SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES
ROSS COUNTY
SINGLE AUDIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Millhuff-Stang
CERTIFIED PUBLIC ACCOUNTANT

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OHIO AUDITOR OF STATE
KEITH FABER

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

We have reviewed the *Independent Auditor's Report* of the South Central Ohio Job and Family Services, Ross County, prepared by Millhuff-Stang, CPA, Inc., for the audit period July 1, 2022 through June 30, 2023. 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

June 14, 2024

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of South Central Ohio Job and Family Services, Ross County, Ohio (the Board), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of South Central Ohio Job and Family Services, Ross County, Ohio, as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

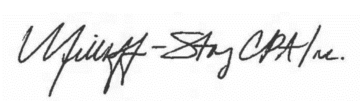
We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. The budgetary comparison schedules and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the budgetary comparison schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2024 on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide on opinion on the effectiveness of the Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.



Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

May 30, 2024

The discussion and analysis of South Central Ohio Job and Family Services' (the Board) financial performance provides an overview and analysis of the Board's financial activities for the fiscal year ended June 30, 2023. 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, 2023 by $5,918,330.
- In total, net position of governmental activities decreased by $1,138,936 or 23.83 percent.
- Program specific revenues in the form of charges for services and grants and contributions accounted for $24,268,308 or 90.16 percent of total revenues.
- The Board had $28,056,997 in expenses related to governmental activities; $24,268,308 of these expenses was offset by programs specific charges for services, grants and contributions. General revenues (primarily taxes) of $2,649,753 were also utilized to provide for these programs.
- The Board recognizes four major governmental funds: the Public Assistance Fund, the Child Support Fund, the Children's Services Fund, and the Workforce Development Fund. In terms of dollars received and spent, the Public Assistance Fund is significantly larger than all the other funds of the Board. The Public Assistance Fund had $13,938,086 in revenues and $16,153,145 in expenditures in fiscal year 2023.

Using this Annual Report

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

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

Reporting the Board as a Whole

Government-Wide Financial Statements

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

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

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

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

Reporting the Board's Most Significant Funds

Fund Financial Statements

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

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

Governmental Funds

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

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

Fiduciary Funds

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

Notes to the Basic Financial Statements

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

Government-Wide Financial Analysis

Recall that the Statement of Net Position provides the perspective of the Board as a whole, showing assets and deferred outflows of resources, liabilities and deferred inflows of resources, and the difference between them (net position). Table 1 provides a summary of the Board's net position at June 30, 2023 and provides a comparison to June 30, 2022.

Table 1
Net Position at Year End
Governmental Activities

	2023	2022
Assets		
Current and Other Assets	$7,228,747	$8,339,687
Net Pension Asset	51,218	79,711
Net OPEB Asset	0	1,371,413
Capital Assets, Net	205,146	530,565
Total Assets	7,485,111	10,321,376
Deferred Outflows of Resources	5,801,496	1,221,795
Liabilities		
Current and Other Liabilities	3,645,661	3,790,488
Long-Term Liabilities:		
Due Within One Year	767,158	1,087,925
Due in More Than One Year:		
Other Amounts	377,357	613,897
Net Pension Liability	13,554,449	4,037,945
Net OPEB Liability	273,286	0
Total Liabilities	18,617,911	9,530,255
Deferred Inflows of Resources	587,026	6,792,310
Net Position		
Net Investment in Capital Assets	(2,444)	(117,835)
Restricted	2,674,746	3,512,388
Unrestricted (Deficit)	(8,590,632)	(8,173,947)
Total Net Position	($5,918,330)	($4,779,394)

The net pension liability (NPL) is the largest liability reported by the Board at June 30, 2023 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27". The Board also reports a net pension asset in accordance with GASB 68 and a net OPEB asset in accordance with GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Board's actual financial condition by adding deferred inflows related to pension and OPEB and the net pension liability to the reported net position and subtracting deferred outflows related to pension and OPEB, net pension asset, and the net OPEB asset.

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

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

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

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

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

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

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

Current and other assets decreased $1,110,940 or 13.32 percent from fiscal year 2022 mainly due to an decrease in cash and cash equivalents, which was partially offset by an increase to intergovernmental receivable. Net OPEB asset was reduced to zero due to changes in actuarially determined factors provided by the retirement system. Capital assets decreased by $325,419 during fiscal year 2023 due primarily to current year depreciation. Current (other) liabilities decreased by $144,827 or 3.82 percent due primarily to a decrease in unearned revenue, which was partially offset by an increase in contracts payable. Long-term liabilities increased by $9,232,483 or 160.85 percent due primarily to an increase in net pension and OPEB liabilities due to actuarial measurements performed by the retirement system. Deferred outflows of resources increased $4,579,701 and deferred inflows of resources decreased $6,205,284 due to changes in net pension and net OPEB actuarial measurements provided by the retirement system.

Additional information can be found in Notes 8 and 9. Net position deficit of $2,444 is related to the net investment in capital assets. The Board used these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The net position of $2,674,746 is restricted. Restricted net position is subject to external restrictions on how it may be used. The remaining deficit of $8,590,632 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 2023 and provides a comparison to fiscal year 2022.

Table 2
Change in Net Position
Governmental Activities

	2023	2022
Revenues		
Program Revenues		
Charges for Services and Sales	$384,818	$1,190,217
Operating Grants and Contributions	23,883,490	20,845,898
Total Program Revenues	24,268,308	22,036,115
General Revenues		
Property Taxes	2,343,370	2,156,753
Grants and Entitlements Not Restricted to Specific Programs	178,040	212,449
Refunds	24,556	48,168
Miscellaneous	103,787	72,170
Total General Revenues	2,649,753	2,489,540
Total Revenues	26,918,061	24,525,655
Program Expenses		
Public Assistance	16,244,810	12,628,114
Child Support	1,852,291	1,466,063
Children's Services	9,400,175	6,639,691
Workforce Development	527,301	482,880
Interest	32,420	52,990
Total Expenses	28,056,997	21,269,738
Change in Net Position	(1,138,936)	3,255,917
Net Position at Beginning of Year	(4,779,394)	(8,035,311)
Net Position at End of Year	($5,918,330)	($4,779,394)

The most significant program expenses for the Board are Public Assistance and Children's Services. These programs account for 91.40 percent of the total governmental activities. Public Assistance, which accounts for 57.90 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 33.50 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 $24,268,308, and general revenue of $2,649,753. Program revenues increased $2,232,193 or 10.13 percent, due to increased operating grants and contributions for the Public Assistance, Children's Services, and Workforce Development programs. This increase was partially offset by a decrease in charges for services and sales due to a changes in how the Ohio Start program is funded, which conversely affected operating grants and contributions. General revenues increased $160,213 or 6.44 percent, which is primarily due to increases in property tax revenue and miscellaneous received during the fiscal year.

The total expenses for governmental activities were $28,056,997, which is an increase of $6,787,259 or 31.91 percent from 2022, which is primarily due to an increase in public assistance and children's services expenses. This increase is primarily the result of decreases in pension and OPEB gains, which are reflected as negative expenses in the government-wide statements, reported between years. The current year's net pension and OPEB expense was $909,902 as compared to the prior year gain as $2,228,259. This change yielded an increase in expenses of $3,138,161. Other increases correlated with increases in program funding.

Governmental Activities

The Board is heavily dependent on intergovernmental revenue and, like most Ohio governments, is hampered by a lack of revenue growth. Property taxes made up 8.71 percent and intergovernmental revenue made up 89.39 percent of the total revenue for the governmental activities in fiscal year 2023.

Public Assistance accounts for 57.90 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 2023 and provides a comparison to fiscal year 2022. 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

	2023 Total Cost of Services	2023 Net Cost of Services	2022 Total Cost of Services	2022 Net Cost of Services
Program Expenses				
Public Assistance	$16,244,810	$2,369,099	$12,628,114	($309,072)
Child Support	1,852,291	(318,019)	1,466,063	(660,471)
Children's Services	9,400,175	1,797,708	6,639,691	506,966
Workforce Development	527,301	(92,519)	482,880	(356,790)
Interest	32,420	32,420	52,990	52,990
Total Expenses	$28,056,997	$3,788,689	$21,269,738	($766,377)

It should be noted that 86.50 percent of the costs of services for governmental activities are derived from program revenues including charges for services and operating grants and other contributions. The $1,797,708 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 $29,282,117 and expenditures and other financing uses of $30,313,524.

The fund balances of the total governmental funds decreased by $1,031,407 or 26.98 percent. The decrease in fund balance for the year was most significant in the Children's Services, which decreased $1,222,723 or 89.77 percent, which was primarily the result of an increase in expenditures.

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 2023, 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 $16,126,621 representing no change from the original budget. The final budget basis expenditures were $16,651,969 representing an increase of $25,348 from the original budget basis expenditures of $16,626,621. The final budget reflected a 0.15 percent increase from the original budgeted amount. There was a 6.51 percent negative variance in actual expenditures as compared to the final budget.

For the Child Support Fund, the final budget basis revenue was $2,422,384, representing no change from the original budget revenues. The final budget basis expenditures were $2,422,385 representing no change from the original budget basis expenditures. There was a 1.32 percent positive variance in actual expenditures as compared to the final budget.

For the Children's Services Fund, the final budget basis revenue was $8,113,398, representing a $10,000 change from the original budget. The final budget basis expenditures were $11,708,575 representing, an increase of $2,644,891 from the original budget basis expenditures. There was an 8.83 negative variance in actual expenditures as compared to the final budget.

For the Workforce Development Fund, the final budget basis revenue was $992,000, representing no change from the original budget. The final budget basis expenditures were $1,002,000 representing a $10,000 change from the original budget basis expenditures. There was a 20.06 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 2023, the Board had $1,463,041 invested in furniture, fixtures, and equipment, and vehicles. That total carries an accumulated depreciation of $1,257,895. Table 4 shows June 30, 2023 balances and provides a comparison to June 30, 2022.

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

	2023	2022
Furniture, Fixtures, and Equipment	$12,059	$17,138
Intangible Right to Use Leased Assets	193,087	513,427
Total Capital Assets	$205,146	$530,565

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

Debt Administration

At June 30, 2023, the Board had no general obligation debt outstanding. For more information on other long-term obligations of the Board, see note 10 of the notes to the basic financial statements.

Current Issues

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

Contacting the Board's Financial Management

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

South Central Ohio Job and Family Services
Statement of Net Position
As of June 30, 2023

	Governmental Activities
Assets:	
Equity in Pooled Cash and Cash Equivalents	$4,293,348
Materials and Supplies Inventory	40,206
Intergovernmental Receivable	1,886,322
Property Taxes Receivable	959,417
Prepaid Items	49,454
Net Pension Asset	51,218
Depreciable Capital Assets, net	205,146
Total Assets	7,485,111
Deferred Outflows of Resources:	
Pension	4,990,652
OPEB	810,844
Total Deferred Outflows of Resources	5,801,496
Liabilities:	
Accounts Payable	332,237
Accrued Wages Payable	259,193
Contracts Payable	1,293,353
Intergovernmental Payable	315,141
Unearned Revenue	1,445,737
Long-Term Liabilities:	
Due Within One Year	767,158
Due in More Than One Year	377,357
Net Pension Liability	13,554,449
Net OPEB Liability	273,286
Total Liabilities	18,617,911
Deferred Inflows of Resources:	
Pension	488,624
OPEB	98,402
Total Deferred Inflows of Resources	587,026
Net Position:	
Net Investment in Capital Assets	(2,444)
Restricted for Other Purposes	2,674,746
Unrestricted (Deficit)	(8,590,632)
Total Net Position	($5,918,330)

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

South Central Ohio Job and Family Services
Statement of Activities
For the Fiscal Year Ended June 30, 2023

	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental Activities:				
Public Assistance	$16,244,810	$11,957	$13,863,754	($2,369,099)
Child Support	1,852,291	359,746	1,810,564	318,019
Children's Services	9,400,175	13,115	7,589,352	(1,797,708)
Workforce Development	527,301	0	619,820	92,519
Interest	32,420	0	0	(32,420)
Total Governmental Activities	$28,056,997	$384,818	$23,883,490	(3,788,689)
		General Revenues:		
		Property Taxes Levied for Children's Services		2,343,370
		Unrestricted Grants and Entitlements		178,040
		Refunds		24,556
		Miscellaneous		103,787
		Total General Revenues		2,649,753
		Change in Net Position		(1,138,936)
		Net Position Beginning of Year		(4,779,394)
		Net Position End of Year		($5,918,330)

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

South Central Ohio Job and Family Services

Balance Sheet

Governmental Funds

As of June 30, 2023

	Public Assistance	Child Support	Children's Services	Workforce Development	Total Governmental Funds
Assets:					
Equity in Pooled Cash and Cash Equivalents	$1,215,548	$1,438,578	$1,423,451	$215,771	$4,293,348
Materials and Supplies Inventory	40,206	0	0	0	40,206
Interfund Receivable	732,084	0	0	0	732,084
Intergovernmental Receivable	205,300	141,113	1,535,545	4,364	1,886,322
Property Taxes Receivable	0	0	959,417	0	959,417
Prepaid Items	42,723	0	6,731	0	49,454
Total Assets	$2,235,861	$1,579,691	$3,925,144	$220,135	$7,960,831
Liabilities:					
Accounts Payable	$56,648	$332	$85,813	$189,444	$332,237
Accrued Wages Payable	224,353	34,840	0	0	259,193
Contracts Payable	457,230	0	836,123	0	1,293,353
Interfund Payable	0	100,450	579,873	51,761	732,084
Intergovernmental Payable	73,886	79,961	153,779	7,515	315,141
Unearned Revenue	78,202	0	1,367,535	0	1,445,737
Total Liabilities	890,319	215,583	3,023,123	248,720	4,377,745
Deferred Inflows of Resources:					
Unavailable Revenue	28,738	0	762,651	0	791,389
Deferred Inflows of Resources	28,738	0	762,651	0	791,389
Fund Balances:					
Nonspendable	82,929	0	6,731	0	89,660
Restricted for:					
Public Assistance	1,233,875	0	0	0	1,233,875
Child Support	0	1,364,108	0	0	1,364,108
Children's Services	0	0	132,639	0	132,639
Unassigned (Deficit)	0	0	0	(28,585)	(28,585)
Total Fund Balances	1,316,804	1,364,108	139,370	(28,585)	2,791,697
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$2,235,861	$1,579,691	$3,925,144	$220,135	$7,960,831

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

South Central Ohio Job and Family Services

Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
As of June 30, 2023

Total Governmental Fund Balances		$2,791,697
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.		205,146
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Property Taxes	343,575	
Intergovernmental	447,814	
Total		791,389
The net pension and OPEB liabilities (assets) are not due and payable (receivable) in the current period. Therefore, the liabilities (assets) and related deferred inflows/outflows are not reported in governmental funds:		
Deferred Outflows-Pension	4,990,652	
Deferred Outflows-OPEB	810,844	
Deferred Inflows-Pension	(488,624)	
Deferred Inflows-OPEB	(98,402)	
Net Pension Asset	51,218	
Net Pension Liability	(13,554,449)	
Net OPEB Liability	(273,286)	
Total		(8,562,047)
Long-term liabilities, including leases payable and the long-term portion of compensated absences, are not due and payable in the current period and therefore are not reported in the funds.		
Leases Payable	(207,590)	
Compensated Absences	(936,925)	
Total		(1,144,515)
Net Position of Governmental Activities		($5,918,330)

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

South Central Ohio Job and Family Services
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2023

	Public Assistance	Child Support	Children's Services	Workforce Development	Total Governmental Funds
Revenues:					
Property Taxes	$0	$0	$2,359,313	$0	$2,359,313
Intergovernmental	13,863,754	1,810,564	7,648,336	619,820	23,942,474
Charges for Services	49,776	359,746	13,115	0	422,637
Refunds	24,556	0	0	0	24,556
Miscellaneous	0	103,787	0	0	103,787
Total Revenues	13,938,086	2,274,097	10,020,764	619,820	26,852,767
Expenditures:					
Current:					
Public Assistance	15,679,916	0	0	0	15,679,916
Child Support	0	1,803,553	0	0	1,803,553
Children's Services	0	0	9,400,175	0	9,400,175
Workforce Development	0	0	0	527,301	527,301
Debt Service:					
Principal	440,809	0	0	0	440,809
Interest	32,420	0	0	0	32,420
Total Expenditures	16,153,145	1,803,553	9,400,175	527,301	27,884,174
Excess of Revenues Over (Under) Expenditures	(2,215,059)	470,544	620,589	92,519	(1,031,407)
Other Financing Sources (Uses):					
Transfers In	2,429,350	0	0	0	2,429,350
Transfers Out	0	(373,508)	(1,843,312)	(212,530)	(2,429,350)
Total Other Financing Sources (Uses)	2,429,350	(373,508)	(1,843,312)	(212,530)	0
Net Change in Fund Balances	214,291	97,036	(1,222,723)	(120,011)	(1,031,407)
Fund Balances at Beginning of Year	1,102,513	1,267,072	1,362,093	91,426	3,823,104
Fund Balances at End of Year	$1,316,804	$1,364,108	$139,370	($28,585)	$2,791,697

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

South Central Ohio Job and Family Services
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds		($1,031,407)
Amounts reported for governmental activities in the statement of activities are different		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of depreciation in the current period.		
Current Year Depreciation	(325,419)	
Total		(325,419)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Charges for Services	(37,819)	
Property Taxes	(15,943)	
Intergovernmental	119,056	
Total		65,294
Contractually required contributions are reported as expenditures in governmental funds. However, the statement of net position reports these amounts as deferred outflows.		
Pension	505,191	
Total		505,191
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liabilities (assets) are reported as pension/OPEB expense in the statement of activities.		
Pension	(1,430,355)	
OPEB	520,453	
Total		(909,902)
Repayments of long-term obligations are expenditures in the governmental funds, but the repayments reduce liabilities in the statement of net position.		440,809
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:		
Compensated Absences	116,498	
Total		116,498
Net Change in Net Position of Governmental Activities		($1,138,936)

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

South Central Ohio Job and Family Services
Statement of Fiduciary Net Position
Fiduciary Fund
As of June 30, 2023

	Custodial
Assets:	
Equity in Pooled Cash and Cash Equivalents	$69,082
Cash, Cash Equivalents and Investments	245,566
Total Assets	314,648
Net Position:	
Restricted for Individuals and Organizations	314,648
Total Net Position	$314,648

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

South Central Ohio Job and Family Services
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended June 30, 2023

	Custodial
Additions:	
Investment Earnings	$1,746
Total Additions	1,746
Change in Net Position	1,746
Net Position at Beginning of Year	312,902
Net Position at End of Year	$314,648

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

Note 1 – Description of the Entity

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

Reporting Entity

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

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

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

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

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

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

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

Fund Accounting

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

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

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

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

Measurement Focus

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

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

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

Basis of Accounting

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

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

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

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

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

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

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

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

Cash, Cash Equivalents and Investments

Except for investment accounts related to the Children's Trust, the Ross County Treasurer is the custodian of the Board's cash. The Board's assets are held in the Ross County's cash and investment pool and are valued at the County Treasurer's reported carrying amount. During 2023, the Board's investments were limited to insured sweep accounts and U.S. Treasury Notes. Except for non-participating investment contracts, investments are reported at fair value which is based on quoted market prices.

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

Inventory

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

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2023 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

Capital Assets

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

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

Description	Governmental Activities Estimated Lives
Leasehold Improvements	3 - 20 years
Furniture, Fixtures and Equipment	3 - 20 years
Vehicles	3 - 20 years
Intangible Right to Use Leased Assets	6 - 11 years

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

Interfund Balances

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

Compensated Absences

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

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

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

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

For governmental funds, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded as "matured compensated absences payable" in the fund from which the employee will be paid. The Board reported no matured compensated absences payable as of June 30, 2023.

Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as a liability on the fund financial statements only to the extent that they are due for payment during the current year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits. Leases that will be paid from governmental funds are recognized as an expenditure and liability in the governmental fund financial statements when due.

Pensions/Other Postemployment Benefits

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

Fund Balances

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

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

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

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

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

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

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

Net Position

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

Interfund Transactions

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

Unearned Revenue

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

Estimates

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

Note 3- Cash, Cash Equivalents and Investments

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

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

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

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

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

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

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

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

Deposits

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

Board's deposits with the Ross County Treasurer was $4,358,814 and is reflected as Equity in Pooled Cash and Cash Equivalents on the financial statements. The Ross County Treasurer is responsible for maintaining adequate depository collateral for all funds in the County's pooled cash and deposit accounts. The Board also maintains separate deposit and investment accounts to hold funds maintained for child support purposes and balances for the benefit of others. The FDIC-insured deposits in the child support account had a carrying value of $3,616 and is reflected as Equity in Pooled 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.

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

Investments

As of June 30, 2023, the Board had the following investments, which were maintained in separate deposit and investment accounts to hold funds maintained for the benefit of others. These investments are reflected as Cash, Cash Equivalents and Investments on the financial statements.

	Fair Value	Credit Rating	Maturity	Percent of Total Investments
U.S. Treasury Notes	$126,874	AA+	<1 Year	51.7%
U.S. Treasury Notes	118,692	AA+	One to three years	48.3%
Total	$245,566			100.00%

The Board categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the Board's recurring fair value measurement as of June 30, 2023, which are valued using quoted market prices (Level 1 inputs).

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

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

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

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

Note 4 – Levies

The Ross County Commissioners serve as the taxing authority to levy a special levy outside the ten-mill limitation to provide the Board with sufficient funds to carry out Children Services programs. The Board's portion of the levy was $956,257 for fiscal year 2023 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 $481,547 for fiscal year 2023, 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 $905,566 for fiscal year 2023. This amount is reflected as property tax revenue on the accompanying basic financial statements.

Note 5 - Receivables

Receivables at June 30, 2023, consisted of intergovernmental grants, property taxes, and accounts. All receivables are considered fully collectible. A summary of the principal items of intergovernmental receivable follows:

Governmental Activities:	
Public Assistance	$205,300
Child Support	141,113
Children's Services	1,535,545
Workforce Development	4,364
Total	$1,886,322

Note 6 – Capital Assets

A summary of changes in general capital assets during 2023 were as follows:

	Balance at 7/1/22	Additions	Deletions	Balance at 6/30/23
Depreciable Capital Assets:				
Furniture, Fixtures and Equipment	$309,669	$0	$0	$309,669
Vehicles	93,570	0	0	93,570
Intangible Right to Use Leased Assets	1,059,802	0	0	1,059,802
Total Capital Assets	1,463,041	0	0	1,463,041
Accumulated Depreciation:				
Furniture, Fixtures and Equipment	(292,531)	(5,079)	0	(297,610)
Vehicles	(93,570)	0	0	(93,570)
Intangible Right to Use Leased Assets	(546,375)	(320,340)	0	(866,715)
Total Accumulated Depreciation	(932,476)	(325,419)	0	(1,257,895)
Total Capital Assets, Net	$530,565	($325,419)	$0	$205,146

Of the current year depreciation total of $325,419, $320,340 is presented as public assistance expense on the statement of activities related to the Board's intangible office space assets, which are included as Intangible Right to Use Leased Assets. With the implementation of Governmental Accounting Standards Board Statement No. 87, "Leases", a lease meeting the criteria of this statement requires the lessee to recognize the lease liability and an intangible right to use asset.

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

Note 7 – Risk Management

The Board is exposed to various risks of loss related to torts, theft or damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During 2023, the Board contracted with County Risk Sharing Authority (CORSA), for liability, property, and crime insurance. The CORSA program has a $2,500 deductible.

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

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

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

Note 8 – Defined Benefit Pension Plan

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

Net Pension/OPEB Liability (Asset)

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

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

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

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

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

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

Ohio Public Employees Retirement System

Plan Description - Board employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting https://www.opers.org/financial/reports.shtml, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS annual comprehensive financial report referenced above for additional information, including requirements for reduced and unreduced benefits):

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

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

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

Beginning in 2022, the combined plan will be consolidated under the traditional pension plan (defined benefit plan) and the combined plan option will no longer be available for new hires beginning in 2022.

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

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

*Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.
**These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Board's contractually required contributions were $973,811 for the traditional plan and $12,819 for the combined plan for fiscal year 2023.

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

The net pension liability (asset) for OPERS was measured as of December 31, 2022. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that measurement date. The Board's proportion of the net pension liability (asset) was based on the Board's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense (gain):

	Traditional	Combined	Total
Proportion of the Net Pension Liability			
Current Measurement Date	0.04588500%	0.021731000%	
Proportion of the Net Pension Liability			
Prior Measurement Date	0.04641100%	0.020231000%	
Change in Proportionate Share	-0.00052600%	0.001500000%	
Proportionate Share of:			
Net Pension Liability	$13,554,449	$0	$13,554,449
Net Pension Asset	$0	($51,218)	($51,218)
Pension Expense (Gain)	$1,436,972	($6,617)	$1,430,355

At June 30, 2023, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Traditional	Combined	Total
Deferred Outflows of Resources			
Differences between expected and			
actual experience	$450,221	$3,150	$453,371
Changes of assumptions	143,196	3,385	146,581
Net difference between projected and			
actual earnings on pension plan investments	3,863,440	18,667	3,882,107
Changes in proportion and differences			
between Board contributions			
and proportionate share of contributions	0	3,402	3,402
Board contributions subsequent to the			
measurement date	498,627	6,564	505,191
Total Deferred Outflows of Resources	$4,955,484	$35,168	$4,990,652
Deferred Inflows of Resources			
Differences between expected and			
actual experience	$0	$7,317	$7,317
Changes in proportion and differences			
between Board contributions			
and proportionate share of contributions	415,802	65,505	481,307
Total Deferred Inflows of Resources	$415,802	$72,822	$488,624

$505,191 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	Traditional	Combined	Total
Fiscal Year Ending June 30:			
2024	$224,051	($12,422)	$211,629
2025	787,221	(9,927)	777,294
2026	1,137,201	(8,334)	1,128,867
2027	1,892,582	(5,515)	1,887,067
2028	0	(4,417)	(4,417)
Thereafter	0	(3,603)	(3,603)
Total	$4,041,055	($44,218)	$3,996,837

Actuarial Assumptions

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

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

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	2.75 percent	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3.0 percent, simple	3.0 percent, simple
Post-January 7, 2013 Retirees	3.0 percent, simple through 2023, then 2.05 percent, simple	3.0 percent, simple through 2023, then 2.05 percent, simple
Investment Rate of Return	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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

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

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the

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

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, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	22.00 %	2.62 %
Domestic Equities	22.00	4.60
Real Estate	13.00	3.27
Private Equity	15.00	7.53
International Equities	21.00	5.51
Risk Parity	2.00	4.37
Other Investments	5.00	3.27
Total	100.00 %	

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

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Board's proportionate share of the net pension liability (asset)			
Traditional	$20,304,113	$13,554,449	$7,939,940
Combined	($26,729)	($51,218)	($70,626)

Note 9 – Postemployment Benefits

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

Ohio Public Employees Retirement System

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, 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.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS. For those retiring on or after January 1, 2015, the allowance has been determined by applying a percentage to the base allowance. The percentage applied is based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance. Those who retired prior to January 1, 2015, will have an allowance of at least 75 percent of the base allowance.

The health 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 discontinued 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.

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. Members in Group A are eligible for coverage at any age with 30 or more years of qualifying service. Members in Group B are eligible at any age with 32 years of qualifying service, or at age 52 with 31 years of qualifying service. Members in

Group C are eligible for coverage with 32 years of qualifying service and a minimum age of 55. Current retirees eligible (or who became 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 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.

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. OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14.0 percent of earnable salary. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023, OPERS did not allocate any employer contribution to health care for members in the traditional pension plan and combined plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2023 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Board's contractually required contribution was $0 for 2023.

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

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Board's proportion of the net OPEB liability (asset) was based on the Board's share of contributions to the retirement system relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense (gain):

Proportionate Share of the Net OPEB Asset:	
Current Measurement Date	0.043343%
Prior Measurement Date	0.043785%
Change in Proportionate Share	-0.0004420%
Proportionate Share of the:	
Net OPEB Liability	$273,286
OPEB Expense (Gain)	($520,453)

At June 30, 2023, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Outflows of Resources	
Changes of assumptions	$266,924
Net difference between projected and actual earnings on pension plan investments	542,755
Changes in proportion and differences between Board contributions and proportionate share of contributions	$1,165
Total Deferred Outflows of Resources	$810,844
Deferred Inflows of Resources	
Differences between expected and actual experience	$68,168
Changes of assumptions	21,964
Changes in proportion and differences between Board contributions and proportionate share of contributions	8,270
Total Deferred Inflows of Resources	$98,402

$0 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in fiscal year 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:		
	2024	$85,629
	2025	195,368
	2026	169,249
	2027	262,196
Total		$712,442

Actuarial Assumptions

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022.

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

Wage Inflation	2.75 percent
Projected Salary Increases	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	5.22 percent
Prior Measurement date	6.00 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate:	
Current measurement date	4.05 percent
Prior Measurement date	1.84 percent
Health Care Cost Trend Rate:	
Current measurement date	5.5 percent, initial 3.5 percent, ultimate in 2036
Prior Measurement date	5.5 percent, initial 3.5 percent, ultimate in 2034
Actuarial Cost Method	Individual Entry Age

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

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

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

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, 2022, these best estimates are summarized in the following table:

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

Discount Rate A single discount rate of 5.22 percent was used to measure the OPEB liability on the measurement date of December 31, 2022. A single discount rate of 6.00 percent was used to measurer the OPEB liability on the measurement date of December 31, 2021. 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 4.05 percent The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all healthcare costs after that date.

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

	1% Decrease (4.22%)	Current Discount Rate (5.22%)	1% Increase (6.22%)
Board's proportionate share of the net OPEB asset	$930,141	$273,286	($268,727)

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.5 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Board's proportionate share of the net OPEB asset	$256,157	$273,286	$292,565

Note 10 – Long-Term Obligations

The Board's long-term obligations activity for the year ended June 30, 2023 was as follows:

	Principal Outstanding 7/1/22	Additions	Deductions	Principal Outstanding 6/30/23	Due Within One Year
Governmental Activities					
Net Pension Liability – OPERS	$4,037,945	$9,516,504	$0	$13,554,449	$0
Net OPEB Liability	0	273,286	0	273,286	0
Leases Payable	648,399	0	(440,809)	207,590	207,590
Compensated Absences	1,053,423	484,220	(600,718)	936,925	559,568
Total	$5,739,767	$10,274,010	($1,041,527)	$14,972,250	$767,158

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

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

Year	Principal	Interest
2024	$207,590	$5,188

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

Note 11 – Interfund Activity

Interfund balances at June 30, 2023 consist of the following receivables and payables:

	Interfund Receivable	Interfund Payable
Public Assistance	$732,084	$0
Child Support	0	100,450
Children's Services	0	579,873
Workforce Development	0	51,761
Total	$732,084	$732,084

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 2023 were as follows:

	Transfers In	Transfers Out
Public Assistance	$2,429,350	$0
Child Support	0	373,508
Children's Services	0	1,843,312
Workforce Development	0	212,530
Total	$2,429,350	$2,429,350

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

<u>Note 12 – Fund Balances</u>

At June 30, 2023, fund balances are composed of the following:

	Public Assistance	Child Support	Children's Services	Workforce Development	Total Governmental Funds
Nonspendable:					
Prepaid Items	$42,723	$0	$6,731	$0	$49,454
Materials and Supplies	40,206	0	0	0	40,206
Total Nonspendable	82,929	0	6,731	0	89,660
Restricted:					
Public Assistance	1,233,875	0	0	0	1,233,875
Child Support	0	1,364,108	0	0	1,364,108
Children Services	0	0	132,639	0	132,639
Total Restricted	1,233,875	1,364,108	132,639	0	2,730,622
Unassigned (Deficit)	0	0	0	(28,585)	(28,585)
Total Fund Balance	$1,316,804	$1,364,108	$139,370	($28,585)	$2,791,697

<u>Note 13 – Contingent Liabilities</u>

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 14 – New Accounting Pronouncements

For fiscal year 2023, the Board implemented Governmental Accounting Standards Board (GASB) Statement No. 96, "Subscription-Based Information Technology Arrangements".

GASB Statement No. 96 provides accounting and financial reporting guidance for subscription-based information technology arrangements (SBITAs). It is based on the standards established in Statement 87, "Leases". It:

- Defines a SBITA as a contract that conveys control of the right to use a SBITA vendor's IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction;
- Requires governments with SBITAs to recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability (with an exception for short-term SBITAs—those with a maximum possible term of 12 months); and
- Provides guidance related to outlays other than subscription payments, including implementation costs, and requirements for note disclosures related to a SBITA.

These changes were considered in the preparation of the Board's 2023 financial statements; however, there was no effect on beginning net position/fund balance nor was note disclosure presentation required.

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Ohio Public Employees Retirement System - Traditional Plan										
Board's proportion of the net pension liability	0.053787%	0.053787%	0.051575%	0.047805%	0.048407%	0.049090%	0.046979%	0.045777%	0.046411%	0.045885%
Board's proportionate share of the net pension liability	$6,340,787	$6,487,313	$8,933,440	$10,855,703	$7,594,120	$13,444,756	$9,285,718	$6,778,577	$4,037,945	$13,554,449
Board's covered payroll	$2,055,570	$5,311,438	$6,672,375	$6,440,583	$6,309,031	$6,688,971	$6,667,378	$6,542,843	$6,477,572	$6,949,486
Board's proportionate share of the net pension liability as a percentage of its covered payroll	308.47%	122.14%	133.89%	168.55%	120.37%	201.00%	139.27%	103.60%	62.34%	195.04%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%	77.25%	84.66%	74.70%	82.17%	86.88%	92.62%	75.74%
Ohio Public Employees Retirement System - Combined Plan										
Board's proportion of the net pension asset	0.038274%	0.038274%	0.028910%	0.037333%	0.022700%	0.019537%	0.018596%	0.018859%	0.020231%	0.021731%
Board's proportionate share of the net pension asset	($4,017)	($14,736)	($14,068)	($20,778)	($30,902)	($21,847)	($38,777)	($54,439)	($79,711)	($51,218)
Board's covered payroll	$0	$0	$0	$153,867	$138,877	$94,979	$80,979	$79,464	$85,314	$95,157
Board's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	-13.50%	-22.25%	-23.00%	-47.89%	-68.51%	-93.43%	-53.82%
Plan fiduciary net position as a percentage of the total pension liability	104.56%	114.83%	116.90%	116.55%	137.28%	126.64%	145.28%	157.67%	169.88%	137.14%

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

South Central Ohio Job and Family Services

Required Supplementary Information

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

Last Seven Fiscal Years (1)

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

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

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Ohio Public Employees Retirement System										
Contractually required contribution - pension - Traditional Plan	$690,487	$800,685	$772,870	$755,695	$868,617	$933,433	$915,998	$906,860	$972,928	$973,811
Contractually required contribution - pension - Combined Plan	0	0	18,464	18,054	13,297	11,337	11,125	11,944	13,322	12,819
Contractually required contribution - OPEB	53,114	133,447	131,889	128,958	67,840	0	0	0	0	0
Contractually required contribution - total	743,601	934,132	923,223	902,707	949,754	944,770	927,123	918,804	986,250	986,630
Contributions in relation to the contractually required contribution	743,601	934,132	923,223	902,707	949,754	944,770	927,123	918,804	986,250	986,630
Contribution deficiency (excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Board's covered payroll	$5,311,438	$6,672,375	$6,594,450	$6,447,908	$6,783,950	$6,748,357	$6,622,307	$6,562,886	$7,044,643	$7,047,357
Contributions as a percentage of covered payroll - pension	13.00%	12.00%	12.00%	13.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Contributions as a percentage of covered payroll - OPEB	1.00%	2.00%	2.00%	1.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Contributions as a percentage of covered payroll - total	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information.

Ohio Public Employees Retirement System

Pension

Changes in benefit terms

There were no significant changes in benefit terms for 2014 through 2017.

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

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

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

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

There were no significant changes in benefit terms for 2023.

Changes in assumptions

There were no significant changes in assumptions for 2014 through 2018.

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

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

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

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

There were no significant changes in assumptions for 2023.

OPEB

Changes in benefit terms

There were no significant changes in benefit terms for 2018 through 2023.

Changes in assumptions

Changes in assumptions for 2018 were as follows:

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

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

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

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

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

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

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

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

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

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

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

South Central Ohio Job and Family Services
Schedule of Revenues, Expenditures and Change
in Fund Balance - Budget and Actual (Budget Basis)
Public Assistance Fund
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget:
	Original	Final	Actual	Positive (Negative)
Revenues:				
State Grants	$13,205,018	$13,205,018	$13,508,000	$302,982
Support and Assistance	200,000	200,000	233,350	33,350
Overpayments - Refunds	50,000	50,000	24,556	(25,444)
Local County Monies	246,603	246,603	234,860	(11,743)
Total Revenues	13,701,621	13,701,621	14,000,766	299,145
Expenditures:				
Salaries	6,674,179	6,674,179	6,222,904	451,275
Fringe Benefits	3,337,442	3,337,442	2,823,117	514,325
Travel	58,000	58,000	43,473	14,527
Contracts - Repairs and Maintenance	55,000	55,425	52,479	2,946
Contract Services	5,090,000	5,090,000	7,143,378	(2,053,378)
Indirect Costs	251,000	251,000	245,557	5,443
Supplies	75,000	77,406	65,811	11,595
Equipment	50,000	50,462	35,434	15,028
Facilities	800,000	800,000	804,496	(4,496)
Public Assistance Payments	100,000	121,539	208,131	(86,592)
Support and Training	75,000	75,000	34,479	40,521
Other Expenses	61,000	61,516	56,606	4,910
Total Expenditures	16,626,621	16,651,969	17,735,865	(1,083,896)
Excess of Revenues Under Expenditures	(2,925,000)	(2,950,348)	(3,735,099)	(784,751)
Other Financing Sources:				
Transfers In	2,425,000	2,425,000	2,357,480	(67,520)
Total Other Financing Sources	2,425,000	2,425,000	2,357,480	(67,520)
Net Change in Fund Balance	(500,000)	(525,348)	(1,377,619)	(852,271)
Fund Balance at Beginning of Year	1,333,382	1,333,382	1,333,382	0
Fund Balance at End of Year	$833,382	$808,034	($44,237)	($852,271)

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

South Central Ohio Job and Family Services
Schedule of Revenues, Expenditures and Change
in Fund Balance - Budget and Actual (Budget Basis)
Child Support Fund
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget: Positive (Negative)
	Original	Final	Actual	
Revenues:				
State Grants	$2,006,714	$2,006,714	$1,772,354	($234,360)
Charges for Services	352,661	352,661	352,661	0
Miscellaneous	63,009	63,009	80,523	17,514
Total Revenues	2,422,384	2,422,384	2,205,538	(216,846)
Expenditures:				
Salaries	1,024,477	1,024,477	947,680	76,797
Fringe Benefits	466,908	466,908	446,417	20,491
Travel	3,000	3,000	502	2,498
Contract Services	500,000	500,000	606,141	(106,141)
Indirect Costs	13,000	13,000	11,651	1,349
Other Expenses	15,000	15,000	8,841	6,159
Total Expenditures	2,022,385	2,022,385	2,021,232	1,153
Excess of Revenues Over Expenditures	399,999	399,999	184,306	(215,693)
Other Financing Uses:				
Transfers Out	(400,000)	(400,000)	(369,243)	30,757
Total Other Financing Uses	(400,000)	(400,000)	(369,243)	30,757
Net Change in Fund Balance	(1)	(1)	(184,937)	(184,936)
Fund Balance at Beginning of Year	1,404,484	1,404,484	1,404,484	0
Fund Balance at End of Year	$1,404,483	$1,404,483	$1,219,547	($184,936)

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

South Central Ohio Job and Family Services
Schedule of Revenues, Expenditures and Change
in Fund Balance - Budget and Actual (Budget Basis)
Children's Services Fund
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget: Positive
	Original	Final	Actual	(Negative)
Revenues:				
State Child Protection Allocation	$2,982,330	$2,982,330	$3,153,487	$171,157
Title VI-B	84,314	84,314	102,731	18,417
Title IV-E Admin and Training	400,000	400,000	466,496	66,496
IV-E Reimbursements	1,900,000	1,900,000	2,675,305	775,305
Foster Parent Trianing	10,000	10,000	725	(9,275)
SSI/Social Security Benefits	75,000	75,000	117,117	42,117
Chaffee	76,990	76,990	9,028	(67,962)
Kinship Care Grant	134,812	134,812	38,671	(96,141)
ESSA/Caseworker Visits	98,452	108,452	82,083	(26,369)
Local County Monies	55,000	55,000	85,969	30,969
Parent Fees	10,000	10,000	13,115	3,115
Gifts	1,500	1,500	3,207	1,707
Ross County Levy Funds	871,591	871,591	972,200	100,609
Vinton County Levy Funds	416,391	416,391	450,026	33,635
Hocking County Levy Funds	835,949	835,949	887,829	51,880
State Distributions	151,069	151,069	151,069	0
Total Revenues	8,103,398	8,113,398	9,209,058	1,095,660
Expenditures:				
Contract Services	7,000,000	9,524,688	10,604,970	(1,080,282)
Chaffee	26,990	26,990	2,195	24,795
ESSA	79,303	99,466	100,142	(676)
Legal	30,000	30,000	18,221	11,779
Foster Parent Training	15,000	15,000	2,320	12,680
Kinship Permanency Incentive	134,812	134,812	114,491	20,321
Alternative Response	7,579	7,579	0	7,579
Other Expenses	35,000	35,000	83,691	(48,691)
Drug Screenings	35,000	35,040	30,089	4,951
Total Expenditures	7,363,684	9,908,575	10,956,119	(1,047,544)
Excess of Revenues Over (Under) Expenditures	739,714	(1,795,177)	(1,747,061)	48,116
Other Financing Uses:				
Transfers Out	(1,700,000)	(1,800,000)	(1,786,880)	13,120
Total Other Financing Uses	(1,700,000)	(1,800,000)	(1,786,880)	13,120
Net Change in Fund Balance	(960,286)	(3,595,177)	(3,533,941)	61,236
Fund Balance at Beginning of Year	3,103,823	3,103,823	3,103,823	0
Fund Balance at End of Year	$2,143,537	($491,354)	($430,118)	$61,236

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

South Central Ohio Job and Family Services
Schedule of Revenues, Expenditures and Change
in Fund Balance - Budget and Actual (Budget Basis)
Workforce Development Fund
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget: Positive (Negative)
	Original	Final	Actual	
Revenues:				
State Grants	$992,000	$992,000	$586,322	($405,678)
Total Revenues	992,000	992,000	586,322	(405,678)
Expenditures:				
Adult	205,000	205,000	161,101	43,899
Dislocated Workers	95,500	95,500	26,407	69,093
Special Projects	65,000	75,000	42,653	32,347
CCMEP	301,500	301,500	343,425	(41,925)
Total Expenditures	667,000	677,000	573,586	103,414
Excess of Revenues Over Expenditures	325,000	315,000	12,736	(302,264)
Other Financing Uses:				
Transfers Out	(325,000)	(325,000)	(227,453)	97,547
Total Other Financing Uses	(325,000)	(325,000)	(227,453)	97,547
Net Change in Fund Balance	0	(10,000)	(214,717)	(204,717)
Fund Balance at Beginning of Year	249,414	249,414	249,414	0
Fund Balance at End of Year	$249,414	$239,414	$34,697	($204,717)

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

Note 1 – Budgetary Schedule

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

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

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

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

Net Change in Fund Balance

	Public Assistance	Child Support	Children's Services	Workforce Development
GAAP Basis	$214,291	$97,036	($1,222,723)	($120,011)
Adjustments:				
Revenue Accruals	62,680	(68,559)	(811,706)	(33,498)
Expenditure Accruals	(322,935)	1,352	297,625	134,789
Encumbrances	(1,259,785)	(219,031)	(1,853,569)	(181,074)
Other Financing Sources and Uses	(71,870)	4,265	56,432	(14,923)
Budget Basis	($1,377,619)	($184,937)	($3,533,941)	($214,717)

South Central Ohio Job and Family Services
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2023

Federal Grantor Pass-Through Grantor Program Title	Pass-Through Entity Identifying Number Additional Award Identification	Assistance Listing Number	Provided to Subrecipients	Total Federal Expenditures
United States Department of Agriculture				
Passed Through Ohio Department of Job and Family Services:				
Supplemental Nutrition Assistance Program (SNAP/Food Assistance) Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	G-2223-11-7013	10.561	$0	$971,944
COVID-19 - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	G-2223-11-7013	10.561	0	60,976
Total SNAP Cluster			0	1,032,920
Total United States Department of Agriculture			**0**	**1,032,920**
United States Department of Labor				
Passed Through Area 20/21 Workforce Development Board:				
Employment Service Cluster:				
Employment Service/Wagner-Peyser Funded Activities	N/A	17.207	0	33,282
Total Employment Service Cluster:			0	33,282
Trade Adjustment Assistance	N/A	17.245	0	5,271
Workforce Innovation and Opportunities Act (WIOA) Cluster:				
WIOA Adult Program	N/A	17.258	3,381	267,951
WIOA Youth Activities	N/A	17.259	166,493	173,354
WIOA Dislocated Worker Formula Grants	N/A	17.278	3,381	139,949
Total Workforce Innovation and Opportunities Act (WIOA) Cluster			173,255	581,254
Total United States Department of Labor			**173,255**	**619,807**
United States Department of the Treasury				
Passed Through Ohio Department of Job and Family Services:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	G-2223-11-7013	21.027	0	112,166
Total United States Department of the Treasury			**0**	**112,166**
United States Department of Health and Human Services				
Passed Through Ohio Department of Job and Family Services:				
MaryLee Allen Promoting Safe and Stable Families Program	G-2223-11-7013	93.556	0	82,141
Child Support Services	G-2223-11-7013	93.563	0	1,453,239
Stephanie Tubbs Jones Child Welfare Services Program	G-2223-11-7013	93.645	0	76,269
Foster Care-Title IV-E	G-2223-11-7013	93.658	0	2,897,750
Adoption Assistance	G-2223-11-7013	93.659	0	379,182
Social Services Block Grant	G-2223-11-7013	93.667	0	1,403,845
John H. Chafee Foster Care Program for Successful Transition to Adulthood	G-2223-11-7013	93.674	0	7,301
COVID-19 Elder Abuse Prevention Interventions Program	G-2223-11-7013	93.747	0	41,091
Children's Health Insurance Program	G-2223-11-7013	93.767	0	94,970
Temporary Assistance for Needy Families	G-2223-11-7013	93.558	262,429	2,111,007
COVID-19 Temporary Assistance for Needy Families	G-2223-11-7013	93.558	0	119,754
Total Temporary Assistance for Needy Families			262,429	2,230,761
Child Care Development Fund Cluster:				
Child Care and Development Block Grant	G-2223-11-7013	93.575	0	177,744
Total Child Care Development Fund Cluster			0	177,744
Medicaid Cluster:				
Medical Assistance Program	G-2223-11-7013	93.778	0	4,124,628
Total Medicaid Cluster			0	4,124,628
Passed Through Public Children Services Association of Ohio :				
Opioid STR	N/A	93.788	0	254,081
Total United States Department of Health and Human Services			**262,429**	**13,223,002**
Total Federal Awards Expenditures			**$435,684**	**$14,987,895**

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

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

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the South Central Ohio Job and Family Services (the Board) under programs of the federal government for the fiscal year ended June 30, 2023. The information on this schedule is prepared in accordance with the requirements for Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Board, it is not intended to and does not present the financial position or changes in net position of the Board.

Note B – Summary of Significant Accounting Policies

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

Note C – Indirect Cost Rate

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

Note D - Subrecipients

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

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

Subrecipient	WIOA Adult Activities ALN 17.258	WIOA Youth Activities ALN 17.259	WIOA Dislocated Worker Formula Grants ALN 17.278	Temporary Assistance For Needy Families ALN 93.558	Total
Gallia-Jackson-Vinton JVSD	$0	$28,241	$0	$78,694	$106,935
Vinton County Commissioners	3,381	0	3,381	0	6,762
Hocking, Athens, Perry Community Action	0	63,243	0	127,664	190,907
Pickaway-Ross CTC	0	75,009	0	56,071	131,080
Total	$3,381	$166,493	$3,381	$262,429	$435,684

Note E – Matching Requirements

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

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, 2023, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated May 30, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Millhuff-Stang CPA/Inc.

Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

May 30, 2024

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

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited South Central Ohio Job and Family Services's, Ross County, (the Board) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Board's major federal programs for the year ended June 30, 2023. The Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Board complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of the Board's major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

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Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

May 30, 2024

South Central Ohio Job and Family Services
Schedule of Findings and Questioned Costs
2 CFR Section 200.515
For the Fiscal Year Ended June 30, 2023

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?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No
Federal Awards	
Internal control over major federal program(s):	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any auditing findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major federal program(s):	Foster Care AL #93.658; 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

None

Section III – Federal Award Findings and Questioned Costs

None

OHIO AUDITOR OF STATE
KEITH FABER

SOUTH CENTRAL OHIO JOB AND FAMILY SERVICES

ROSS COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 6/27/2024

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