SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES
ROSS COUNTY
SINGLE AUDIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Millhuff-Stang, CPA, Inc.
8841 Ohio River Road / Wheelersburg, Ohio 45694 / 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

Board Members
South Central Ohio Job and Family Services
475 Western Avenue, Suie 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, 2020 through June 30, 2021. 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.

Keith Faber
Auditor of State
Columbus, Ohio

September 14, 2022

This page intentionally left blank.

South Central Ohio Job and Family Services
Table of Contents
For the Fiscal Year Ended June 30, 2021

Millhuff-Stang
CERTIFIED PUBLIC ACCOUNTANT

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, 2021, 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.

Millhuff-Stang, CPA, Inc.
8841 Ohio River Road / Wheelersburg, Ohio 45694 / 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

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, 2021, 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 2021, 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 48 through 51, and the schedule of the Board pension and OPEB contributions on pages 52 through 53 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 July 15, 2022 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

July 15, 2022

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, 2021. 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, 2021 by $7,845,000.

- In total, net position of governmental activities increased by $6,248,985 or 44.34 percent.

- Program specific revenues in the form of charges for services and grants and contributions accounted for $22,438,152 or 89.29 percent of total revenues.

- The Board had $18,881,163 in expenses related to governmental activities; $22,438,152 of these expenses was offset by programs specific charges for services, grants and contributions. General revenues (primarily taxes) of $2,691,996 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 $12,602,605 in revenues and $14,582,745 in expenditures in fiscal year 2021.

Using this Annual Report

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

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

Reporting the Board as a Whole

Government-Wide Financial Statements

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

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

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

In both of the government-wide financial statements, the Board's activities are shown as governmental activities. All of the Board's programs and services are reported here including public assistance, workforce development, children's services, 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.

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

Fiduciary Funds

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

Notes to the Basic Financial Statements

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

Government-Wide Financial Analysis

Recall that the Statement of Net Position provides the perspective of the Board as a whole, showing assets and deferred outflows of resources, liabilities and deferred inflows of resources, and the difference between them (net position). Table 1 provides a summary of the Board's net position at June 30, 2021 and provides a comparison to June 30, 2020.

Table 1
Net Position at Year End

	Governmental Activities		
	2021	2020	Change
Assets			
Current and Other Assets	$7,771,984	$6,667,244	$1,104,740
Net Pension Asset	54,439	38,777	15,662
Net OPEB Asset	769,304	0	769,304
Capital Assets, Net	20,982	27,001	(6,019)
Total Assets	8,616,709	6,733,022	1,883,687
Deferred Outflows of Resources:			
Pension	475,077	1,025,291	(550,214)
OPEB	378,438	976,844	(598,406)
Total Deferred Outflows of Resources	853,515	2,002,135	(1,148,620)
Liabilities:			
Current and Other Liabilities	3,983,174	3,261,664	721,510
Long-Term Liabilities:			
Due Within One Year	638,235	552,651	85,584
Due in More than One Year:			
Net Pension Liability	6,778,577	9,285,718	(2,507,141)
Net OPEB Liability	0	6,118,843	(6,118,843)
Other Amounts	132,391	235,268	(102,877)
Total Liabilities	11,532,377	19,454,144	(7,921,767)
Deferred Inflows of Resources:			
Pension	3,271,406	2,340,435	930,971
OPEB	2,511,441	1,034,563	1,476,878
Total Deferred Inflows of Resources	5,782,847	3,374,998	2,407,849
Net Position:			
Investment in Capital Assets	20,982	27,001	(6,019)
Restricted	3,788,810	3,405,580	383,230
Unrestricted	(11,654,792)	(17,526,566)	5,871,774
Total Net Position	($7,845,000)	($14,093,985)	$6,248,985

The net pension liability (NPL) is the largest liability reported by the Board at June 30, 2021 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27". The Board also reports a net pension asset in accordance with GASB 68 and a Net OPEB in accordance with GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Board's actual financial condition by adding deferred inflows related to pension and OPEB and the net pension liability to the reported net position and subtracting deferred outflows related to pension and OPEB, net pension asset, and the net OPEB asset.

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

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

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

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

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

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

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

Current and other assets increased $1,104,740 or 16.57 percent from fiscal year 2020 due to increases in cash and cash equivalents, intergovernmental receivable, and property taxes receivable.

Capital assets decreased by $6,019 or 22.29 percent during fiscal year 2021 due to current year depreciation.

Current (other) liabilities increased by $721,510 or 22.12 percent due primarily to an increase in unearned revenue.

Long-term liabilities decreased by $8,643,277 or 53.38 percent due primarily to a decrease in net pension and net OPEB liabilities due to actuarial measurements done by the retirement system. Additional information can be found in Notes 9 and 10.

Deferred outflows of resources decreased $1,148,620 and deferred inflows of resources increased $2,407,849 due to changes in net pension and net OPEB actuarial measurements done by the retirement systems. Additional information can be found in Notes 9 and 10.

Net position of $20,982 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 $3,788,810 is restricted. Restricted net position is subject to external restrictions on how it may be used.

The remaining deficit of $11,654,792 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 2021 and provides a comparison to fiscal year 2020.

Table 2
Changes in Net Position

	Governmental Activites		
	2021	2020	Change
Revenues:			
Program Revenues:			
Charges for Services and Sales	$600,899	$650,390	($49,491)
Operating Grants and Contributions	21,837,253	21,723,665	113,588
General Revenues:			
Property Taxes	2,310,648	2,173,222	137,426
Grants and Entitlements Not Restricted	136,046	135,808	238
Refunds	149,731	124,098	25,633
Miscellaneous	95,571	112,411	(16,840)
Total Revenues	25,130,148	24,919,594	210,554
Expenses:			
Program Expenses:			
Public Assistance	$9,618,239	$16,855,632	($7,237,393)
Child Support	1,128,652	2,078,630	(949,978)
Children's Services	6,885,171	5,584,745	1,300,426
Workforce Development	1,249,101	1,247,860	1,241
Help Me Grow	0	150,997	(150,997)
Total Expenses	18,881,163	25,917,864	(7,036,701)
Change in Net Position	6,248,985	(998,270)	7,247,255
Net Position at Beginning of Year	(14,093,985)	(13,095,715)	(998,270)
Net Position at End of Year	($7,845,000)	($14,093,985)	$6,248,985

The most significant program expenses for the Board are Public Assistance and Children's Services. These programs account for 87.41 percent of the total governmental activities. Public Assistance, which accounts for 50.94 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 36.47 percent of the total, represents costs associated with providing foster care and other services for neglected, battered and abused children.

The Board had program revenue of $22,438,152, and general revenue of 2,691,996. Program revenues increased $64,097 or 0.29 percent, due to increased operating grants and contributions. General revenues increased $146,457 or 5.75 percent, which is primarily due to increases in property tax revenue and refunds received during the fiscal year.

The total expenses for governmental activities were $18,881,163, which is a decrease of $7,036,701 or 27.15 percent from 2020, which is primarily due to a decrease in public assistance expenses. This decrease is the result of decreases in net pension and net OPEB liabilities due to actuarial measurements done by the retirement system.

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 9.19 percent and intergovernmental revenue made up 87.44 percent of the total revenue for the governmental activities in fiscal year 2021.

Public Assistance accounts for 50.94 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 2021 and provides a comparison to fiscal year 2020. 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 2021	Net Cost of Services 2021	Total Cost of Services 2020	Net Cost of Services 2020
Program Expenses:				
Public Assistance	$9,618,239	($2,846,511)	$16,855,632	$2,472,266
Child Support	1,128,652	(1,324,739)	2,078,630	124,973
Children's Services	6,885,171	935,414	5,584,745	1,182,423
Workforce Development	1,249,101	(297,398)	1,247,860	(306,302)
Help Me Grow	0	(23,755)	150,997	70,449
Total Expenses	$18,881,163	($3,556,989)	$25,917,864	$3,543,809

It should be noted that 118.84 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 $935,414 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 $26,721,059 and expenditures and other financing uses of $26,489,746.

The fund balances of the total governmental funds increased by $231,313 or 8.25 percent. The increase in fund balance for the year was most significant in the Childrens Services, which increased $357,243 or 62.56 percent, which was primarily the result of an increase in intergovernmental revenue.

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 2021, 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 $16,475,644, representing an increase of $74,416 from the original budget revenues of $16,401,228. The final budget basis expenditures were $18,579,836 representing an increase of $468,609 from the original budget basis expenditures of $18,111,227. The final budget reflected a 2.59 percent increase from the original budgeted amount. There was a 23.34 percent positive variance in actual expenditures as compared to the final budget.

For the Child Support Fund, the final budget basis revenue was $2,160,836, representing no change from the original budget revenues. The final budget basis expenditures were $1,785,553 representing no change from the original budget basis expenditures. There was a 1.62 percent positive variance in actual expenditures as compared to the final budget.

For the Children's Services Fund, the final budget basis revenue was $7,407,620, representing no change from the original budget. The final budget basis expenditures were $6,432,620 representing no change from the original budget basis expenditures. There was a 2.74 percent negative variance in actual expenditures as compared to the final budget.

For the Workforce Development Fund, the final budget basis revenue was $1,585,000, representing no change from the original budget. The final budget basis expenditures were $1,250,930 representing a $930 increase from the original budget basis expenditures There was a 0.35 percent negative variance in actual expenditures as compared to the final budget.

For the Help Me Grow Fund, the final budget basis revenue was $0, representing no change from the original budget revenues of $0. The final budget basis expenditures were $0 representing no change from the original budget basis expenditures of $0. There was a 100.00 percent negative variance in actual expenditures as compared to the final budget.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2021, the Board had $395,239 invested in furniture, fixtures, and equipment, and vehicles. That total carries an accumulated depreciation of $374,257. Table 4 shows June 30, 2021 balances and provides a comparison to June 30, 2020.

Table 4
Capital Assets & Accumulated Depreciation at Year End

	Governmental Activities	
	2021	2020
Depreciable Capital Assets:		
Furniture, Fixtures and Equipment	$301,669	$301,669
Vehicles	93,570	93,570
Total Capital Assets	395,239	395,239
Less Accumulated Depreciation:		
Furniture, Fixtures and Equipment	282,487	278,268
Vehicles	91,770	89,970
Total Accumulated Depreciation	374,257	368,238
Capital Assets, Net	$20,982	$27,001

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, 2021, 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, 2021

	Governmental Activities
Assets:	
Equity in Pooled Cash and Cash Equivalents	$5,463,774
Materials and Supplies Inventory	47,321
Accounts Receivable	870
Intergovernmental Receivable	1,223,575
Property Taxes Receivable	1,010,219
Prepaid Items	26,225
Net Pension Asset	54,439
Net OPEB Asset	769,304
Depreciable Capital Assets, Net	20,982
Total Assets	8,616,709
Deferred Outflows of Resources:	
Pension	475,077
OPEB	378,438
Total Deferred Outflows of Resources	853,515
Liabilities:	
Accounts Payable	119,512
Accrued Wages and Benefits	204,659
Contracts Payable	1,060,125
Intergovernmental Payable	628,577
Matured Compensated Absences Payable	4,022
Unearned Revenue	1,966,279
Long-Term Liabilities:	
Due within One Year	638,235
Due in More Than One Year:	
Net Pension Liability	6,778,577
Other Amounts Due in More Than One Year	132,391
Total Liabilities	11,532,377
Deferred Inflows of Resources:	
Pension	3,271,406
OPEB	2,511,441
Total Deferred Inflows of Resources	5,782,847
Net Position:	
Investment in Capital Assets	20,982
Restricted for:	
Other Purposes	3,788,810
Unrestricted (Deficit)	(11,654,792)
Total Net Position	($7,845,000)

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, 2021

		Program Revenue		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Public Assistance	$9,618,239	$217,155	$12,247,595	$2,846,511
Child Support	1,128,652	369,842	2,083,549	1,324,739
Children's Services	6,885,171	13,902	5,935,855	(935,414)
Workforce Development	1,249,101	0	1,546,499	297,398
Help Me Grow	0	0	23,755	23,755
Total Governmental Activities	$18,881,163	$600,899	$21,837,253	3,556,989
	General Revenue:			
	Property Taxes Levied for Children's Services			2,310,648
	Unrestricted Grant and Entitlements			136,046
	Refunds			149,731
	Miscellaneous			95,571
	Total General Revenue			2,691,996
	Change in Net Position			6,248,985
	Net Position Beginning of Year			(14,093,985)
	Net Position End of Year			($7,845,000)

See accompanying notes to the basic financial statements.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

Balance Sheet

Governmental Funds

June 30, 2021

	Public Assistance	Child Support	Children's Services	Workforce Development	Help Me Grow	Total Governmental Funds
Assets:						
Equity in Pooled Cash and Cash Equivalents	$1,385,999	$1,343,703	$2,522,757	$211,315	$0	$5,463,774
Materials and Supplies Inventory	47,321	0	0	0	0	47,321
Accounts Receivable	870	0	0	0	0	870
Interfund Receivable	606,036	0	4,746	0	0	610,782
Intergovernmental Receivable	235,752	87,711	899,041	1,071	0	1,223,575
Property Taxes Receivables	0	0	1,010,219	0	0	1,010,219
Prepaid Items	22,200	0	4,025	0	0	26,225
Total Assets	$2,298,178	$1,431,414	$4,440,788	$212,386	$0	$8,382,766
Liabilities:						
Accounts Payable	$32,044	$212	$76,940	$10,316	$0	$119,512
Accrued Wages and Benefits	178,893	25,766	0	0	0	204,659
Contracts Payable	327,240	0	732,885	0	0	1,060,125
Interfund Payable	4,746	99,229	395,103	111,704	0	610,782
Intergovernmental Payable	346,926	117,276	66,118	98,257	0	628,577
Matured Compensated Absences Payable	0	4,022	0	0	0	4,022
Unearned Revenue	478,700	0	1,487,403	176	0	1,966,279
Total Liabilities	1,368,549	246,505	2,758,449	220,453	0	4,593,956
Deferred Inflows of Resources:						
Unavailable Revenue	0	0	254,797	0	0	254,797
Property Taxes not Levied to Finance Current Year Operations	0	0	499,217	0	0	499,217
Total Deferred Inflows of Resources	0	0	754,014	0	0	754,014
Fund Balances:						
Nonspendable	69,521	0	4,025	0	0	73,546
Restricted for:						
Pubic Assistance	860,108	0	0	0	0	860,108
Child Support	0	1,184,909	0	0	0	1,184,909
Children's Services	0	0	924,300	0	0	924,300
Unassigned	0	0	0	(8,067)	0	(8,067)
Total Fund Balances	929,629	1,184,909	928,325	(8,067)	0	3,034,796
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$2,298,178	$1,431,414	$4,440,788	$212,386	$0	$8,382,766

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, 2021

Total Governmental Funds Balances		$3,034,796
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		20,982
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	499,217	
Intergovernmental	254,797	
Total receivables that are deferred in the funds		754,014
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		(770,626)
The net pension/OPEB liabilities (assets) are not due and payable (receivable) in the current period; the liabilities (assets) and related deferred inflows/outflows are not reported in the governmental funds:		
Deferred Outlows - Pension	475,077	
Deferred Outlows - OPEB	378,438	
Deferred Inflows - Pension	(3,271,406)	
Deferred Inflows - OPEB	(2,511,441)	
Net Pension Asset	54,439	
Net Pension Liability	(6,778,577)	
Net OPEB Asset	769,304	
Total		(10,884,166)
Net Position of Governmental Activities		($7,845,000)

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, 2021

	Public Assistance	Child Support	Children's Services	Workforce Development	Help Me Grow	Total Governmental Funds
Revenues:						
Property Taxes	$0	$0	$2,205,669	$0	$0	$2,205,669
Intergovernmental	12,247,595	2,083,549	6,024,963	1,546,499	23,755	21,926,361
Charges for Services	217,155	369,842	13,902	0	0	600,899
Refunds	137,855	11,876	0	0	0	149,731
Miscellaneous	0	90,254	5,317	0	0	95,571
Total Revenues	12,602,605	2,555,521	8,249,851	1,546,499	23,755	24,978,231
Expenditures:						
Current:						
Public Assistance	14,582,745	0	0	0	0	14,582,745
Child Support	0	2,029,901	0	0	0	2,029,901
Children's Services	0	0	6,885,171	0	0	6,885,171
Workforce Development	0	0	0	1,249,101	0	1,249,101
Help Me Grow	0	0	0	0	0	0
Total Expenditures	14,582,745	2,029,901	6,885,171	1,249,101	0	24,746,918
Excess of Revenues Over (Under) Expenditures	(1,980,140)	525,620	1,364,680	297,398	23,755	231,313
Other Financing Sources (Uses):						
Transfers In	1,728,874	0	0	0	13,954	1,742,828
Transfers Out	(13,954)	(359,475)	(1,007,437)	(361,962)	0	(1,742,828)
Total Other Financing Sources (Uses)	1,714,920	(359,475)	(1,007,437)	(361,962)	13,954	0
Net Change in Fund Balance	(265,220)	166,145	357,243	(64,564)	37,709	231,313
Fund Balance (Deficit) at Beginning of Year	1,194,849	1,018,764	571,082	56,497	(37,709)	2,803,483
Fund Balance (Deficit) at End of Year	$929,629	$1,184,909	$928,325	($8,067)	$0	$3,034,796

See accompanying notes to the basic financial statements.

Net Change in Fund Balances - Total Governmental Funds		$231,313
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		(6,019)
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	104,979	
Intergovernmental	46,938	
Total revenues not reported in the funds		151,917
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		17,293
Contractually required contributions are reported as expenditures in governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows.		465,981
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability (assets) are reported as pension/OPEB expense in the Statement of Activities.		5,388,500
Change in Net Position of Governmental Activities		$6,248,985

See accompanying notes to the basic financial statements.

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

Statement of Fiduciary Net Position

Fiduciary Fund

June 30, 2021

	Custodial
Assets:	
Equity in Pooled Cash and Cash Equivalents	$69,049
Cash and Cash Equivalents	266,350
Total Assets	$335,399
Liabilities:	
Total Liabilities	$0
Net Position:	
Restricted for Individuals, and Organizations	335,399
Total Net Position	$335,399

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, 2021

	Custodial
Additions:	
Amounts Received as Fiscal Agent	$11,092
Total Additions	11,092
Deductions:	
Distributions as Fiscal Agent	0
Change in Net Position	11,092
Net Position at Beginning of Year, Restated	324,307
Net Position at End of Year	$335,399

See accompanying notes to the basic financial statements.

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 assistance, Medicaid, cash assistance), children services, child support enforcement, and workforce development who reside within the member counties.

Reporting Entity

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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.

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

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.

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.

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

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 custodial funds. Trust funds are used to account for assets held by the Board under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Board's own programs. The Board did not have any trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

The Board's fiduciary fund is a custodial fund, which was established to account for assets which were dedicated to provide benefits for Children's Services in accordance with benefit terms.

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 custodial fund is reported using the economic resources measurement focus.

D. Basis of Accounting

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

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

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

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

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

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).

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.

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

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 2021, the Board's investments were limited to insured sweep accounts. 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, 2021, 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.

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 $4,022 in matured compensated absences payable as of June 30, 2021.

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 Balances

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

> ***Nonspendable*** – amounts that cannot be spent because they are either not in a spendable form or because they are legally or contractually required to be maintained intact.
>
> ***Restricted*** – amounts that can be spent only for specific purposes because of either (a) constraints imposed by law through constitutional provisions, charter requirements or enabling legislation; or (b) constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.
>
> ***Committed*** – amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the Board. Those committed amounts cannot be used for any other purpose unless the Board removes the specified use by taking the same type of action as when imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
>
> ***Assigned*** – amounts constrained by the Board's "intent" to be used for specific purposes, but are neither restricted nor committed. The Board has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds that are not classified as nonspendable and are neither restricted nor committed.

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, 2021, the Board implemented GASB Statement No. 84, "*Fiduciary Activities*," GASB Statement No.89, "*Accounting for Interest Cost Incurred before the End of a Construction Period*," GASB Statement No. 90, "*Majority Equity Interests*," GASB Statement No. 92, "*Omnibus 2020,"* and GASB Statement No. 93, "*Replacement of Interbank Offered Rates*." The implementation of GASB Statements Nos. 89, 90, 92 and 93 had no effect on the prior period fund balances of the Board.

NOTE 3 - NEW GASB PRONOUNCEMENTS *(Continued)*

GASB Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. Statement No. 84 provides that governments should report activities meeting certain criteria in a fiduciary fund in the basic financial statements and present a statement of fiduciary net position and a statement of changes in fiduciary net position. Statement No. 84 also describes four fiduciary funds that should be reported, if applicable: pension/employee benefit trust funds; investment trust funds; private purpose trust funds; and custodial funds with fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

Changes in financial statement presentation and note disclosures have been incorporated with the implementation of GASB Statement No. 84. Beginning net position has also been restated, as discussed below.

Due to the implementation of GASB Statement No. 84, the Board reviewed its private purpose trust fund and determined that it will now be presented as the new fiduciary fund classification of custodial fund. The Board did not have any funds that were required to be reclassified to another fund type. This reclassification had the following effect on beginning net position for fiduciary funds.

	Private Purpose Trust	Custodial
Net Position, As Reported, June 30, 2020	$314,307	$0
GASB Statement No. 84	(314,307)	314,307
Net Position, As Restated, July 1, 2020	$0	$314,307

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 $5,532,823 and is reflected as Equity in Pooled Cash and Cash Equivalents on the financial statements. The Ross County Treasurer is responsible for maintaining adequate depository collateral for all funds in the County's pooled cash and deposit accounts. The Board also maintains separate deposit accounts to hold funds maintained for the benefit of others. These deposits have a carrying value of $266,350 and are reflected as Cash and Cash Equivalents on the financial statements.

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

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

NOTE 4 – CASH AND INVESTMENTS *(Continued)*

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

Investments – As of June 30, 2021, the Board had no 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 $926,268 for fiscal year 2021 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 $426,569 for fiscal year 2021, 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 $852,832 for fiscal year 2021. This amount is reflected as property tax revenue on the accompanying basic financial statements.

NOTE 6 - RECEIVABLES

Receivables at June 30, 2021, consisted of intergovernmental grants, property taxes, and accounts. All receivables are considered fully collectible.

A summary of the principal items of intergovernmental receivable follows:

Governmental Activites:	
Public Assistance	$235,752
Child Support	87,711
Children's Services	899,041
Workforce Development	1,071
Total	$1,223,575

NOTE 7- CAPITAL ASSETS

A summary of changes in general capital assets during 2021 were as follows:

	Balance at July 1, 2020	Additions	Deletions	Balance at June 30, 2021
Depreciable Capital Assets:				
Furniture, Fixtures and Equipment	$301,669	$0	$0	$301,669
Vehicles	93,570	0	0	93,570
Total Capital Assets	$395,239	$0	$0	$395,239
Accumulated Depreciation:				
Furniture, Fixtures and Equipment	(278,268)	(4,219)	0	(282,487)
Vehicles	(89,970)	(1,800)	0	(91,770)
Total Accumulated Depreciation	(368,238)	(6,019)	0	(374,257)
Total Net Capital Assets	$27,001	($6,019)	$0	$20,982

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 2021, 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 2021 and adjusted as deemed appropriate.

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.

NOTE 9 - DEFINED BENEFIT RETIREMENT PLANS *(Continued)*

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.

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 ACFR referenced above for additional information):

NOTE 9 - DEFINED BENEFIT RETIREMENT PLANS *(Continued)*

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.

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.

NOTE 9 - DEFINED BENEFIT RETIREMENT PLANS *(Continued)*

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:

	State and Local	
Statutory Maximum Contribution Rates	2021	2020
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 pla 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 $918,804 for fiscal year 2021.

<u>Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions</u>

The net pension liability/(asset) was measured as of December 31, 2020, and the total pension liability 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:

	OPERS - Traditional Plan	OPERS - Combined Plan	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.045777%	0.018859%	
Prior Measurement Date	0.046979%	0.018596%	
Change in Proportionate Share	-0.001202%	0.000263%	
Proportionate Share of the Net Pension Liability/(Assets)	$6,778,577	($54,439)	$6,724,138
Pension Expense	($560,382)	($15,255)	($575,637)

NOTE 9 - DEFINED BENEFIT RETIREMENT PLANS *(Continued)*

At June 30, 2021, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional Plan	OPERS - Combined Plan	Total
Deferred Outflows of Resources			
Changes of Assumptions	$0	$3,394	$3,394
Changes in Proportion and Differences between Contributions and Proportionate Share of	0	5,702	5,702
Contributions Subsequent to the Measurement Date	459,923	6,058	465,981
Total Deferred Outflows of Resources	$459,923	$15,154	$475,077
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	$283,554	$10,268	$293,822
Net Difference between Projected and Actual Earnings on Pension Plan Investments	2,642,092	8,095	2,650,187
Changes in Proportion and Differences between Contributions	255,050	72,347	327,397
Total Deferred Inflows of Resources	$3,180,696	$90,710	$3,271,406

$465,981 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS - Traditional Plan	OPERS - Combined Plan	Total
Fiscal Year Ending June 30:			
2022	($1,317,373)	($14,603)	($1,331,976)
2023	(425,975)	(13,178)	(439,153)
2024	(1,077,005)	(15,040)	(1,092,045)
2025	(360,343)	(12,897)	(373,240)
2026	0	(11,483)	(11,483)
Thereafter	0	(14,413)	(14,413)
	($3,180,696)	($81,614)	($3,262,310)

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.

NOTE 9 - DEFINED BENEFIT RETIREMENT PLANS *(Continued)*

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, 2020, 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	0.50 percent, simple through 2021, then 2.15 percent, simple	0.50 percent, simple through 2021, then 2.15 percent, simple
Investment Rate of Return	7.2 percent	7.2 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

In October 2020, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 1.4 percent simple through 2020 then 2.15 simple to 0.5 percent simple through 2021 then 2.15 simple.

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.

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, 2020, these best estimates are summarized in the following table:

NOTE 9 - DEFINED BENEFIT RETIREMENT PLANS *(Continued)*

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00 %	1.32 %
Domestic Equities	21.00	5.64
Real Estate	10.00	5.39
Private Equity	12.00	10.42
International Equities	23.00	7.36
Other Investments	9.00	4.75
Total	100.00 %	5.43 %

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.

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/(asset) 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/(asset) 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 - Traditional	$12,930,171	$6,778,577	$1,663,536
Board's Proportionate Share of the Net Pension Asset - Combined	($37,907)	($54,439)	($66,761)

Changes between Measurement Date and Report Date During 2021, the OPERS Board lowered the investment rate of return from 7.2 percent to 6.9 along with certain other changes to assumptions for the actuarial valuation as of December 31, 2021. The effects of these changes are unknown.

NOTE 10 - DEFINED OPEB RETIREMENT PLAN

Net OPEB Asset

The net OPEB asset reported on the Statement of Net Position represents an asset for 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 assets 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 assets 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 assets 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 assets. Resulting adjustments to the net OPEB assets 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 assets on the accrual basis of accounting. Any assets 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 assets at fiscal year-end.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Health Care Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

NOTE 10 - DEFINED OPEB RETIREMENT PLANS *(Continued)*

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 (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

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

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses. These changes are reflected in the December 31, 2020, measurement date health care valuation.

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 with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. 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' Annual Comprehensive Financial Report 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.

NOTE 10 - DEFINED OPEB RETIREMENT PLANS *(Continued)*

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 2021, 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 2021, 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 fiscal year 2021. As recommended by OPERS actuary, the portion of employer contributions allocated to healthcare beginning January 1, 2021 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 2021 was used to fund health care.

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

The net OPEB asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, 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 asset 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 - Health Care Plan
Proportion of the Net OPEB Asset:	
Current Measurement Date	0.043181%
Prior Measurement Date	0.044299%
Change in Proportionate Share	-0.001118%
Proportionate Share of the Net OPEB Asset	($769,304)
OPEB Expense	($4,812,863)

NOTE 10 - DEFINED OPEB RETIREMENT PLANS *(Continued)*

At June 30, 2021, Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS - Health Care Plan
Deferred Outflows of Resources	
Changes of Assumptions	$378,198
Changes in Proportion and Differences between Contributions and Proportionate Share of	240
Total Deferred Outflows of Resources	$378,438
Deferred Inflows of Resources	
Differences between Expected and Actual Experience	$694,291
Net Difference between Projected and Actual Earnings on Pension Plan Investments	409,745
Changes of Assumptions	1,246,503
Changes in Proportion and Differences between Contributions and Proportionate Share of	160,902
Total Deferred Inflows of Resources	$2,511,441

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, 2022. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS - Health Care Plan
Fiscal Year Ending June 30:	
2022	($1,153,821)
2023	(752,844)
2024	(178,057)
2025	(48,281)
	($2,133,003)

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, 2019, rolled forward to the measurement date of December 31, 2020. The actuarial valuation used the following actuarial assumptions applied to all periods included in the measurement:

NOTE 10 - DEFINED OPEB RETIREMENT PLANS *(Continued)*

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	6.00 percent
Prior Measurement date	3.16 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate:	
Current measurement date	2.00 percent
Prior Measurement date	2.75 percent
Health Care Cost Trend Rate:	
Current measurement date	8.5 percent, initial 3.50 percent, ultimate in 2035
Prior Measurement date	10.5 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.

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

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by OPERS investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

NOTE 10 - DEFINED OPEB RETIREMENT PLANS *(Continued)*

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.07 %
Domestic Equities	25.00	5.64
Real Estate	7.00	6.48
International Equities	25.00	7.36
Other Investments	9.00	4.02
Total	100.00 %	4.43 %

Discount Rate A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2020. A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. 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 2.00 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 2120. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of Board's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate - The following table presents Board's proportionate share of the net OPEB asset calculated using the current period discount rate assumption of 6.00 percent, as well as what Board's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Board's Proportionate Share of the Net OPEB Asset	($191,292)	($769,304)	($1,244,476)

Sensitivity of Board's Proportionate Share of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate - Changes in the health care cost trend rate may also have a significant impact on the net OPEB asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.0% lower or 1.0% higher than the current rate.

NOTE 10 - DEFINED OPEB RETIREMENT PLANS *(Continued)*

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 2021 is 8.50 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	1% Increase
Board's Proportionate Share of the Net OPEB Asset	($788,053)	($769,304)	($748,327)

Changes between the Measurement Date and the Reporting Date During 2021, the OPERS Board made various changes to assumptions for the actuarial valuation as of December 31, 2021. The effects of these changes are unknown.

NOTE 11 - LONG-TERM OBLIGATIONS

The Board's long-term obligations activity for the year ended June 30, 2021, was as follows:

	Principal Outstanding at July 1, 2020	Additions	Deductions	Principal Outstanding at June 30, 2021	Amount Due In One Year
Governmental Activities:					
Net Pension Liability:					
OPERS	$9,285,718	$0	$2,507,141	$6,778,577	$0
Net OPEB Liability:					
OPERS	6,118,843	0	6,118,843	0	0
Compensated Absences	787,919	592,107	609,400	770,626	638,235
Total Governmental Activities Long-Term Obligations	$16,192,480	$592,107	$9,235,384	$7,549,203	$638,235

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, 2021 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.

NOTE 12 – OPERATING LEASES *(Continued)*

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

Total operating lease payments in fiscal year 2021 were $462,026. Future lease payments are as follows:

Year	Amount
2022	$150,652
2023	99,090
	$249,742

NOTE 13 - INTERFUND TRANSACTIONS

Interfund balances at June 30, 2021, consist of the following receivables and payables:

	Interfund Receivables	Interfund Payable
Public Assistance	$606,036	$4,746
Child Support	0	99,229
Children's Services	4,746	395,103
Workforce Development	0	111,704
Total	$610,782	$610,782

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 2021 were as follows:

	Transfers In	Transfers Out
Public Assistance	$1,728,874	$13,954
Child Support	0	359,475
Children's Services	0	1,007,437
Workforce Development	0	361,962
Help Me Grow	13,954	0
Total	$1,742,828	$1,742,828

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

NOTE 14 – FUND CASH BALANCES

As of June 30, 2021 fund balances are composed of the following:

	Public Assistance	Child Support	Children's Services	Workforce Development	Help Me Grow	Total Governmental Funds
Nonspendable:						
Prepaid Items	$22,200	$0	$4,025	$0	$0	$26,225
Materials and Supplies	47,321	0	0	0	0	47,321
Total Nonspendable	69,521	0	4,025	0	0	73,546
Restricted:						
Public Assistance	860,108	0	0	0	0	860,108
Child Support	0	1,184,909	0	0	0	1,184,909
Children Services	0	0	924,300	0	0	924,300
Total Restricted	860,108	1,184,909	924,300	0	0	2,969,317
Unassigned	0	0	0	(8,067)	0	(8,067)
Total Fund Balance	$929,629	$1,184,909	$928,325	($8,067)	$0	$3,034,796

NOTE 15 – CONTINGENT LIABLITIES

Grants

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

Litigation

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

NOTE 16 – COVID-19

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

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

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

Last Eight Fiscal Years

	2021	2020	2019
Ohio Public Employees Retirement System			
Board's Proportion of the Net Pension Liability (Asset) - Traditional	0.0457770%	0.0469790%	0.0490900%
Board's Proportion of the Net Pension Liability (Asset) - Combined	0.0188590%	0.0185960%	0.0195370%
Board's Proportionate Share of the Net Pension Liability (Asset) - Traditional	$6,778,577	$9,285,718	$13,444,756
Board's Proportionate Share of the Net Pension Liability (Asset) - Combined	($54,439)	($38,777)	($21,847)
Board's Covered-Employee Payroll	$6,622,307	$6,748,357	$6,783,954
Board's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of it's Covered-Employee Payroll	101.54%	137.03%	197.86%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability - Traditional	86.88%	82.17%	74.70%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability - Combined	157.67%	145.28%	126.64%

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.

2018	2017	2016	2015	2014
0.0484070%	0.0478050%	0.0515750%	0.0537870%	0.0537870%
0.0227000%	0.0373330%	0.0289100%	0.0382740%	0.0382740%
$7,594,120	$10,855,703	$8,933,440	$6,487,313	$6,340,787
($30,902)	($20,778)	($14,068)	($14,736)	($4,017)
$6,447,908	$6,594,450	$6,672,375	$5,311,438	$2,055,570
117.30%	164.30%	133.68%	121.86%	308.27%
84.66%	77.25%	81.08%	86.45%	86.36%
137.28%	116.55%	116.90%	114.83%	114.83%

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

Schedule of the Board's Proportionate Share of Net OPEB Liablity/(Asset)

Last Five Fiscal Years (1)

	2021	2020	2019
Ohio Public Employees Retirement System			
Board's Proportion of the Net OPEB Liability/(Asset)	0.0431810%	0.0442990%	0.0464580%
Board's Proportionate Share of the Net OPEB Liability/(Asset)	($769,304)	$6,118,843	$6,057,027
Board's Covered-Employee Payroll	$6,622,307	$6,748,357	$6,783,954
Board's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of it's Covered-Employee Payroll	(11.62%)	90.67%	89.28%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	115.57%	47.80%	46.33%

(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.

2018	2017
0.0462400%	0.0462400%
$5,021,323	$4,670,397
$6,447,908	$6,594,450
77.88%	70.82%
54.14%	54.05%

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

Schedule of the Board Contributions

Ohio Public Employees Retirement System

Last Nine Fiscal Years (1)

	2021	2020	2019	2018
Pension				
Contractually Required Contributions	$918,804	$927,123	$944,770	$881,914
Contributions in Relation to the Contractually Required Contributions	($918,804)	($927,123)	($944,770)	($881,914)
Contribution Deficiency (Excess)	$0	$0	$0	$0
Board Covered-Employee Payroll	$6,562,886	$6,622,307	$6,748,357	$6,783,954
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.00%	14.00%	13.00%
OPEB				
Contractually Required Contributions	$0	$0	$0	$67,840
Contributions in Relation to the Contractually Required Contributions	$0	$0	$0	($67,840)
Contribution Deficiency (Excess)	$0	$0	$0	$0
Board Covered-Employee Payroll	$6,562,886	$6,622,307	$6,748,357	$6,783,950
Contributions as a Percentage of Covered-Employee Payroll	0.00%	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
($773,749)	($791,334)	($800,685)	(690,487)	(205,557)
$0	$0	$0	$0	$0
$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
($128,958)	($131,889)	($133,447)	(53,114)	(82,223)
$0	$0	$0	$0	$0
$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%

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 through 2021.

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% - 10.05% 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 through 2021.

Other Postemployment Benefits

Changes in benefit terms
There were no changes in benefit terms for 2018 through 2021.

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

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%.

For 2021, the single discount rate changed from 3.16% to 6.00%, the municipal bond rate changed from 10.5% to 8.50%, and the health care cost trend rate initial amount changed from 2.75% to 2.00%.

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, 2021

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
State Grants	$15,772,178	$15,846,594	$11,087,007	($4,759,587)
Support and Assistance	240,000	240,000	1,180,487	940,487
Overpayments - Refunds	150,000	150,000	137,855	(12,145)
Local County Monies	239,050	239,050	287,484	48,434
Total Revenues	16,401,228	16,475,644	12,692,833	(3,782,811)
Expenditures:				
Salaries	6,324,164	6,324,164	5,762,686	561,478
Fringe Benefits	3,284,280	3,284,280	2,770,301	513,979
Cares Act	0	302,325	944,218	(641,893)
Supplies	79,663	80,926	46,711	34,215
Travel	37,090	37,090	14,466	22,624
Contracts - Repair/Maint.	38,500	52,023	32,870	19,153
Contract Services	6,815,000	6,965,000	3,491,544	3,473,456
Indirect Costs	301,000	301,000	202,025	98,975
Equipment	75,000	75,000	14,728	60,272
Facilities	925,000	926,400	761,650	164,750
Public Assistance Payments	100,000	100,000	121,076	(21,076)
Support & Training	75,000	75,000	45,134	29,866
Other Expenses	56,530	56,628	36,533	20,095
Total Expenditures	18,111,227	18,579,836	14,243,942	4,335,894
Excess of Revenues Under Expenditures	(1,709,999)	(2,104,192)	(1,551,109)	553,083
Other Financing Sources:				
Transfers In	1,710,000	1,710,000	1,499,775	(210,225)
Total Other Financing Sources	1,710,000	1,710,000	1,499,775	(210,225)
Net Change in Fund Balance	1	(394,192)	(51,334)	342,858
Fund Balance at Beginning of Year	1,437,333	1,437,333	1,437,333	0
Fund Balance at End of Year	$1,437,334	$1,043,141	$1,385,999	$342,858

See accompanying notes to the supplementary information.

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, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
State Grants	$1,756,701	$1,756,701	$1,828,087	$71,386
Charges for Services	0	0	369,842	369,842
Refunds	0	0	11,876	11,876
Miscellaneous	404,135	404,135	75,355	(328,780)
Total Revenues	2,160,836	2,160,836	2,285,160	124,324
Expenditures:				
Salaries	912,401	912,401	883,950	28,451
Fringe Benefits	478,077	478,077	419,923	58,154
Travel and Training	3,000	3,000	300	2,700
Contract Services	364,075	364,075	432,075	(68,000)
Indirect Costs	13,000	13,000	10,618	2,382
Other Expenses	15,000	15,000	9,764	5,236
Total Expenditures	1,785,553	1,785,553	1,756,630	28,923
Excess of Revenues Over Expenditures	375,283	375,283	528,530	153,247
Other Financing Uses:				
Transfers Out	(400,000)	(400,000)	(349,775)	50,225
Total Other Financing Uses	(400,000)	(400,000)	(349,775)	50,225
Net Changes in Fund Balance	(24,717)	(24,717)	178,755	203,472
Fund Balance at Beginning of Year	1,158,359	1,158,359	1,158,359	0
Fund Balance at End of Year	$1,133,642	$1,133,642	$1,337,114	$203,472

See accompanying notes to the supplementary information.

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, 2021

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
State Child Protection Allocation	$2,401,369	$2,401,369	$2,024,740	($376,629)
Title VI-B	82,946	82,946	79,956	(2,990)
Title VI-E Admin and Training	387,958	387,958	282,580	(105,378)
IV-E Reimbursement	1,576,240	1,576,240	2,409,982	833,742
Foster Parent Training	5,000	5,000	5,170	170
SSI/Social Security Benefits	54,000	54,000	79,194	25,194
Opioid Abuse Program Grant	150,000	150,000	96,120	(53,880)
Kinship Care Grant	202,601	202,601	52,235	(150,366)
Parent Fees	18,000	18,000	13,902	(4,098)
Gifts	500	500	0	(500)
Chaffee	58,983	58,983	5,923	(53,060)
ESSE/Caseworker Visits	90,023	90,023	94,863	4,840
Ross Levy Funds	1,000,000	1,000,000	1,020,310	20,310
Vinton County Levy Funds	400,000	400,000	416,465	16,465
Hocking County Levy Funds	750,000	750,000	852,241	102,241
Local County Monies	30,000	30,000	651,872	621,872
Miscellaneous	200,000	200,000	5,000	(195,000)
Total Revenues	7,407,620	7,407,620	8,090,553	682,933
Expenditures:				
Contract Services	5,829,124	5,829,124	6,321,147	(492,023)
Chaffee	15,541	15,541	1,339	14,202
ESSA	68,275	68,275	74,540	(6,265)
Legal	89,500	87,500	56,264	31,236
Foster Parent Training	5,000	7,000	5,190	1,810
Kinship Permanency Incentive	202,601	202,601	45,146	157,455
Comp. Opiod Abuse Program	150,000	150,000	60,886	89,114
Other Expenses	72,579	72,579	44,175	28,404
Total Expenditures	6,432,620	6,432,620	6,608,687	(176,067)
Excess of Revenues Over Expenditures	975,000	975,000	1,481,866	506,866
Other Financing Uses:				
Transfers Out	(975,000)	(975,000)	(834,504)	140,496
Total Other Financing Uses	(975,000)	(975,000)	(834,504)	140,496
Net Change in Fund Balance	0	0	647,362	647,362
Fund Balance at Beginning of Year	1,875,395	1,875,395	1,875,395	0
Fund Balance at End of Year	$1,875,395	$1,875,395	$2,522,757	$647,362

See accompanying notes to the supplementary information.

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, 2021

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
State Grants	$1,575,000	$1,575,000	$1,583,665	$8,665
Miscellaneous	10,000	10,000	5,500	(4,500)
Total Revenues	1,585,000	1,585,000	1,589,165	4,165
Expenditures:				
Adult	138,000	128,000	91,915	36,085
Dislocated Workers	100,500	110,500	71,071	39,429
Special Projects	600,000	600,930	855,917	(254,987)
CCMEP	411,500	411,500	236,385	175,115
Total Expenditures	1,250,000	1,250,930	1,255,288	(4,358)
Excess of Revenues Over Expenditures	335,000	334,070	333,877	(193)
Other Financing Uses:				
Transfers Out	(335,000)	(335,000)	(315,497)	19,503
Total Other Financing Uses	(335,000)	(335,000)	(315,497)	19,503
Net Change in Fund Balance	0	(930)	18,380	19,310
Fund Balance at Beginning of Year	192,935	192,935	192,935	0
Fund Balance at End of Year	$192,935	$192,005	$211,315	$19,310

See accompanying notes to the supplementary information.

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, 2021

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Help Me Grow	$0	$0	$23,755	$23,755
Total Revenues	0	0	23,755	23,755
Expenditures:				
Help Me Grow - State	0	0	14,206	(14,206)
Help Me Grow - Federal	0	0	35,559	(35,559)
Total Expenditures	0	0	49,765	(49,765)
Net Change in Fund Balance	0	0	(26,010)	(26,010)
Fund Balance at Beginning of Year	26,010	26,010	26,010	0
Fund Balance at End of Year	$26,010	$26,010	$0	($26,010)

See accompanying notes to the supplementary information.

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:

	Public Assistance	Child Support	Children's Services	Workforce Development	Help Me Grow
Net Change in Fund Balance per the Statement of Revenues, Expenditures, and Changes in Fund Balance	($265,220)	$166,145	$357,243	($64,564)	$37,709
Net revenue accruals	90,228	(270,361)	(159,298)	42,666	0
Net expenditure accruals	338,803	273,271	276,484	(6,187)	(49,765)
Net Other Financing Sources/(Uses):	(215,145)	9,700	172,933	46,465	(13,954)
Net Change in Fund Balance per the Budgetary Schedule	($51,334)	$178,755	$647,362	$18,380	($26,010)

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES
Federal Awards Expenditures Schedule
For the Fiscal Year Ended June 30, 2021

Federal Grantor Agency/ Pass Through Grantor Program Title	Pass Through Entity Number	Assistance Listing Number	Amounts Passed Through to Sub-Recipients	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through Ohio Department of Job & Family Services				
SNAP Cluster:				
State Administrative Matching Grants for the				
Supplemental Nutrition Assistance Program	G-2021-11-6016	10.561	$0	$785,661
Total State Administrative Matching Grants for the Supplemental Nutrition Assistance Program				
Total SNAP Cluster			0	785,661
Total - U.S. Department of Agriculture			0	785,661
U.S. DEPARTMENT OF JUSTICE				
Passed Through Hocking County Prosecutor				
Comprehensive Opioid, Stimulant, and Substance Abuse Program	2018-MU-MU-K069	16.838	0	72,175
Total - U.S. Department of Justice			0	72,175
U.S. DEPARTMENT OF LABOR				
Passed Through Area 20/21 Workforce Development Board				
Trade Adjustment Assistance	N/A	17.245	0	7,085
WIOA National Dislocated Worker Grant, Opioids	N/A	17.277	0	21,021
Hurricanes and Wildfires of 2017 Supplemental - National Dislocated Worker Grant, Flood	N/A	17.286	723,869	728,525
Employer Service Cluster:				
Employment Service/Wagner-Peyser Funded Activities	N/A	17.207	0	40,340
Total Employer Service Cluster			0	40,340
Workforce Innovation and Opportunities Act Cluster:				
WIOA Adult Program	N/A	17.258	5,522	278,503
WIOA Youth Activities	N/A	17.259	236,376	240,423
WIOA Dislocated Worker Formula Grants	N/A	17.278	5,522	230,491
Total Workforce Innovation and Opportunities Act Cluster			247,420	749,417
Total - U.S. Department of Labor			971,289	1,546,388
U.S. DEPARTMENT OF TREASURY				
Passed Through Ohio Office of Budget and Management				
COVID-19 - Coronavirus Relief Fund	N/A	21.019	915,000	944,219
Total COVID-19 - Coronavirus Relief Fund			915,000	944,219
Total - U.S. Department of Treasury			915,000	944,219
U.S. DEPARTMENT OF EDUCATION				
Passed Through Ohio Department of Developmental Disabilities				
Special Education - Grants for Infants and Families	N/A	84.181	12,027	12,027
Passed Through Ohio University				
Adult Education - Basic Grants to States	N/A	84.002	0	15,007
Total - U.S. Department of Education			12,027	27,034
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through Ohio Department of Job & Family Services				
Promoting Safe and Stable Families	G-2021-11-6016	93.556	0	76,090
Child Support Enforcement	G-2021-11-6016	93.563	0	1,306,563
Stephanie Tubbs Jones Child Welfare Services Program	G-2021-11-6016	93.645	0	80,156
Foster Care - Title IV-E	G-2021-11-6016	93.658	0	2,547,242
Adoption Assistance	G-2021-11-6016	93.659	0	198,609
Social Services Block Grant	G-2021-11-6016	93.667	0	1,299,307
John H. Chafee Foster Care Program for Successful Transition to Adulthood	G-2021-11-6016	93.674	0	3,741
Children's Health Insurance Program	G-2021-11-6016	93.767	0	42,427
Temporary Assistance for Needy Families (TANF) State Programs	G-2021-11-6016	93.558	226,778	2,873,516
CCDF Cluster:				
Child Care and Development Block Grant	G-2021-11-6016	93.575	0	215,989
Total CCDF Cluster			0	215,989
Medicaid Cluster:				
Medical Assistance Program	G-2021-11-6016	93.778	0	2,853,392
Total Medicaid Cluster			0	2,853,392
Total - U.S Department of Health and Human Services			226,778	11,497,032
Total Federal Awards Expenditures			**$2,125,094**	**$14,872,509**

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

See accompanying notes to the federal awards expenditures schedule.

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, 2021. 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 Office of Budget and Management, Ohio Department of Developmental Disabilities, 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.

Program Title	CFDA #	Amounts Provided to Subrecipients
SubRecipient - Gallia-Jackson-Vinton JVSD		
Youth	17.259	$73,352
Total Youth	17.259	$73,352
Temporary Assistance for Needy Families	93.558	$74,586
Total Temporary Assistance for Needy Families	93.558	$74,586
Total Gallia-Jackson-Vinton JVSD		$147,938
SubRecipient - Hocking, Athens, Perry Community Action		
Youth	17.259	$78,427
Total Youth	17.259	$78,427
NDWG-Flood #2 Program	17.286	$241,010
Total NDWG-Flood #2 Program	17.286	$241,010
Temporary Assistance for Needy Families	93.558	$90,029
Total Temporary Assistance for Needy Families	93.558	$90,029
Total Hocking, Athens, Perry Community Action		$409,466

NOTE C – SUBRECIPIENTS – (Continued)

Program Title	CFDA #	Amounts Provided to Subrecipients
SubRecipient - Vinton County Commissioners		
Adult	17.258	$5,522
Total Adult	17.258	$5,522
Dislocated Worker	17.278	$5,522
Total Dislocated Worker	17.278	$5,522
Total Vinton County Commissioners		$11,044
SubRecipient - Sojourners		
NDWG-Flood #2 Program	17.286	$482,859
Total NDWG-Flood #2 Program	17.286	$482,859
Total Sojourners		$482,859
SubRecipient - Ross County Board of Developmental Disabilities		
Help Me Grow	84.181	$12,027
Total Help Me Grow	84.181	$12,027
Total Ross County Board of Developmental Disabilities		$12,027
SubRecipient - Pickaway Ross JVS		
Youth	17.259	$84,597
Total Youth	17.259	$84,597
Temporary Assistance for Needy Families	93.558	$62,163
Total Temporary Assistance for Needy Families	93.558	$62,163
Total Pickaway Ross JVS		$146,760
SubRecipient - Ross County Community Action		
CARES Act	21.019	$915,000
Total CARES Act	21.019	$915,000
Total Ross County Community Action		$915,000

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.

Millhuff-Stang
CERTIFIED PUBLIC ACCOUNTANT

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, 2021, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated July 15, 2022, 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 2021-001, that we consider to be a material weakness.

Millhuff-Stang, CPA, Inc.
8841 Ohio River Road / Wheelersburg, Ohio 45694 / 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

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

July 15, 2022

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, 2021. 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 qualified and unmodified opinions on compliance for the major federal programs. However, our audit does not provide a legal determination of the Board's compliance.

Millhuff-Stang, CPA, Inc.
8841 Ohio River Road / Wheelersburg, Ohio 45694 / 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

Basis for Qualified Opinion on COVID-19 Coronavirus Relief Fund

As described in the accompanying schedule of findings and questioned costs, the Board did not comply with requirements regarding ALN 21.019 COVID-19 Coronavirus Relief Fund as described in finding number 2021-002 for Subrecipient Monitoring. Compliance with such requirement is necessary, in our opinion, for the Board to comply with the requirements applicable to that program.

Qualified Opinion on COVID-19 Coronavirus Relief Fund

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, 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 the COVID-19 Coronavirus Relief Fund for the year ended June 30, 2021.

Unmodified Opinion on Each of the Other Major Federal Programs

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 the other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2021.

Other Matters

The Board's response to the noncompliance 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 compliance and, accordingly, we express no opinion on the response.

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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2021-002 that we consider to be a material weakness.

The Board's response to the internal control over compliance 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 compliance and, accordingly, we express no opinion on the response.

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

July 15, 2022

Section I – Summary of Auditor's Results

Financial Statements	
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No
Federal Awards	
Internal control over major federal program(s):	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified for all major federal programs except for the COVID-19 Coronavirus Relief Fund program, AL #21.019, which was qualified
Any auditing findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	Yes
Identification of major federal program(s):	Supplemental Nutrition Assistance Program Cluster, AL #10.561; COVID-19 Coronavirus Relief Fund, AL #21.019; Child Support Enforcement, AL #93.563; Social Services Block Grant, AL #93.667; 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 2021-001 – 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, we identified misclassifications between internal revenues and charges for services on the government-wide fund financial statements and between contracts payable and intergovernmental payable on the government-wide financial statements. In addition, we discovered that an analysis for the applicability of Governmental Accounting Standards Board Statement No. 84 had not been performed, which resulted in errors in presentation of the Children's Trust Fund. These errors were corrected in the accompanying financial statements. In addition, we identified errors deemed immaterial to correct, which included misclassification of contracts payable, intergovernmental payables, interfund receivables and payables, as well as errors in interest revenue, cash balances, and deferred inflows of resources related to pensions and related expenses. Further, we found errors in reported budgetary information in the Public Assistance Fund's budgetary comparison schedule. Lastly, 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.

Finding 2021-001 – Material Weakness – Financial Reporting and Federal Awards Expenditures Schedule Presentation (Continued)

Client Response:
See corrective action plan.

Section III – Federal Award Findings and Questioned Costs

ALN Title and Number	COVID-19 Coronavirus Relief Fund, AL #21.019		
Federal Award Number and Year	2020-2021		
Federal Agency	United States Department of Treasury		
Pass-Through Entity	Ohio Office of Management and Budget		
Repeat Finding from Prior Audit?	No	**Finding Number (if repeat)**	N/A

Finding 2021-002 – Noncompliance/Material Weakness – Subrecipient Monitoring

A pass-through entity (PTE) must:

Evaluate Risk – Evaluate each subrecipient's risk of noncompliance for purposes of determining the appropriate subrecipient monitoring related to the subaward (2 CFR section 200.331(b)). This evaluation of risk may include consideration of such factors as the following (2 CFR 200.331(b)-(f)):

1. The subrecipient's prior experience with the same or similar subawards;
2. The results of previous audits including whether or not the subrecipient receives single audit in accordance with 2 CFR part 200, subpart F, and the extent to which the same or similar subaward has been audited as a major program;
3. Whether the subrecipient has new personnel or new or substantially changed systems; and
4. The extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency).

Monitor – Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, complies with the terms and conditions of the subaward, and achieves performance goals (2 CFR sections 200.331(d) through (f)). In addition to procedures identified as necessary based upon the evaluation of subrecipient risk or specifically required by the terms and conditions of the award, subaward monitoring must include the following:

1. Reviewing financial and programmatic (performance and special reports) required by the PTE.
2. Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the PTE detected through audits, on-site reviews, and other means.
3. Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the PTE as required by 2 CFR section 200.521.

The Board did not perform subrecipient monitoring for fiscal year 2021. The Board should have policies and procedures in place to ensure that the Board is following current Federal requirements in regard to subrecipient monitoring.

Client Response:
See accompanying corrective action plan.

Corrective Action Plan
For the Fiscal Year Ended June 30, 2021

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2021-001	The Board currently and always has practiced sound financial reporting. This adjustment was the result of applying GAAP reporting policies. The Board has contracted with a new firm to compile the agency financial statements and will work them to ensure similar errors are not made in the future.	11/30/2022	Paula Ogan, Fiscal Supervisor
2021-002	The Board has a subrecipient monitoring policy and will review the process to ensure all subrecipient monitoring is completed.	9/30/2022	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
740.672.2250

855.726.5237 (855.SCO.JAFS)

South Central Ohio
Job and Family Services

Jody Walker, Executive Director

P.O. Box 469, Chillicothe, Ohio 45601

Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2021

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; *Explain*
2020-001	2018, 2019, and 2020 Material Weakness – Financial Reporting	No	Reissued as finding 2021-001

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
740.672.2250

855.726.5237 (855.SCO.JAFS)

This page intentionally left blank.

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 9/27/2022

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