contributions	23,932	-	-	23,932
Total deferred inflows of resources	$ 23,932	$ 3,175	$ -	$ 27,107

$307,664 reported as deferred outflows of resources related to pension resulting from Department contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net pension liability/asset in the year ending December 31, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS - Traditional	OPERS - Combined	OPERS - Member-Directed	Total
Year Ending December 31:				
2024	$ 126,480	$ 328	$ 360	$ 127,168
2025	258,578	1,489	387	260,454
2026	325,909	2,070	390	328,369
2027	542,395	3,492	442	546,329
2028	-	(1)	255	254
Thereafter	-	403	730	1,133
Total	$ 1,253,362	$ 7,781	$ 2,564	$ 1,263,707

Actuarial Assumptions – OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2022, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2022, compared to the December 31, 2021 actuarial valuation, are presented below:

Wage inflation	
Current measurement date	2.75 percent
Prior measurement date	2.75 percent
Future salary increases, including inflation	
Current measurement date	2.75 percent to 10.75 percent including wage inflation
Prior measurement date	2.75 percent to 10.75 percent including wage inflation
COLA or ad hoc COLA	
Current measurement date	Pre 1/7/2013 retirees: 3.00 percent, simple Post 1/7/2013 retirees: 3.00 percent, simple through 2022, then 2.05 percent, simple
Prior measurement date	Pre 1/7/2013 retirees: 3.00 percent, simple Post 1/7/2013 retirees: 3.00 percent, simple through 2022, then 2.05 percent simple
Investment rate of return	
Current measurement date	6.90 percent
Prior measurement date	6.90 percent
Actuarial cost method	Individual entry age

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 12.1 percent for 2022.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board’s investment consultant.

For each major asset class that is included in the Defined Benefit portfolio’s target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed income	22.00 %	2.62 %
Domestic equities	22.00	4.60
Real estate	13.00	3.27
Private equity	15.00	7.53
International equities	21.00	5.51
Risk Parity	2.00	4.37
Other investments	5.00	3.27
Total	100.00 %	

Discount Rate – The discount rate used to measure the total pension liability/asset was 6.9 percent, post-experience study results, for the traditional pension plan, and the combined plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the traditional pension plan, combined plan and member-directed plan was applied to all periods of projected benefit payments to determine the total pension liability

Sensitivity of the Department's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate – The following table presents the proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 6.9 percent, as well as what the proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Department's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	$ 5,818,969	$ 3,884,579	$ 2,275,513
Combined Plan	(11,611)	(22,249)	(30,680)
Member-Directed Plan	(480)	(752)	(961)

NOTE 9 – DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

See Note 8 for a description of the net OPEB liability.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – The 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.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. Medicare-enrolled retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice selected with the assistance of an OPERS vendor. Non-Medicare retirees have converted to an arrangement similar to the Medicare-enrolled retirees and are no longer participating in OPERS provided self-insured group plans.

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to traditional pension plan and combined plan benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Medicare Retirees Medicare-eligible with a minimum of 20 years of qualifying service credit

Non-Medicare Retirees Non-Medicare retirees qualify based on the following age-and-service criteria:

Group A 30 years of qualifying service credit at any age;

Group B 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;

Group C 32 years of qualifying service credit and minimum age 55; or,

A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit

Retirees who don’t meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022 who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

The heath care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

The Ohio Revised Code permits but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting https://www.opers.org/financial/reports.shtml, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and beginning July 1, 2022, there was a 2 percent allocation to health care for the Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2023 was 4 percent; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Department did not make any contractually required contributions for 2023.

Net OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Department's proportion of the net OPEB liability was based on the Department's share of contributions to the retirement plan relative to the contributions of all participating entities.

Following is information related to the proportionate share and OPEB expense:

	OPERS
Proportion of the net OPEB liability/asset prior measurement date	0.01337700%
Proportion of the net OPEB liability current measurement date	0.01290000%
Change in proportionate share	-0.00047700%
Proportionate share of the net OPEB liability	$ 81,338
OPEB expense	(418)

At December 31, 2023, the Department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS
Deferred outflows of resources	
Net difference between projected and actual earnings on OPEB plan investments	$ 161,541
Changes of assumptions	79,444
Changes in employer's proportionate percentage/ difference between employer contributions	62,226
Total deferred outflows of resources	$ 303,211

	OPERS
Deferred inflows of resources	
Differences between expected and actual experience	$ 20,288
Changes of assumptions	6,537
Changes in employer's proportionate percentage/ difference between employer contributions	2,688
Total deferred inflows of resources	$ 29,513

There were no amounts reported as deferred outflows of resources related to OPEB resulting from Department contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net OPEB liability/asset in the year ending December 31, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS
Year Ending December 31:	
2024	$ 87,223
2025	58,062
2026	50,374
2027	78,039
Total	$ 273,698

Actuarial Assumptions – OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	
Current measurement date	2.75 percent
Prior Measurement date	2.75 percent
Projected Salary Increases, including inflation	
Current measurement date	2.75 to 10.75 percent including wage inflation
Prior Measurement date	2.75 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	5.22 percent
Prior Measurement date	6.00 percent
Investment Rate of Return	
Current measurement date	6.00 percent
Prior Measurement date	6.00 percent
Municipal Bond Rate	
Current measurement date	4.05 percent
Prior Measurement date	1.84 percent
Health Care Cost Trend Rate	
Current measurement date	5.50 percent initial, 3.50 percent ultimate in 2036
Prior Measurement date	5.50 percent initial, 3.50 percent ultimate in 2034
Actuarial Cost Method	Individual Entry Age Normal

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 15.6 percent for 2022.

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant.

For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	34.00 %	2.56 %
Domestic equities	26.00	4.60
Real Estate Investment Trusts (REITs)	7.00	4.70
International equities	25.00	5.51
Risk parity	2.00	4.37
Other investments	6.00	1.84
Total	100.00 %	

Discount Rate – A single discount rate of 5.22 percent was used to measure the total OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6 percent. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6 percent and a municipal bond rate of 4.05 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the Department's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate – The following table presents the proportionate share of the net OPEB liability calculated using the single discount rate of 5.22 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (4.22 percent) or one-percentage-point higher (6.22 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Department's proportionate share of the net OPEB liability/(asset)	$ 276,838	$ 81,338	$ (79,981)

Sensitivity of the Department's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate – Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1 percent lower or 1 percent higher than the current rate.

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.5 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health care cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.5 percent in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
Department's proportionate share of the net OPEB liability	$ 76,240	$ 81,338	$ 87,076

NOTE 10 – LONG-TERM OBLIGATIONS

The Department's long-term obligations activity as of December 31, 2023 was as follows:

	Balance January 1, 2023	Additions	Reductions	Balance December 31, 2023	Amounts Due in One Year
Governmental Activities:					
Compensated absences	$ 452,630	$ 316,669	$ (279,643)	$ 489,656	$ 279,409
Lease payable	376,606	23,320	(159,928)	239,998	152,335
Net Pension Liability	1,148,352	2,736,227	-	3,884,579	-
Net OPEB Liability	-	81,338	-	81,338	-
Total governmental activities long-term obligations	$ 1,977,588	$ 3,157,554	$ (439,571)	$ 4,695,571	$ 431,744

Compensated Absences: The compensated absences are paid primarily from the Public Assistance Fund.

Net Pension Liability: The Department's net pension liability/asset is discussed in Note 8.

Net OPEB Liability: The Department's net OPEB liability is discussed in Note 9.

Leases Payable: The Department has entered into a lease agreement for the use of right to use buildings, vehicles, and equipment. The Department reports intangible capital assets and corresponding liabilities for the future scheduled payments under the lease. The lease payments will be paid from the Public Assistance Fund, the Public Children Services Fund, and the Workforce Innovation and Opportunity Act Fund.

The Department has entered into lease agreements with the following terms:

Purpose	Lease Commencement Date	Years	Lease End Date	Payment Method
Office Space	2021	5	2025	Monthly
Office Space	2020	4	2024	Monthly
Copiers	2020	6	2026	Monthly
Vehicle	2023	5	2028	Monthly

The following is a schedule of future lease payments under the lease agreements:

Fiscal Year	Principal	Interest	Total
2024	$ 152,335	$ 8,540	$ 160,875
2025	76,677	2,506	79,183
2026	4,922	438	5,360
2027	5,174	186	5,360
2028	890	5	895
Total	$ 239,998	$ 11,675	$ 251,673

NOTE 11 – INTERFUND TRANSACTIONS

Due from/to other funds consisted of the following at December 31, 2023, as reported on the fund financial statements:

Receivable Fund	Payable Fund	Amount
Public Assistance Fund	Public Children Services Fund	$ 170,948
Public Assistance Fund	Workforce Innovation and Opportunity Act Fund	81,269
Total		$ 252,217

Amounts due from/to other funds represent amounts owed between funds for goods or services provided. The balances resulted from the time lag between the dates that payments between the funds are made. Interfund balances between governmental funds are eliminated on the government-wide financial statements.

NOTE 12 – CONTINGENT LIABILITIES

A. Grants

During 2023, the Department received federal and State grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the Department believes such disallowances, if any, would be immaterial.

B. Litigation

The Department is not currently party to any legal proceedings.

NOTE 13 – FUND BALANCE

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Department is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints places on fund balance for the major governmental funds is presented below:

	Public Assistance Fund	Public Children Services Fund	Workforce Innovation and Opportunity Act Fund	Total Governmental Funds
Nonspendable:				
Materials and Supplies	$ 1,701	$ 1,701	$ 1,701	$ 5,103
Prepayments	24,845	-	-	24,845
Total Nonspendable	26,546	1,701	1,701	29,948
Restricted:				
Public Assistance	1,280,467	-	-	1,280,467
Children Services	-	561,354	-	561,354
Workforce Innovation and Opportunity Act	-	-	37,923	37,923
Total Restricted	1,280,467	561,354	37,923	1,879,744
Total Fund Balance	$ 1,307,013	$ 563,055	$ 39,624	$ 1,909,692

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DEPARTMENT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY/NET PENSION ASSET
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST TEN YEARS

	2023	2022	2021	2020
Traditional Plan:				
Department's proportion of the net pension liability	0.013150%	0.013199%	0.014027%	0.013253%
Department's proportionate share of the net pension liability	$ 3,884,579	$ 1,148,352	$ 2,077,046	$ 2,619,496
Department's covered payroll	$ 2,196,750	$ 2,232,393	$ 2,066,157	$ 1,994,350
Department's proportionate share of the net pension liability as a percentage of its covered payroll	176.83%	51.44%	100.53%	131.35%
Plan fiduciary net position as a percentage of the total pension liability	75.74%	96.62%	86.88%	82.17%

Amounts presented for each fiscal year were determined as of the Department's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019		2018		2017		2016		2015		2014
0.013519%		0.013479%		0.013370%		0.013862%		0.012888%		0.012888%
$ 3,702,548		$ 2,114,538		$ 3,036,134		$ 2,401,053		$ 1,554,437		$ 1,519,327
$ 1,896,450		$ 1,834,400		$ 1,825,967		$ 1,844,050		$ 1,773,817		$ 400,162
195.24%		115.27%		166.28%		130.21%		87.63%		379.68%
74.70%		84.66%		77.25%		81.08%		86.45%		86.36%

DEFIANCE/PAULDING CONSOLIDATED DEPARTMENT OF JOB AND FAMILY SERVICES
DEFIANCE COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DEPARTMENT'S PENSION CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST TEN YEARS

	2023	2022	2021	2020
Traditional Plan:				
Contractually required contribution	$ 307,664	$ 307,545	$ 312,535	$ 289,262
Contributions in relation to the contractually required contribution	(307,664)	(307,545)	(312,535)	(289,262)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Department's covered payroll	$ 2,197,600	$ 2,196,750	$ 2,232,393	$ 2,066,157
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	**2018**	**2017**	**2016**	**2015**	**2014**
$ 279,209	$ 265,503	$ 238,472	$ 219,116	$ 221,286	$ 212,858
(279,209)	(265,503)	(238,472)	(219,116)	(221,286)	(212,858)
$ -	$ -	$ -	$ -	$ -	$ -
$ 1,994,350	$ 1,896,450	$ 1,834,400	$ 1,825,967	$ 1,844,050	$ 1,773,817
14.00%	14.00%	13.00%	12.00%	12.00%	12.00%

DEFIANCE/PAULDING CONSOLIDATED DEPARTMENT OF JOB AND FAMILY SERVICES
DEFIANCE COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DEPARTMENT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY/NET OPEB ASSET
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST SEVEN YEARS

	2023	2022	2021	2020
Department's proportion of the net OPEB liability/asset	0.012900%	0.013377%	0.013723%	0.012934%
Department's proportionate share of the net OPEB liability/(asset)	$ 81,338	$ (418,979)	$ (244,484)	$ 1,786,527
Department's covered payroll	$ 2,196,750	$ 2,232,393	$ 2,066,157	$ 1,994,350
Department's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	3.70%	-18.77%	-11.83%	89.58%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	94.79%	128.23%	115.57%	47.80%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the Department's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017
0.013153%	0.013034%	0.013370%
$ 1,714,832	$ 1,415,381	$ 1,350,415
$ 1,896,450	$ 1,834,400	$ 1,825,967
90.42%	77.16%	73.96%
46.33%	54.14%	54.05%

DEFIANCE/PAULDING CONSOLIDATED DEPARTMENT OF JOB AND FAMILY SERVICES
DEFIANCE COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DEPARTMENT'S OPEB CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST TEN YEARS

	2023	**2022**	**2021**	**2020**
Contractually required contribution	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Department's covered payroll	$ 2,197,600	$ 2,196,750	$ 2,232,393	$ 2,066,157
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
$ -	$ -	$ 18,344	$ 36,519	$ 36,881	$ 38,733
-	-	(18,344)	(36,519)	(36,881)	(38,733)
$ -	$ -	$ -	$ -	$ -	$ -
$ 1,994,350	$ 1,896,450	$ 1,834,400	$ 1,825,967	$ 1,844,050	$ 1,773,817
0.00%	0.00%	1.00%	2.00%	2.00%	2.18%

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2014 - 2023.

Changes in assumptions :

- There were no changes in assumptions for 2014 - 2016.
- For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%.
- There were no changes in assumptions for 2018.
- For 2019, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.
- For 2022, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) wage inflation was changed from 3.25% to 2.75%, (b) future salary increases, including inflation were changed from 3.25%-10.75% to 2.75%-10.75%, (c) COLA for post 1/7/2013 retirees were changed from 0.50%, simple through 2021, then 2.15% simple to 3.00%, simple through 2022, then 2.05% simple and (d) the actuarially assumed rate of return was changed from 7.20% to 6.90%.
- There were no changes in assumptions for 2023.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2017 - 2020.
- For 2021, the following were the most significant changes in benefit terms since the prior measurement date: the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care Plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.
- There were no changes in benefit terms from the amounts reported for 2022 - 2023.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) The investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25% ultimate in 2029.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.96% up to 3.16%, (b) the municipal bond rate was decreased from 3.71% up to 2.75% and (c) the health care cost trend rate was increased from 10.00%, initial/3.25%, ultimate in 2029 up to 10.50%, initial/3.50% ultimate in 2030.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.16% up to 6.00%, (b) the municipal bond rate was decreased from 2.75% up to 2.00% and (c) the health care cost trend rate was decreased from 10.50%, initial/3.50%, ultimate in 2030 down to 8.50%, initial/3.50% ultimate in 2035.
- For 2022, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) wage inflation changed from 3.25% to 2.75%, (b) projected salary increases, including inflation changed from 3.25%-10.75% to 2.75%-10.75%, (c) the municipal bond rate was changed from 2.00% to 1.84% and (d) the health care cost trend rate was changed from 8.50% initial, 3.50% ultimate in 2035 to 5.50% initial, 3.50% ultimate in 2034.
- For 2023, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 6.00% to 5.22%, (b) the municipal bond rate was changed from 1.84% to 4.05% and (c) the health care cost trend rate was changed from 5.50% initial, 3.50% ultimate in 2034 to 5.50% initial, 3.50% ultimate in 2036.

DEFIANCE/PAULDING CONSOLIDATED DEPARTMENT OF JOB AND FAMILY SERVICES
DEFIANCE COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PUBLIC ASSISTANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Intergovernmental	$ 3,968,300	$ 4,168,858	$ 4,176,312	$ 7,454
Reimbursements and other	1,195,000	1,195,000	435,100	(759,900)
Total revenues	5,163,300	5,363,858	4,611,412	(752,446)
Expenditures:				
Current:				
Public assistance	6,283,358	6,273,897	5,002,350	1,271,547
Debt service:				
Principal retirement	41,437	41,437	41,437	-
Interest and fiscal charges	2,018	2,018	2,018	-
Total expenditures	6,326,813	6,317,352	5,045,805	1,271,547
Net change in fund balance	(1,163,513)	(953,494)	(434,393)	519,101
Fund balance at beginning of year	840,969	840,969	840,969	-
Prior year encumbrances appropriated	61,636	61,636	61,636	-
Fund balance (deficit) at end of year	$ (260,908)	$ (50,889)	$ 468,212	$ 519,101

SEE ACCOMPANYING NOTES TO SUPPLEMENTAL INFORMATION

DEFIANCE/PAULDING CONSOLIDATED DEPARTMENT OF JOB AND FAMILY SERVICES
DEFIANCE COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PUBLIC CHILDREN SERVICES FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Intergovernmental	$ 2,000,000	$ 2,300,000	$ 2,493,058	$ 193,058
Contributions and donations	1,000	1,000	2,252	1,252
Reimbursements and other	450,000	450,000	43,930	(406,070)
Total revenues	2,451,000	2,751,000	2,539,240	(211,760)
Expenditures:				
Current:				
Public children services	2,874,766	3,340,102	2,760,812	579,290
Debt service:				
Principal retirement	65,347	65,347	65,347	-
Interest and fiscal charges	5,019	5,019	5,019	-
Total expenditures	2,945,132	3,410,468	2,831,178	579,290
Net change in fund balance	(494,132)	(659,468)	(291,938)	367,530
Fund balance at beginning of year	857,544	857,544	857,544	-
Prior year encumbrances appropriated	94,132	94,132	94,132	-
Fund balance at end of year	$ 457,544	$ 292,208	$ 659,738	$ 367,530

SEE ACCOMPANYING NOTES TO SUPPLEMENTAL INFORMATION

DEFIANCE/PAULDING CONSOLIDATED DEPARTMENT OF JOB AND FAMILY SERVICES
DEFIANCE COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WORKFORCE INNOVATION AND OPPORTUNITY ACT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Intergovernmental	$ 489,750	$ 531,750	$ 498,290	$ (33,460)
Other	10,000	10,000	-	(10,000)
Total revenues	499,750	541,750	498,290	(43,460)
Expenditures:				
Current:				
Workforce innovation and opportunity act	604,923	669,923	617,182	52,741
Debt service:				
Principal retirement	53,144	53,144	53,144	-
Interest and fiscal charges	7,150	7,150	7,150	-
Total expenditures	665,217	730,217	677,476	52,741
Net change in fund balance	(165,467)	(188,467)	(179,186)	9,281
Fund balance at beginning of year	219,148	219,148	219,148	-
Prior year encumbrances appropriated	2,467	2,467	2,467	-
Fund balance at end of year	$ 56,148	$ 33,148	$ 42,429	$ 9,281

SEE ACCOMPANYING NOTES TO SUPPLEMENTAL INFORMATION

NOTE 1 – BUDGETARY SCHEDULES

Defiance County (the fiscal agent) required the Department to budget all funds. The major documents prepared include the certificates of estimated resources and the permanent appropriations resolutions. The budgetary basis reports expenditures when a commitment is made (i.e., when an encumbrance is approved). The Department revenue allocations establish a limit on the amounts the Department may budget. The budget is the Department's authorization to spend resources, and sets annual limits on expenditures plus encumbrances at a level of control selected for the Department. The Department budgets at the fund, program, department, and object level for all funds in accordance with the policies as established by Defiance County.

The Department may amend the budget throughout the year, with the restriction that the budget may not violate the legal level of budgetary control. The amounts reported in the original budget on the budgetary schedules reflect the anticipated revenue and expenditure amounts when the Department adopted the original budget. The amounts reported in the final budget on the budgetary schedules reflect the anticipated revenue and expenditure amounts when the Department adopted the final budget.

The budgetary schedules are presented on a budgetary basis of accounting, as opposed to a GAAP basis of accounting. The following table summarizes the adjustments necessary to reconcile the budgetary basis with the GAAP basis for the Public Assistance, Public Children Services, and Workforce Innovation and Opportunity Act Funds:

	Public Assistance	Public Children Services	Workforce Innovation and Opportunity Act
Budgetary basis	$ (434,393)	$ (291,938)	$ (179,186)
Net adjustment for revenue accruals	(1,092,495)	66,766	-
Net adjustment for expenditure accruals	1,522,098	(22,104)	473,647
Net adjustment for other financing sources	23,320	-	-
Adjustment for encumbrances	43,462	52,355	84,399
GAAP basis	$ 61,992	$ (194,921)	$ 378,860

DEFIANCE/PAULDING CONSOLIDATED DEPARTMENT OF JOB AND FAMILY SERVICES
DEFIANCE COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

FEDERAL GRANTOR / ***Pass Through Grantor*** / **Program / Cluster Title**	**Federal AL Number**	**Pass Through Entity Identifying Number**	**Provided Through To Subrecipients**	**Total Federal Expenditures**
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through Ohio Department of Job and Family Services				
Supplemental Nutrition Assistance Program Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-2223-11-7014 / G-2425-11-6221		$ 547,343
COVID-19 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-2223-11-7014 / G-2425-11-6221		19,084
Total Supplemental Nutrition Assistance Program Cluster				566,427
Total U.S. Department of Agriculture				566,427
U.S. DEPARTMENT OF TREASURY				
Passed Through Ohio Department of Job and Family Services				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	G-2223-11-7014 / G-2425-11-6221		46,081
Total U.S. Department of Treasury				46,081
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through Ohio Department of Job and Family Services				
MaryLee Allen Promoting Safe and Stable Families Program	93.556	G-2223-11-7014 / G-2425-11-6221		668
Temporary Assistance for Needy Families	93.558	G-2223-11-7014 / G-2425-11-6221		664,104
Child Care and Development Funds Cluster:				
Child Care and Development Block Grant	93.575	G-2223-11-7014 / G-2425-11-6221	$ 53,455	53,455
Foster Care Title IV-E	93.658	G-2223-11-7014 / G-2425-11-6221		157,747
Adoption Assistance	93.659	G-2223-11-7014 / G-2425-11-6221		316,912
Social Services Block Grant	93.667	G-2223-11-7014 / G-2425-11-6221		278,234
COVID-19 Elder Abuse Prevention Interventions Program	93.747	G-2223-11-7014 / G-2425-11-6221		49,737
Children's Health Insurance Program	93.767	G-2223-11-7014 / G-2425-11-6221		17,210
Medicaid Cluster:				
Medical Assistance Program	93.778	G-2223-11-7014 / G-2425-11-6221		873,769
Total U.S. Department of Health and Human Services			53,455	2,411,836
U.S. DEPARTMENT OF LABOR				
Passed Through Montgomery County Workforce Investment Act Area 7				
Unemployment Insurance	17.225	2020/21-7120-1 / 2020/21-7163-1		26,321
WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277	2020/21-7120-1 / 2020/21-7163-1		1,900
Workforce Innovation and Opportunity Act Cluster:				
WIOA Adult Program	17.258	2020/21-7120-1 / 2020/21-7163-1		331,723
WIOA Youth Activities	17.259	2020/21-7120-1 / 2020/21-7163-1		42,388
WIOA Dislocated Worker Formula Grants	17.278	2020/21-7120-1 / 2020/21-7163-1		144,345
Total Workforce Innovation and Opportunity Act Cluster				518,456
Total U.S. Department of Labor				546,677
Total Expenditures of Federal Awards			**$ 53,455**	**$ 3,571,021**

The accompanying notes are an integral part of this schedule.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Defiance/Paulding Consolidated Department of Job and Family Services, Defiance County, Ohio (the Department) under programs of the federal government for the year ended December 31, 2023. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Department, it is not intended to and does not present the financial position or changes in net position of the Department.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The Department has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D – SUBRECIPIENTS

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

As a pass-through entity, the Department 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.

NOTE E – MATCHING REQUIREMENTS

Certain Federal programs require the Department to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Department has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

OHIO AUDITOR OF STATE
KEITH FABER

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

Defiance/Paulding Consolidated Department of Job and Family Services
Defiance County
6879 Evansport Road
Defiance, Ohio 43512-6766

To the Board of Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the governmental activities and each major fund of Defiance/Paulding Consolidated Department of Job and Family Services, Defiance County, Ohio (the Department) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements and have issued our report thereon dated September 19, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Department's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Department's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2023-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

Department's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Department's response to the finding identified in our audit and described in the accompanying schedule of findings and corrective action plan. The Department's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Keith Faber
Auditor of State
Columbus, Ohio

September 19, 2024

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Defiance/Paulding Consolidated Department of Job and Family Services
Defiance County
6879 Evansport Road
Defiance, Ohio 43512-6766

To the Board of Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Defiance/Paulding Consolidated Department of Job and Family Services, Defiance County, Ohio's (Department) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the Department's major federal programs for the year ended December 31, 2023. The Department's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Defiance/Paulding Consolidated Department of Job and Family Services complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Department and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Department's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The Department's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Department's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Department's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Department's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Department's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Department's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. 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 type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Keith Faber
Auditor of State
Columbus, Ohio

September 19, 2024

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DEFIANCE/PAULDING CONSOLIDATED DEPARTMENT OF JOB AND FAMILY SERVICES
DEFIANCE COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2023

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	Yes
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	Temporary Assistance for Needy Families – AL #93.558 Medicaid Cluster
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	No

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

FINDING NUMBER 2023-001

Material Weakness – Financial Reporting

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

Due from other governments and intergovernmental revenue not available in the Workforce Innovation and Opportunity Act Fund were overstated in the amount of $71,156 on the Balance Sheet – Governmental Funds.

This error was the result of inadequate policies and procedures in reviewing the financial statements. Failure to complete accurate financial statements could lead to the Board making misinformed decisions. The accompanying financial statements and notes to the financial statements have been adjusted to correct this error. In addition to the adjustment noted above, we also identified an additional misstatement in the amount of $1,657 which we have brought to the Department's attention.

The Department should adopt policies and procedures, including a final review of the financial statements and notes to the financial statements by the Deputy Director of Operations and the audit committee, to help identify and correct errors and omissions.

Officials' Response:

See Corrective Action Plan

3. FINDINGS FOR FEDERAL AWARDS

None

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
DECEMBER 31, 2023

Finding Number	Finding Summary	Status	Additional Information
2022-001	This finding was first reported in 2021. Material weakness for lack of monitoring of financial transactions resulting in errors in the financial statements.	Not corrected and reissued as Finding 2023-001 in this report.	Additional errors occurred and were not detected. The Department will monitor these errors going forward.

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CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2023

Finding Number:	2023-001
Planned Corrective Action:	The Department has a better understanding of the reporting issues and the Deputy Director of Operations will continue to monitor the Department's financial statements and make changes when needed.
Anticipated Completion Date:	December 31, 2024
Responsible Contact Person:	Jennifer Coleman, Deputy Director of Operations

OHIO AUDITOR OF STATE
KEITH FABER

DEFIANCE-PAULDING CONSOLIDATED DEPARTMENT OF JOB AND FAMILY SERVICES

DEFIANCE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 9/26/2024

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