

AREA 20/21 WORKFORCE DEVELOPMENT BOARD  
FAIRFIELD COUNTY  
SINGLE AUDIT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023



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OHIO AUDITOR OF STATE  
KEITH FABER



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Board of Directors  
Area 20-21 Workforce Development Board  
210 East Main Street, Room 407  
Lancaster, Ohio 43130

We have reviewed the *Independent Auditor's Report* of the Area 20-21 Workforce Development Board, Fairfield 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 Area 20-21 Workforce Development Board is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

June 17, 2024

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**Area 20/21 Workforce Development Board**  
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*For the Fiscal Year Ended June 30, 2023*

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**Independent Auditor's Report**

Members of the Board  
Area 20/21 Workforce Development Board  
210 East Main Street, Room 407  
Lancaster, Ohio 43130

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the financial statements of the governmental activities and the major fund of Area 20/21 Workforce Development Board, Fairfield 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 and the major fund of Area 20/21 Workforce Development Board, Fairfield 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.

***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 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 GAAS, 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.

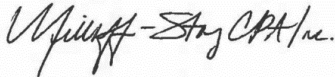


***Supplementary Information***

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 schedule and federal awards expenditures schedule, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 schedule and the federal awards expenditures schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 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 an opinion on the effectiveness of the Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.



Millhuff-Stang, CPA, Inc.  
Chillicothe, Ohio

May 24, 2024

**AREA 20/21 WORKFORCE DEVELOPMENT BOARD  
FAIRFIELD COUNTY**

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023  
(Unaudited)*

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The discussion and analysis of the Area 20/21 Workforce Development Board's (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.

**Financial Highlights**

- The assets of governmental activities of Area 20/21 Workforce Development Board exceeded its liabilities at June 30, 2023 by \$67,196.
- In total, net position of governmental activities decreased by \$14,071 which represents a 17.31 percent decrease from 2022.
- Program specific revenues in the form of grants and contributions accounted for \$1,830,727 or 100 percent of total revenues.
- The Board had \$1,844,798 in expenses related to governmental activities; program revenues of \$1,830,727 offset expenses.
- The Board's receipts are mostly support from Federal government agencies. The Federal receipts are designated for employment and training related activities.

**Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34.

**Report Components**

The Statement of Net Position and the Statement of Activities provide information about the activities of the Board.

These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. The accrual basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid. These two statements report the Board's net position and changes in net position. This change in net position is important because it tells the reader that, for the Board as a whole, the financial position of the Board has improved or diminished. The cause of this change may be the result of many factors, some financial, some not. Non-financial factors include current laws in Ohio restricting revenue growth, and other factors.

**AREA 20/21 WORKFORCE DEVELOPMENT BOARD  
FAIRFIELD COUNTY**

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023  
(Unaudited)*

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**Fund Financial Statements**

Fund financial reports provide detailed information about the Board's major funds. The Board uses one fund to account for a multitude of financial transactions.

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. The Board's sole fund is a governmental fund.

**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 inflows and outflows of spendable cash, as well as on balances of spendable cash available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term requirements.

**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.

**Financial Analysis Governmental Activities**

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

Table 1  
**Net Position at Year End**

	2023	2022	Changes
<b><u>Assets:</u></b>			
Current and Other Assets	\$132,387	\$120,611	\$11,776
<i>Total Assets</i>	132,387	120,611	11,776
<b><u>Liabilities:</u></b>			
Current Liabilities	65,191	39,344	25,847
<i>Total Liabilities</i>	65,191	39,344	25,847
<b><u>Net Position:</u></b>			
Restricted	67,196	81,267	(14,071)
<i>Total Net Position</i>	\$67,196	\$81,267	(\$14,071)

**AREA 20/21 WORKFORCE DEVELOPMENT BOARD  
FAIRFIELD COUNTY**

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023  
(Unaudited)*

Current and other assets increased \$11,776 or 9.76 percent from June 30, 2022, due to an increase in cash and cash equivalents and intergovernmental receivables.

Current liabilities increased by \$25,847 or 65.69 percent due to an increase in unearned revenue.

The net position balance of \$67,196 is restricted. The restricted net position represents resources that are subject to restrictions on how they can be used.

Table 2 shows the changes in net position for fiscal year 2023 and provides a comparison to fiscal year 2022.

Table 2  
**Changes in Net Position**

	2023	2022	Change
<b><u>Revenues:</u></b>			
<i>Operating Grants:</i>			
Adult	\$622,324	\$632,821	(\$10,497)
Dislocated Worker	231,928	363,772	(131,844)
Youth	325,354	369,303	(43,949)
Administration	163,928	161,315	2,613
Business Resource Network	167,732	58,716	109,016
Rapid Response	0	31,246	(31,246)
National Emergency Grant	0	176	(176)
Ohio Means Jobs Center Resource Sharing	79,444	135,823	(56,379)
Reemployment Services & Eligibility Assessments	53,509	105,439	(51,930)
Pre-Apprentice Grant	186,508	111,390	75,118
<i>Total Program Revenues</i>	<u>1,830,727</u>	<u>1,970,001</u>	<u>(139,274)</u>
<i>Total Revenues</i>	<u>1,830,727</u>	<u>1,970,001</u>	<u>(139,274)</u>

(Continued)

**AREA 20/21 WORKFORCE DEVELOPMENT BOARD  
FAIRFIELD COUNTY**

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023  
(Unaudited)*

Table 2  
**Changes in Net Position (Continued)**

**Expenses:**

*Workforce Development:*

Adult	\$607,112	\$619,484	(\$12,372)
Dislocated Worker	287,857	411,493	(123,636)
Youth	260,251	387,495	(127,244)
Administration	129,617	175,907	(46,290)
Business Resource Network	193,372	52,466	140,906
Workforce Center	357	0	357
Ohio Means Jobs Center Resource Sharing	81,028	103,905	(22,877)
Reemployment Services & Eligibility Assessments	93,992	141,557	(47,565)
Pre-Apprentice Grant	186,440	116,852	69,588
Pre-Apprentice Grant - Administration	4,772	4,806	(34)
<i>Total Expenses</i>	<u>1,844,798</u>	<u>2,013,965</u>	<u>(169,167)</u>
<i>Change in Net Position</i>	(14,071)	(43,964)	29,893
Net Position at Beginning of Year	<u>81,267</u>	<u>125,231</u>	<u>(43,964)</u>
Net Position at End of Year	<u><u>\$67,196</u></u>	<u><u>\$81,267</u></u>	<u><u>(\$14,071)</u></u>

The most significant expenses for the Board are Adult, Dislocated Worker, and Youth. These programs account for 62.62 percent of the total governmental activities. Adult, which accounts for 32.91 percent of the total, represents cost associated with administering the program to provide training, support and employment related activities to adults. Dislocated Worker, which accounts for 15.60 percent of the total, represents cost associated with administering the program to provide training, support and employment related activities to dislocated workers. Youth, which accounts for 14.11 percent of the total, represents costs associated with administering the program to provide training, support and employment related activities to youth. Most of the funding for the Board is revenue received from Federal Grants.

Administration revenues represent 8.95 percent of the total allocation and are comprised of federal grant revenue.

Total program revenues decreased by \$139,274 or 7.07 percent due primarily to a decrease in Dislocated Worker and Youth Grant revenue which was partially offset by an increase in other program funding.

Revenues and expenses for the year were largely for direct services by member counties for training, supportive, and employment related activities for both job seekers and employers within and outside of Area 20/21.

**AREA 20/21 WORKFORCE DEVELOPMENT BOARD  
FAIRFIELD COUNTY**

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023  
(Unaudited)*

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**Financial Analysis Governmental Funds**

As noted earlier, the Board used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the Board's governmental fund reported an ending fund balance of \$57,166, which is all reported in the Special Revenue Fund. The fund balance had an increase of \$25,871 or 82.67 percent from 2022, which is primarily due to decreases in expenditures.

**Budget Highlights**

The Board's budget is reflected in the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary 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 once. The budgeted receipts and disbursements are prepared on a multi-year program basis. Final budgeted receipts were in excess of final actual receipts due to this basis.

For the Board, the final budget basis revenues were \$2,610,082 representing a increase of \$139,928 from the original budget basis revenues of \$2,470,154. The final budget basis expenditures were \$2,607,083 representing a increase of \$142,929 from the original budget basis expenditures of \$2,464,154.

**Capital Assets and Debt Administration**

**Capital Assets**

At June 30, 2023 the Board had no capital assets. All capital assets used by the Board are owned by Fairfield County Economic Development.

**Debt Administration**

At June 30, 2023, the Board had no general obligation debt outstanding.

**Current Issues**

The Board entered into a Memorandum of Understanding with the Fairfield County Economic Development Department to provide services as administrative agent, effective March 1, 2016 and to provide services as fiscal agent, effective July 1, 2016. The Fairfield County Auditor and Treasurer provide financial processing and accountability services for the Board.

**Contacting the Board's Financial Management**

This financial report is designed to provide our citizens and taxpayers with a general overview of the Board's finances and to show the Board's accountability for the money it received. If you have any questions about this report or need additional information, contact Angel Conrad, Fiscal Agent, Area 20/21 Workforce Development Board, 210 E. Main Street, Suite 404, Lancaster, OH 43130.

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**AREA 20/21 WORKFORCE DEVELOPMENT BOARD**

*Statement of Net Position*

*June 30, 2023*

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	<u>Governmental Activities</u>
<b><u>Assets:</u></b>	
Equity in Pooled Cash and Cash Equivalents	\$14,575
Intergovernmental Receivable	<u>117,812</u>
<i>Total Assets</i>	<u>132,387</u>
<b><u>Liabilities:</u></b>	
Unearned Revenue	<u>65,191</u>
<i>Total Liabilities</i>	<u>65,191</u>
<b><u>Net Position:</u></b>	
Restricted for Other Purposes	<u>67,196</u>
<i>Total Net Position</i>	<u><u>\$67,196</u></u>

See accompanying notes to the basic financial statements.



**AREA 20/21 WORKFORCE DEVELOPMENT BOARD**

*Statement of Activities*

*For the Fiscal Year Ended June 30, 2023*

		Program Revenues	Net (Expenses) Revenues and Changes in Net Position
	Expenses	Operating Grants and Contributions	Governmental Activities
<b><u>Governmental Activities:</u></b>			
<i>Workforce Development:</i>			
Adult	\$607,112	\$622,324	\$15,212
Dislocated Worker	287,857	231,928	(55,929)
Youth	260,251	325,354	65,103
Administration	129,617	163,928	34,311
Business Resource Network	193,372	167,732	(25,640)
Workforce Center	357	0	(357)
Ohio Means Jobs Center Resource Sharing	81,028	79,444	(1,584)
Reemployment Services & Eligibility Assessments	93,992	53,509	(40,483)
Pre- Apprentice Grant	186,440	186,508	68
Pre- Apprentice Grant - Administration	4,772	0	(4,772)
	<u>\$1,844,798</u>	<u>\$1,830,727</u>	<u>(14,071)</u>
<b><u>General Revenues:</u></b>			
			<u>0</u>
			(14,071)
			<u>81,267</u>
			<u>\$67,196</u>

See accompanying notes to the basic financial statements.

**AREA 20/21 WORKFORCE DEVELOPMENT BOARD**

*Balance Sheet  
Special Revenue Fund  
June 30, 2023*

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**Assets:**

Equity in Pooled Cash and Cash Equivalents	\$14,575
Intergovernmental Receivable	<u>117,812</u>
<i>Total Assets</i>	<u>132,387</u>

**Liabilities, Deferred Inflows of Resources and Fund Balances:**

**Liabilities:**

Unearned Revenue	<u>65,191</u>
<i>Total Liabilities</i>	<u>65,191</u>

**Deferred Inflows of Resources:**

Unavailable Revenue	<u>10,030</u>
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**Fund Balances:**

Restricted	<u>57,166</u>
<i>Total Fund Balances</i>	<u>57,166</u>

<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u><u>\$132,387</u></u>
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See accompanying notes to the basic financial statements.

**AREA 20/21 WORKFORCE DEVELOPMENT BOARD**  
*Reconciliation of Total Governmental Fund Balances to  
Net Position of Governmental Activities  
June 30, 2023*

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**Total Governmental Funds Balances** \$57,166

*Amounts reported for governmental activities in the Statement of  
Net Position are different because:*

Some of the Board's receivables will be collected after fiscal year-end, but are not available soon enough to pay for the current period's expenditures and therefore, are deferred in the funds. These receivables consist of:

Intergovernmental 10,030

Net Position of Governmental Activities \$67,196

See accompanying notes to the basic financial statements.

**AREA 20/21 WORKFORCE DEVELOPMENT BOARD**  
*Statement of Revenues, Expenditures and Changes in Fund Balance*  
*Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2023*

**Revenues:**

*Operating Grants:*

*Workforce Development:*

Adult	\$654,254
Dislocated Worker	232,138
Youth	336,364
Administration	160,973
Business Resource Network	167,479
Ohio Means Jobs Center Resource Sharing	79,444
Reemployment Services & Eligibility Assessments	53,509
Pre-Apprentice Grant	186,508
 <i>Total Revenues</i>	 1,870,669

**Expenditures:**

*Workforce Development:*

Adult	607,112
Dislocated Worker	287,857
Youth	260,251
Administration	129,617
Workforce Center	357
Business Resource Network	193,372
Ohio Means Jobs Center Resource Sharing	81,028
Reemployment Services & Eligibility Assessments	93,992
Pre-Apprentice Grant	186,440
Pre-Apprentice Grant - Administration	4,772
 <i>Total Expenditures</i>	 1,844,798

*Net Change in Fund Balances* 25,871

*Fund Balances at Beginning of Year* 31,295

*Fund Balances at End of Year* \$57,166

See accompanying notes to the basic financial statements.

**AREA 20/21 WORKFORCE DEVELOPMENT BOARD**  
*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*

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**Net Change in Fund Balances - Total Governmental Funds** \$25,871

*Amounts reported for governmental activities in the Statement of  
Activities are different because:*

Revenues in the Statement of Activities that do not provide current financial  
resources are not reported as revenues in the funds. These revenues consist of:

Intergovernmental (39,942)

Change in Net Position of Governmental Activities (\$14,071)

See accompanying notes to the basic financial statements.

**AREA 20/21 WORKFORCE DEVELOPMENT BOARD  
FAIRFIELD COUNTY**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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**NOTE 1 – DESCRIPTION OF THE ENTITY**

**Description of the Board**

The Workforce Innovation and Opportunity Act (WIOA) is a federally funded program that provides employment and job training services to eligible adults, dislocated workers and youth. The United States Department of Labor (DOL) is the federal agency responsible for the program. The Ohio Department of Job and Family Services (ODJFS) is the oversight agency for the State of Ohio.

The Area 20/21 Workforce Development Board (the Board), is designated as a local Workforce Development Area under WIOA 116 and its geopolitical span includes Ross, Pickaway, Fairfield, Vinton and Hocking counties. The grant recipient is a consortium of elected officials from the counties within the local area. The functions of the consortium are carried out by a Board of Governors, which consists of the Chief Elected Official (CEO) of each participating sub area.

In accordance with WIOA 117, the consortium established a local Workforce Development Board to set policy for the local workforce development system. The local board has no employees. The Fiscal Agent performs accounting functions for the Board and are employees of Fairfield County Economic Development Department. The Administrative Entity performs administrative functions for the Board and are employees of Fairfield County Economic Development Department.

The grant recipient designated Fairfield County Economic Development Department as the fiscal agent for the local area. The Fairfield County Auditor has the responsibility to disburse funds for the local area at the direction of the local board. Funds flow from the State to the Board and are passed onto the individual counties based on allocations established by the State. The individual counties have responsibility for the administration of the adult, dislocated worker and youth programs for their respective county.

**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. The Board's financial statements include Adult, Dislocated Worker, Youth, National Emergency Services, Employment Services, Pre-Apprentice programs, and Administrative programs.

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 the financial statements included in this report represent all of the financial activity of the Board over which the Board is financially accountable.

**AREA 20/21 WORKFORCE DEVELOPMENT BOARD  
FAIRFIELD COUNTY**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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**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 more significant of the Board's accounting policies are described below.

**A. Basis of Presentation**

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

**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 Board.

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 disbursements are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include grants that are restricted to meeting the operational 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 governmental program is self-financing.

**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. The focus of governmental fund financial statements is on major funds rather than reporting by type. The special revenue fund is presented in a separate column.

**B. Fund Accounting**

The Board uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain functions or activities. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The Board utilizes the governmental category of funds.

**AREA 20/21 WORKFORCE DEVELOPMENT BOARD  
FAIRFIELD COUNTY**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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

**Governmental Funds**

Governmental funds are those through which most governmental functions of the Board are financed. Governmental funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. The special revenue fund is the Board's only fund.

**Special Revenue Fund** - This fund is the operating fund of the Board and is used to account for all financial resources.

**C. Measurement Focus**

**Government-Wide Financial Statements**

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the Board are included on the Statement of Net Position. The Statement of Activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

**Fund Financial Statements**

All governmental funds are accounted for using a flow of economic resources measurement focus. With this measurement focus, only current assets, current liabilities and deferred inflows of resources are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balance 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 include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

**D. Basis of Accounting**

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

**Revenues – Nonexchange Transactions**

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include grants. On an accrual basis, revenue from grants is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the 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 nonexchange transactions must also be available before it can be recognized.



**AREA 20/21 WORKFORCE DEVELOPMENT BOARD  
FAIRFIELD COUNTY**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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

Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the Board, available means expected to be received within thirty days of year-end.

**Deferred Inflows of Resources**

In addition to the liabilities, the Balance Sheet reports 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 unavailable revenue. Unavailable revenue is reported only on the governmental funds Balance Sheet, and represents receivables which will not be collected within the available period. For the Board unavailable revenue includes intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

**Unearned Revenue**

Unearned revenues include grants that have been collected but the corresponding expenditures have not been incurred and certain revenues received in advance.

**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. Allocation of cost, such as depreciation and amortization, are not recognized in the governmental funds.

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34.

**E. Cash**

The Fairfield County Treasurer is the custodian for the Board's cash. The Board's assets are held in Fairfield County's cash and investment pool, and are valued at the County Treasurer's reported carrying amount.

**F. Net Position**

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on its use either through constitutional provisions or enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**AREA 20/21 WORKFORCE DEVELOPMENT BOARD  
FAIRFIELD COUNTY**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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

**G. 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 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 action (resolution) of the Board – the highest level of decision making authority. 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. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed. In the general fund, assigned amounts represent intended uses established by policies of the Board, which includes giving the Business Administrator the authority to constrain monies for intended purposes.

**Unassigned** – this is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

**H. Estimates**

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

**NOTE 3 – CASH AND DEPOSITS**

The Fairfield County Treasurer maintains a cash and investments 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 Fairfield County Treasurer was \$14,575. The Fairfield County Treasurer is responsible for maintaining adequate depositor collateral for all funds in the County’s pooled cash and deposit accounts.

**AREA 20/21 WORKFORCE DEVELOPMENT BOARD  
FAIRFIELD COUNTY**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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**NOTE 4 - RISK MANAGEMENT**

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2023, the Board contracted with County Risk Sharing Authority (CORSA) for various types of insurance as follows:

<u>Type of Coverage</u>	<u>Coverage</u>
Directors and Officer Liability	\$1,000,000
Employment Practices Liability	\$1,000,000

**NOTE 5- CONTRACTED SERVICES**

The Board does not have any employees. They contract for accounting, administrative, use of facility and management services from other governmental agencies.

**NOTE 6 – CONTRACTUAL OBLIGATIONS**

The Board entered into a Memorandum of Understanding with Fairfield County Economic Development Department to provide services as fiscal agent, effective July 1, 2016. The Fairfield County Auditor and Treasurer provide financial processing and accountability services for the Board.

**NOTE 7 - CONTINGENCIES**

**Grants** - The Board receives financial assistance from Federal and State agencies in the form of grants. Disbursing grant funds generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability. However, in the opinion of management, any such disallowed claims through June 30, 2023 will not have a material adverse effect on the Board.

**Litigation** – The Board is involved in no litigation as either plaintiff or defendant.

**NOTE 8 – FUND BALANCES**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Board is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the governmental funds are restricted balance of \$57,166.

**AREA 20/21 WORKFORCE DEVELOPMENT BOARD**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)*  
*Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Revenues:</u></b>				
<i>Operating Grants:</i>				
Adult	\$827,879	\$874,776	\$619,504	(\$255,272)
Dislocated Worker	379,552	401,053	284,020	(117,033)
Youth	347,788	367,490	260,251	(107,239)
Business Resource Network	223,811	236,490	167,479	(69,011)
Administration	219,426	231,856	164,197	(67,659)
Ohio Means Jobs Center Resource Sharing	108,282	114,416	81,028	(33,388)
Reemployment Services & Eligibility Assessments	114,173	120,641	85,436	(35,205)
Pre- Apprentice Grant	249,243	263,360	186,508	(76,852)
<i>Total Revenues</i>	2,470,154	2,610,082	1,848,423	(761,659)
<b><u>Expenditures:</u></b>				
<i>Workforce Development:</i>				
Adult	810,939	857,975	607,112	250,863
Dislocated Worker	384,500	406,802	287,857	118,945
Youth	347,625	367,789	260,251	107,538
Administration	173,133	183,176	129,617	53,559
Workforce Center	476	505	357	148
Business Resource Network	258,293	273,275	193,372	79,903
Ohio Means Jobs Center Resource Sharing	108,232	114,509	81,028	33,481
Reemployment Services & Eligibility Assessments	125,548	132,830	93,992	38,838
Pre- Apprentice Grant	249,034	263,478	186,440	77,038
Pre- Apprentice Grant - Administration	6,374	6,744	4,772	1,972
<i>Total Expenditures</i>	2,464,154	2,607,083	1,844,798	762,285
<i>Excess of Revenues Over(Under) Expenditures</i>	6,000	2,999	3,625	626
<i>Fund Balance at Beginning of Year</i>	10,950	10,950	10,950	0
<i>Fund Balance at End of Year</i>	\$16,950	\$13,949	\$14,575	\$626

See accompanying notes to the supplementary information.

**AREA 20/21 WORKFORCE INVESTMENT BOARD  
ROSS COUNTY**

*Notes to the Supplementary Information  
For the Fiscal Year Ended June 30, 2023*

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**NOTE 1 – BUDGETARY SCHEDULE**

Fairfield County (the fiscal agent) required the Board to budget all funds. The major document prepared is the budget based on the WIOA grant allocation. The budgetary basis reports expenditures when a commitment is made (i.e., when an encumbrance is approved). The WIOA grant allocation establishes 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 statement reflects the amounts in the WIOA grant allocation when the Fairfield County Commissioners adopted the original budget. The amounts reported as the final budget in the budgetary statement reflects the amounts in the WIOA grant allocation in effect at the time of the final budget.

The Area 20/21 Workforce Development Board may amend the budget throughout the year with the restriction that the budget may not exceed WIOA grant allocations. The amounts reported as the final budget represent the final budget the Area 20/21 Workforce Development Board passed during the year.

While the Board is reporting financial position, results of operations, and changes in fund balances on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) presented for the Special Revenue Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major difference between the budget basis and GAAP (modified accrual) basis is as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

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

<b>Net Change in Fund Balance per the Statement of Revenues, Expenditures, and Changes in Fund Balance</b>	\$25,871
Net revenue accruals	<u>(22,246)</u>
<b>Net Change in Fund Balance per the Budgetary Schedule</b>	<u><u>\$3,625</u></u>

**Area 20/21 Workforce Development Board**  
*Federal Awards Expenditures Schedule*  
*For the Fiscal Year Ended June 30, 2023*

Federal Grantor Pass-Through Grantor Program/Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>United States Department of Labor</b>				
<i>Passed Through Ohio Department of Job and Family Services:</i>				
Workforce Innovation and Opportunity Act (WIOA) Cluster:				
WIOA Adult Program	17.258	G-2223-15-0047	\$619,505	\$619,505
WIOA Adult Program-Administration	17.258	G-2223-15-0047	0	59,957
WIOA Adult Program-Business Resource Network	17.258	G-2223-15-0047	0	167,479
WIOA Adult Program-OMJ Resource Sharing	17.258	G-2223-15-0047	3,264	3,264
Total WIOA Adult Program			622,769	850,205
WIOA Youth Activities	17.259	G-2223-15-0047	260,250	260,250
WIOA Youth Activities-Administration	17.259	G-2223-15-0047	0	55,942
Total WIOA Youth Activities			260,250	316,192
WIOA Dislocated Worker Formula Grants	17.278	G-2223-15-0047	284,020	284,020
WIOA Dislocated Worker Formula Grants-Administration	17.278	G-2223-15-0047	0	43,237
WIOA Dislocated Worker Formula Grants-OMJ Resource Sharing	17.278	G-2223-15-0047	2,538	2,538
Total WIOA Dislocated Worker Formula Grants			286,558	329,795
Total Workforce Innovation and Opportunity Act (WIOA) Cluster			1,169,577	1,496,192
Employment Services Cluster:				
Employment Service/Wagner-Peyser Funded Activities	17.207	G-2223-15-0047	64,945	64,945
Total Employment Services Cluster			64,945	64,945
Unemployment Insurance-Reemployment Services and Employment Assessments	17.225	G-2223-15-0047	85,436	85,436
Apprenticeship USA Grants-Pre-Apprenticeship Program	17.285	G-2223-15-0047	185,009	191,568
Trade Adjustment Assistance	17.245	G-2223-15-0047	10,282	10,282
<b>Total United States Department of Labor</b>			<b>1,515,249</b>	<b>1,848,423</b>
<b>Total Federal Awards Expenditures</b>			<b>\$1,515,249</b>	<b>\$1,848,423</b>

See the accompanying notes to the federal awards expenditures schedule.

**Area 20/21 Workforce Development Board**  
*Notes to the Federal Awards Expenditures Schedule*  
*For the Fiscal Year Ended June 30, 2023*

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**Note A – Basis of Presentation**

The accompanying federal awards expenditures schedule (the schedule) includes the federal grant activity of the Area 20/21 Workforce Development Board (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 of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The Board has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**Note C – Subrecipients**

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

As a subrecipient, the Board has certain compliance responsibilities, such as monitoring its subrecipients to help assure that 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. The total amount of federal assistance provided to subrecipients by the Board for each federal program is summarized below:

Program Title	CFDA #	Amounts Provided to Subrecipients
<i>Subrecipient – Fairfield County</i>		
Youth	17.259	\$32,326
Total Youth	17.259	32,326
Adult	17.258	313,359
WIOA Adult Program-OMJ Resource Sharing	17.258	1,071
Total Adult	17.258	314,430
Dislocated Worker Formula Grants	17.278	127,918
WIOA Dislocated Worker Formula Grants-OMJ		
Resource Sharing	17.278	833
Total Dislocated Worker	17.278	128,751
Employment Service/Wagner-Peyser Funded Activities	17.207	21,263
Trade Adjustment Assistance	17.245	3,364
Unemployment Insurance-Reemployment Services and Employment Assessments	17.225	85,436
Total Fairfield County		<u>\$585,570</u>

**Area 20/21 Workforce Development Board**  
*Notes to the Federal Awards Expenditures Schedule*  
*For the Fiscal Year Ended June 30, 2023*

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Program Title	CFDA #	Amounts Provided to Subrecipients
<i>Subrecipient – Pickaway County</i>		
Youth	17.259	\$70,879
Total Youth	17.259	70,879
Adult	17.258	55,904
WIOA Adult Program-OMJ Resource Sharing	17.258	522
Total Adult	17.258	56,426
Dislocated Worker Formula Grants	17.278	18,592
WIOA Dislocated Worker Formula Grants-OMJ Resource Sharing	17.278	406
Total Dislocated Worker	17.278	18,998
Employment Service/Wagner-Peyser Funded Activities	17.207	10,400
Trade Adjustment Assistance	17.245	1,647
Total Pickaway County		<u>\$158,350</u>
<i>Subrecipient – South Central Ohio JFS</i>		
Youth	17.259	\$157,045
Total Youth	17.259	157,045
Adult	17.258	250,242
WIOA Adult Program-OMJ Resource Sharing	17.258	1,671
Total Adult	17.258	251,913
Dislocated Worker Formula Grants	17.278	137,510
WIOA Dislocated Worker Formula Grants-OMJ Resource Sharing	17.278	1,299
Total Dislocated Worker	17.278	138,809
Employment Service/Wagner-Peyser Funded Activities	17.207	33,282
Trade Adjustment Assistance	17.245	5,271
Total South Central Ohio JFS		<u>\$586,320</u>
<i>Subrecipient – Pickaway-Ross Career &amp; Technical Center</i>		
Apprenticeship USA Grants-Pre-Apprenticeship Program	17.285	<u>\$75,000</u>
<i>Subrecipient – Hocking Technical College</i>		
Apprenticeship USA Grants-Pre-Apprenticeship Program	17.285	<u>\$110,009</u>



**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  
Area 20/21 Workforce Development Board  
210 East Main Street, Room 407  
Lancaster, Ohio 43130

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities and the major fund of Area 20/21 Workforce Development Board, Fairfield 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 24, 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 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.

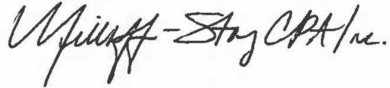
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

May 24, 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  
Area 20/21 Workforce Development Board  
210 East Main Street, Room 407  
Lancaster, Ohio 43130

**Report on Compliance for Each Major Federal Program**

***Qualified Opinion***

We have audited the compliance of Area 20/21 Workforce Development Board, Fairfield County, Ohio (the Board) 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 the Board's major federal program for the year ended June 30, 2023. The Board's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Qualified Opinion on Workforce Innovation and Opportunity Act Cluster***

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion section of our report, the Board complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Workforce Innovation and Opportunity Act Cluster for the year ended June 30, 2023.

***Basis for Qualified Opinion***

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 qualified opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Board's compliance with the compliance requirements referred to above.

*Matter Giving Rise to Qualified Opinion on the Workforce Innovation and Opportunity Act Cluster*

As described in the accompanying schedule of findings and questioned costs, the Board did not comply with requirements regarding Assistance Listing No. 17.258, 17.259, 17.278 Workforce Innovation and Opportunity Act Cluster as described in finding number 2023-001 for Earmarking.

Compliance with such requirements is necessary, in our opinion, for the Board to comply with the requirements applicable to that program.

***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.

***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 the 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.

***Other Matters***

*Government Auditing Standards* requires the auditor to perform limited procedures on the Board's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Board's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**Report on Internal Control Over Compliance**

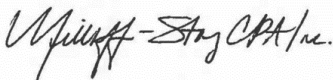
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

*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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-002 to be a material weakness.

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.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Board's response to the internal control over compliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Board's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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



Millhuff-Stang, CPA, Inc.  
Chillicothe, Ohio

May 24, 2024

**Area 20/21 Workforce Development Board**  
*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**

<i>Financial Statements</i>	
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	No
Noncompliance material to financial statements noted?	No
<i>Federal Awards</i>	
Internal control over major program(s):	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified?	None reported
Type of auditor’s report issued on compliance for major federal programs:	Qualified
Any auditing findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	Yes
Identification of major program(s):	Workforce Innovation and Opportunity Act (WIOA) Cluster: AL #17.258, 17.259, 17.278
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**

<b>ALN Title and Number</b>	Workforce Innovation and Opportunity Act (WIOA) Cluster, AL #17.258, 17.259, 17.278		
<b>Federal Award Number and Year</b>	2022-2023		
<b>Federal Agency</b>	United States Department of Labor		
<b>Pass-Through Entity</b>	Ohio Department of Job and Family Services		
<b>Repeat Finding from Prior Audit?</b>	Yes	<b>Finding Number (if repeat)</b>	2022-002

**Finding 2023-001 – Noncompliance/Material Weakness – Earmarking**

A local area may expend no more than 10 percent of the Adult, Dislocated Worker, and Youth Activities funds allocated to the local area under Sections 128(b) (WIOA, 128 Stat. 1502) and 133(b) (WIOA, 128 Stat. 1516) for within State allocations. The funds provided for administrative costs by one of the three fund sources (Adult, Dislocated Worker, Youth Activities) can be used for administrative costs of the other two sources.

A minimum of 75 percent of the Youth Activities funds allocated to States and local areas, except for the local area expenditures for administration, must be used to provide services to out-of-school youth (Section 129(a)(4)(A), WIOA, 128 Stat. 1506). Per section 129(c)(4) of the WIOA, not less than 20 percent of the youth program funds shall be used to provide youth participants with paid and unpaid work experiences.

**Area 20/21 Workforce Development Board**  
*Schedule of Findings and Questioned Costs*  
*2 CFR Section 200.515*  
*For the Fiscal Year Ended June 30, 2023*

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**Finding 2023-001 – Noncompliance/Material Weakness – Earmarking (Continued)**

The Board did not have procedures in place to monitor and ensure that federal earmarking requirements were being met for any of the programs within the WIOA Cluster. Furthermore, we noted that less than 20 percent of the youth program funds were used to provide youth participants with paid and unpaid work experiences. The Board should have policies and procedures in place, including monitoring, to ensure that earmarking requirements are being met.

*Client Response:*

See accompanying corrective action plan.



Area 20 Workforce Development Region  
Hocking - Fairfield - Pickaway - Ross – Vinton

*Corrective Action Plan  
2 CFR Section 200.511(c)  
For the Fiscal Year Ended June 30, 2023*

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2023-001	The Director, Workforce Development Specialist, and fiscal assistant will reach out to other Areas to help develop a plan/procedure that will track Youth spending.	July 31, 2024	Angel Conrad, Fiscal Assistant





Area 20 Workforce Development Region  
Hocking - Fairfield - Pickaway - Ross - Vinton

*Schedule of Prior Audit Findings  
2 CFR Section 200.511(b)  
For the Fiscal Year Ended June 30, 2023*

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2022-001	Material Weakness - Financial Statement and Federal Schedule Reporting	No	Reissued in Management Letter
2022-002	2017 Noncompliance/Material Weakness – WIOA Cluster - Earmarking	No	Reissued as Finding 2023-001

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# OHIO AUDITOR OF STATE KEITH FABER



**AREA 20-21 WORKFORCE DEVELOPMENT BOARD**

**FAIRFIELD 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**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)