SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES
ROSS COUNTY
SINGLE AUDIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Millhuff-Stang
CERTIFIED PUBLIC ACCOUNTANT

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OHIO AUDITOR OF STATE
KEITH FABER

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Members of the Board
South Central Ohio Job and Family Services
475 Western Avenue, Suite B
Chillicothe, Ohio 45601

We have reviewed the *Independent Auditor's Report* of South Central Ohio Job and Family Services, Ross County, prepared by Millhuff-Stang, CPA, Inc., for the audit period July 1, 2023 through June 30, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

KEITH FABER
Ohio Auditor of State

Tiffany L Ridenbaugh

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

July 01, 2025

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For the Fiscal Year Ended June 30, 2024

Independent Auditor's Report

Members of the Board
South Central Ohio Job and Family Services
475 Western Avenue, Suite B
Chillicothe, Ohio 45601

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of South Central Ohio Job and Family Services, Ross County, Ohio (the Board), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Board'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, each major fund and the aggregate remaining fund information of South Central Ohio Job and Family Services, Ross County, Ohio, as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with 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 (*Government Auditing Standards*). 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 Board, 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 Board'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.

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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 Board'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 Board'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, the schedules of net pension and OPEB liabilities (assets), and the schedules of Board 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, 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 Board's basic financial statements. The budgetary comparison schedules and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* 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 GAAS. In our opinion, the budgetary comparison schedules 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 March 31, 2025 on our consideration of the Board's internal control over financial reporting and on 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 on opinion on the effectiveness of the Board'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 Board's internal control over financial reporting and compliance.

Millhuff-Stang CPA, Inc.

Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

March 31, 2025

The discussion and analysis of South Central Ohio Job and Family Services' (the Board) financial performance provides an overview and analysis of the Board's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the Board's financial performance as a whole. Readers should also review our notes to the basic financial statements and the financial statements themselves to enhance their understanding of the Board's financial performance. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Financial Highlights

- The liabilities and deferred inflows of resources of South Central Ohio Job and Family Services exceeded its assets and deferred outflows of resources at June 30, 2024 by $7,892,944.
- In total, net position of governmental activities decreased by $1,974,614 or 33.36 percent.
- Program specific revenues in the form of charges for services and grants and contributions accounted for $26,615,112 or 90.80 percent of total revenues.
- The Board had $31,286,197 in expenses related to governmental activities; $26,615,112 of these expenses was offset by programs specific charges for services, grants and contributions. General revenues (primarily taxes) of $2,696,471 were also utilized to provide for these programs.
- The Board recognizes four major governmental funds: the Public Assistance Fund, the Child Support Fund, the Children's Services Fund, and the Workforce Development Fund. In terms of dollars received and spent, the Public Assistance Fund is significantly larger than all the other funds of the Board. The Public Assistance Fund had $19,296,296 in revenues and other financing sources and $19,964,083 in expenditures in fiscal year 2024.

Using this Annual Report

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

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

Reporting the Board as a Whole

Government-Wide Financial Statements

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

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

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

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

Reporting the Board's Most Significant Funds

Fund Financial Statements

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

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

Governmental Funds

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

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Board's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Fiduciary Funds

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

Notes to the Basic Financial Statements

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

Government-Wide Financial Analysis

Recall that the Statement of Net Position provides the perspective of the Board as a whole, showing assets and deferred outflows of resources, liabilities and deferred inflows of resources, and the difference between them (net position). Table 1 provides a summary of the Board's net position at June 30, 2024 and provides a comparison to June 30, 2023.

Table 1
Net Position at Year End
Governmental Activities

	2024	2023
Assets		
Current and Other Assets	$6,187,649	$7,228,747
Net Pension Asset	71,103	51,218
Net OPEB Asset	360,008	0
Capital Assets, Net	1,757,291	205,146
Total Assets	8,376,051	7,485,111
Deferred Outflows of Resources	3,258,501	5,801,496
Liabilities		
Current and Other Liabilities	4,374,979	3,645,661
Long-Term Liabilities:		
Due Within One Year	930,530	767,158
Due in More Than One Year:		
Other Amounts	2,100,955	377,357
Net Pension Liability	10,998,390	13,554,449
Net OPEB Liability	0	273,286
Total Liabilities	18,404,854	18,617,911
Deferred Inflows of Resources	1,122,642	587,026
Net Position		
Net Investment in Capital Assets	(6,468)	(2,444)
Restricted	1,972,125	2,674,746
Unrestricted (Deficit)	(9,858,601)	(8,590,632)
Total Net Position	($7,892,944)	($5,918,330)

The net pension liability (NPL) is the largest liability reported by the Board at June 30, 2024 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27". The Board also reports a net pension asset in accordance with GASB 68 and a net OPEB asset in accordance with 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 Board's actual financial condition by adding deferred inflows related to pension and OPEB and the net pension liability to the reported net position and subtracting deferred outflows related to pension and OPEB, net pension asset, and the net OPEB asset.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB Statement No. 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension/OPEB liability (asset)*. GASB Statement Nos. 68 and 75 take an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems 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, net pension asset, and the net OPEB asset to equal the Board's proportionate share of each plan's collective:

1. Present value of estimated future pension 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 Board 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. 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 is satisfied, this liability is separately identified within the long-term liability section of the Statement of Net Position.

In accordance with GASB 68 and GASB 75, the Board'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, net pension asset, and net OPEB asset, respectively, not accounted for as deferred inflows/outflows.

Current and other assets decreased $1,041,098 or 14.40 percent from fiscal year 2023 mainly due to decreases in cash and cash equivalents and intergovernmental receivables, due to timing of grant requests. Capital assets increased by $1,552,145 during fiscal year 2024 due primarily to asset additions which was partially offset by current year depreciation. Current (other) liabilities increased by $729,318 or 20.00 percent due primarily to an increase in contracts payable. Long-term liabilities decreased by $942,375 or 6.29 percent due primarily to a decrease in net pension and OPEB liabilities due to actuarial measurements performed by the retirement system. These decreases were partially offset by an increase for extended lease obligations. Net pension asset increased $19,885, net OPEB asset increased $360,008, deferred outflows of resources decreased $2,542,995, and deferred inflows of resources increased $535,616 due to changes in net pension and OPEB actuarial measurements provided by the retirement system. Additional information can be found in Notes 8 and 9. The net position deficit of $6,468 is related to the net investment in capital assets. The Board used these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Net position of $1,972,125 is restricted. Restricted net position is subject to external restrictions on how it may be used. The remaining deficit of $9,858,601 is unrestricted net position. Unrestricted net position represents resources that may be used to meet the Board's ongoing obligations to its creditors.

Table 2 shows the changes in net position for fiscal year 2024 and provides a comparison to fiscal year 2023.

Table 2
Change in Net Position
Governmental Activities

	2024	2023
Revenues		
Program Revenues		
Charges for Services and Sales	$567,614	$384,818
Operating Grants and Contributions	26,047,498	23,883,490
Total Program Revenues	26,615,112	24,268,308
General Revenues		
Property Taxes	2,400,443	2,343,370
Grants and Entitlements Not Restricted to Specific Programs	144,851	178,040
Refunds	22,786	24,556
Miscellaneous	128,391	103,787
Total General Revenues	2,696,471	2,649,753
Total Revenues	29,311,583	26,918,061
Program Expenses		
Public Assistance	18,278,748	16,244,810
Child Support	1,783,706	1,852,291
Children's Services	10,753,749	9,400,175
Workforce Development	418,849	527,301
Interest	51,145	32,420
Total Expenses	31,286,197	28,056,997
Change in Net Position	(1,974,614)	(1,138,936)
Net Position at Beginning of Year	(5,918,330)	(4,779,394)
Net Position at End of Year	($7,892,944)	($5,918,330)

The most significant program expenses for the Board are Public Assistance and Children's Services. These programs account for 92.80 percent of the total governmental activities. Public Assistance, which accounts for 58.42 percent of the total, represents costs associated with providing public assistance to eligible recipients in the programs of Cash Assistance, Food Assistance, Medicaid, and Non-Emergency Medicaid Transportation. Children's Services, which represents 34.37 percent of the total, represents costs associated with providing foster care and other services for neglected, battered and abused children.

The Board had program revenue of $26,615,112, and general revenue of $2,696,471. Program revenues increased $2,346,804 or 9.67 percent, due to increased operating grants and contributions for the Public Assistance, Children's Services, and Workforce Development programs. General revenues increased $46,718 or 1.76 percent, which is primarily due to increases in property tax revenue and miscellaneous received during the fiscal year.

The total expenses for governmental activities were $31,286,197, which is an increase of $3,229,200 or 11.51 percent from 2023, which is primarily due to an increase in public assistance and children's services expenses. This increase correlates with increases in program funding.

Governmental Activities

The Board is heavily dependent on intergovernmental revenue and, like most Ohio governments, is hampered by a lack of revenue growth. Property taxes made up 8.19 percent and intergovernmental revenue made up 89.36 percent of the total revenue for the governmental activities in fiscal year 2024.

Public Assistance accounts for 58.42 percent of governmental activities program expenses. The Statement of Activities shows the cost of program services and charges for services and grants offsetting those services.

Table 3 shows, for governmental activities, the total cost of services and the net cost of services for fiscal year 2024 and provides a comparison to fiscal year 2023. That is, it identifies the cost of these services supported by tax revenue, miscellaneous revenue, and other general revenues.

Table 3
Net Cost of Governmental Activities

	2024 Total Cost of Services	2024 Net Cost of Services	2023 Total Cost of Services	2023 Net Cost of Services
Program Expenses				
Public Assistance	$18,278,748	$3,824,905	$16,244,810	$2,369,099
Child Support	1,783,706	(173,036)	1,852,291	(318,019)
Children's Services	10,753,749	1,341,688	9,400,175	1,797,708
Workforce Development	418,849	(373,617)	527,301	(92,519)
Interest	51,145	51,145	32,420	32,420
Total Expenses	$31,286,197	$4,671,085	$28,056,997	$3,788,689

It should be noted that 85.07 percent of the costs of services for governmental activities are derived from program revenues including charges for services and operating grants and other contributions. The $1,341,688 of net costs in Children's Services is offset by property taxes that have been levied by Ross County, Vinton County, and Hocking County for these services.

The Board's Funds

The Board's governmental funds are accounted for using the modified accrual basis of accounting (See Note 2 for discussion of significant accounting policies). All governmental funds had total revenues and other financing sources of $34,151,645 and expenditures and other financing uses of $35,909,805.

The fund balances of the total governmental funds decreased by $1,758,160 or 62.98 percent. The decrease in fund balance for the year was most significant in the Children's Services Fund, which decreased $1,142,078 or 819.46 percent, which was primarily the result of inadequate funding to provide for these services.

Budget Highlights

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

During fiscal year 2024, the Board amended its budget to reflect changing circumstances. The budgeted receipts and disbursements are prepared on a program-based budget technique that is designed to control program budgets while providing administrators and supervisors flexibility for program management.

For the Public Assistance Fund, the final budget basis revenue and other financing sources was $17,565,784 representing no change from the original budget. The final budget basis expenditures were $18,340,404 representing an increase of $997 from the original budget basis expenditures of $18,339,407, which was not a significant change. There was a 7.61 percent negative variance in actual expenditures as compared to the final budget.

For the Child Support Fund, the final budget basis revenue was $2,339,224, representing no change from the original budget revenues. The final budget basis expenditures and other financing uses were $2,348,302 representing no change from the original budget basis expenditures. There was a 0.77 percent negative variance in actual expenditures as compared to the final budget.

For the Children's Services Fund, the final budget basis revenue was $12,124,059, representing a $2,034,000 change from the original budget. The final budget basis expenditures and other financing uses were $13,400,069 representing an increase of $2,510,010 from the original budget basis expenditures. There was a 20.07 negative variance in actual expenditures as compared to the final budget.

For the Workforce Development Fund, the final budget basis revenue was $995,500, representing no change from the original budget. The final budget basis expenditures and other financing uses were $995,500 representing no change from the original budget basis expenditures. There was a 0.65 percent negative variance in actual expenditures as compared to the final budget.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2024, the Board had $1,757,291 invested in furniture, fixtures, and equipment, vehicles, and intangible right to use leased assets. That total carries an accumulated depreciation of $1,480,684. Table 4 shows June 30, 2024 balances and provides a comparison to June 30, 2023.

Table 4
Capital Assets and Accumulated Depreciation at Year End
Governmental Activities

	2024	2023
Furniture, Fixtures, and Equipment	$8,758	$12,059
Vehicles	3,383	0
Intangible Right to Use Leased Assets	1,745,150	193,087
Total Capital Assets	$1,757,291	$205,146

More detailed information pertaining to the Board's capital asset activity can be found in note 6 of the notes to the basic financial statements.

Debt Administration

At June 30, 2024, the Board had no general obligation debt outstanding. For more information on other long-term obligations of the Board, see note 10 of the notes to the basic financial statements.

Current Issues

South Central Ohio Job and Family Services, a former employee, Hocking County, and the City of Logan were named as defendants in a lawsuit filed in the United States District Court Southern District. The lawsuit centers around public children services.

Contacting the Board's Financial Management

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

South Central Ohio Job and Family Services
Statement of Net Position
As of June 30, 2024

	Governmental Activities
Assets:	
Equity in Pooled Cash and Cash Equivalents	$3,690,288
Materials and Supplies Inventory	53,458
Intergovernmental Receivable	1,409,347
Property Taxes Receivable	979,378
Prepaid Items	55,178
Net Pension Asset	71,103
Net OPEB Asset	360,008
Depreciable Capital Assets, net	1,757,291
Total Assets	8,376,051
Deferred Outflows of Resources:	
Pension	2,935,220
OPEB	323,281
Total Deferred Outflows of Resources	3,258,501
Liabilities:	
Accounts Payable	364,916
Accrued Wages Payable	282,501
Contracts Payable	2,318,620
Intergovernmental Payable	340,433
Unearned Revenue	1,068,509
Long-Term Liabilities:	
Due Within One Year	930,530
Due in More Than One Year	2,100,955
Net Pension Liability	10,998,390
Total Liabilities	18,404,854
Deferred Inflows of Resources:	
Pension	913,523
OPEB	209,119
Total Deferred Inflows of Resources	1,122,642
Net Position:	
Net Investment in Capital Assets	(6,468)
Restricted for Other Purposes	1,319,037
Restricted for Net Pension Asset	28,628
Restricted for Net OPEB Asset	474,170
Unrestricted (Deficit)	(9,708,311)
Total Net Position	($7,892,944)

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

South Central Ohio Job and Family Services
Statement of Activities
For the Fiscal Year Ended June 30, 2024

	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental Activities:				
Public Assistance	$18,278,748	$209,247	$14,244,596	($3,824,905)
Child Support	1,783,706	333,757	1,622,985	173,036
Children's Services	10,753,749	24,610	9,387,451	(1,341,688)
Workforce Development	418,849	0	792,466	373,617
Interest	51,145	0	0	(51,145)
Total Governmental Activities	$31,286,197	$567,614	$26,047,498	(4,671,085)
		General Revenues:		
		Property Taxes Levied for Children's Services		2,400,443
		Unrestricted Grants and Entitlements		144,851
		Refunds		22,786
		Miscellaneous		128,391
		Total General Revenues		2,696,471
		Change in Net Position		(1,974,614)
		Net Position Beginning of Year		(5,918,330)
		Net Position End of Year		($7,892,944)

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

South Central Ohio Job and Family Services
Balance Sheet
Governmental Funds
As of June 30, 2024

	Public Assistance	Child Support	Children's Services	Workforce Development	Total Governmental Funds
Assets:					
Equity in Pooled Cash and Cash Equivalents	$1,032,055	$1,536,040	$917,466	$204,727	$3,690,288
Materials and Supplies Inventory	53,458	0	0	0	53,458
Interfund Receivable	746,971	0	0	0	746,971
Intergovernmental Receivable	471,751	80,960	843,565	13,071	1,409,347
Property Taxes Receivable	0	0	979,378	0	979,378
Prepaid Items	50,172	0	5,006	0	55,178
Total Assets	$2,354,407	$1,617,000	$2,745,415	$217,798	$6,934,620
Liabilities:					
Accounts Payable	$252,015	$404	$58,176	$54,321	$364,916
Accrued Wages Payable	247,809	34,692	0	0	282,501
Contracts Payable	710,063	0	1,608,557	0	2,318,620
Interfund Payable	0	109,778	582,180	55,013	746,971
Intergovernmental Payable	106,862	170,723	48,485	14,363	340,433
Unearned Revenue	367,260	0	701,249	0	1,068,509
Total Liabilities	1,684,009	315,597	2,998,647	123,697	5,121,950
Deferred Inflows of Resources:					
Unavailable Revenue	21,381	0	749,476	8,276	779,133
Deferred Inflows of Resources	21,381	0	749,476	8,276	779,133
Fund Balances:					
Nonspendable	103,630	0	5,006	0	108,636
Restricted for:					
Public Assistance	545,387	0	0	0	545,387
Child Support	0	1,301,403	0	0	1,301,403
Workforce Development	0	0	0	85,825	85,825
Unassigned (Deficit)	0	0	(1,007,714)	0	(1,007,714)
Total Fund Balances	649,017	1,301,403	(1,002,708)	85,825	1,033,537
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$2,354,407	$1,617,000	$2,745,415	$217,798	$6,934,620

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

South Central Ohio Job and Family Services
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
As of June 30, 2024

Total Governmental Fund Balances		$1,033,537
Amounts reported for governmental activities in 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.		1,757,291
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Charges for Services	8,139	
Property Taxes	353,165	
Intergovernmental	417,829	
Total		779,133
The net pension and OPEB liabilities (assets) are not due and payable (receivable) in the current period. Therefore, the liabilities (assets) and related deferred inflows/outflows are not reported in governmental funds:		
Deferred Outflows-Pension	2,935,220	
Deferred Outflows-OPEB	323,281	
Deferred Inflows-Pension	(913,523)	
Deferred Inflows-OPEB	(209,119)	
Net Pension Asset	71,103	
Net Pension Liability	(10,998,390)	
Net OPEB Asset	360,008	
Total		(8,431,420)
Long-term liabilities, including leases payable and the long-term portion of compensated absences, are not due and payable in the current period and therefore are not reported in the funds.		
Leases Payable	(1,763,759)	
Compensated Absences	(1,267,726)	
Total		(3,031,485)
Net Position of Governmental Activities		($7,892,944)

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

South Central Ohio Job and Family Services
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2024

	Public Assistance	Child Support	Children's Services	Workforce Development	Total Governmental Funds
Revenues:					
Property Taxes	$0	$0	$2,390,853	$0	$2,390,853
Intergovernmental	14,244,596	1,622,985	9,562,287	792,466	26,222,334
Charges for Services	201,108	333,757	24,610	0	559,475
Refunds	22,786	0	0	0	22,786
Miscellaneous	0	128,391	0	0	128,391
Total Revenues	14,468,490	2,085,133	11,977,750	792,466	29,323,839
Expenditures:					
Current:					
Public Assistance	19,630,828	0	0	0	19,630,828
Child Support	0	1,783,597	0	0	1,783,597
Children's Services	0	0	10,753,749	0	10,753,749
Workforce Development	0	0	0	418,849	418,849
Debt Service:					
Principal	282,110	0	0	0	282,110
Interest	51,145	0	0	0	51,145
Total Expenditures	19,964,083	1,783,597	10,753,749	418,849	32,920,278
Excess of Revenues Over (Under) Expenditures	(5,495,593)	301,536	1,224,001	373,617	(3,596,439)
Other Financing Sources (Uses):					
Transfers In	2,989,527	0	0	0	2,989,527
Inception of Lease	1,838,279	0	0	0	1,838,279
Transfers Out	0	(364,241)	(2,366,079)	(259,207)	(2,989,527)
Total Other Financing Sources (Uses)	4,827,806	(364,241)	(2,366,079)	(259,207)	1,838,279
Net Change in Fund Balances	(667,787)	(62,705)	(1,142,078)	114,410	(1,758,160)
Fund Balances (Deficits) at Beginning of Year	1,316,804	1,364,108	139,370	(28,585)	2,791,697
Fund Balances (Deficits) at End of Year	$649,017	$1,301,403	($1,002,708)	$85,825	$1,033,537

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

South Central Ohio Job and Family Services
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2024

Net Change in Fund Balances - Total Governmental Funds		($1,758,160)
Amounts reported for governmental activities in the statement of activities are different		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. These amounts are:		
Capital Asset Additions	1,843,354	
Current Year Depreciation/Amortization	(291,209)	
Total		1,552,145
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Charges for Services	8,139	
Property Taxes	9,590	
Intergovernmental	(29,985)	
Total		(12,256)
Contractually required contributions are reported as expenditures in governmental funds. However, the statement of net position reports these amounts as deferred outflows.		
Pension	516,189	
OPEB	960	
Total		517,149
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liabilities (assets) are reported as pension/OPEB expense (gain) in the statement of activities.		
Pension	(420,576)	
OPEB	34,054	
Total		(386,522)
Long-term debt proceeds are other financing sources in the governmental funds but the issuance increases the long-term liabilities on the statement of net position.		
Lease	(1,838,279)	
Total		(1,838,279)
Repayments of long-term obligations are expenditures in the governmental funds, but the repayments reduce liabilities in the statement of net position.		282,110
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:		
Compensated Absences	(330,801)	
Total		(330,801)
Net Change in Net Position of Governmental Activities		($1,974,614)

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

South Central Ohio Job and Family Services
Statement of Fiduciary Net Position
Fiduciary Fund
As of June 30, 2024

	Custodial
Assets:	
Equity in Pooled Cash and Cash Equivalents	$69,895
Cash, Cash Equivalents and Investments	257,146
Total Assets	327,041
Net Position:	
Restricted for Individuals and Organizations	327,041
Total Net Position	$327,041

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

South Central Ohio Job and Family Services
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended June 30, 2024

	Custodial
Additions:	
Investment Earnings	$12,393
Total Additions	12,393
Change in Net Position	12,393
Net Position at Beginning of Year	314,648
Net Position at End of Year	$327,041

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

Note 1 – Description of the Entity

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

Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the Board consists of all funds, departments, Boards, and agencies that are not legally separate from the Board. For South Central Ohio Job and Family Services, this is the general operations.

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

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

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

The Board’s basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements – The Statement of Net Position and the Statement of Activities display information about the Board as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

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

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

Fund Accounting

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

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

> *Public Assistance Fund* – This fund accounts for various Federal and State grants that are used to provide public assistance to eligible recipients in the programs of Cash Assistance, Food Assistance, Medicaid, and Non-Emergency Medicaid Transportation.
>
> *Child Support Fund* – This fund accounts for poundage fees that are restricted for use by state statute and Title IV-D grants that reimburse expenditures for child support enforcement operations.
>
> *Children's Services Fund* – This fund accounts for a county-wide tax levy in Ross, Hocking and Vinton Counties and various state and federal monies to be used for providing foster care and other services for neglected, battered and abused children.
>
> *Workforce Development Fund* – This fund accounts for a grant received from the U.S. Department of Labor to strengthen the local workforce by providing training services to employed adults, youth and dislocated workers.

Fiduciary Funds – Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and custodial funds. Trust funds are used to account for assets held by the Board under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Board's own programs. The Board did not have any trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The Board's fiduciary fund is a custodial fund, which was established to account for assets which were dedicated to provide benefits for Children's Services in accordance with benefit terms.

Measurement Focus

Government-Wide Financial Statements – The government-wide financial statements are prepared using the economic resources measurement focus. All assets, liabilities, and certain deferred inflows/outflows of resources associated with the operation of the Board are included on the Statement of Net Position.

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

The custodial fund is reported using the economic resources measurement focus.

Basis of Accounting

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

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

Non-exchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 4). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources – In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Board, deferred outflows of resources include a deferral related to pension and other postemployment benefits reported in the government-wide Statement of Net Position. The deferred outflows of resources related to pension/OPEB are explained in Notes 8 and 9.

In addition to the liabilities, the Statement of Net Position and Balance Sheet report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Board, deferred inflows of resources include deferral related to pension, other postemployment benefits and unavailable revenues. Unavailable revenue is reported only on the governmental funds Balance Sheet and represents receivables that will not be collected within the available period. For the Board, unavailable revenue includes property taxes, grants, and charges for services. These amounts are deferred and recognized as inflows of resources in the period the amounts became available. Deferred inflows of resources related to pension and other postemployment benefits are reported on the government-wide Statement of Net Position (see Notes 8 and 9).

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.

Cash, Cash Equivalents and Investments

Except for investment accounts related to the Children's Trust, the Ross County Treasurer is the custodian of the Board's cash. The Board's assets are held in the Ross County's cash and investment pool and are valued at the County Treasurer's reported carrying amount. During 2024, the Board's investments were limited to insured sweep accounts and U.S. Treasury Notes. Except for non-participating investment contracts, investments are reported at fair value which is based on quoted market prices.

Investments with an original maturity of three months or less at the time they are purchased by the Board are presented on the financial statements as "equity in pooled cash and investments".

Inventory

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

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2024 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

Capital Assets

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

All capital assets are depreciated. 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	Governmental Activities Estimated Lives
Leasehold Improvements	3 - 20 years
Furniture, Fixtures and Equipment	3 - 20 years
Vehicles	3 - 20 years
Intangible Right to Use Leased Assets	6 - 11 years

Amortization of intangible right to use leased assets is computed using the straight-line method over the shorter of the lease term or the useful life of the underlying asset.

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental activities column of the Statement of Net Position.

Compensated Absences

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

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

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

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

For governmental funds, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded as "matured compensated absences payable" in the fund from which the employee will be paid. The Board reported no matured compensated absences payable as of June 30, 2024.

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. 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. Leases that will be paid from governmental funds are recognized as an expenditure and liability in the governmental fund financial statements when due.

Pensions/Other Postemployment Benefits

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

Fund Balances

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

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

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

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

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

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

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

Net Position

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

Interfund Transactions

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

Unearned Revenue

Unearned revenue arises when resources are received by the Board before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, revenue is recognized.

Estimates

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

Note 3- Cash, Cash Equivalents and Investments

Monies held by the Board are classified by State statute into three categories.

Active deposits are public deposits determined to be necessary to meet current demands upon the Board treasury. Active monies must be maintained either as cash in the Board treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Board can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds, and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of settlement, unless matched to a specific obligation or debt of the Board and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

The Ross County Treasurer maintains a cash pool used by all of the County's funds, including those of the Board. The Ohio Revised Code prescribes allowable deposits and investments. At fiscal year-end, the carrying amount of the

Board's deposits with the Ross County Treasurer was $3,760,183 and is reflected as Equity in Pooled Cash and Cash Equivalents on the financial statements. The Ross County Treasurer is responsible for maintaining adequate depository collateral for all funds in the County's pooled cash and deposit accounts. The Board also maintains separate deposit and investment accounts to hold funds maintained for child support purposes and balances for the benefit of others. The FDIC-insured deposits in the child support account had a carrying value of $3,708 and is reflected as Equity in Pooled Cash and Cash Equivalents on the financial statements. The FDIC-insured deposits held for the benefit of others had a carrying value of $132,385 and is reflected as Cash, Cash Equivalents and Investments on the financial statements.

The Board has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

- Eligible securities pledged to the Board and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 % of the deposits being secured; or
- Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102% of the deposits being secured or a rate set by the Treasurer of State.

The Board's financial institutions through the Ross County Treasurer's Office are enrolled in the OPCS.

Investments

As of June 30, 2024, the Board had the following investments, which were maintained in separate deposit and investment accounts to hold funds maintained for the benefit of others. These investments are reflected as Cash, Cash Equivalents and Investments on the financial statements.

	Fair Value	Credit Rating	Maturity	Percent of Total Investments
U.S. Treasury Notes	$124,761	AA+	<1 Year	100.00%
Total	$124,761			100.00%

The Board categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the Board's recurring fair value measurement as of June 30, 2024, which are valued using quoted market prices (Level 1 inputs).

Interest Rate Risk – The Board has no investment policy that addresses interest rate risk beyond the requirements of state statute. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Board, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk – The Board has no investment policy that addresses credit risk.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the Board's securities are either insured and registered in the name of the Board or at least registered in the name of the Board. The Board has no investment policy dealing with investment custodial credit risk beyond the requirements in state statute that prohibit payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Concentration of Credit Risk – The Board places no limit on the amount it may invest in any one issuer. However, the Board does diversify for protection of assets in a responsible manner.

Note 4 – Levies

The Ross County Commissioners serve as the taxing authority to levy a special levy outside the ten-mill limitation to provide the Board with sufficient funds to carry out Children Services programs. The Board's portion of the levy was $974,746 for fiscal year 2024 with the remaining portion of the levy being paid to the Ross County Juvenile Court by the taxing authority. This amount is reflected as property tax revenue on the accompanying basic financial statements.

The Vinton County Commissioners serve as the taxing authority to levy a special levy outside the ten-mill limitation to provide the Board with sufficient funds to carry out Children Services programs. Collections began in January 2018 of a 1.5 mill human services levy combined for senior and child welfare activities and 75% of the collected amount will go to children services. The Board's portion of the levy was $485,623 for fiscal year 2024, with the remaining portion of the levy being paid to the Vinton County Senior Citizens by the taxing authority. This amount is reflected as property tax revenue on the accompanying basic financial statements.

The Hocking County Commissioners serve as the taxing authority to levy a special levy outside the ten-mill limitation to provide the Board with sufficient funds to carry out Children Services programs. The Board's portion of the levy was $930,484 for fiscal year 2024. This amount is reflected as property tax revenue on the accompanying basic financial statements.

Note 5 - Receivables

Receivables at June 30, 2024, consisted of intergovernmental grants, property taxes, and accounts. All receivables are considered fully collectible. A summary of the principal items of intergovernmental receivable follows:

Governmental Activities:	
Public Assistance	$471,751
Child Support	80,960
Children's Services	843,565
Workforce Development	13,071
Total	$1,409,347

Note 6 – Capital Assets

A summary of changes in general capital assets during 2024 were as follows:

	Balance at 7/1/23	Additions	Deletions	Balance at 6/30/24
Depreciable/Amortizable Capital Assets:				
Furniture, Fixtures and Equipment	$309,669	$0	$0	$309,669
Vehicles	93,570	5,075	(68,420)	30,225
Intangible Right to Use Leased Assets	1,059,802	1,838,279	0	2,898,081
Total Capital Assets	1,463,041	1,843,354	(68,420)	3,237,975
Accumulated Depreciation/Amortization:				
Furniture, Fixtures and Equipment	(297,610)	(3,301)	0	(300,911)
Vehicles	(93,570)	(1,692)	68,420	(26,842)
Intangible Right to Use Leased Assets	(866,715)	(286,216)	0	(1,152,931)
Total Accumulated Depreciation	(1,257,895)	(291,209)	68,420	(1,480,684)
Total Capital Assets, Net	$205,146	$1,552,145	$0	$1,757,291

Of the current year depreciation/amortization total of $291,209, $286,216 is presented as public assistance expense on the statement of activities related to the Board's intangible office space assets, which are included as Intangible Right to Use Leased Assets. With the implementation of Governmental Accounting Standards Board Statement No. 87, "Leases", a lease meeting the criteria of this statement requires the lessee to recognize the lease liability and an intangible right to use asset.

Depreciation expense is allocated to the public assistance function on the government-wide statement of activities.

Note 7 – Risk Management

The Board is exposed to various risks of loss related to torts, theft or damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During 2024, the Board contracted with County Risk Sharing Authority (CORSA), for liability, property, and crime insurance. The CORSA program has a $2,500 deductible.

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

In addition, the Board maintains replacement cost insurance on property and equipment. Other property insurance includes $1,000,000 for crime. Comprehensive equipment coverage is carried on the boiler, machinery, and data processing equipment in the amount of $100,000,000.

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

Note 8 – Defined Benefit Pension Plan

The Statewide retirement system provides both pension benefits and other postemployment benefits (OPEB).

Net Pension/OPEB Liability (Asset)

The net pension and OPEB liabilities (assets) reported on the statement of net position represents liabilities (assets) to employees for pensions and other postemployment benefits. Pensions and OPEB are a component of exchange transactions–between an employer and its employees–of salaries and benefits for employee services. Pensions 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 and OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension/OPEB liability (asset) represents the Board's proportionate share of the pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of the 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 Board's obligation for this liability to annually required payments. The Board cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the Board does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

GASB 68/75 assumes the liability 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 system may allocate a portion of the employer contributions to provide for 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 system to amortize unfunded pension/OPEB liabilities within 30 years. If the pension/OPEB amortization period exceeds 30 years, the 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 system to provide health care to eligible benefit recipients.

The proportionate share of the plan's unfunded benefits is presented as a long-term *net pension liability* or *net OPEB liability* on the financial statements. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on the financial statements.

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

Ohio Public Employees Retirement System

Plan Description - Board 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. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. In October 2023, the legislature approved House Bill (HB) 33 which allows for the consolidation of the combined plan with the traditional plan with the timing of the consolidation at the discretion of OPERS. As of December 31, 2023, the consolidation has not been executed. (The latest information available.) 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 OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 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):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	**Group B** 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	**Group C** 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 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
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	**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	**Traditional Plan Formula:** 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: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	**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	**Combined Plan Formula:** 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

Traditional plan state and local 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 at retirement.

Law enforcement and public safety members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

Combined plan members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit.

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.

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 member's original 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:

Statutory Maximum Contribution Rates	Traditional	Combined
Employer	14.0 %	14.0 %
Employee*	10.0 %	10.0 %
Actual Contribution Rates		
Employer:		
Pension**	14.0 %	12.0 %
Post-employment Health Care Benefits**	0.0	2.0
Total Employer	14.0 %	14.0 %
Employee	10.0 %	10.0 %

*Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.
**These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent 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 Board's contractually required contributions were $978,076 for the traditional plan and $11,038 for the combined plan for fiscal year 2024.

Pension Liabilities (Assets), 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, 2023. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that measurement date. The Board's proportion of the net pension liability (asset) was based on the Board'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 (gain):

	Traditional	Combined	Total
Proportion of the Net Pension Liability Current Measurement Date	0.04201000%	0.023132000%	
Proportion of the Net Pension Liability Prior Measurement Date	0.04588500%	0.021731000%	
Change in Proportionate Share	-0.00387500%	0.001401000%	
Proportionate Share of:			
Net Pension Liability	$10,998,390	$0	$10,998,390
Net Pension Asset	$0	($71,103)	($71,103)
Pension Expense (Gain)	$429,879	($9,303)	$420,576

At June 30, 2024, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Traditional	Combined	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$179,759	$2,883	$182,642
Changes of assumptions	0	2,632	2,632
Net difference between projected and actual earnings on pension plan investments	2,219,940	11,565	2,231,505
Changes in proportion and differences between Board contributions and proportionate share of contributions	0	2,252	2,252
Board contributions subsequent to the measurement date	510,428	5,761	516,189
Total Deferred Outflows of Resources	$2,910,127	$25,093	$2,935,220
Deferred Inflows of Resources			
Differences between expected and actual experience	$0	$7,032	$7,032
Changes in proportion and differences between Board contributions and proportionate share of contributions	845,955	60,536	906,491
Total Deferred Inflows of Resources	$845,955	$67,568	$913,523

$516,189 reported as deferred outflows of resources related to pension resulting from Board contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	Traditional	Combined	Total
Fiscal Year Ending June 30:			
2024	($69,530)	($12,939)	($82,469)
2025	522,747	(11,251)	511,496
2026	1,416,643	(8,232)	1,408,411
2027	(316,116)	(7,663)	(323,779)
2028	0	(3,686)	(3,686)
Thereafter	0	(4,465)	(4,465)
Total	$1,553,744	($48,236)	$1,505,508

Actuarial Assumptions

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, 2023, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of

GASB 67:

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	2.75 percent	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3.0 percent, simple	3.0 percent, simple
Post-January 7, 2013 Retirees	2.30 percent, simple through 2024, then 2.05 percent, simple	2.30 percent, simple through 2024, then 2.05 percent, simple
Investment Rate of Return	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% 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% 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 2023, 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 for 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 11.2 percent for 2023.

The allocation of investment assets with the defined benefit portfolio is approved by the Board of Trustees 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 real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic 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, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	24.00 %	2.85 %
Domestic Equities	21.00	4.27
Real Estate	13.00	4.46
Private Equity	15.00	7.52
International Equities	20.00	5.16
Risk Parity	2.00	4.38
Other Investments	5.00	3.46
Total	100.00 %	

Discount Rate The discount rate used to measure the total pension liability was 6.9 percent for the traditional plan and 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 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 Board's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the Board's proportionate share of the net pension liability calculated using the current period discount rate assumption of 6.9 percent, as well as what the Board's proportionate share of the net pension liability 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 (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Board's proportionate share of the net pension liability (asset)			
Traditional	$17,314,422	$10,998,390	$5,745,288
Combined	($43,026)	($71,103)	($93,222)

<u>Note 9 – Postemployment Benefits</u>

See note 8 for a description of the net OPEB liability (asset).

Ohio Public Employees Retirement System

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. 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. 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 and other eligible expenses. An OPERS vendor is available to assist with the selection of a health care program

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 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:

Age 65 or older Retirees Minimum of 20 years of qualifying service credit

Age 60 to 64 Retirees Based on the following age-and-service criteria:

Group A 30 years of total service with at least 20 years of qualified health care service credit;

Group B 31 years of total service credit with at least 20 years of qualified health care service credit; or

Group C 32 years of total service cred with at least 20 years of qualified health care service credit.

Age 59 or younger Based on the following age-and-service criteria:

Group A 30 years of qualified health care service credit;

Group B 32 years of qualified health care service credit at any age or 31 years of qualified heath care service credit and at least age 52; or

Group C 32 years of qualified health care service credit and at least page 55.

Retirees who do not 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, as summarized in the following table:

Group A	Group B	Group C
Age and Service Requirements	**Age and Service Requirements**	**Age and Service Requirements**
December 1, 2014 or Prior	***December 1, 2014 or Prior***	***December 1, 2014 or Prior***
Any Age with 10 years of service credit	Any Age with 10 years of service credit	Any Age with 10 years of service credit
January 1, 2015 through December 31, 2021	***January 1, 2015 through December 31, 2021***	***January 1, 2015 through December 31, 2021***
Age 60 with 20 years of service credit or Any Age with 30 years of service credit	Age 52 with 31 years of service credit or Age 60 with 20 years of service credit or Any Age with 32 years of service credit	Age 55 with 32 years of service credit or Age 60 with 20 years of service credit

See the Age and Service Retirement section of the OPERS ACFR for a description of Groups A, B and C.

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.

The base allowance is determined by OPERS and is currently $1,200 per month for non-Medicare retirees and $350 per month for Medicare retirees. The retiree receives a percentage of the base allowance, calculated based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance for both non-Medicare and Medicare retirees.

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.

Participants in the Member-Directed Plan have access to the Connector and have a separate health care funding mechanism. A portion of employer contributions for these participants is allocated to a retiree medical account (RMA). Members who elect the Member-Directed Plan after July 1, 2015, will vest in the RMA over 15 years at a rate of 10 percent each year starting with the sixth year of participation. Members who elected the Member-Directed Plan prior to July 1, 2015, vest in the RMA over a five-year period at a rate of 20 percent per year. Upon separation or retirement, participants may use vested RMA funds for reimbursement of qualified medical expenses.

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. For fiscal year 2024, state and local employers contributed at a rate of 14.0 percent of earnable salary. 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 2024, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. Beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan which has continued through 2024. 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 2024 was 4.0 percent. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2024.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Board's contractually required contribution was $1,840 for 2024.

OPEB Liabilities (Assets), OPEB Expenses (Gains), and Deferred Outflows of Resources and Deferred Inflows of Resources

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Board's proportion of the net OPEB liability (asset) was based on the Board's share of contributions to the retirement system relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense (gain):

Proportionate Share of the Net OPEB Asset:	
Current Measurement Date	0.039889%
Prior Measurement Date	0.043343%
Change in Proportionate Share	-0.0034540%
Proportionate Share of the:	
Net OPEB Liability (Asset)	($360,008)
OPEB Expense (Gain)	($34,054)

At June 30, 2024, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Outflows of Resources	
Changes of assumptions	$92,683
Net difference between projected and actual earnings on pension plan investments	216,205
Changes in proportion and differences between Board contributions and proportionate share of contributions	13,433
Board contributions subsequent to the measurement date	960
Total Deferred Outflows of Resources	$323,281
Deferred Inflows of Resources	
Differences between expected and actual experience	$51,240
Changes of assumptions	154,758
Changes in proportion and differences between Board contributions and proportionate share of contributions	3,121
Total Deferred Inflows of Resources	$209,119

$960 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in fiscal year 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:		
	2024	($3,618)
	2025	21,533
	2026	168,298
	2027	(73,011)
Total		$113,202

Actuarial Assumptions

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 actuarial valuation used the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	2.75 percent
Projected Salary Increases	2.75 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	5.70 percent
Prior Measurement date	5.22 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate:	
Current measurement date	3.77 percent
Prior Measurement date	4.05 percent
Health Care Cost Trend Rate:	
Current measurement date	5.5 percent, initial 3.5 percent, ultimate in 2038
Prior Measurement date	5.5 percent, initial 3.5 percent, ultimate in 2034
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% 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% 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 2023, 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 gain of 14.0% for 2023.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees 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. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined 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 real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by OPERS investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	37.00 %	2.82 %
Domestic Equities	25.00	4.27
Real Estate Investment Trusts	5.00	4.68
International Equities	25.00	5.16
Risk Parity	3.00	4.38
Other investments	5.00	2.43
Total	100.00 %	

Discount Rate A single discount rate of 5.70 percent was used to measure the OPEB liability on the measurement date of December 31, 2023. A single discount rate of 5.22 percent was used to measurer the OPEB liability on the measurement date of December 31, 2022. 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 6.00 percent and a municipal bond rate of 3.77 percent. (Fidelity Index's "20-Year Municipal GO AA Index") 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 2070. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the Board's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate The following table presents the Board's proportionate share of the net OPEB asset calculated using the single discount rate of 5.70

percent, as well as what the Board's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one-percentage-point lower (4.70 percent) or one-percentage-point higher (6.70 percent) than the current rate:

	1% Decrease (4.70%)	Current Discount Rate (5.70%)	1% Increase (6.70%)
Board's proportionate share of the net OPEB liability (asset)	$197,849	($360,008)	($822,112)

Sensitivity of the Board's Proportionate Share of the Net OPEB Asset 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 asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2024 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 plan 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 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Board's proportionate share of the net OPEB asset	($374,957)	($360,008)	($343,045)

<u>Note 10 – Long-Term Obligations</u>

The Board's long-term obligations activity for the year ended June 30, 2024 was as follows:

	Principal Outstanding 7/1/23	Additions	Deductions	Principal Outstanding 6/30/24	Due Within One Year
Governmental Activities					
Net Pension Liability	$13,554,449	$0	($2,556,059)	$10,998,390	$0
Net OPEB Liability	273,286	0	(273,286)	0	0
Leases Payable	207,590	1,838,279	(282,110)	1,763,759	152,766
Compensated Absences	936,925	400,488	(69,687)	1,267,726	777,764
Total	$14,972,250	$2,238,767	($3,181,142)	$14,029,875	$930,530

Leases Payable – In previous fiscal years, the Board entered into agreements for the use of office space. These leases were extended during the fiscal year, resulting in additional lease obligations recognized for the fiscal year. Due to the implementation of GASB 87, these leases have met the criteria of leases thus requiring it to be recorded by the Board. Lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds. Principal payments are being made from the public assistance fund.

A summary of the principal and interest amounts for the remaining lease is as follows:

Year	Principal	Interest
2025	$152,766	$51,145
2026	160,404	80,550
2027	168,424	72,530
2028	176,846	64,108
2029	137,636	54,064
2030-2034	519,746	192,479
2035-2038	447,937	50,620
Totals	$1,763,759	$565,496

Obligations related to employee compensation will be paid from the fund from which the employee is paid.

Note 11 – Interfund Activity

Interfund balances at June 30, 2024 consist of the following receivables and payables:

	Interfund Receivable	Interfund Payable
Public Assistance	$746,971	$0
Child Support	0	109,778
Children's Services	0	582,180
Workforce Development	0	55,013
Total	$746,971	$746,971

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

A summary of interfund transfers for 2024 were as follows:

	Transfers In	Transfers Out
Public Assistance	$2,989,527	$0
Child Support	0	364,241
Children's Services	0	2,366,079
Workforce Development	0	259,207
Total	$2,989,527	$2,989,527

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

Note 12 – Fund Balances

At June 30, 2024, fund balances are composed of the following:

	Public Assistance	Child Support	Children's Services	Workforce Development	Total Governmental Funds
Nonspendable:					
Prepaid Items	$50,172	$0	$5,006	$0	$55,178
Materials and Supplies	53,458	0	0	0	53,458
Total Nonspendable	103,630	0	5,006	0	108,636
Restricted:					
Public Assistance	545,387	0	0	0	545,387
Child Support	0	1,301,403	0	0	1,301,403
Workforce Development	0	0	0	85,825	85,825
Total Restricted	545,387	1,301,403	0	85,825	1,932,615
Unassigned (Deficit)	0	0	(1,007,714)	0	(1,007,714)
Total Fund Balance	$649,017	$1,301,403	($1,002,708)	$85,825	$1,033,537

Note 13 – Contingent Liabilities

Grants

Amounts grantor agencies pay to the Board are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Litigation

The Board is party to legal proceedings. However, no liability has been accrued since the ultimate disposition of these claims and legal proceedings has yet to be determined and the amount of liability, if any, is not measured.

South Central Ohio Job and Family Services

Required Supplementary Information

Schedule of the Board's Proportionate Share of the Net Pension Liability (Asset)

Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Ohio Public Employees Retirement System - Traditional Plan										
Board's proportion of the net pension liability	0.053787%	0.051575%	0.047805%	0.048407%	0.049090%	0.046979%	0.045777%	0.046411%	0.045885%	0.042010%
Board's proportionate share of the net pension liability	$6,487,313	$8,933,440	$10,855,703	$7,594,120	$13,444,756	$9,285,718	$6,778,577	$4,037,945	$13,554,449	$10,998,390
Board's covered payroll	$5,311,438	$6,672,375	$6,440,583	$6,309,031	$6,681,665	$6,667,378	$6,542,843	$6,477,572	$6,949,486	$6,955,793
Board's proportionate share of the net pension liability as a percentage of its covered payroll	122.14%	133.89%	168.55%	120.37%	201.22%	139.27%	103.60%	62.34%	195.04%	158.12%
Plan fiduciary net position as a percentage of the total pension liability	86.45%	81.08%	77.25%	84.66%	74.70%	82.17%	86.88%	92.62%	75.74%	79.01%
Ohio Public Employees Retirement System - Combined Plan										
Board's proportion of the net pension asset	0.038274%	0.028910%	0.037333%	0.022700%	0.019537%	0.018596%	0.018859%	0.020231%	0.021731%	0.023132%
Board's proportionate share of the net pension asset	($14,736)	($14,068)	($20,778)	($30,902)	($21,847)	($38,777)	($54,439)	($79,711)	($51,218)	($71,103)
Board's covered payroll	$0	$0	$153,867	$138,877	$102,285	$80,979	$79,464	$85,314	$95,157	$91,564
Board's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	-13.50%	-22.25%	-21.36%	-47.89%	-68.51%	-93.43%	-53.82%	-77.65%
Plan fiduciary net position as a percentage of the total pension liability	114.83%	116.90%	116.55%	137.28%	126.64%	145.28%	157.67%	169.88%	137.14%	144.55%

The amounts presented for each year were determined as of December 31 of the previous year, which is the Board's measurement date.
See accompanying notes to the required supplementary information.

South Central Ohio Job and Family Services
Required Supplementary Information
Schedule of the Board's Proportionate Share of the Net OPEB Liability (Asset)
Last Eight Fiscal Years (1)

	2017	2018	2019	2020	2021	2022	2023	2024
Ohio Public Employees Retirement System								
Board's proportion of the net OPEB liability (asset)	0.046240%	0.046240%	0.046458%	0.044299%	0.043181%	0.043785%	0.043343%	0.039889%
Board's proportionate share of the net OPEB liability (asset)	$4,670,397	$5,021,323	$6,057,027	$6,118,843	($769,304)	($1,371,413)	$273,286	($360,008)
Board's covered payroll	$6,594,450	$6,447,908	$6,783,950	$6,748,357	$6,622,307	$6,562,886	$7,044,643	$7,047,357
Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	70.82%	77.88%	89.28%	90.67%	-11.62%	-20.90%	3.88%	-5.11%
Plan fiduciary net position as a percentage of the total OPEB liability	54.05%	54.14%	46.33%	47.80%	115.57%	128.23%	94.79%	107.76%

The amounts presented for each year were determined as of December 31 of the previous year, which is the Board's measurement date.
(1) Information not available prior to 2017.
See accompanying notes to the required supplementary information.

South Central Ohio Job and Family Services
Required Supplementary Information
Schedule of Board Contributions
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Ohio Public Employees Retirement System										
Contractually required contribution - pension - Traditional Plan	$800,685	$772,870	$755,695	$868,617	$933,433	$915,998	$906,860	$972,928	$973,811	$978,076
Contractually required contribution - pension - Combined Plan	0	18,464	18,054	13,297	11,337	11,125	11,944	13,322	12,819	11,038
Contractually required contribution - OPEB	133,447	131,889	128,958	67,840	0	0	0	0	0	960
Contractually required contribution - total	934,132	923,223	902,707	949,754	944,770	927,123	918,804	986,250	986,630	990,074
Contributions in relation to the contractually required contribution	934,132	923,223	902,707	949,754	944,770	927,123	918,804	986,250	986,630	990,074
Contribution deficiency (excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Board's covered payroll	$6,672,375	$6,594,450	$6,447,908	$6,783,950	$6,748,357	$6,622,307	$6,562,886	$7,044,643	$7,047,357	$7,071,957
Contributions as a percentage of covered payroll - pension	12.00%	12.00%	13.00%	13.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.99%
Contributions as a percentage of covered payroll - OPEB	2.00%	2.00%	1.00%	1.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%
Contributions as a percentage of covered payroll - total	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information.

Ohio Public Employees Retirement System

Pension

Changes in benefit terms

There were no significant changes in benefit terms for 2015 through 2017.

For 2018, COLAs provided up to December 31, 2018 will be based upon a simple, 3 percent COLA. COLAs provided after December 31, 2018 continue to be simple, but will be based upon the annual percentage change in the Consumer Price Index (CPI), and not greater than 3 percent.

There were no significant changes in benefit terms for 2019 or 2020.

For 2021, in October 2020, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 1.4 percent simple through 2020 then 2.15 simple to .5 percent simple through 2021 then 2.15 percent simple.

For 2022, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from .5 percent simple through 2021 then 2.15 percent simple to 3 percent simple through 2022 then 2.05 percent simple.

There were no significant changes in benefit terms for 2023 or 2024.

Changes in assumptions

There were no significant changes in assumptions for 2015 through 2018.

For 2018, the employer contribution rate allocated to pensions increased from 13.00 percent to 14.00 percent.

For 2019, the investment rate of return decreased from 7.5 percent to 7.2 percent.

There were no significant changes in assumptions for 2020 or 2021.

For 2022, the investment rate of return decreased from 7.2 percent to 6.9 percent.

There were no significant changes in assumptions for 2023 or 2024.

OPEB

Changes in benefit terms

There were no significant changes in benefit terms for 2018 through 2024.

Changes in assumptions

Changes in assumptions for 2018 were as follows:

- The single discount rate decreased from 4.23 percent to 3.85 percent.
- The employer contribution rate allocated to health care decreased from 1.00 percent to 0.00 percent.

For 2019, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate increased from 3.85 percent to 3.96 percent.
- The investment rate of return decreased from 6.5 percent to 6 percent.
- The municipal bond rate increased from 3.31 percent to 3.71 percent.
- The initial health care cost trend rate increased from 7.5 percent to 10 percent.

For 2020, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate decreased from 3.96 percent to 3.16 percent.
- The municipal bond rate decreased from 3.71 percent to 2.75 percent.

For 2021, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate increased from 3.16 percent to 6.00 percent.
- The municipal bond rate decreased from 2.75 percent to 2.00 percent.
- The initial health care cost trend rate decreased from 10.50 percent to 8.50 percent.

For 2022, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The wage inflation rate decreased from 3.25 percent to 2.75 percent.
- The municipal bond rate decreased from 2.00 percent to 1.84 percent.
- The initial health care cost trend rate decreased from 8.50 percent to 5.50 percent.

For 2023, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate decreased from 6.00 percent to 5.22 percent.
- The municipal bond rate increased from 1.84 percent to 4.05 percent.

For 2024, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate increased from 5.22 percent to 5.70 percent.
- The municipal bond rate decreased from 4.05 percent to 3.77 percent.

South Central Ohio Job and Family Services
Schedule of Revenues, Expenditures and Change
in Fund Balance - Budget and Actual (Budget Basis)
Public Assistance Fund
For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget:
	Original	Final	Actual	Positive (Negative)
Revenues:				
State Grants	$14,556,851	$14,556,851	$14,037,936	($518,915)
Support and Assistance	230,000	230,000	140,498	(89,502)
Overpayments - Refunds	50,000	50,000	18,684	(31,316)
Local County Monies	258,933	258,933	286,622	27,689
Total Revenues	15,095,784	15,095,784	14,483,740	(612,044)
Expenditures:				
Salaries	6,915,422	6,915,422	6,277,295	638,127
Fringe Benefits	3,529,985	3,477,039	2,966,815	510,224
Travel	58,000	58,000	36,939	21,061
Contracts - Repairs and Maintenance	55,000	55,000	53,423	1,577
Contract Services	6,250,000	6,250,000	9,011,863	(2,761,863)
Indirect Costs	300,000	300,000	278,376	21,624
Supplies	65,000	65,531	76,202	(10,671)
Equipment	50,000	50,000	40,002	9,998
Facilities	880,000	880,000	784,011	95,989
Public Assistance Payments	100,000	153,164	140,029	13,135
Support and Training	75,000	73,400	22,137	51,263
Other Expenses	61,000	62,848	48,602	14,246
Total Expenditures	18,339,407	18,340,404	19,735,694	(1,395,290)
Excess of Revenues Under Expenditures	(3,243,623)	(3,244,620)	(5,251,954)	(2,007,334)
Other Financing Sources:				
Transfers In	2,470,000	2,470,000	2,974,640	504,640
Total Other Financing Sources	2,470,000	2,470,000	2,974,640	504,640
Net Change in Fund Balance	(773,623)	(774,620)	(2,277,314)	(1,502,694)
Fund Balance at Beginning of Year	(44,237)	(44,237)	(44,237)	0
Prior Year Encumbrances Appropriated	1,259,785	1,259,785	1,259,785	0
Fund Balance at End of Year	$441,925	$440,928	($1,061,766)	($1,502,694)

The notes to the supplementary information are an integral part of this schedule.

South Central Ohio Job and Family Services
Schedule of Revenues, Expenditures and Change
in Fund Balance - Budget and Actual (Budget Basis)
Child Support Fund
For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget: Positive
	Original	Final	Actual	(Negative)
Revenues:				
State Grants	$1,961,063	$1,961,063	$1,690,946	($270,117)
Charges for Services	377,867	377,867	377,867	0
Miscellaneous	294	294	76,473	76,179
Total Revenues	2,339,224	2,339,224	2,145,286	(193,938)
Expenditures:				
Salaries	941,542	941,542	913,638	27,904
Fringe Benefits	475,760	475,760	439,806	35,954
Travel	3,000	3,000	95	2,905
Contract Services	500,000	500,000	600,175	(100,175)
Indirect Costs	13,000	13,000	11,832	1,168
Other Expenses	15,000	15,000	9,846	5,154
Total Expenditures	1,948,302	1,948,302	1,975,392	(27,090)
Excess of Revenues Over Expenditures	390,922	390,922	169,894	(221,028)
Other Financing Uses:				
Transfers Out	(400,000)	(400,000)	(354,913)	45,087
Total Other Financing Uses	(400,000)	(400,000)	(354,913)	45,087
Net Change in Fund Balance	(9,078)	(9,078)	(185,019)	(175,941)
Fund Balance at Beginning of Year	1,219,547	1,219,547	1,219,547	0
Prior Year Encumbrances Appropriated	219,031	219,031	219,031	0
Fund Balance at End of Year	$1,429,500	$1,429,500	$1,253,559	($175,941)

The notes to the supplementary information are an integral part of this schedule.

South Central Ohio Job and Family Services
Schedule of Revenues, Expenditures and Change
in Fund Balance - Budget and Actual (Budget Basis)
Children's Services Fund
For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget: Positive (Negative)
	Original	Final	Actual	
Revenues:				
State Child Protection Allocation	$3,622,866	$3,622,866	$3,610,224	($12,642)
Title VI-B	79,584	79,584	79,584	0
Title IV-E Admin and Training	585,907	585,907	763,301	177,394
IV-E Reimbursements	3,000,000	3,000,000	2,460,584	(539,416)
Foster Parent Trianing	5,000	5,000	0	(5,000)
SSI/Social Security Benefits	100,380	100,380	135,370	34,990
Chaffee	83,912	83,912	1,879	(82,033)
Kinship Care Grant	0	0	3,595	3,595
ESSA/Caseworker Visits	111,910	111,910	93,080	(18,830)
Local County Monies	70,000	2,100,000	2,273,855	173,855
Parent Fees	15,000	15,000	24,610	9,610
Gifts	500	500	0	(500)
Ross County Levy Funds	929,086	933,086	967,674	34,588
Vinton County Levy Funds	463,323	463,323	485,939	22,616
Hocking County Levy Funds	878,847	878,847	926,869	48,022
State Distributions	143,744	143,744	143,744	0
Total Revenues	10,090,059	12,124,059	11,970,308	(153,751)
Expenditures:				
Contract Services	8,884,577	10,874,712	12,353,175	(1,478,463)
Chaffee	32,912	32,912	2,873	30,039
ESSA	74,991	74,991	71,332	3,659
Legal	20,000	25,000	11,217	13,783
Foster Parent Training	5,000	5,000	0	5,000
Kinship Permanency Incentive	0	0	2,482	(2,482)
Alternative Response	7,579	7,579	0	7,579
Other Expenses	30,000	43,000	97,694	(54,694)
Drug Screenings	35,000	36,875	40,447	(3,572)
Total Expenditures	9,090,059	11,100,069	12,579,220	(1,479,151)
Excess of Revenues Over (Under) Expenditures	1,000,000	1,023,990	(608,912)	(1,632,902)
Other Financing Uses:				
Transfers Out	(1,800,000)	(2,300,000)	(3,509,670)	(1,209,670)
Total Other Financing Uses	(1,800,000)	(2,300,000)	(3,509,670)	(1,209,670)
Net Change in Fund Balance	(800,000)	(1,276,010)	(4,118,582)	(2,842,572)
Fund Balance at Beginning of Year	(430,118)	(430,118)	(430,118)	0
Prior Year Encumbrances Appropriated	1,853,569	1,853,569	1,853,569	0
Fund Balance at End of Year	$623,451	$147,441	($2,695,131)	($2,842,572)

The notes to the supplementary information are an integral part of this schedule.

South Central Ohio Job and Family Services
Schedule of Revenues, Expenditures and Change
in Fund Balance - Budget and Actual (Budget Basis)
Workforce Development Fund
For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget: Positive (Negative)
	Original	Final	Actual	
Revenues:				
State Grants	$995,500	$995,500	$792,023	($203,477)
Miscellaneous	0	0	12	12
Total Revenues	995,500	995,500	792,035	(203,465)
Expenditures:				
Adult	282,500	282,500	266,248	16,252
Dislocated Workers	67,500	67,500	26,108	41,392
Special Projects	67,000	67,000	37,285	29,715
CCMEP	308,500	308,700	403,439	(94,739)
Total Expenditures	725,500	725,700	733,080	(7,380)
Excess of Revenues Over Expenditures	270,000	269,800	58,955	(210,845)
Other Financing Uses:				
Transfers Out	(270,000)	(269,800)	(255,955)	13,845
Total Other Financing Uses	(270,000)	(269,800)	(255,955)	13,845
Net Change in Fund Balance	0	0	(197,000)	(197,000)
Fund Balance at Beginning of Year	34,697	34,697	34,697	0
Prior Year Encumbrances Appropriated	181,074	181,074	181,074	0
Fund Balance at End of Year	$215,771	$215,771	$18,771	($197,000)

The notes to the supplementary information are an integral part of this schedule.

Note 1 – Budgetary Schedule

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

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

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

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

Net Change in Fund Balance

	Public Assistance	Child Support	Children's Services	Workforce Development
GAAP Basis	($667,787)	($62,705)	($1,142,078)	$114,410
Adjustments:				
Revenue Accruals	15,250	60,153	(7,442)	(431)
Expenditure Accruals	2,322,210	90,686	1,787,126	(128,275)
Encumbrances	(2,093,821)	(282,481)	(3,612,597)	(185,956)
Other Financing Sources and Uses	(1,853,166)	9,328	(1,143,591)	3,252
Budget Basis	($2,277,314)	($185,019)	($4,118,582)	($197,000)

South Central Ohio Job and Family Services
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2024

Federal Grantor Pass-Through Grantor Program Title	Pass-Through Entity Identifying Number Additional Award Identification	Assistance Listing Number	Provided to Subrecipients	Total Federal Expenditures
United States Department of Agriculture				
Passed Through Ohio Department of Job and Family Services:				
Supplemental Nutrition Assistance Program (SNAP) Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	G-2425-11-6220	10.561	$0	$944,833
Total SNAP Cluster			0	944,833
Total United States Department of Agriculture			**0**	**944,833**
United States Department of Labor				
Passed Through Area 20/21 Workforce Development Board:				
Employment Service Cluster:				
Employment Service/Wagner-Peyser Funded Activities	N/A	17.207	0	29,483
Total Employment Service Cluster:			0	29,483
Trade Adjustment Assistance	N/A	17.245	0	4,753
Workforce Innovation and Opportunities Act (WIOA) Cluster:				
WIOA Adult Program	N/A	17.258	2,521	283,602
WIOA Youth Activities	N/A	17.259	214,377	226,606
WIOA Dislocated Worker Formula Grants	N/A	17.278	2,521	256,299
Total WIOA Cluster			219,419	766,507
Total United States Department of Labor			**219,419**	**800,743**
United States Department of the Treasury				
Passed Through Ohio Department of Job and Family Services:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	G-2425-11-6220	21.027	0	253,968
Total United States Department of the Treasury			**0**	**253,968**
United States Department of Health and Human Services				
Passed Through Ohio Department of Job and Family Services:				
Title IV-E Prevention Program	G-2425-11-6220	93.472	0	173,403
MaryLee Allen Promoting Safe and Stable Families Program	G-2425-11-6220	93.556	0	68,963
Child Support Services	G-2425-11-6220	93.563	0	1,338,394
Stephanie Tubbs Jones Child Welfare Services Program	G-2425-11-6220	93.645	0	79,584
Foster Care-Title IV-E	G-2425-11-6220	93.658	0	2,791,556
Adoption Assistance	G-2425-11-6220	93.659	0	537,043
Social Services Block Grant	G-2425-11-6220	93.667	0	1,271,944
John H. Chafee Foster Care Program for Successful Transition to Adulthood	G-2425-11-6220	93.674	0	825
COVID-19 Elder Abuse Prevention Interventions Program	G-2425-11-6220	93.747	0	53,255
Children's Health Insurance Program	G-2425-11-6220	93.767	0	25,519
Temporary Assistance for Needy Families	G-2425-11-6220	93.558	330,472	2,603,965
Child Care Development Fund (CCDF) Cluster:				
Child Care and Development Block Grant	G-2425-11-6220	93.575	0	161,740
Total CCDF Cluster			0	161,740
Medicaid Cluster:				
Medical Assistance Program	G-2425-11-6220	93.778	0	4,235,042
Total Medicaid Cluster			0	4,235,042
Passed Through Public Children Services Association of Ohio :				
Opioid STR	N/A	93.788	0	185,863
Total United States Department of Health and Human Services			**330,472**	**13,527,096**
Total Federal Awards Expenditures			**$549,891**	**$15,526,640**

N/A - pass-through entity number not available.

See the accompanying notes to the schedule of expenditures of federal awards.

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the South Central Ohio Job and Family Services (the Board) under programs of the federal government for the fiscal year ended June 30, 2024. The information on this schedule is prepared in accordance with the requirements for 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 Board, it is not intended to and does not present the financial position or changes in net position of the Board.

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 the Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited to reimbursement.

Note C – Indirect Cost Rate

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

Note D - Subrecipients

The Board passes certain federal awards received from the Ohio Department of Job and Family Services and Area 20/21 Workforce Development Board to other governments or not-for-profit agencies (subrecipients). As note B describes the Board reports expenditures of federal awards to subrecipients when paid in cash.

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

Subrecipient	WIOA Adult Activities ALN 17.258	WIOA Youth Activities ALN 17.259	WIOA Dislocated Worker Formula Grants ALN 17.278	Temporary Assistance For Needy Families ALN 93.558	Total
Gallia-Jackson-Vinton JVSD	$0	$24,384	$0	$84,337	$108,721
Vinton County Commissioners	2,521	0	2,521	0	5,042
Hocking, Athens, Perry Community Action	0	72,663	0	172,250	244,913
Pickaway-Ross CTC	0	117,330	0	73,885	191,215
Total	$2,521	$214,377	$2,521	$330,472	$549,891

Note E – Matching Requirements

Certain federal programs require the Board to contribute non-Federal funds (matching funds) to support the federally-funded programs. The Board has met its matching requirements. The schedule does not include the expenditure of non-federal matching funds.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

Members of the Board
South Central Ohio Job and Family Services
475 Western Avenue, Suite B
Chillicothe, Ohio 45601

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, each major fund, and the aggregate remaining fund information of the South Central Ohio Job and Family Services, Ross County, Ohio (the Board) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated March 31, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Board's internal control over financial reporting (internal control) as a basis for designing the 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 Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board'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 entity'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 and questioned costs as item 2024-001 that we consider to be a material weakness.

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Report on Compliance and Other Matters

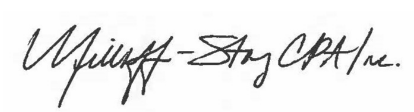
As part of obtaining reasonable assurance about whether the Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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*.

The Board's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Board's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Board'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

March 31, 2025

Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

Independent Auditor's Report

Members of the Board
South Central Ohio Job and Family Services
475 Western Avenue, Suite B
Chillicothe, Ohio 45601

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited South Central Ohio Job and Family Services's, Ross County, Ohio (the Board) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Board's major federal programs for the year ended June 30, 2024. The Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Board complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of the Board's major federal programs for the year ended June 30, 2024.

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 Board 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 Board's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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 Board's federal programs.

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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 Board'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 Board'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 Board'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 Board'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 Board'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 a 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 that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Millhuff-Stang CPA Inc.

Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

March 31, 2025

Section I – Summary of Auditor's Results

Financial Statements		
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:		Unmodified
Internal control over financial reporting:		
	Material weakness(es) identified?	Yes
	Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?		No
Federal Awards		
Internal control over major federal program(s):		
	Material weakness(es) identified?	No
	Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major federal programs:		Unmodified
Any auditing findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?		No
Identification of major federal program(s):		Supplemental Nutrition Assistance Program (SNAP) Cluster AL #10.561; Child Support Services AL #93.563; Medicaid Cluster AL #93.778; Social Services Block Grant AL #93.667
Dollar threshold used to distinguish between type A and type B programs:		Type A: >$750,000 Type B: All Others
Auditee qualified as low-risk auditee?		No

Section II – Financial Statement Findings

Finding 2024-001 – Material Weakness – Financial Reporting

A monitoring system by the Board should be in place to prevent or detect misstatements for the fair presentation of the Board's financial statements. During testing we identified errors in the calculation of accounts payable for the Workforce Development fund and Public Assistance fund. Further, we noted errors in amounts reported in the notes to the financial statements. These errors were deemed material and changes to the financial statements and note disclosures were proposed. We recommend that the Board adopt proper procedures to ensure the accurate recording of transactions within the accounting system and presentation of financial statements.

Client response:
See accompanying corrective action plan.

Section III – Federal Award Findings and Questioned Costs

None

South Central Ohio
Job and Family Services

Jody Walker, Executive Director

P.O. Box 469, Chillicothe, Ohio 45601

Corrective Action Plan
2 CFR 200.511(c)
For the Fiscal Year Ended June 30, 2024

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2024-001	The Board currently and always has practiced sound financial reporting. This adjustment was the result of applying GAAP reporting policies. The Board will discuss this issue with the compilers used to prepare the Board's GAAP financial statements to ensure that this correction is made to the process so that similar errors are not made in the preparation of future financial statements.	June 30, 2025	Jody Walker, Executive Director

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OHIO AUDITOR OF STATE
KEITH FABER

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

ROSS 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 7/15/2025

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