

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES
ROSS COUNTY
SINGLE AUDIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020



Millhuff-Stang, CPA, Inc.
1428 Gallia Street / Portsmouth, Ohio 45662 / Phone: 740.876.8548
45 West Second Street, Suite D / Chillicothe, Ohio 45601 / Phone: 740.851.4978
Fax: 888.876.8549
natalie@millhuffstangcpa.com / roush@millhuffstangcpa.com
www.millhuffstangcpa.com

OHIO AUDITOR OF STATE
KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
IPAReport@ohioauditor.gov
(800) 282-0370

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 the South Central Ohio Job and Family Services, Ross County, prepared by Millhuff-Stang, CPA, Inc., for the audit period July 1, 2019 through June 30, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

May 18, 2021

This page intentionally left blank.

South Central Ohio Job and Family Services
Table of Contents
For the Fiscal Year Ended June 30, 2020

Title	Page
Independent Auditor's Report.....	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	14
Statement of Activities.....	15
Fund Financial Statements:	
Balance Sheet – Governmental Funds	16
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities.....	17
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
Statement of Fiduciary Net Position – Fiduciary Fund.....	20
Statement of Changes in Fiduciary Net Position – Fiduciary Fund.....	21
Notes to the Basic Financial Statements	22
Required Supplementary Information:	
Schedule of the Board's Proportionate Share of Net Pension Liability-Last Seven Fiscal Years	50
Schedule of the Board's Proportionate Share of OPEB Liability-Last Four Fiscal Years	53
Schedule of the Board Contributions-Last Eight Fiscal Years	54
Notes to the Required Supplementary Information	56
Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budget Basis) – Public Assistance Fund.....	58
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budget Basis) – Child Support Fund.....	59

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budget Basis) – Children’s Services Fund.....	60
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budget Basis) – Workforce Development Fund	61
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budget Basis) – Help Me Grow Fund.....	62
Notes to the Supplementary Information.....	63
Federal Awards Expenditures Schedule.....	64
Notes to the Federal Awards Expenditures Schedule.....	65
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	67
Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	69
Schedule of Findings and Questioned Costs	71
Corrective Action Plan.....	72
Schedule of Prior Audit Findings.....	73

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 Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the South Central Ohio Job and Family Services, Ross County, Ohio (the Board), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the South Central Ohio Job and Family Services, Ross County, Ohio, as of June 30, 2020, 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.

Emphasis of Matter

As discussed in note 16 to the financial statements, during fiscal year 2020, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Board. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13, the schedule of the Board's proportionate share of net pension and OPEB liabilities/(assets) on pages 50 through 51 and 53, and the schedule of the Board pension and OPEB contributions on pages 54 through 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

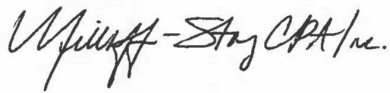
Supplementary and Other Information

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 Federal Awards Expenditures Schedule, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedules and the Federal Awards Expenditures Schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedules and the Federal Awards Expenditures Schedule 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 April 6, 2021 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 an 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.
Chillicothe, Ohio

April 6, 2021

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited)*

The discussion and analysis of the South Central Ohio Job and Family Services' (the Board) financial performance provides an overview and analysis of the Board's financial activities for the fiscal year ended June 30, 2020. 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, 2020 by \$14,093,985.
- In total, net position of governmental activities decreased by \$998,270 or 7.62 percent.
- Program specific revenues in the form of charges for services and grants and contributions accounted for \$22,374,055 or 89.78 percent of total revenues.
- The Board had \$25,917,864 in expenses related to governmental activities; \$22,374,055 of these expenses was offset by programs specific charges for services, grants and contributions. General revenues (primarily taxes) of \$2,545,539 were utilized to provide for these programs.
- The Board recognizes five major governmental funds: the Public Assistance Fund, the Child Support Fund, the Children's Services Fund, the Workforce Development Fund and the Help Me Grow Fund. In terms of dollars received and spent, the Public Assistance Fund is significantly larger than all the other funds of the Board. The Public Assistance Fund had \$14,489,464 in revenues and \$16,041,897 in expenditures in fiscal year 2020.

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.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited)*

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, help me grow programs, and child support enforcement. These services are funded primarily by taxes, charges for services, and intergovernmental revenues including federal and state grants and other shared revenues.

Reporting the Board's Most Significant Funds

Fund Financial Statements

The analysis of the Board's major funds begins on page 11. 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, Workforce Development and Help Me Grow Funds.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or 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.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited)*

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

Fiduciary Funds

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

Notes to the Basic Financial Statements

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

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, 2020 and provides a comparison to June 30, 2019.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES*Management's Discussion and Analysis**For the Fiscal Year Ended June 30, 2020**(Unaudited)*

Table 1
Net Position at Year End

	Governmental Activities		
	2020	2019	Change
<i>Assets</i>			
Current and Other Assets	\$ 6,667,244	\$ 5,669,491	\$ 997,753
Net Pension Asset	38,777	0	38,777
Capital Assets, Net	27,001	64,747	(37,746)
<i>Total Assets</i>	6,733,022	5,734,238	998,784
<i>Deferred Outflows of Resources:</i>			
Pension	1,025,291	3,630,285	(2,604,994)
OPEB	976,844	491,044	485,800
<i>Total Deferred Outflows of Resources</i>	2,002,135	4,121,329	(2,119,194)
<i>Liabilities:</i>			
Current and Other Liabilities	3,261,664	2,199,061	1,062,603
<i>Long-Term Liabilities:</i>			
Due Within One Year	552,651	631,012	(78,361)
Due in More than One Year:			
Net Pension Liability	9,285,718	13,422,909	(4,137,191)
Net OPEB Liability	6,118,843	6,057,027	61,816
Other Amounts	235,268	331,654	(96,386)
<i>Total Liabilities</i>	19,454,144	22,641,663	(3,187,519)
<i>Deferred Inflows of Resources:</i>			
Pension	2,340,435	293,185	2,047,250
OPEB	1,034,563	16,434	1,018,129
<i>Total Deferred Inflows of Resources</i>	3,374,998	309,619	3,065,379
<i>Net Position:</i>			
Investment in Capital Assets	27,001	64,747	(37,746)
Restricted	3,405,580	3,470,430	(64,850)
Unrestricted	(17,526,566)	(16,630,892)	(895,674)
<i>Total Net Position</i>	(\$14,093,985)	(\$13,095,715)	(\$998,270)

The net pension liability (NPL) and the other postemployment benefits liability (OPEB) are the largest liabilities reported by the Board at June 30, 2020 and are reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27" and 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, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited)*

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*. 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 and the net OPEB liability 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 or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the Statement of Net Position.

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

Current and other assets increased \$997,753 or 17.60 percent from fiscal year 2019 due to increases in cash and cash equivalents and property taxes receivable.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited)

Capital assets decreased by \$37,746 or 58.30 percent during fiscal year 2020 due to the disposal of equipment and current year depreciation.

Current (other) liabilities increased by \$1,062,603 or 48.32 percent due primarily to an increase in unearned revenue.

Long-term liabilities decreased by \$4,250,122 or 20.79 percent due primarily to a decrease in net pension liabilities due to actuarial measurements done by the retirement system. Additional information can be found in Note 11.

Deferred outflows of resources decreased \$2,119,194 and deferred inflows of resources increased \$3,065,379 due to changes in net position and net OPEB actuarial measurements done by the retirement systems. Additional information can be found in Notes 9 and 10.

Net position of \$27,001 is related to investment in capital assets. The Board used these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The net position of \$3,405,580 is restricted. Restricted net position is subject to external restrictions on how it may be used.

The remaining deficit of \$17,526,566 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 2020 and provides a comparison to fiscal year 2019.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited)*

Table 2
Changes in Net Position

	Governmental Activities		
	<u>2020</u>	<u>2019</u>	<u>Change</u>
<u>Revenues:</u>			
<i>Program Revenues:</i>			
Charges for Services and Sales	\$650,390	\$635,355	\$15,035
Operating Grants and Contributions	21,723,665	20,976,296	747,369
<i>General Revenues:</i>			
Property Taxes	2,173,222	1,895,199	278,023
Grants and Entitlements Not Restricted	135,808	141,530	(5,722)
Refunds	124,098	117,886	6,212
Miscellaneous	112,411	70,605	41,806
Total Revenues	<u>24,919,594</u>	<u>23,836,871</u>	<u>1,082,723</u>
<u>Expenses:</u>			
<i>Program Expenses:</i>			
Public Assistance	\$16,855,632	\$18,118,628	(\$1,262,996)
Child Support	2,078,630	2,687,608	(608,978)
Children's Services	5,584,745	4,742,256	842,489
Workforce Development	1,247,860	903,610	344,250
Help Me Grow	150,997	85,583	65,414
Total Expenses	<u>25,917,864</u>	<u>26,537,685</u>	<u>(619,821)</u>
Change in Net Position	<u>(998,270)</u>	<u>(2,700,814)</u>	<u>1,702,544</u>
Net Position at Beginning of Year	<u>(13,095,715)</u>	<u>(10,394,901)</u>	<u>(2,700,814)</u>
Net Position at End of Year	<u>(\$14,093,985)</u>	<u>(\$13,095,715)</u>	<u>(\$998,270)</u>

The most significant program expenses for the Board are Public Assistance, Children's Services, and Child Support. These programs account for 94.60 percent of the total governmental activities. Public Assistance, which accounts for 65.03 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 21.55 percent of the total, represents costs associated with providing foster care and other services for neglected, battered and abused children. Child Support, which represents 8.02 percent of the total, represents costs associated with providing reimbursements of expenditures for child support enforcement operations.

The Board had program revenue of \$22,374,055, and general revenue of \$2,545,539. Program revenues increased \$762,404 or 3.53 percent, due to increased operating grants. General revenues increased \$320,319 or 14.39 percent, which is primarily due to an increase in property tax receivables and receiving a full year of property taxes from Hocking County.

The total expenses for governmental activities were \$25,917,864, which is an decrease of \$619,821 or 2.34 percent from 2019, which is primarily due to a decrease in public assistance expenses.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited)*

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 8.72 percent and intergovernmental revenue made up 87.72 percent of the total revenue for the governmental activities in fiscal year 2020.

Public Assistance accounts for 65.03 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 2020 and provides a comparison to fiscal year 2019. 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

	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2020	2020	2019	2019
<i>Program Expenses:</i>				
Public Assistance	\$16,855,632	\$2,472,266	\$18,118,628	\$4,134,018
Child Support	2,078,630	124,973	2,687,608	234,890
Children's Services	5,584,745	1,182,423	4,742,256	859,247
Workforce Development	1,247,860	(306,302)	903,610	(263,368)
Help Me Grow	150,997	70,449	85,583	(38,753)
Total Expenses	<u>\$25,917,864</u>	<u>\$3,543,809</u>	<u>\$26,537,685</u>	<u>\$4,926,034</u>

It should be noted that 86.33 percent of the costs of services for governmental activities are derived from program revenues including charges for services and operating grants and other contributions. The \$2,472,266 in net cost of services for Public Assistance demonstrates the costs of services that are not supported from the state and federal grant resources. For 2020, the net cost of providing these services for Public Assistance was only 14.67 percent of the total cost. The \$1,182,423 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 \$26,504,030 and expenditures and other financing uses of \$26,509,104.

The fund balances of the total governmental funds decreased by \$5,074 or 0.18 percent. The decrease in fund balance for the year was most significant in the Child Support Fund, which decreased \$244,492 or 19.35 percent, which was primarily the result of transfer out.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited)*

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 2020, the Board amended its budget to reflect changing circumstances. The budgeted receipts and disbursements are prepared on a program-based budget technique that is designed to control program budgets while providing administrators and supervisors flexibility for program management.

For the Public Assistance Fund, the final budget basis revenue was \$16,818,923, representing an increase of \$595,000 from the original budget revenues of \$16,223,923. The final budget basis expenditures were \$19,133,472 representing an increase of \$1,174,549 from the original budget basis expenditures of \$17,958,923. The final budget reflected a 6.54 percent increase from the original budgeted amount. There was a 15.83 percent positive variance in actual expenditures as compared to the final budget.

For the Child Support Fund, the final budget basis revenue was \$2,303,034, representing no change from the original budget revenues. The final budget basis expenditures were \$1,853,069 representing no change from the original budget basis expenditures. There was a 13.81 percent positive variance in actual expenditures as compared to the final budget.

For the Children's Services Fund, the final budget basis revenue was \$7,131,265, representing no change from the original budget. The final budget basis expenditures were \$6,156,429 representing no change from the original budget basis expenditures. There was a 9.02 percent positive variance in actual expenditures as compared to the final budget.

For the Workforce Development Fund, the final budget basis revenue was \$2,698,514, representing no change from the original budget. The final budget basis expenditures were \$2,338,514 representing a \$50,000 decrease from the original budget basis expenditures. There was a 47.83 percent positive variance in actual expenditures as compared to the final budget.

For the Help Me Grow Fund, the final budget basis revenue was \$112,508, representing no change from the original budget revenues. The final budget basis expenditures were \$125,762 representing no change from the original budget basis expenditures. There was a 20.39 percent positive variance in actual expenditures as compared to the final budget.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2020, the Board had \$395,239 invested in furniture, fixtures, and equipment, and vehicles. That total carries an accumulated depreciation of \$368,238. Table 4 shows June 30, 2020 balances and provides a comparison to June 30, 2019.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited)

Table 4
Capital Assets & Accumulated Depreciation at Year End

	Governmental Activities	
	2020	2019
<i>Depreciable Capital Assets:</i>		
Furniture, Fixtures and Equipment	301,669	292,821
Vehicles	93,570	130,414
<i>Total Capital Assets</i>	395,239	423,235
 <i>Less Accumulated Depreciation:</i>		
Furniture, Fixtures and Equipment	278,268	258,330
Vehicles	89,970	100,158
<i>Total Accumulated Depreciation</i>	368,238	358,488
Capital Assets, Net	\$27,001	\$64,747

More detailed information pertaining to the Board's capital asset activity can be found in Note 7 of the notes to the basic financial statements.

Debt Administration

At June 30, 2020, the Board had no general obligation debt outstanding.

Current Issues

The Board received CARES Act funding in Fiscal Year 2021 from Ross County for a rental and utility program, along with direction from the County to subcontract with Ross County Community Action for rental, utility and food distribution programs.

SCOJFS, along with several staff, the Ross County Prosecutor, and the Ross County Sheriff's Department were named as defendants in a lawsuit filed in the United States District Court, Southern District of Ohio Eastern Division. The lawsuit centers around public children services.

Beginning July 1, 2020 SCOJFS is no longer the administrative agent for Ross County Family and Children First Council and the Board will not have the Help Me Grow funding to report on our financial statements. This was moved to Ross County Board of DD.

Contacting the Board's Financial Management

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

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

Statement of Net Position

June 30, 2020

	Governmental Activities
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$4,693,515
Materials and Supplies Inventory	55,203
Accounts Receivable	9,532
Intergovernmental Receivable	983,924
Property Taxes Receivable	899,056
Prepaid Items	26,014
Net Pension Asset	38,777
Depreciable Capital Assets, Net	27,001
<i>Total Assets</i>	<u>6,733,022</u>
<u>Deferred Outflows of Resources:</u>	
Pension	1,025,291
OPEB	976,844
<i>Total Deferred Outflows of Resources</i>	<u>2,002,135</u>
<u>Liabilities:</u>	
Accounts Payable	129,294
Accrued Wages and Benefits	175,801
Contracts Payable	664,001
Intergovernmental Payable	526,512
Unearned Revenue	1,766,056
<i>Long-Term Liabilities:</i>	
Due within One Year	552,651
<i>Due in More Than One Year:</i>	
Net Pension Liability	9,285,718
Net OPEB Liability	6,118,843
Other Amounts Due in More Than One Year	235,268
<i>Total Liabilities</i>	<u>19,454,144</u>
<u>Deferred Inflows of Resources:</u>	
Pension	2,340,435
OPEB	1,034,563
<i>Total Deferred Inflows of Resources</i>	<u>3,374,998</u>
<u>Net Position:</u>	
Investment in Capital Assets	27,001
<i>Restricted for:</i>	
Other Purposes	3,405,580
Unrestricted (Deficit)	(17,526,566)
<i>Total Net Position</i>	<u>(\$14,093,985)</u>

See accompanying notes to the basic financial statements.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

Statement of Activities

For the Fiscal Year Ended June 30, 2020

	Program Revenue			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
<u>Governmental Activities:</u>				
Public Assistance	\$16,855,632	\$284,767	\$14,098,599	(\$2,472,266)
Child Support	2,078,630	344,585	1,609,072	(124,973)
Children's Services	5,584,745	21,038	4,381,284	(1,182,423)
Workforce Development	1,247,860	0	1,554,162	306,302
Help Me Grow	150,997	0	80,548	(70,449)
<i>Total Governmental Activities</i>	<u>\$25,917,864</u>	<u>\$650,390</u>	<u>\$21,723,665</u>	<u>(3,543,809)</u>
<u>General Revenue:</u>				
Property Taxes Levied for Children's Services				2,173,222
Unrestricted Grant and Entitlements				135,808
Refunds				124,098
Miscellaneous				112,411
<i>Total General Revenue</i>				<u>2,545,539</u>
Change in Net Position				(998,270)
<i>Net Position Beginning of Year</i>				<u>(13,095,715)</u>
<i>Net Position End of Year</i>				<u>(\$14,093,985)</u>

See accompanying notes to the basic financial statements.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Balance Sheet
Governmental Funds
June 30, 2020*

	Public Assistance	Child Support	Children's Services	Workforce Development	Help Me Grow	Total Governmental Funds
<u>Assets:</u>						
Equity in Pooled Cash and Cash Equivalents	\$1,437,333	\$1,161,842	\$1,875,395	\$192,935	\$26,010	\$4,693,515
Materials and Supplies Inventory	55,203	0	0	0	0	55,203
Accounts Receivable	9,044	0	488	0	0	9,532
Interfund Receivable	398,677	0	0	0	0	398,677
Intergovernmental Receivable	187,792	80,180	529,873	186,079	0	983,924
Property Taxes Receivables	0	0	899,056	0	0	899,056
Prepaid Items	26,014	0	0	0	0	26,014
<i>Total Assets</i>	<u>\$2,114,063</u>	<u>\$1,242,022</u>	<u>\$3,304,812</u>	<u>\$379,014</u>	<u>\$26,010</u>	<u>\$7,065,921</u>
<u>Liabilities:</u>						
Accounts Payable	\$64,116	\$253	\$60,739	\$4,186	\$0	\$129,294
Accrued Wages and Benefits	152,048	23,753	0	0	0	175,801
Contracts Payable	46,686	19,221	546,470	51,624	0	664,001
Interfund Payable	0	89,529	229,955	65,239	13,954	398,677
Intergovernmental Payable	299,892	90,502	27,403	58,950	49,765	526,512
Unearned Revenue	356,472	0	1,267,066	142,518	0	1,766,056
<i>Total Liabilities</i>	<u>919,214</u>	<u>223,258</u>	<u>2,131,633</u>	<u>322,517</u>	<u>63,719</u>	<u>3,660,341</u>
<u>Deferred Inflows of Resources:</u>						
Unavailable Revenue	0	0	207,859	0	0	207,859
Property Taxes not Levied to Finance Current Year Operations	0	0	394,238	0	0	394,238
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>602,097</u>	<u>0</u>	<u>0</u>	<u>602,097</u>
<u>Fund Balances:</u>						
Nonspendable	81,217	0	0	0	0	81,217
<i>Restricted for:</i>						
Public Assistance	1,113,632	0	0	0	0	1,113,632
Child Support	0	1,018,764	0	0	0	1,018,764
Children's Services	0	0	571,082	0	0	571,082
Workforce Development	0	0	0	56,497	0	56,497
Unassigned	0	0	0	0	(37,709)	(37,709)
<i>Total Fund Balances</i>	<u>1,194,849</u>	<u>1,018,764</u>	<u>571,082</u>	<u>56,497</u>	<u>(37,709)</u>	<u>2,803,483</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$2,114,063</u>	<u>\$1,242,022</u>	<u>\$3,304,812</u>	<u>\$379,014</u>	<u>\$26,010</u>	<u>\$7,065,921</u>

See accompanying notes to the basic financial statements.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

Reconciliation of Total Governmental Fund Balances to

Net Position of Governmental Activities

June 30, 2020

Total Governmental Funds Balances		\$2,803,483
<i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		27,001
Some of the Board's receivables will be collected after fiscal year-end, but not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds. These receivables consist of:		
Property taxes	394,238	
Intergovernmental	207,859	
	<hr/>	
Total receivables that are deferred in the funds		602,097
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These liabilities consist of:		
Compensated absences		(787,919)
The net pension/OPEB liabilities are not due and payable in the current period; therefore, the liabilities and related deferred inflows/outflows are not reported in the governmental funds:		
Deferred Outflows - Pension	1,025,291	
Deferred Outflows - OPEB	976,844	
Deferred Inflows - Pension	(2,340,435)	
Deferred Inflows - OPEB	(1,034,563)	
Net Pension Asset	38,777	
Net Pension Liability	(9,285,718)	
Net OPEB Liability	(6,118,843)	
	<hr/>	
Total		<hr/> (16,738,647)
<i>Net Position of Governmental Activities</i>		<hr/> <hr/> (\$14,093,985)

See accompanying notes to the basic financial statements.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2020

	Public Assistance	Child Support	Children's Services	Workforce Development	Help Me Grow	Total Governmental Funds
<u>Revenues:</u>						
Property Taxes	\$0	\$0	\$2,084,900	\$0	\$0	\$2,084,900
Intergovernmental	14,038,663	1,609,072	4,665,190	1,554,162	80,548	21,947,635
Charges for Services	344,703	344,585	21,038	0	0	710,326
Refunds	106,098	18,000	0	0	0	124,098
Miscellaneous	0	108,471	3,940	0	0	112,411
<i>Total Revenues</i>	<u>14,489,464</u>	<u>2,080,128</u>	<u>6,775,068</u>	<u>1,554,162</u>	<u>80,548</u>	<u>24,979,370</u>
<u>Expenditures:</u>						
<i>Current:</i>						
Public Assistance	16,041,897	0	0	0	0	16,041,897
Child Support	0	1,958,945	0	0	0	1,958,945
Children's Services	0	0	5,584,745	0	0	5,584,745
Workforce Development	0	0	0	1,247,860	0	1,247,860
Help Me Grow	0	0	0	0	150,997	150,997
<i>Total Expenditures</i>	<u>16,041,897</u>	<u>1,958,945</u>	<u>5,584,745</u>	<u>1,247,860</u>	<u>150,997</u>	<u>24,984,444</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,552,433)</u>	<u>121,183</u>	<u>1,190,323</u>	<u>306,302</u>	<u>(70,449)</u>	<u>(5,074)</u>
<u>Other Financing Sources (Uses):</u>						
Transfers In	1,524,660	0	0	0	0	1,524,660
Transfers Out	0	(365,675)	(859,528)	(299,457)	0	(1,524,660)
<i>Total Other Financing Sources (Uses)</i>	<u>1,524,660</u>	<u>(365,675)</u>	<u>(859,528)</u>	<u>(299,457)</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(27,773)</u>	<u>(244,492)</u>	<u>330,795</u>	<u>6,845</u>	<u>(70,449)</u>	<u>(5,074)</u>
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>1,222,622</u>	<u>1,263,256</u>	<u>240,287</u>	<u>49,652</u>	<u>32,740</u>	<u>2,808,557</u>
<i>Fund Balance at End of Year</i>	<u>\$1,194,849</u>	<u>\$1,018,764</u>	<u>\$571,082</u>	<u>\$56,497</u>	<u>(\$37,709)</u>	<u>\$2,803,483</u>

See accompanying notes to the basic financial statements.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2020*

Net Change in Fund Balances - Total Governmental Funds	(\$5,074)
 <i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>	
 Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	
	(37,746)
 Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. These revenues consist of:	
Property taxes	88,322
Intergovernmental	(148,098)
	(59,776)
 Total revenues not reported in the funds	
	(59,776)
 Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:	
Compensated absences	174,747
 Contractually required contributions are reported as expenditures in governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows.	
	463,561
 Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the Statement of Activities.	
	(1,533,982)
 <i>Change in Net Position of Governmental Activities</i>	
	(\$998,270)

See accompanying notes to the basic financial statements.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

Statement of Fiduciary Net Position

Fiduciary Fund

June 30, 2020

	<u>Private Purpose Trust</u>
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$57,957
Investments	<u>266,350</u>
<i>Total Assets</i>	<u><u>\$324,307</u></u>
<u>Liabilities:</u>	
<i>Total Liabilities</i>	<u>\$0</u>
<u>Net Position:</u>	
Held in Trust for Other Individuals and Organizations	<u>324,307</u>
<i>Total Net Position</i>	<u><u>\$324,307</u></u>

See accompanying notes to the basic financial statements.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended June 30, 2020

	<u>Private Purpose Trust</u>
<u>Additions:</u>	
Interest	\$6,630
<i>Total Additions</i>	6,630
<u>Deductions:</u>	
Payments in Accordance with Trust Agreements	0
<i>Change in Net Position</i>	6,630
<i>Net Position at Beginning of Year</i>	317,677
<i>Net Position at End of Year</i>	\$324,307

See accompanying notes to the basic financial statements.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020*

NOTE 1 - DESCRIPTION OF ENTITY

South Central Ohio Job and Family Services (the Board), was established as a Joint County Department of Job and Family Services by and for the Board of County Commissioners of three counties. The member counties are Hocking, Ross and Vinton. Three Commissioners from each member county for a total of nine commissioners serve on the Board. The Board commenced operations on January 1, 2013. The purpose of 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 stamps, Medicaid, cash assistance), child welfare, child support enforcement, and workforce development who reside within the member counties.

Reporting Entity

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

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

The Board has one organization for which it serves as administrative agent. The Ross County Family and Children First Council is a legally separate entity for which the Board serves as the administrative agent. The Board provides administrative and operational services to assist this organization in accomplishing its intended purposes. Ross County serves as the fiscal agent for the Ross County Family and Children First Council. Accordingly this organization is presented as an agency fund within the Ross County financial statements.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020*

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

A. Basis of Presentation

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

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

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

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

B. Fund Accounting

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

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

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020*

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

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.

Help Me Grow Fund - This fund accounts for administrative costs for the program administration of contracts with the Ross County Board of Developmental Disabilities.

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

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

C. Measurement Focus

Government-Wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets, 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 private-purpose trust fund is reported using the economic resources measurement focus.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020*

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

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows/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 5). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

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 9 and 10.

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 and grants. 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 9 and 10).

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020*

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

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

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

E. Cash, Cash Equivalents, and Investments

The Ross County Treasurer is the custodian of the Board'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 2020, the Board's investments were limited to Federal Securities. Except for non-participating investment contracts, investments are reported at fair value which is based on quoted market prices.

F. Inventory

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

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

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2020, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

H. Capital Assets

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their 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.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020*

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

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
Capitalized Leases	3 - 20 years

I. Interfund Balances

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

J. Compensated Absences

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

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

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, 2020.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020*

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

K. Accrued Liabilities and Long-term Obligations

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

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

L. 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, 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.

M. Fund Balance Reserves

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

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

Restricted – amounts that can be spent only for specific purposes because 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.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020*

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

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.

N. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Investment in capital assets consists of capital assets, net of accumulated depreciation. 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.

O. 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.

P. 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.

Q. Estimates

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

NOTE 3 - NEW GASB PRONOUNCEMENTS

For the fiscal year ended June 30, 2020, the Board implemented GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. GASB Statement No. 95 postpones the effective dates of certain provisions in the statements that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020*

NOTE 3 - NEW GASB PRONOUNCEMENTS (Continued)

The following statements are postponed by one year:

- Statement No. 84, *Fiduciary Activities*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 90, *Majority Equity Interests*
- Statement No. 91, *Conduit Debt Obligations*

Certain provisions in the following statements are postponed by one year:

- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*

The following statement is postponed by 18 months:

- Statement No. 87, *Leases*

NOTE 4 – CASH AND INVESTMENTS

The Ross County Treasurer maintains a cash pool used by all of the County’s funds, including those of the Board. The Ohio Revised Code prescribes allowable deposits and investments. At fiscal year-end, the carrying amount of the Board’s deposits with the Ross County Treasurer was \$4,751,472 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 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, 2020, the Board had the following investments and maturities:

	Investment In Maturities in Years	
Investment Type	Fair Value	< 1 Year
U.S. Government Securities	\$266,350	\$266,350
Total Investments	\$266,350	\$266,350

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020*

NOTE 4 – CASH AND INVESTMENTS *(Continued)*

The Board has categorized 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 chart identifies the Board's recurring fair value measurements as of June 30, 2020 and are all level 1 inputs.

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

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

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

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

NOTE 5 – LEVIES

The Ross County Commissioners serve as the taxing authority to levy a special levy outside the ten-mill limitation to provide the Board with sufficient funds to carry out Children Services programs. The Board's portion of the levy was \$921,516 for fiscal year 2020 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 \$413,838 for fiscal year 2020, 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 \$837,868 for fiscal year 2020. This amount is reflected as property tax revenue on the accompanying basic financial statements.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020*

NOTE 6 - RECEIVABLES

Receivables at June 30, 2020, consisted of intergovernmental grants, property taxes, and accounts. All receivables are considered fully collectible.

A summary of the principal items of intergovernmental receivable follows:

<u>Governmental Activities:</u>	
Public Assistance	\$187,792
Child Support	80,180
Children's Services	529,873
Workforce Development	186,079
Total	<u><u>\$983,924</u></u>

NOTE 7- CAPITAL ASSETS

A summary of changes in general capital assets during 2020 were as follows:

	<u>Balance at July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2020</u>
<i>Depreciable Capital Assets:</i>				
Furniture, Fixtures and Equipment	\$292,821	\$8,848	\$0	\$301,669
Vehicles	130,414	0	(36,844)	93,570
Total Capital Assets	<u>\$423,235</u>	<u>\$8,848</u>	<u>(\$36,844)</u>	<u>\$395,239</u>
<i>Accumulated Depreciation:</i>				
Furniture, Fixtures and Equipment	(258,330)	(19,938)	0	(278,268)
Vehicles	(100,158)	(26,656)	36,844	(89,970)
Total Accumulated Depreciation	<u>(358,488)</u>	<u>(46,594)</u>	<u>36,844</u>	<u>(368,238)</u>
Total Net Capital Assets	<u><u>\$64,747</u></u>	<u><u>(\$37,746)</u></u>	<u><u>\$0</u></u>	<u><u>\$27,001</u></u>

NOTE 8 - RISK MANAGEMENT

The Board is exposed to various risks of loss related to torts, theft or damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During 2020, 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. Coverage was reviewed during 2020 and adjusted as deemed appropriate.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020*

NOTE 9 - DEFINED BENEFIT RETIREMENT PLANS

Net Pension Liability/(Asset)

The net pension liability/(asset) reported on the Statement of Net Position represents a liability/(asset) to employees for pensions. Pensions 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 is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability/(asset) represents the Board's proportionate share of the pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of the pension plan's fiduciary net position. The net pension 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.

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

GASB Statement No. 68 assumes the liability/(asset) is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plan to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, the pension plan's Board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability/(asset). Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of the plan's unfunded benefits is presented as a long-term *net pension liability/(asset)* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Ohio Public Employees Retirement System (OPERS)

Plan Description – All Board employees participate in the Ohio Public Employee Retirement System (OPERS). OPERS 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 cost-sharing, multiple-employer defined benefit pension plan with defined contribution features.

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

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020*

NOTE 9 - DEFINED BENEFIT RETIREMENT PLANS – (Continued)

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members 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 plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, an annual cost of living adjustment COLA is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020*

NOTE 9 - DEFINED BENEFIT RETIREMENT PLANS – (Continued)

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 purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), 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.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

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

Statutory Maximum Contribution Rates	State and Local	
	2020	2019
Employer	14.0%	14.0%
Employee *	10.0%	10.0%
Actual Contribution Rates		
Employer:		
Pension **	14.0%	14.0%
Post-employment Health Care Benefits **	0.0%	0.0%
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 plan. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

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

The Board’s contractually required contribution was \$927,123 for fiscal year 2020.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020*

NOTE 9 - DEFINED BENEFIT RETIREMENT PLANS – (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability/(asset) was measured as of December 31, 2019, and the total pension liability/(asset) used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that 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:

	<u>OPERS - Traditional Plan</u>	<u>OPERS - Combined Plan</u>	<u>Total</u>
Proportion of the Net Pension Liability:			
Current Measurement Date	0.046979%	0.018596%	
Prior Measurement Date	<u>0.049090%</u>	<u>0.019537%</u>	
Change in Proportionate Share	<u>-0.002111%</u>	<u>-0.000941%</u>	
Proportionate Share of the Net Pension Liability/(Assets)	\$9,285,718	(\$38,777)	\$9,246,941
Pension Expense	\$951,648	(\$11,811)	\$939,837

At June 30, 2020, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS - Traditional Plan</u>	<u>OPERS - Combined Plan</u>	<u>Total</u>
Deferred Outflows of Resources			
Changes of Assumptions	\$495,966	\$3,995	\$499,961
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	55,012	6,757	61,769
Contributions Subsequent to the Measurement Date	<u>457,999</u>	<u>5,562</u>	<u>463,561</u>
Total Deferred Outflows of Resources	<u>\$1,008,977</u>	<u>\$16,314</u>	<u>\$1,025,291</u>
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	\$117,404	\$9,103	\$126,507
Net Difference between Projected and Actual Earnings on Pension Plan Investments	1,852,290	5,032	1,857,322
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	<u>273,220</u>	<u>83,386</u>	<u>356,606</u>
Total Deferred Inflows of Resources	<u>\$2,242,914</u>	<u>\$97,521</u>	<u>\$2,340,435</u>

\$463,561 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020*

NOTE 9 - DEFINED BENEFIT RETIREMENT PLANS – (Continued)

Fiscal Year Ending June 30:	OPERS - Traditional Plan	OPERS - Combined Plan	Total
2021	(\$337,368)	(\$13,082)	(\$350,450)
2022	(695,789)	(12,989)	(708,778)
2023	76,702	(11,584)	65,118
2024	(735,481)	(13,423)	(748,904)
2025	0	(11,311)	(11,311)
Thereafter	0	(24,380)	(24,380)
	<u>(\$1,691,936)</u>	<u>(\$86,769)</u>	<u>(\$1,778,705)</u>

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 in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Traditional Plan	Combined Plan
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	1.40 percent, simple through 2020, then 2.15 percent, simple	1.40 percent, simple through 2020, then 2.15 percent, simple
Investment Rate of Return	7.2 percent	7.2 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above-described tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020*

NOTE 9 - DEFINED BENEFIT RETIREMENT PLANS – (Continued)

During 2019, 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 a loss of 17.20 percent for 2019.

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, 2019, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	25.00 %	1.83 %
Domestic Equities	19.00	5.75
Real Estate	10.00	5.20
Private Equity	12.00	10.70
International Equities	21.00	6.00
Other Investments	13.00	4.98
Total	<u>100.00 %</u>	<u>5.61 %</u>

Discount Rate The discount rate used to measure the total pension liability was 7.20 percent. 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 statutorily required rates. 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 was applied to all periods of projected benefit payments to determine the total pension liability.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020*

NOTE 9 - DEFINED BENEFIT RETIREMENT PLANS – (Continued)

Sensitivity of the Board's Proportionate Share of the Net pension liability/(asset) 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 7.20 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 (6.20 percent) or one-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Board's Proportionate Share of the Net Pension Liability/(Asset) - Traditional	\$15,315,154	\$9,285,718	\$3,865,432
Board's Proportionate Share of the Net Pension Liability/(Asset) - Combined	(\$23,431)	(\$38,777)	(\$49,837)

NOTE 10 - DEFINED OPEB RETIREMENT PLANS

Net OPEB Liability

The net OPEB liability reported on the Statement of Net Position represents a liability to employees for other post-employment benefits (OPEB). OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability represents Board's proportionate share of the OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of the OPEB plan's fiduciary net position. The net OPEB liability 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 these estimates annually.

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 OPEB are financed; however, the Board does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require, the retirement system to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement system may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of the plan's unfunded benefits is presented as a long-term net OPEB liability on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year would be included in intergovernmental payable on both the accrual and modified accrual bases of accounting. The Board had no such liability at fiscal year-end.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020*

NOTE 10 - DEFINED OPEB RETIREMENT PLANS – (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

Health Care Plan Description - OPERS administers three separate plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit plan with defined contribution features.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring 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. During 2020, health care is not being funded with employer portion.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In fiscal year 2020, Board contributed at a rate of 14 percent of earnable salary. The Ohio Revised Code currently limits the employer contribution rate not to exceed 14 percent of covered payroll. Active member contributions do not fund health care.

With the assistance of the System's actuary and Board approval, a portion of each employer contribution to OPERS may be set aside for the funding of post-employment health care coverage. The portion of employer contributions allocated to healthcare was 0.0 percent for calendar year 2019. As recommended by OPERS's actuary, the portion of employer contributions allocated to healthcare beginning January 1, 2020 will remain at 0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. Board's contractually required contribution of \$0 for fiscal year 2020 was used to fund health care.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020*

NOTE 10 - DEFINED OPEB RETIREMENT PLANS – (Continued)

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019, 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 was based on the Board's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

	OPERS - <u>Health Care Plan</u>
Proportion of the Net OPEB Liability:	
Current Measurement Date	0.044299%
Prior Measurement Date	<u>0.046458%</u>
Change in Proportionate Share	<u><u>-0.002159%</u></u>
Proportionate Share of the Net OPEB Liability	\$6,118,843
OPEB Expense	\$594,145

At June 30, 2020, Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS - <u>Health Care Plan</u>
Deferred Outflows of Resources	
Differences between Expected and Actual Experience	\$163
Net Difference between Projected and Actual Earnings on Pension Plan Investments	
Changes of Assumptions	968,547
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	<u>8,134</u>
Total Deferred Outflows of Resources	<u><u>\$976,844</u></u>
Deferred Inflows of Resources	
Differences between Expected and Actual Experience	\$559,596
Net Difference between Projected and Actual Earnings on Pension Plan Investments	311,571
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	<u>163,396</u>
Total Deferred Inflows of Resources	<u><u>\$1,034,563</u></u>

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020*

NOTE 10 - DEFINED OPEB RETIREMENT PLANS – (Continued)

No amount was 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, 2020. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	OPERS - Health Care Plan
2021	\$68,055
2022	7,115
2023	248
2024	(133,137)
	<u>(57,719)</u>

Actuarial Assumptions – OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of costs between the System and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019. The actuarial valuation used the following actuarial assumptions applied to all periods included in the measurement:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.16 percent
Prior Measurement date	3.96 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	2.75 percent
Health Care Cost Trend Rate	10.50 percent, initial 3.50 percent, ultimate in 2030
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020*

NOTE 10 - DEFINED OPEB RETIREMENT PLANS – (Continued)

The most recent experience study was completed for the five-year period ended December 31, 2015.

During 2019, OPERS managed investments in three investment portfolios: The Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 19.7% for 2019.

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined 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. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	36.00 %	1.53 %
Domestic Equities	21.00	5.75
Real Estate	6.00	5.69
International Equities	23.00	7.66
Other Investments	14.00	4.90
Total	<u>100.00 %</u>	<u>4.55 %</u>

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020*

NOTE 10 - DEFINED OPEB RETIREMENT PLANS – (Continued)

Discount Rate A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. 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) 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 an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.75 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of Board's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - The following table presents Board's proportionate share of the net OPEB liability calculated using the current period discount rate assumption of 3.16 percent, as well as what Board's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.16 percent) or one-percentage-point higher (4.16 percent) than the current rate:

	1% Decrease (2.16%)	Current Discount Rate (3.16%)	1% Increase (4.16%)
Board's Proportionate Share of the Net OPEB Liability	\$8,007,487	\$6,118,843	\$4,606,653

Sensitivity of Board's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate - Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0% lower or 1.0% 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 2020 is 10.50 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 that in the not-too-distant future, 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 Trend Rate	1% Increase
Board's Proportionate Share of the Net OPEB Liability	\$5,938,281	\$6,118,843	\$6,297,103

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020*

NOTE 10 - DEFINED OPEB RETIREMENT PLANS – (Continued)

Changes since the prior Measurement Date on to Report Date

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

NOTE 11 - LONG-TERM OBLIGATIONS

The Board's long-term obligations activity for the year ended June 30, 2020, was as follows:

	Principal Outstanding at July 1, 2019	Additions	Deductions	Principal Outstanding at June 30, 2020	Amount Due In One Year
<i>Governmental Activities:</i>					
<i>Net Pension Liability:</i>					
OPERS	\$13,422,909	\$0	\$4,137,191	\$9,285,718	\$0
<i>Net OPEB Liability:</i>					
OPERS	6,057,027	61,816	0	6,118,843	0
Compensated Absences	962,666	358,989	533,736	787,919	552,651
Total Governmental Activities					
Long-Term Obligations	<u>\$20,442,602</u>	<u>\$420,805</u>	<u>\$4,670,927</u>	<u>\$16,192,480</u>	<u>\$552,651</u>

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

NOTE 12 – OPERATING LEASES

The South Central Ohio Job and Family Services leases building space under non-cancelable operating leases. The operating lease with the Ross County Board of Commissioners is for a five year period beginning July 1, 2018 and ending on December 31, 2023. Rent payments will be \$99,090 for the first year paid in quarterly installments of \$24,772. The Ross County Property Inventory and Accounting Cost Record will be used to determine the yearly lease amount for the share of depreciation of the building and improvements recorded. As of June 30, 2020 the lease payments remain the same as the first year.

The operating lease with the Hocking County Board of Commissioners is a sub-lease and is for a period beginning January 1, 2013 and ending on March 31, 2022. In addition, the South Central Ohio Job and Family Services also leases two additional office space from R. K. Shaw, Ltd. in the location for a period beginning January 1, 2013 and April 1, 2015 and ending on March 31, 2022.

The South Central Ohio Job and Family Services also leases building space under a cancelable operating lease from the Vinton County Board of Commissioners.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020*

NOTE 12 – OPERATING LEASES – (Continued)

Total operating lease payments in fiscal year 2020 were \$462,027. Future lease payments are as follows:

<u>Year</u>	<u>Amount</u>
2021	\$305,339
2022	150,652
2023	99,090
Total	<u>\$555,081</u>

NOTE 13 - INTERFUND TRANSACTIONS

Interfund balances at June 30, 2020, consist of the following receivables and payables:

	<u>Interfund Receivables</u>	<u>Interfund Payable</u>
Public Assistance	\$398,677	\$0
Child Support	0	89,529
Children's Services	0	229,955
Workforce Development	0	65,239
Help Me Grow	0	13,954
Total	<u>\$398,677</u>	<u>\$398,677</u>

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

A summary of interfund transfers for 2020 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Public Assistance	\$1,524,660	\$0
Child Support	0	365,375
Children's Services	0	859,528
Workforce Development	0	299,457
Total	<u>\$1,524,660</u>	<u>\$1,524,360</u>

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

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020*

NOTE 14 – FUND CASH BALANCES

As of June 30, 2020 fund balances are composed of the following:

	Public Assistance	Child Support	Children's Services	Workforce Development	Help Me Grow	Total Governmental Funds
<i>Nonspendable:</i>						
Prepaid Items	\$26,014	\$0	\$0	\$0	\$0	\$26,014
Materials and Supplies	55,203	0	0	0	0	55,203
<i>Total Nonspendable</i>	<u>81,217</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>81,217</u>
<i>Restricted:</i>						
Public Assistance	1,113,632	0	0	0	0	1,113,632
Child Support	0	1,018,764	0	0	0	1,018,764
Children Services	0	0	571,082	0	0	571,082
Workforce Development	0	0	0	56,497	0	56,497
<i>Total Restricted</i>	<u>1,113,632</u>	<u>1,018,764</u>	<u>571,082</u>	<u>56,497</u>	<u>0</u>	<u>2,759,975</u>
<i>Unassigned</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(37,709)</u>	<u>(37,709)</u>
Total Fund Balance	<u><u>\$1,194,849</u></u>	<u><u>\$1,018,764</u></u>	<u><u>\$571,082</u></u>	<u><u>\$56,497</u></u>	<u><u>(\$37,709)</u></u>	<u><u>\$2,803,483</u></u>

NOTE 15 – CONTINGENT LIABLITIES

Grants

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

The Auditor of State is conducting an investigation. As of the date of this report, the investigation is ongoing.

Dependent on the results of the investigation, results may be reported at a later date.

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

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020*

NOTE 16 – SUBSEQUENT EVENT

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures have impacted the current period and will continue to impact subsequent periods of the Board. The Board's investment portfolio and the investments of the pension and other employee benefit plan in which the Board participates have incurred a significant fluctuation in fair value, consistent with the general fluctuation in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, due to the dynamic environment and changes in fiscal policies, the exact impact on the Board's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be reasonably estimated.

This Page Left Intentionally Blank

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES
Schedule of the Board's Proportionate Share of Net Pension Liability
Last Seven Fiscal Years

	2020	2019	2018
<u>Ohio Public Employees Retirement System</u>			
Board's Proportion of the Net Pension Liability (Asset) - Traditional	0.0469790%	0.0490900%	0.0484070%
Board's Proportion of the Net Pension Liability (Asset) - Combined	0.0185960%	0.0195370%	0.0227000%
Board's Proportionate Share of the Net Pension Liability (Asset) - Traditional	\$9,285,718	\$13,444,756	\$7,594,120
Board's Proportionate Share of the Net Pension Liability (Asset) - Combined	(\$38,777)	(\$21,847)	(\$30,902)
Board's Covered-Employee Payroll	\$6,748,357	\$6,783,954	\$6,447,908
Board's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of it's Covered-Employee Payroll	137.03%	197.86%	117.30%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability - Traditional	82.17%	74.70%	84.66%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability - Combined	145.28%	126.64%	137.28%

Information prior to 2014 is not available.

Amounts presented as of the Board's measurement date which is December 31.

See notes to accompanying required supplementary information.

2017	2016	2015	2014
0.0478050%	0.0515750%	0.0537870%	0.0537870%
0.0373330%	0.0289100%	0.0382740%	0.0382740%
\$10,855,703	\$8,933,440	\$6,487,313	\$6,340,787
(\$20,778)	(\$14,068)	(\$14,736)	(\$4,017)
\$6,594,450	\$6,672,375	\$5,311,438	\$2,055,570
164.30%	133.68%	121.86%	308.27%
77.25%	81.08%	86.45%	86.36%
116.55%	116.90%	114.83%	114.83%

This Page Left Intentionally Blank

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES
Schedule of the Board's Proportionate Share of Net OPEB Liability
Last Four Fiscal Years (1)

	2020	2019	2018	2017
<i>Ohio Public Employees Retirement System</i>				
Board's Proportion of the Net OPEB Liability (Asset)	0.0442990%	0.0464580%	0.0462400%	0.0462400%
Board's Proportionate Share of the Net OPEB Liability (Asset)	\$6,118,843	\$6,057,027	\$5,021,323	\$4,670,397
Board's Covered-Employee Payroll	\$6,748,357	\$6,783,954	\$6,447,908	\$6,594,450
Board's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of it's Covered-Employee Payroll	90.67%	89.28%	77.88%	70.82%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.80%	46.33%	54.14%	54.05%

(1) Information prior to 2017 is not available.

Amounts presented as of the Board's measurement date which is December 31.

See notes to accompanying required supplementary information.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Schedule of the Board Contributions
Ohio Public Employees Retirement System
Last Eight Fiscal Years (1)*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Pension</u>			
Contractually Required Contributions	\$927,123	\$944,770	\$881,914
Contributions in Relation to the Contractually Required Contributions	<u>(\$927,123)</u>	<u>(\$944,770)</u>	<u>(\$881,914)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Board Covered-Employee Payroll	\$6,622,307	\$6,748,357	\$6,783,954
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.00%	13.00%
<u>OPEB</u>			
Contractually Required Contributions	\$0	\$0	\$67,840
Contributions in Relation to the Contractually Required Contributions	<u>\$0</u>	<u>\$0</u>	<u>(\$67,840)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Board Covered-Employee Payroll	\$6,622,307	\$6,748,357	\$6,783,950
Contributions as a Percentage of Covered-Employee Payroll	0.00%	0.00%	1.00%

(1) The Board's first year of operation was 2013.

See notes to accompanying required supplementary information.

2017	2016	2015	2014	2013
\$773,749	\$791,334	\$800,685	\$690,487	\$205,557
<u>(\$773,749)</u>	<u>(\$791,334)</u>	<u>(\$800,685)</u>	<u>(690,487)</u>	<u>(205,557)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$6,447,908	\$6,594,450	\$6,672,375	\$5,311,438	\$2,055,570
12.00%	12.00%	12.00%	13.00%	10.00%
\$128,958	\$131,889	\$133,447	\$53,114	\$82,223
<u>(\$128,958)</u>	<u>(\$131,889)</u>	<u>(\$133,447)</u>	<u>(53,114)</u>	<u>(82,223)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$6,447,908	\$6,594,450	\$6,672,375	\$5,311,438	\$2,055,570
2.00%	2.00%	2.00%	1.00%	4.00%

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

Notes to the Required Supplementary Information

For the Fiscal Year Ended June 30, 2020

NOTE 1 – OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

Pension

Changes in benefit terms

There were no changes in benefit terms for 2014 through 2018.

COLAs provided up to December 31, 2019 will be based upon a simple, 3% COLA. COLAs provided after December 31, 2019 continue to be simple, but will be based upon the annual percentage change in the Consumer Price Index (CPI), and not greater than 3%.

There were no changes in benefit terms for 2019.

Changes in assumptions

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014 through 2016.

For 2017, the following were the most significant changes of assumptions that affected total pension liability since the prior measurement date

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- Decrease in wage inflation from 3.75% to 3.25%
- Change in future salary increases from a range of 4.25% - 10.02% to 3.25% - 10.75%

There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2018.

For 2019, changes in assumptions are as follows:

Employer Contribution Rate	
Allocated to Pensions	
Current measurement date	14.00 percent
Prior measurement date	13.00 percent

There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2020.

Other Postemployment Benefits

Changes in benefit terms

There were no changes in benefit terms for 2018 through 2020.

Changes in assumptions

For 2018, the single discount rate changed from 4.23% to 3.85%.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

Notes to the Required Supplementary Information

For the Fiscal Year Ended June 30, 2020

NOTE 1 – OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

For 2019, changes in assumptions are as follows:

Single Discount Rate:	
Current measurement date	3.96 percent
Prior measurement date	3.85 percent
Employer Contribution Rate	
Allocated to Health Care:	
Current measurement date	0.00 percent
Prior measurement date	1.00 percent

For 2020, the single discount rate changed from 3.96% to 3.16%, the municipal bond rate changed from 3.71% to 2.75%, and the health care cost trend rate initial amount changed from 10.00% to 10.50% and the ultimate amount changed from 3.25% to 3.50%.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Public Assistance Fund
For the Fiscal Year Ended June 30, 2020*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
State Grants	\$15,525,793	\$16,120,793	\$13,882,061	(\$2,238,732)
Support and Assistance	432,873	432,873	371,753	(61,120)
Overpayments - Refunds	14,254	14,254	184,545	170,291
Local County Monies	251,003	251,003	213,188	(37,815)
<i>Total Revenues</i>	<u>16,223,923</u>	<u>16,818,923</u>	<u>14,651,547</u>	<u>(2,167,376)</u>
<u>Expenditures:</u>				
Salaries	6,171,920	6,171,920	5,888,640	283,280
Fringe Benefits	3,216,247	3,216,247	2,943,849	272,398
Supplies	125,000	127,902	67,260	60,642
Travel	62,090	62,090	36,777	25,313
Contracts - Repair/Maint.	38,500	41,013	27,332	13,681
Contract Services	6,496,076	7,496,076	5,682,543	1,813,533
Indirect Costs	287,124	287,124	255,412	31,712
Equipment	140,000	159,027	68,080	90,947
Facilities	925,000	925,000	778,453	146,547
Public Assistance Payments	365,436	515,436	247,253	268,183
Support & Training	75,000	75,000	54,610	20,390
Other Expenses	56,530	56,637	54,254	2,383
<i>Total Expenditures</i>	<u>17,958,923</u>	<u>19,133,472</u>	<u>16,104,463</u>	<u>3,029,009</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,735,000)</u>	<u>(2,314,549)</u>	<u>(1,452,916)</u>	<u>861,633</u>
<u>Other Financing Sources:</u>				
Transfers In	<u>1,735,000</u>	<u>1,735,000</u>	<u>1,688,343</u>	<u>(46,657)</u>
<i>Total Other Financing Sources</i>	<u>1,735,000</u>	<u>1,735,000</u>	<u>1,688,343</u>	<u>(46,657)</u>
<i>Net Change in Fund Balance</i>	0	(579,549)	235,427	814,976
<i>Fund Balance at Beginning of Year</i>	<u>1,201,906</u>	<u>1,201,906</u>	<u>1,201,906</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$1,201,906</u></u>	<u><u>\$622,357</u></u>	<u><u>\$1,437,333</u></u>	<u><u>\$814,976</u></u>

See accompanying notes to the basic financial statements.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Child Support Fund
For the Fiscal Year Ended June 30, 2020*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
State Grants	\$1,833,157	\$1,833,157	\$1,234,873	(\$598,284)
Charges for Services	0	0	374,636	374,636
Refunds	0	0	18,000	18,000
Miscellaneous	469,877	469,877	69,515	(400,362)
<i>Total Revenues</i>	<u>2,303,034</u>	<u>2,303,034</u>	<u>1,697,024</u>	<u>(606,010)</u>
<u>Expenditures:</u>				
Salaries	944,039	944,039	881,105	62,934
Fringe Benefits	513,920	513,920	416,403	97,517
Travel and Training	3,000	3,000	1,202	1,798
Contract Services	364,075	364,075	276,449	87,626
Indirect Costs	13,000	13,000	11,573	1,427
Other Expenses	15,000	15,035	10,375	4,660
<i>Total Expenditures</i>	<u>1,853,034</u>	<u>1,853,069</u>	<u>1,597,107</u>	<u>255,962</u>
<i>Excess of Revenues Over Expenditures</i>	<u>450,000</u>	<u>449,965</u>	<u>99,917</u>	<u>(350,048)</u>
<u>Other Financing Uses:</u>				
Transfers Out	(450,000)	(450,000)	(395,164)	54,836
<i>Total Other Financing Uses</i>	<u>(450,000)</u>	<u>(450,000)</u>	<u>(395,164)</u>	<u>54,836</u>
<i>Net Changes in Fund Balance</i>	0	(35)	(295,247)	(295,212)
<i>Fund Balance at Beginning of Year</i>	<u>1,453,606</u>	<u>1,453,606</u>	<u>1,453,606</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$1,453,606</u>	<u>\$1,453,571</u>	<u>\$1,158,359</u>	<u>(\$295,212)</u>

See accompanying notes to the basic financial statements.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Children's Services Fund
For the Fiscal Year Ended June 30, 2020*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
State Child Protection Allocation	\$1,995,760	\$1,995,760	\$2,039,686	\$43,926
Title VI-B	98,451	98,451	170,883	72,432
Title VI-E Admin and Training	490,331	490,331	473,793	(16,538)
IV-E Reimbursement	1,512,552	1,512,552	2,126,307	613,755
Foster Parent Training	12,198	12,198	7,225	(4,973)
SSI/Social Security Benefits	58,984	58,984	100,547	41,563
Opioid Abuse Program Grant	250,000	250,000	35,285	(214,715)
Kinship Care Grant	0	0	47,732	47,732
Parent Fees	3,500	3,500	21,038	17,538
Gifts	600	600	1,500	900
Chaffee	67,627	67,627	23,894	(43,733)
ESSE/Caseworker Visits	106,213	106,213	59,774	(46,439)
Ross Levy Funds	945,020	945,020	1,014,884	69,864
Reimbursement From PA	315,029	315,029	0	(315,029)
Vinton County Levy Funds	330,000	330,000	372,809	42,809
Hocking County Levy Funds	600,000	600,000	743,274	143,274
Local County Monies	30,000	30,000	538,633	508,633
Miscellaneous	315,000	315,000	5,000	(310,000)
<i>Total Revenues</i>	<u>7,131,265</u>	<u>7,131,265</u>	<u>7,782,264</u>	<u>650,999</u>
<u>Expenditures:</u>				
Contract Services	5,640,397	5,565,561	5,385,724	179,837
Chaffee	15,541	15,541	6,908	8,633
ESSA	67,248	67,248	23,215	44,033
Legal	89,500	89,500	66,733	22,767
Foster Parent Training	21,000	21,000	9,170	11,830
Kinship Permanency Incentive	0	75,000	59,568	15,432
Comp. Opioid Abuse Program	250,000	250,000	4,836	245,164
Other Expenses	72,579	72,579	45,147	27,432
<i>Total Expenditures</i>	<u>6,156,265</u>	<u>6,156,429</u>	<u>5,601,301</u>	<u>555,128</u>
<i>Excess of Revenues Over Expenditures</i>	<u>975,000</u>	<u>974,836</u>	<u>2,180,963</u>	<u>1,206,127</u>
<u>Other Financing Uses:</u>				
Transfers Out	(975,000)	(975,000)	(969,935)	5,065
<i>Total Other Financing Uses</i>	<u>(975,000)</u>	<u>(975,000)</u>	<u>(969,935)</u>	<u>5,065</u>
<i>Net Change in Fund Balance</i>	0	(164)	1,211,028	1,211,192
<i>Fund Balance at Beginning of Year(Restated)</i>	<u>664,367</u>	<u>664,367</u>	<u>664,367</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$664,367</u>	<u>\$664,203</u>	<u>\$1,875,395</u>	<u>\$1,211,192</u>

See accompanying notes to the basic financial statements.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Workforce Development Fund
For the Fiscal Year Ended June 30, 2020*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
State Grants	\$2,628,514	\$2,628,514	\$1,512,677	(\$1,115,837)
Miscellaneous	70,000	70,000	21,900	(48,100)
<i>Total Revenues</i>	<u>2,698,514</u>	<u>2,698,514</u>	<u>1,534,577</u>	<u>(1,163,937)</u>
<u>Expenditures:</u>				
Adult	188,000	188,000	83,426	104,574
Dislocated Workers	50,500	50,500	46,355	4,145
Special Projects	1,738,514	1,688,514	906,736	781,778
CCMEP	411,500	411,500	183,600	227,900
<i>Total Expenditures</i>	<u>2,388,514</u>	<u>2,338,514</u>	<u>1,220,117</u>	<u>1,118,397</u>
<i>Excess of Revenues Over Expenditures</i>	<u>310,000</u>	<u>360,000</u>	<u>314,460</u>	<u>(45,540)</u>
<u>Other Financing Uses:</u>				
Transfers Out	(310,000)	(360,000)	(323,246)	36,754
<i>Total Other Financing Uses</i>	<u>(310,000)</u>	<u>(360,000)</u>	<u>(323,246)</u>	<u>36,754</u>
<i>Net Change in Fund Balance</i>	0	0	(8,786)	(8,786)
<i>Fund Balance at Beginning of Year</i>	<u>201,721</u>	<u>201,721</u>	<u>201,721</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$201,721</u></u>	<u><u>\$201,721</u></u>	<u><u>\$192,935</u></u>	<u><u>(\$8,786)</u></u>

See accompanying notes to the basic financial statements.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Help Me Grow Fund
For the Fiscal Year Ended June 30, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Help Me Grow	\$112,508	\$112,508	\$95,773	(\$16,735)
<i>Total Revenues</i>	<u>112,508</u>	<u>112,508</u>	<u>95,773</u>	<u>(16,735)</u>
<u>Expenditures:</u>				
Help Me Grow - State	28,505	28,505	10,310	18,195
Help Me Grow - Federal	<u>97,257</u>	<u>97,257</u>	<u>89,803</u>	<u>7,454</u>
<i>Total Expenditures</i>	<u>125,762</u>	<u>125,762</u>	<u>100,113</u>	<u>25,649</u>
<i>Net Change in Fund Balance</i>	(13,254)	(13,254)	(4,340)	8,914
<i>Fund Balance at Beginning of Year</i>	<u>30,350</u>	<u>30,350</u>	<u>30,350</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$17,096</u>	<u>\$17,096</u>	<u>\$26,010</u>	<u>\$8,914</u>

See accompanying notes to the basic financial statements.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

*Notes to the Supplementary Information
For the Fiscal Year Ended June 30, 2020*

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:

	<u>Public Assistance</u>	<u>Child Support</u>	<u>Children's Services</u>	<u>Workforce Development</u>	<u>Help Me Grow</u>
Net Change in Fund Balance per the Statement of Revenues, Expenditures, and Changes in Fund Balance	(\$27,773)	(\$244,492)	\$330,795	\$6,845	(\$70,449)
Net revenue accruals	162,083	(383,104)	1,007,196	(19,585)	15,225
Net expenditure accruals	(62,566)	361,838	(16,556)	27,743	50,884
Net Other Financing Sources/(Uses):	<u>163,683</u>	<u>(29,489)</u>	<u>(110,407)</u>	<u>(23,789)</u>	<u>0</u>
Net Change in Fund Balance per the Budgetary Schedule	<u>\$235,427</u>	<u>(\$295,247)</u>	<u>\$1,211,028</u>	<u>(\$8,786)</u>	<u>(\$4,340)</u>

The prior year ending balance Budget to Actual Statement in the Children’s Services fund was overstated by \$30,000. This resulted in a restatement to the beginning fund balance.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES
Federal Awards Expenditures Schedule
For the Fiscal Year Ended June 30, 2020

Federal Grantor Agency/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Amounts Passed Through to Sub-Recipients	Total Federal Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
<i>Passed Through Ohio Department of Job & Family Services</i>				
<i>SNAP Cluster:</i>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program <i>Total State Administrative Matching Grants for the Total SNAP Cluster</i>	G-2021-11-6016	10.561	\$0	\$811,311
Total - U.S. Department of Agriculture			0	811,311
<u>U.S. DEPARTMENT OF JUSTICE</u>				
<i>Passed Through Hocking County Prosecutor</i>				
Comprehensive Opioid Abuse Site-Based Program	2018-MU-MU-K069	16.838	0	4,836
<i>Passed Through Public Children Services Association of Ohio</i>				
Crime Victim Assistance <i>Total Crime Victim Assistance</i>	2019-VOCA-132234677	16.575	0	83,218
Total - U.S. Department of Justice			0	88,054
<u>U.S. DEPARTMENT OF LABOR</u>				
<i>Passed Through Area 20/21 Workforce Development Board</i>				
Trade Adjustment Assistance	N/A	17.245	0	11,586
WIOA National Emergency Grants, NEG OH30	N/A	17.277	192,156	209,280
WIOA National Dislocated Worker Grant, Opioids	N/A	17.277	0	54,159
Hurricanes and Wildfires of 2017 Supplemental - National Dislocated Worker Grant, Flood	N/A	17.286	581,103	595,807
<i>Employer Service Cluster:</i>				
Employment Service/Wagner-Peyser Funded Activities <i>Total Employer Service Cluster</i>	N/A	17.207	0	68,769
<i>Workforce Innovation and Opportunities Act Cluster:</i>				
WIOA Adult Program	N/A	17.258	4,178	213,623
WIOA Youth Activities	N/A	17.259	183,633	189,160
WIOA Dislocated Worker Formula Grants <i>Total Workforce Innovation and Opportunities Act Cluster</i>	N/A	17.278	4,178	192,016
Total - U.S. Department of Labor			191,989	594,799
			965,248	1,534,400
<u>U.S. DEPARTMENT OF EDUCATION</u>				
<i>Passed Through Ohio Department of Developmental Disabilities</i>				
Special Education - Grants for Infants and Families	N/A	84.181	53,536	58,924
<i>Passed Through Ohio University</i>				
Adult Education - Basic Grants to States <i>Total - U.S. Department of Education</i>	N/A	84.002	0	38,867
			53,536	97,791
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
<i>Passed Through Ohio Department of Job & Family Services</i>				
Promoting Safe and Stable Families	G-2021-11-6016	93.556	0	52,162
Child Support Enforcement	G-2021-11-6016	93.563	0	1,374,855
Stephanie Tubbs Jones Child Welfare Services Program	G-2021-11-6016	93.645	0	95,324
Foster Care - Title IV-E	G-2021-11-6016	93.658	0	2,263,967
Adoption Assistance	G-2021-11-6016	93.659	0	209,459
Social Services Block Grant	G-2021-11-6016	93.667	0	1,696,427
John H. Chafee Foster Care Program for Successful Transition to Adulthood	G-2021-11-6016	93.674	0	22,239
Children's Health Insurance Program	G-2021-11-6016	93.767	0	71,243
<i>TANF Cluster:</i>				
Temporary Assistance for Needy Families (TANF) State Programs <i>Total TANF Cluster</i>	G-2021-11-6016	93.558	287,855	3,126,246
			287,855	3,126,246
<i>CCDF Cluster:</i>				
Child Care and Development Block Grant <i>Total CCDF Cluster</i>	G-2021-11-6016	93.575	0	135,108
			0	135,108
<i>Medicaid Cluster:</i>				
Medical Assistance Program <i>Total Medicaid Cluster</i>	G-2021-11-6016	93.778	0	3,930,698
			0	3,930,698
<i>Passed Through Public Children Services Association of Ohio</i>				
Opioid STR	2000463	93.788	0	26,736
Total - U.S. Department of Health and Human Services			287,855	13,004,464
Total Federal Awards Expenditures			\$1,306,639	\$15,536,020

N/A - pass-through entity does not have a pass-through entity number.

See accompanying notes to the federal awards expenditures schedule.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

Notes to the Federal Awards Expenditures Schedule

For the Fiscal Year Ended June 30, 2020

NOTE A – BASIS OF PRESENTATION

The accompanying Federal Awards Expenditures Schedule (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, 2020. 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 – 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award*, wherein certain types of expenditures may or may not be allowable or may be limited to reimbursement. The Board has elected not to use the 10-percent de minimis indirect cost rate as allowed under Uniform Guidance.

NOTE C – SUBRECIPIENTS

The Board passes certain federal awards received from Ohio Department of Job & 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 subrecipient, the Board has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

<u>Program Title</u>	<u>CFDA #</u>	<u>Amounts Provided to Subrecipients</u>
SubRecipient - Gallia-Jackson-Vinton JVSD		
Youth	17.259	<u>\$55,675</u>
Total Youth	17.259	<u>\$55,675</u>
Temporary Assistance for Needy Families	93.558	<u>\$77,577</u>
Total Temporary Assistance for Needy Families	93.558	<u>\$77,577</u>
Total Gallia-Jackson-Vinton JVSD		<u>\$133,252</u>
SubRecipient - Hocking, Athens, Perry Community Action		
Youth	17.259	<u>\$44,998</u>
Total Youth	17.259	<u>\$44,998</u>
Hurricanes and Wildfires of 2017 Supplemental - National Dislocated Worker Grant, Flood	17.286	<u>\$211,812</u>
Total Hurricanes and Wildfires of 2017 Supplemental - National Dislocated Worker Grant, Flood	17.286	<u>\$211,812</u>
Temporary Assistance for Needy Families	93.558	<u>\$126,287</u>
Total Temporary Assistance for Needy Families	93.558	<u>\$126,287</u>
Total Hocking, Athens, Perry Community Action		<u>\$383,097</u>

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

Notes to the Federal Awards Expenditures Schedule

For the Fiscal Year Ended June 30, 2020

NOTE C – SUBRECIPIENTS – (Continued)

<u>Program Title</u>	<u>CFDA #</u>	<u>Amounts Provided to Subrecipients</u>
SubRecipient - Vinton County Commissioners		
Adult	17.258	\$4,178
Total Adult	17.258	\$4,178
Dislocated Worker	17.278	\$4,178
Total Dislocated Worker	17.278	\$4,178
Total Vinton County Commissioners		\$8,356
SubRecipient - Sojourners		
Hurricanes and Wildfires of 2017 Supplemental - National Dislocated Worker Grant, Flood	17.286	\$369,291
Total Hurricanes and Wildfires of 2017 Supplemental - National Dislocated Worker Grant, Flood	17.286	\$369,291
NEG-30 Disaster	17.277	\$192,156
Total NEG-30 Disaster		\$192,156
Total Sojourners		\$561,447
SubRecipient - Ross County Board of Developmental Disabilities		
Help Me Grow	84.181	\$53,536
Total Help Me Grow	84.181	\$53,536
Total Ross County Board of Developmental Disabilities		\$53,536
SubRecipient - Pickaway Ross JVS		
Youth	17.259	\$82,960
Total Youth	17.259	\$82,960
Temporary Assistance for Needy Families	93.558	\$83,991
Total Temporary Assistance for Needy Families	93.558	\$83,991
Total Pickaway Ross JVS		\$166,951

NOTE D – 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, 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, 2020, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated April 6, 2021, wherein we noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Board.

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) to determine 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 Board'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 have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as finding 2020-001, that we consider to be a material weakness.

Compliance and Other Matters

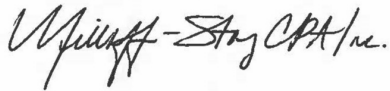
As part of obtaining reasonable assurance about whether the Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

Board's Response to Finding

The Board's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Board's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Board'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 Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Millhuff-Stang, CPA, Inc.
Chillicothe, Ohio

April 6, 2021

**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

We have audited the South Central Ohio Job and Family Services' (the Board) compliance with the types of compliance requirements described 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, 2020. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Board's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

South Central Ohio Job and Family Services
Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance
Required by the Uniform Guidance

Opinion on Each Major Federal Program

In our opinion, the Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

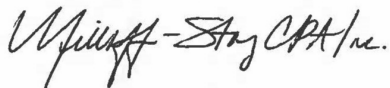
Report on Internal Control Over Compliance

Management of the Board is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.
Chillicothe, Ohio

April 6, 2021

South Central Ohio Job and Family Services
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2020

Section I – Summary of Auditor’s Results

<i>Financial Statements</i>	
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
<i>Federal Awards</i>	
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):	Foster Care, CFDA #93.658; TANF Cluster, CFDA #93.558; Medicaid Cluster, CFDA #93.778
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 2020-001 – Material Weakness – Financial Reporting and Federal Awards Expenditures Schedule Presentation

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, errors in intergovernmental revenues, charges for services, miscellaneous revenues, and unearned revenues were identified. Adjustments were made to the accompanying financial statements to correct those misstatements deemed material. In addition, we noted errors within the federal awards expenditures schedule. These errors were corrected within the accompanying federal awards expenditures schedule. The Board should implement additional monitoring procedures to ensure that financial transactions are properly recorded and that the financial statements and federal awards expenditures schedule are accurately presented.

Client Response:
 See corrective action plan.

Section III – Federal Award Findings and Questioned Costs

None.

This page intentionally left blank.

**South Central Ohio Job and Family Services
Corrective Action Plan
For the Fiscal Year Ended June 30, 2020**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2020-001	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 GAAP compilation process, so that similar errors are not made in preparation of future financial statements.	06/30/2021	Paula Ogan, Fiscal Supervisor

**389 West Front Street
Logan, Ohio 43138
740.385.5663**

**475 Western Ave
Chillicothe, OH 45601
740.773.2651**

**30975 Industrial Park Drive
McArthur, Ohio 45651
740.596.2584**

855.726.5237 (855.SCO.JAFS)

South Central Ohio Job and Family Services
Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2020

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2019-001	2018 and 2019 Material Weakness – Financial Reporting	No	Reissued as finding 2020-001

**389 West Front Street
Logan, Ohio 43138
740.385.5663**

**475 Western Ave
Chillicothe, OH 45601
740.773.2651**

**30975 Industrial Park Drive
McArthur, Ohio 45651
740.596.2584**

855.726.5237 (855.SCO.JAFS)

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 6/1/2021

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov