



OHIO AUDITOR OF STATE
KEITH FABER



**SO CONSORTIUM
SCIOTO COUNTY**

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SCIOTO COUNTY

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

SO Consortium
Scioto County
951 Vern Riffe Drive
Lucasville, Ohio 45648

To the Board:

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the governmental activities and the major fund of the SO Consortium, Scioto County, Ohio (the Consortium), as of and for the years ended June 30, 2021, 2020, and 2019, and the related notes to the financial statements, which collectively comprise the Consortium's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We conducted our engagement in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

Because of the matters described in the Basis for Disclaimer of Opinion paragraph; however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

We were unable to obtain sufficient appropriate audit evidence to support the occurrence, completeness and accuracy of the amounts reported in the Statement of Net Position, Statement of Activities, Balance Sheet, or Statement of Revenues, Expenditures and Changes in Fund Balances due to unsupported adjustments and transactions recorded in the accounting records and reported on the financial statements.

Disclaimer of Opinion

Due to the significance of the matter discussed in *the Basis for Disclaimer of Opinion* paragraph, we were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements for the years ended June 30, 2021, 2020, and 2019.

Emphasis of Matter

As discussed in Note 9 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Consortium. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis* as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information, and comparing the information for consistency with management's responses to our inquiries and to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

We were engaged to opine on the Consortium's basic financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph above, it is inappropriate to and accordingly we do not opine on the Schedule of Expenditures of Federal Awards.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 1, 2024, on our consideration of the Consortium's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an engagement performed in accordance with *Government Auditing Standards* in considering the Consortium's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State
Columbus, Ohio
February 1, 2024

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SO Consortium
Management's Discussion and Analysis
For the Fiscal Year June 30, 2021
(Unaudited)

The discussion and analysis of the SO Consortium's (the Board) financial performance provides an overview and analysis of the Board's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the Board's financial performance as a whole. Readers should also review our notes to the basic financial statements and the financial statements themselves to enhance their understanding of the Board's financial performance.

Financial Highlights

- The assets of governmental activities of the Board exceeded its liabilities at June 30, 2021 by \$59,286.
- In total, net position of governmental activities increased by \$94,070 which represents a 270 percent increase from 2020.
- Program specific revenues in the form of grants and contributions accounted for \$5,461,307 or 100 percent of total revenues.
- The Board had \$5,367,237 in expenses related to governmental activities; all of which were offset by program revenues.
- 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.

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.

SO Consortium
Management's Discussion and Analysis
For the Fiscal Year June 30, 2021
(Unaudited)

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, 2021 compared to June 30, 2020.

Table 1
Net Position

	2021	2020
Assets:		
Current and Other Assets	\$313,894	\$82,271
Total Assets	313,894	82,271
Liabilities:		
Current and Other Liabilities	254,608	117,055
Total Liabilities	254,608	117,055
Net Position:		
Unrestricted (Deficit)	59,286	(34,784)
Total Net Position	\$59,286	(\$34,784)

Current and other assets increased \$231,623 or 282 percent from the prior year due to an increase in cash and cash equivalents and prepaid expenses since the prior year. Current liabilities increased by \$137,553 or 118 percent due to an increase in amounts due to participating counties. The net position balance of \$59,286 is restricted.

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SO Consortium
Management's Discussion and Analysis
For the Fiscal Year June 30, 2021
(Unaudited)

Table 2 shows the changes in net position for fiscal year 2021 and provides a comparison to fiscal year 2020.

Table 2
Change in Net Position

	<u>2021</u>	<u>2020</u>
Revenues		
Program Revenues:		
Operating Grants, Contributions and Interest	\$5,461,307	\$4,422,706
Total Program Revenues	<u>5,461,307</u>	<u>4,422,706</u>
Total Revenues	5,461,307	4,422,706
Expenses		
Workforce Development:		
Adult	1,062,612	612,320
Dislocated Worker	934,622	432,206
Youth	599,000	615,332
Administration	205,994	178,190
Opioid Grant	478,675	701,113
Disaster Grants	0	284,927
Ohio Means Jobs Center Resource Sharing	70,527	23,073
Power Grant	155,881	355,976
Special Projects	10,000	60,000
GRIT Program	640,449	797,344
SOR Program	115,278	111,863
Flood Program	264,017	233,173
RAPID Program	116,140	0
Holistic Program	254,382	0
Employment Recovery	119,798	0
Business Resource Network	319,814	0
Reemployment Services and Eligibility Assessment Program	19,977	0
Other Expenses	71	103
Total Expense	<u>5,367,237</u>	<u>4,405,620</u>
Change in Net Position	94,070	17,086
Net Position at Beginning of Year	<u>(34,784)</u>	<u>(51,870)</u>
Net Position at End of Year	<u>\$59,286</u>	<u>(\$34,784)</u>

The most significant expenses for the Board are for the adult, dislocated worker, youth, opioid grant, GRIT, flood, holistic, and Business Resource Network programs. These programs account for 85 percent of total governmental activities. Adult, which accounts for 20 percent of the total, represents costs associated with administering the program to provide training, support and employment related activities to adults. Dislocated worker, which accounts for 17 percent of the total, represents costs associated with administering the program to provide training, support and employment related activities to dislocated workers. Youth, which accounts for 11 percent of the total, represents costs associated with administering the program to provide training, support and employment related activities to youth. The opioid grant program, which accounts for 9 percent of the total, represents costs associated with addressing the opioid crisis in the service area. The GRIT program, which accounts for 12 percent of the total, represents costs associated with providing help for students and adults on the journey to uncovering financial independence through jobs. The flood program, which accounts for 5 percent of the total, represents costs associated with temporarily expanding service capacity at the state and local levels by providing time-limited funding assistance in response to significant dislocation events. The holistic program, which accounts for 5 percent of the total, represents costs associated with providing training that builds the skilled workforce in professions that could impact the causes and treatment of the opioid crisis: addiction treatment, mental health, and pain management, and

SO Consortium
Management's Discussion and Analysis
For the Fiscal Year June 30, 2021
(Unaudited)

engaging employers to develop recovery-friendly policies and practices. The Business Resource Network program, which accounts for 6 percent of the total, represents costs associated with providing the Business Resource Network which takes an intermediary role that efficiently and accurately directs companies to partners based on their needs.

Administration revenues represent 4 percent of the total allocation and are comprised of federal grant revenue.

Total program revenues increased by \$1,038,601 or 23 percent due primarily to increases in workforce development grants, in addition to the receipt of RAPID, holistic, employment recovery, Business Resource Network, and Reemployment Services and Eligibility Assessment program funds, which was partially offset by decreases in disaster and opioid grant funds.

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 1.

Financial Analysis Governmental Funds

As noted earlier, the Board uses 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 \$59,286, which is all reported in the workforce development special revenue fund. The fund balance had an increase of \$94,070 or 270 percent from the prior year, which is primarily due to increases in revenues that outpaced the increase in expenditures.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2021, the Board had no capital assets. All capital assets used by the Board are owned by the Community Action Organization of Scioto County, Inc. and the Scioto County Career Technical Center.

Debt Administration

At June 30, 2021, the Board had no debt outstanding.

Current Issues

The Board entered into an agreement with the Scioto County Career Technical Center to provide services as administrative agent, effective January 1, 2016. The Board entered into an agreement with the Community Action Organization of Scioto County, Inc. (the CAO) to provide services as fiscal agent, effective January 1, 2016. The CAO provides financial processing and accountability services for the Board.

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures may impact subsequent periods of the Board. The Board's investment portfolio and the investments of the pension and other employee benefit plan in which the Board participates fluctuate with market conditions, and due to market volatility, the amount of gains or losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Board's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

SO Consortium
Management's Discussion and Analysis
For the Fiscal Year June 30, 2021
(Unaudited)

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 Carolyn Powell, Comptroller, Area 1 Workforce Development Board, 433 3rd Street, Portsmouth, Ohio 45662.

SO Consortium
Statement of Net Position
As of June 30, 2021

	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$116,016
Prepaid Expenses	<u>197,878</u>
<i>Total Assets</i>	313,894
Liabilities:	
Accounts Payable	56,850
Intergovernmental Payable	<u>197,758</u>
<i>Total Liabilities</i>	254,608
Net Position:	
Restricted for Other Purposes	<u>59,286</u>
<i>Total Net Position</i>	<u><u>\$59,286</u></u>

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

SO Consortium
Statement of Activities
For the Fiscal Year Ended June 30, 2021

	<u>Expenses</u>	<u>Program Revenues Operating Grants, Contributions and Interest</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
Governmental Activities:			
Workforce Development:			
Adult	\$1,062,612	\$1,055,049	(\$7,563)
Dislocated Worker	934,622	923,948	(10,674)
Youth	599,000	637,748	38,748
Administration	205,994	203,031	(2,963)
Opioiod Grant	478,675	501,932	23,257
Ohio Means Jobs Center Resource Sharing	70,527	70,527	0
Power Grant	155,881	166,054	10,173
Special Projects	10,000	0	(10,000)
GRIT Program	640,449	640,449	0
SOR Program	115,278	71,362	(43,916)
Flood Program	264,017	426,808	162,791
RAPID Program	116,140	117,065	925
Holistic Program	254,382	275,978	21,596
Employment Recovery	119,798	119,074	(724)
Business Resource Network	319,814	239,930	(79,884)
Reemployment Services and Eligibility Assessment Program	19,977	12,281	(7,696)
Other Expenses	71	71	0
<i>Total Governmental Activities</i>	<u>\$5,367,237</u>	<u>\$5,461,307</u>	94,070
		<i>Total General Revenues</i>	<u>0</u>
		<i>Change in Net Position</i>	94,070
		<i>Net Position Beginning of Year</i>	<u>(34,784)</u>
		<i>Net Position End of Year</i>	<u>\$59,286</u>

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

SO Consortium
Balance Sheet
Governmental Fund
As of June 30, 2021

	Workforce Development Fund
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$116,016
Prepaid Expenses	197,878
<i>Total Assets</i>	<u><u>\$313,894</u></u>
Liabilities:	
Accounts Payable	\$56,850
Intergovernmental Payable	197,758
<i>Total Liabilities</i>	254,608
Fund Balances:	
Restricted	59,286
<i>Total Fund Balances</i>	<u><u>59,286</u></u>
<i>Total Liabilities and Fund Balances</i>	<u><u>\$313,894</u></u>

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

SO Consortium
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Fund
For the Fiscal Year Ended June 30, 2021

	Workforce Development Fund
Revenues:	
Intergovernmental:	
Adult	\$1,055,049
Dislocated Worker	923,948
Youth	637,748
Administration	203,031
Opioid Grant	501,932
Ohio Means Jobs Center Resource Sharing	70,527
Power Grant	166,054
GRIT Program	640,449
SOR Program	71,362
Flood Program	426,808
RAPID Program	117,065
Holistic Program	275,978
Employment Recovery	119,074
Business Resource Network	239,930
Reemployment Services and Eligibility Assessment Program	12,281
Interest	71
<i>Total Revenues</i>	5,461,307
Expenditures:	
Workforce Development:	
Adult	1,062,612
Dislocated Worker	934,622
Youth	599,000
Administration	205,994
Opioid Grant	478,675
Ohio Means Jobs Center Resource Sharing	70,527
Power Grant	155,881
Special Projects	10,000
GRIT Program	640,449
SOR Program	115,278
Flood Program	264,017
RAPID Program	116,140
Holistic Program	254,382
Employment Recovery	119,798
Business Resource Network	319,814
Reemployment Services and Eligibility Assessment Program	19,977
Other Expenditures	71
<i>Total Expenditures</i>	5,367,237
<i>Net Change in Fund Balances</i>	94,070
<i>Fund Balances at Beginning of Year</i>	(34,784)
<i>Fund Balances at End of Year</i>	\$59,286

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

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 SO Consortium (also known as Area 1 Workforce Development Board) (the Board), is designated as a local Workforce Development Area under WIOA 116 and its geopolitical span includes Adams, Brown, Pike and Scioto 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 the Community Action Organization of Scioto County, Inc. The administrative entity performs administrative functions for the Board and are employees of the Scioto County Career Technical Center.

The grant recipient designated the Community Action Organization of Scioto County, Inc. as the fiscal agent for the local area. The Community Action Organization of Scioto County, Inc. 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, employment services (Power), Ohio means jobs, opioid, special projects, GRIT, SOR, flood, RAPID, holistic, employment recovery, Business Resource Network, reemployment services and eligibility assessments, 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.

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.

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 yearend. 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.

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.

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. *Workforce Development Fund* – This fund is the operating fund of the Board and is used to account for all financial resources.

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 and current liabilities 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)

SO Consortium
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

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. However, there were no reconciling items to report for fiscal year 2021 and therefore no reconciliations have been presented.

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. However, there were no differences to report for fiscal year 2021.

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.

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.

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.

Cash

The Community Action Organization of Scioto County, Inc. (the CAO) is the custodian for the Board's cash. The Board's assets are held in the CAO's cash and investment pool, and are valued at the CAO's reported carrying amount.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2021, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which the services are consumed.

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.

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 fiscal agent 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.

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 Community Action Organization of Scioto County, Inc. (the CAO) maintains a cash and investments pool used by all of the CAO’s programs, including those of the Board. The Ohio Revised Code prescribes allowable deposits and investments for the Board. At fiscal year-end, the carrying amount of the Board’s deposits with the CAO was \$116,016. The CAO is responsible for maintaining adequate depositor collateral for all funds in the CAO’s pooled cash and deposit accounts.

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 2021, the Board contracted with Winchester for various types of insurance, including general liability aggregate coverage of \$1,000,000.

Note 5 – Contracted Services

The Board does not have any employees. It contracts for accounting, administrative, use of facility, and management services from other governmental and not-for-profit agencies.

Note 6 – Contractual Obligations

The Board entered into an agreement with the Scioto County Career Technical Center to provide services as administrative agent, effective January 1, 2016. The Board also entered into an agreement with the Community Action Organization of Scioto County, Inc. (the CAO) to provide services as fiscal agent, effective January 1, 2016. The CAO provides 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, 2021 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 Board's fund balance at June 30, 2021 was \$59,286 and was reported as restricted for grants.

Note 9 – COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures may impact subsequent periods of the Board. The Board's investment portfolio and the investments of the pension and other employee benefit plan in which the Board participates fluctuate with market conditions, and due to market volatility, the amount of gains or losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Board's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

SO Consortium
Schedule of Expenditures of Federal Awards
For Fiscal Year Ended June 30, 2021

Federal Grantor/Pass Through Grantor/Program Title	Pass Through Entity Number	Assistance Listing Number	Passed Through to Subrecipients	Federal Awards Expenditures
United States Department of Labor				
<i>Passed through the Ohio Department of Job and Family Services</i>				
WIOA Cluster:				
WIOA Adult Program:				
Adult Formula Program (PY19)	G-1819-15-0174	17.258	\$74,018	\$74,018
Adult Formula Program (PY20)	G-2021-15-0025	17.258	144,534	144,534
Adult Formula Program Administration (PY20)	G-2021-15-0025	17.258	0	24,631
Adult Formula Program (FY20)	G-2021-15-0025	17.258	497,043	497,043
Adult Formula Program Administration (FY20)	G-2021-15-0025	17.258	0	41,236
OMJ Center Resource Sharing (SFY20)	G-2021-15-0025	17.258	350	350
OMJ Center Resource Sharing (SFY21)	G-2021-15-0025	17.258	512	512
Adult Formula Program (FY21)	G-2021-15-0025	17.258	296,963	296,963
Adult Formula Program Administration (FY21)	G-2021-15-0025	17.258	0	7,830
Total WIOA Adult Program			1,013,420	1,087,117
WIOA Youth Program:				
Youth Formula Program CCMEP (PY18)	G-1819-15-0174	17.259	24,768	24,768
Youth Formula Program Administration CCMEP (PY18)	G-1819-15-0174	17.259	4,693	9,618
Youth Formula Program CCMEP (PY19)	G-1819-15-0174	17.259	320,755	320,755
Youth Formula Program Administration CCMEP (PY19)	G-1819-15-0174	17.259	0	26,139
Supplemental CCMEP Youth Formula Program (SFY20)	G-2021-15-0025	17.259	14,892	14,892
Supplemental CCMEP Youth Formula Program Administration (SFY20)	G-2021-15-0025	17.259	0	1,536
Youth Formula Program CCMEP (PY20)	G-2021-15-0025	17.259	275,272	275,272
Youth Formula Program Administration CCMEP (PY20)	G-2021-15-0025	17.259	0	10,742
Total WIOA Youth Program			640,380	683,722
WIOA Dislocated Worker Program:				
Dislocated Worker Formula Program (FY19)	G-1819-15-0174	17.278	62,053	62,053
Dislocated Worker Formula Program (PY19)	G-1819-15-0174	17.278	97,414	97,414
Dislocated Worker Formula Program (PY20)	G-2021-15-0025	17.278	27,264	27,264
Dislocated Worker Formula Program Administration (PY20)	G-2021-15-0025	17.278	0	19,403
Dislocated Worker Formula Program (FY20)	G-2021-15-0025	17.278	495,398	495,398
Dislocated Worker Formula Program Administration (FY20)	G-2021-15-0025	17.278	0	51,497
OMJ Center Resource Sharing (SFY20)	G-2021-15-0025	17.278	697	697
Rapid Response (FY20)	G-2021-15-0025	17.278	117,065	117,065
Dislocated Worker Formula Program (FY21)	G-2021-15-0025	17.278	49,612	49,612
Dislocated Worker Formula Program Administration (FY21)	G-2021-15-0025	17.278	0	10,410
Business Resource Network (SFY21)	G-2021-15-0025	17.278	224,018	239,929
OMJ Center Resource Sharing (SFY21)	G-2021-15-0025	17.278	768	768
Total WIOA Dislocated Worker Program			1,074,289	1,171,510
Total WIOA Cluster			2,728,089	2,942,349
Employment Service Cluster:				
Employment Service/Wagner-Peyser Funded Activities (SFY20)	G-2021-15-0025	17.207	13,477	13,477
Employment Service/Wagner-Peyser Funded Activities (SFY21)	G-2021-15-0025	17.207	21,398	21,398
Total Employment Service Cluster			34,875	34,875
Unemployment Insurance (PY20)	G-2021-15-0025	17.225	0	9,879
Trade Adjustment Assistance:				
Trade Adjustment Assistance (SFY20)	G-2021-15-0025	17.245	2,443	2,443
Trade Adjustment Assistance (SFY21)	G-2021-15-0025	17.245	3,716	3,716
Total Trade Adjustment Assistance			6,159	6,159
WIOA National Dislocated Worker Grants/WIA National Emergency Grants:				
Holistic Care Project	G-2021-15-0025	17.277	243,076	243,076
Holistic Care Project Administration	G-2021-15-0025	17.277	0	32,903
National Emergency Grant 31-Lordstown GM	G-2021-15-0025	17.277	0	139,094
National Emergency Grant 31-Lordstown GM Administration	G-2021-15-0025	17.277	0	26,960
National Emergency Grant-Opioids	G-2021-15-0025	17.277	458,361	458,361
National Emergency Grant-Opioids Administration	G-2021-15-0025	17.277	0	71,887
Employment Recovery Program	G-2021-15-0025	17.277	103,750	103,750
Employment Recovery Program Administration	G-2021-15-0025	17.277	0	15,060
Total WIOA National Dislocated Worker Grants/WIA National Emergency Grants			805,187	1,091,091
Hurricanes and Wildfires of 2017 Supplemental - National Dislocated Worker Grant, Flood				
Flood #2 Program	G-2021-15-0025	17.286	14,271	14,271
Flood #2 Program Administration	G-2021-15-0025	17.286	0	6,294
Flood #2 Increment Program	G-2021-15-0025	17.286	353,085	353,085
Flood #2 Increment Program Administration	G-2021-15-0025	17.286	0	40,162
Total Hurricanes and Wildfires of 2017 Supplemental - National Dislocated Worker Grant, Flood			367,356	413,812
Total United States Department of Labor			3,941,666	4,498,165
United States Department of Health and Human Services				
<i>Passed through the Ohio Department of Job and Family Services</i>				
Opioid STR	G-2021-15-0025	93.788	41,897	41,897
Total United States Department of Health and Human Services			41,897	41,897
Total Federal Financial Assistance			\$3,983,563	\$4,540,062

The notes to the schedule of federal awards expenditures are an integral part of this schedule.

SO Consortium

Notes to the Schedule of Expenditures of Federal Awards For Fiscal Year Ended June 30, 2021

Note 1 – Basis of Presentation

The accompanying schedule of federal awards expenditures (the schedule) is a summary of the activity of Area 1 Workforce Development Board's (the Board) federal award programs. The information in this schedule is presented 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 2 – 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.

Note 3 – 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 4 – Subrecipients

The Board passes certain federal awards received from the Ohio Department of Job and Family Services to other governments (sub-recipients). As note 2 describes, the Board reports expenditures of federal awards to subrecipients when paid in cash.

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

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

The discussion and analysis of the SO Consortium's (the Board) financial performance provides an overview and analysis of the Board's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the Board's financial performance as a whole. Readers should also review our notes to the basic financial statements and the financial statements themselves to enhance their understanding of the Board's financial performance.

Financial Highlights

- The liabilities of governmental activities of the Board exceeded its assets at June 30, 2020 by \$34,784.
- In total, net position of governmental activities increased by \$17,086 which represents a 33 percent increase from 2019.
- Program specific revenues in the form of grants and contributions accounted for \$4,422,706 or 100 percent of total revenues.
- The Board had \$4,405,620 in expenses related to governmental activities; all of which were offset by program revenues.
- 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.

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.

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

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, 2020 compared to June 30, 2019.

Table 1
Net Position

	2020	2019
Assets:		
Current and Other Assets	\$82,271	\$257,001
Total Assets	82,271	257,001
Liabilities:		
Current and Other Liabilities	117,055	308,871
Total Liabilities	117,055	308,871
Net Position:		
Unrestricted (Deficit)	(34,784)	(51,870)
Total Net Position	(\$34,784)	(\$51,870)

Current and other assets decreased \$174,730 or 68 percent from the prior year due to a decrease in intergovernmental receivables, due to timing of grant requests, and due to the recognition of prepaid expenses in the current year. Current liabilities decreased by \$191,816 or 62 percent due to a decrease in amounts due to participating counties in correlation to the receivables for those requested balances. The deficit net position balance of \$34,784 is unrestricted.

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

Table 2 shows the changes in net position for fiscal year 2020 and provides a comparison to fiscal year 2019.

Table 2
Change in Net Position

	<u>2020</u>	<u>2019</u>
Revenues		
Program Revenues:		
Operating Grants, Contributions and Interest	\$4,422,706	\$3,566,445
Total Program Revenues	<u>4,422,706</u>	<u>3,566,445</u>
General Revenues:		
Unrestricted Grants and Contributions	0	7,035
Investment Earnings	0	130
Total General Revenues	<u>0</u>	<u>7,165</u>
Total Revenues	4,422,706	3,573,610
Expenses		
Workforce Development:		
Adult	612,320	509,351
Dislocated Worker	432,206	761,396
Youth	615,332	615,412
Administration	178,190	173,025
Opioid Grant	701,113	132,428
Disaster Grants	284,927	656,534
Ohio Means Jobs Center Resource Sharing	23,073	65,098
Power Grant	355,976	512,633
Special Projects	60,000	0
GRIT Program	797,344	0
SOR Program	111,863	0
Flood Program	233,173	0
Other Expenses	103	130
Total Expense	<u>4,405,620</u>	<u>3,426,007</u>
Change in Net Position	17,086	147,603
Net Position at Beginning of Year	<u>(51,870)</u>	<u>(199,473)</u>
Net Position at End of Year	<u><u>(\$34,784)</u></u>	<u><u>(\$51,870)</u></u>

The most significant expenses for the Board are for the adult, dislocated worker, youth, opioid grant, disaster grant, power grant, GRIT, and flood programs. These programs account for 91 percent of total governmental activities. Adult, which accounts for 14 percent of the total, represents costs associated with administering the program to provide training, support and employment related activities to adults. Dislocated worker, which accounts for 10 percent of the total, represents costs associated with administering the program to provide training, support and employment related activities to dislocated workers. Youth, which accounts for 14 percent of the total, represents costs associated with administering the program to provide training, support and employment related activities to youth. The opioid grants program, which accounts for 16 percent of the total, represents costs associated with addressing the opioid crisis in the service area. The disaster grants program, which accounts for 6 percent of the total, represents costs associated with emergency services grants. The power grant program, which accounts for 8 percent of the total, represents costs associated with the power program, which provides funds for increased wage and retention programs. The GRIT program, which accounts for 18 percent of the total, represents costs associated with providing help for students and adults on the journey to uncovering financial independence through jobs. The flood program, which accounts for 5 percent of the total, represents costs associated with temporarily expanding service capacity at the state and local levels by providing time-limited funding assistance in response to significant dislocation events. Most of the funding for the Board is revenue received from federal grants.

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

Administration revenues represent 4 percent of the total allocation and are comprised of federal grant revenue.

Total program revenues increased by \$856,261 or 24 percent due primarily to the receipt of special projects, GRIT, SOR, and flood program funds, which was partially offset by decreases in disaster and power grant funds. Total workforce development funding was relatively consistent between years, though awards did fluctuate between programs due to need based on participation.

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 1.

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 deficit of \$34,784, which is all reported in the workforce development special revenue fund. The fund balance had an increase of \$17,086 or 33 percent from the prior year, which is primarily due to increases in revenues that outpaced the increase in expenditures.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2020, the Board had no capital assets. All capital assets used by the Board are owned by the Community Action Organization of Scioto County, Inc. and the Scioto County Career Technical Center.

Debt Administration

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

Current Issues

The Board entered into an agreement with the Scioto County Career Technical Center to provide services as administrative agent, effective January 1, 2016. The Board entered into an agreement with the Community Action Organization of Scioto County, Inc. (the CAO) to provide services as fiscal agent, effective January 1, 2016. The CAO provides financial processing and accountability services for the Board.

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures may impact subsequent periods of the Board. The Board's investment portfolio and the investments of the pension and other employee benefit plan in which the Board participates fluctuate with market conditions, and due to market volatility, the amount of gains or losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Board's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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

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 Carolyn Powell, Comptroller, Area 1 Workforce Development Board, 433 3rd Street, Portsmouth, Ohio 45662.

SO Consortium
Statement of Net Position
As of June 30, 2020

	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$2,737
Prepaid Expenses	<u>79,534</u>
<i>Total Assets</i>	82,271
Liabilities:	
Accounts Payable	<u>117,055</u>
<i>Total Liabilities</i>	117,055
Net Position:	
Unrestricted (Deficit)	<u>(34,784)</u>
<i>Total Net Position</i>	<u><u>(\$34,784)</u></u>

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

SO Consortium
Statement of Activities
For the Fiscal Year Ended June 30, 2020

	<u>Expenses</u>	<u>Program Revenues Operating Grants, Contributions and Interest</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
Governmental Activities:			
Workforce Development:			
Adult	\$612,320	\$611,704	(\$616)
Dislocated Worker	432,206	433,468	1,262
Youth	615,332	627,661	12,329
Administration	178,190	185,845	7,655
Opioid Grant	701,113	696,786	(4,327)
Disaster Grants	284,927	294,579	9,652
Ohio Means Jobs Center Resource Sharing	23,073	46,117	23,044
Power Grant	355,976	357,293	1,317
Special Projects	60,000	60,000	0
GRIT Program	797,344	787,825	(9,519)
SOR Program	111,863	81,312	(30,551)
Flood Program	233,173	240,013	6,840
Other Expenses	103	103	0
<i>Total Governmental Activities</i>	<u>\$4,405,620</u>	<u>\$4,422,706</u>	17,086
		<i>Total General Revenues</i>	<u>0</u>
		<i>Change in Net Position</i>	17,086
		<i>Net Position Beginning of Year</i>	<u>(51,870)</u>
		<i>Net Position End of Year</i>	<u><u>(\$34,784)</u></u>

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

SO Consortium
Balance Sheet
Governmental Fund
As of June 30, 2020

	<u>Workforce Development Fund</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$2,737
Prepaid Expenses	<u>79,534</u>
<i>Total Assets</i>	<u><u>\$82,271</u></u>
Liabilities:	
Accounts Payable	<u>\$117,055</u>
<i>Total Liabilities</i>	117,055
Fund Balances:	
Unassigned (Deficit)	<u>(34,784)</u>
<i>Total Fund Balances</i>	<u>(34,784)</u>
<i>Total Liabilities and Fund Balances</i>	<u><u>\$82,271</u></u>

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

SO Consortium
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Fund
For the Fiscal Year Ended June 30, 2020

	Workforce Development Fund
Revenues:	
Intergovernmental:	
Adult	\$611,704
Dislocated Worker	433,468
Youth	627,661
Administration	185,845
Opioid Grant	696,786
Disaster Grants	294,579
Ohio Means Jobs Center Resource Sharing	46,117
Power Grant	357,293
Special Projects	60,000
GRIT Program	787,825
SOR Program	81,312
Flood Program	240,013
Interest	103
<i>Total Revenues</i>	4,422,706
Expenditures:	
Workforce Development:	
Adult	612,320
Dislocated Worker	432,206
Youth	615,332
Administration	178,190
Opioid Grant	701,113
Disaster Grants	284,927
Ohio Means Jobs Center Resource Sharing	23,073
Power Grant	355,976
Special Projects	60,000
GRIT Program	797,344
SOR Program	111,863
Flood Program	233,173
Other Expenditures	103
<i>Total Expenditures</i>	4,405,620
<i>Net Change in Fund Balances</i>	17,086
<i>Fund Balances at Beginning of Year</i>	(51,870)
<i>Fund Balances at End of Year</i>	(\$34,784)

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

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 SO Consortium (also known as Area 1 Workforce Development Board) (the Board), is designated as a local Workforce Development Area under WIOA 116 and its geopolitical span includes Adams, Brown, Pike and Scioto 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 the Community Action Organization of Scioto County, Inc.. The administrative entity performs administrative functions for the Board and are employees of the Scioto County Career Technical Center.

The grant recipient designated the Community Action Organization of Scioto County, Inc. as the fiscal agent for the local area. The Community Action Organization of Scioto County, Inc. 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 (disaster grants), employment services (Power), Ohio means jobs, opioid, special projects, GRIT, SOR, flood, 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.

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.

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 yearend. 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.

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.

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.

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 and current liabilities are included on the balance sheet. The statement of

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

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. However, there were no reconciling items to report for fiscal year 2020 and therefore no reconciliations have been presented.

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. However, there were no differences to report for fiscal year 2020.

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.

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.

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.

Cash

The Community Action Organization of Scioto County, Inc. (the CAO) is the custodian for the Board's cash. The Board's assets are held in the CAO's cash and investment pool, and are valued at the CAO's reported carrying amount.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2020, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which the services are consumed.

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.

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 fiscal agent 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.

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 Community Action Organization of Scioto County, Inc. (the CAO) maintains a cash and investments pool used by all of the CAO’s programs, including those of the Board. The Ohio Revised Code prescribes allowable deposits and investments for the Board. At fiscal year-end, the carrying amount of the Board’s deposits with the CAO was \$2,737. The CAO is responsible for maintaining adequate depositor collateral for all funds in the CAO’s pooled cash and deposit accounts.

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 2020, the Board contracted with Winchester for various types of insurance, including general liability aggregate coverage of \$1,000,000.

Note 5 – Contracted Services

The Board does not have any employees. It contracts for accounting, administrative, use of facility, and management services from other governmental and not-for-profit agencies.

Note 6 – Contractual Obligations

The Board entered into an agreement with the Scioto County Career Technical Center to provide services as administrative agent, effective January 1, 2016. The Board also entered into an agreement with the Community Action Organization of Scioto County, Inc. (the CAO) to provide services as fiscal agent, effective January 1, 2016. The CAO provides 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, 2020 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 Board's fund balance at June 30, 2020 was a deficit of \$34,784 and was therefore reported as unassigned.

Note 9 – Subsequent Event

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures may impact subsequent periods of the Board. The Board's investment portfolio and the investments of the pension and other employee benefit plan in which the Board participates fluctuate with market conditions, and due to market volatility, the amount of gains or losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Board's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

SO Consortium
Schedule of Expenditures of Federal Awards
For Fiscal Year Ended June 30, 2020

Federal Grantor/Pass Through Grantor/Program Title	Pass Through Entity Number	Federal CFDA Number	Passed Through to Subrecipients	Federal Awards Expenditures
United States Department of Labor				
<i>Passed through the Ohio Department of Job and Family Services</i>				
WIOA Cluster:				
WIOA Adult Program:				
Adult Formula Program (SFY19)	G-1819-15-0174	17.258	\$392,821	\$392,821
Adult Formula Program Administration (SFY19)	G-1819-15-0174	17.258	0	16,960
State Special Project Initiatives (SFY19)	G-1819-15-0174	17.258	11	11
Adult Formula Program (SFY20)	G-2021-15-0025	17.258	302,660	302,660
Adult Formula Program Administration (SFY20)	G-2021-15-0025	17.258	0	47,620
State Special Project Initiatives (SFY20)	G-2021-15-0025	17.258	75,938	75,938
Total WIOA Adult Program			771,430	836,010
WIOA Youth Program:				
Youth Formula Program (SFY18)	G-1819-15-0174	17.259	239,563	239,563
Youth Formula Program Administration (SFY18)	G-1819-15-0174	17.259	0	42,233
Youth Formula Program (SFY19)	G-1819-15-0174	17.259	403,595	403,595
Supplemental Youth Formula Program (SFY20)	G-2021-15-0025	17.259	2,184	2,184
Supplemental Youth Formula Program Administration (SFY20)	G-2021-15-0025	17.259	0	243
Total WIOA Youth Program			645,342	687,818
WIOA Dislocated Worker Program:				
Dislocated Worker Formula Program (SFY19)	G-1819-15-0174	17.278	422,861	422,861
Dislocated Worker Formula Program Administration (SFY19)	G-1819-15-0174	17.278	0	67,225
State Special Project Initiatives (SFY19)	G-1819-15-0174	17.258	11	11
Dislocated Worker Formula Program (SFY20)	G-2021-15-0025	17.278	44,054	44,054
Dislocated Worker Formula Program Administration (SFY20)	G-2021-15-0025	17.278	0	15,948
State Special Project Initiatives (SFY20)	G-2021-15-0025	17.258	934	934
Total WIOA Dislocated Worker Program			467,860	551,033
Total WIOA Cluster			1,884,632	2,074,861
Employment Service Cluster:				
Employment Service/Wagner-Peyser Funded Activities (SFY19)	G-1819-15-0174	17.207	281	281
Employment Service/Wagner-Peyser Funded Activities (SFY20)	G-2021-15-0025	17.207	18,051	18,051
Total Employment Service Cluster			18,332	18,332
Trade Adjustment Assistance:				
Trade Adjustment Assistance (SFY19)	G-1819-15-0174	17.245	44	44
Trade Adjustment Assistance (SFY20)	G-2021-15-0025	17.245	3,273	3,273
Total Trade Adjustment Assistance			3,317	3,317
WIOA National Dislocated Worker Grants/WIA National Emergency Grants:				
National Emergency Grant 31-Lordstown GM	G-2021-15-0025	17.277	0	326,025
National Emergency Grant 31-Lordstown GM Administration	G-2021-15-0025	17.277	0	42,219
National Emergency Grant-Opioids	G-2021-15-0025	17.277	542,821	542,821
National Emergency Grant-Opioids Administration	G-2021-15-0025	17.277	0	109,578
National Emergency Grant 30-Disaster #2 SSFL	G-2021-15-0025	17.277	138,047	157,888
National Emergency Grant 30-Disaster #3 SSFL	G-2021-15-0025	17.277	105,233	115,259
Total WIOA National Dislocated Worker Grants/WIA National Emergency Grants			786,101	1,293,790
Hurricanes and Wildfires of 2017 Supplemental - National Dislocated Worker Grant, Flood				
Flood #2 Program	G-2021-15-0025	17.286	198,405	198,405
Flood #2 Program Administration	G-2021-15-0025	17.286	0	17,337
Flood #2 Increment Program	G-2021-15-0025	17.286	27,267	27,267
Total Hurricanes and Wildfires of 2017 Supplemental - National Dislocated Worker Grant, Flood			225,672	243,009
Total United States Department of Labor			2,918,054	3,633,309
Total Federal Financial Assistance			\$2,918,054	\$3,633,309

The notes to the schedule of federal awards expenditures are an integral part of this schedule.

SO Consortium

Notes to the Schedule of Expenditures of Federal Awards For Fiscal Year Ended June 30, 2020

Note 1 – Basis of Presentation

The accompanying schedule of federal awards expenditures (the schedule) is a summary of the activity of Area 1 Workforce Development Board's (the Board) federal award programs. The information in this schedule is presented 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 2 – 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.

Note 3 – 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 4 – Subrecipients

The Board passes certain federal awards received from the Ohio Department of Job and Family Services to other governments (sub-recipients). As note 2 describes, the Board reports expenditures of federal awards to subrecipients when paid in cash.

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

SO Consortium
Management's Discussion and Analysis
For the Fiscal Year June 30, 2019
(Unaudited)

The discussion and analysis of the SO Consortium's (the Board) financial performance provides an overview and analysis of the Board's financial activities for the fiscal year ended June 30, 2019. 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 liabilities of governmental activities of the Board exceeded its assets at June 30, 2019 by \$51,870.
- In total, net position of governmental activities increased by \$147,603 which represents a 74 percent increase from 2018.
- Program specific revenues in the form of grants and contributions accounted for \$3,566,445 or nearly 100 percent of total revenues.
- The Board had \$3,426,007 in expenses related to governmental activities; all of which were offset by program revenues.
- 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.

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.

SO Consortium
Management's Discussion and Analysis
For the Fiscal Year June 30, 2019
(Unaudited)

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, 2019 compared to June 30, 2018.

Table 1
Net Position

	2019	2018
Assets:		
Current and Other Assets	\$257,001	(\$3,747)
Total Assets	257,001	(3,747)
Liabilities:		
Current and Other Liabilities	308,871	195,726
Total Liabilities	308,871	195,726
Net Position:		
Unrestricted (Deficit)	(51,870)	(199,473)
Total Net Position	(\$51,870)	(\$199,473)

Current and other assets increased \$260,748 or 6,959 percent from the prior year due to an increase in cash not yet disbursed and intergovernmental receivables due to timing of grant requests. Current liabilities increased by \$113,145 or 58 percent due to an increase in amounts due for administrative services and to participating counties in correlation to the receivables for those requested balances. The deficit net position balance of \$51,870 is unrestricted.

SO Consortium
Management's Discussion and Analysis
For the Fiscal Year June 30, 2019
(Unaudited)

Table 2 shows the changes in net position for fiscal year 2019 and provides a comparison to fiscal year 2018.

Table 2
Change in Net Position

	2019	2018
Revenues		
Program Revenues:		
Operating Grants and Contributions	\$3,566,445	\$2,393,446
Total Program Revenues	3,566,445	2,393,446
General Revenues:		
Unrestricted Grants and Contributions	7,035	0
Investment Earnings	130	65
Total General Revenues	7,165	65
Total Revenues	3,573,610	2,393,511
Expenses		
Workforce Development:		
Adult	509,351	642,035
Dislocated Worker	761,396	653,504
Youth	615,412	708,225
Administration	173,025	226,325
Opioid Grant	132,428	0
Disaster Grants	656,534	0
Ohio Means Jobs Center Resource Sharing	65,098	0
Power Grant	512,633	0
Other Expenses	130	10,912
Total Expense	3,426,007	2,241,001
Change in Net Position	147,603	152,510
Net Position at Beginning of Year	(199,473)	(351,983)
Net Position at End of Year	(\$51,870)	(\$199,473)

The most significant expenses for the Board are for the adult, dislocated worker, youth, disaster grants, and power grant programs. These programs account for 89 percent of the total governmental activities. Adult, which accounts for 15 percent of the total, represents costs associated with administering the program to provide training, support and employment related activities to adults. Dislocated worker, which accounts for 22 percent of the total, represents costs associated with administering the program to provide training, support and employment related activities to dislocated workers. Youth, which accounts for 18 percent of the total, represents costs associated with administering the program to provide training, support and employment related activities to youth. The disaster grants program, which accounts for 19 percent of the total, represents costs associated with emergency services grants. The power grant program, which accounts for 15 percent of the total, represents costs associated with the power program, which provides funds for increased wage and retention programs. Most of the funding for the Board is revenue received from federal grants.

Administration revenues represent 4 percent of the total allocation and are comprised of federal grant revenue.

Total program revenues increased by \$1,172,999 or 49 percent due primarily to the receipt of disaster grants and the power grant. Total workforce development funding was relatively consistent between years, though awards did fluctuate between programs due to need based on participation.

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 1.

SO Consortium
Management's Discussion and Analysis
For the Fiscal Year June 30, 2019
(Unaudited)

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 deficit of \$51,870, which is all reported in the workforce development special revenue fund. The fund balance had an increase of \$147,603 or 74 percent from the prior year, which is primarily due to increases in revenues that outpaced the increase in expenditures.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2019, the Board had no capital assets. All capital assets used by the Board are owned by the Community Action Organization of Scioto County, Inc. and the Scioto County Career Technical Center.

Debt Administration

At June 30, 2019, the Board had no debt outstanding.

Current Issues

The Board entered into an agreement with the Scioto County Career Technical Center to provide services as administrative agent, effective January 1, 2016. The Board entered into an agreement with the Community Action Organization of Scioto County, Inc. (the CAO) to provide services as fiscal agent, effective January 1, 2016. The CAO provides financial processing and accountability services for the Board.

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

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 Carolyn Powell, Comptroller, Area 1 Workforce Development Board, 433 3rd Street, Portsmouth, Ohio 45662.

SO Consortium
Statement of Net Position
As of June 30, 2019

	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$5,321
Intergovernmental Receivable	<u>251,680</u>
<i>Total Assets</i>	257,001
Liabilities:	
Accounts Payable	57,191
Intergovernmental Payable	<u>251,680</u>
<i>Total Liabilities</i>	308,871
Net Position:	
Unrestricted (Deficit)	<u>(51,870)</u>
<i>Total Net Position</i>	<u><u>(\$51,870)</u></u>

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

SO Consortium
Statement of Activities
For the Fiscal Year Ended June 30, 2019

	Expenses	Program Revenues Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental Activities:			
Workforce Development:			
Adult	\$509,351	\$640,636	\$131,285
Dislocated Worker	761,396	733,311	(28,085)
Youth	615,412	743,910	128,498
Administration	173,025	156,339	(16,686)
Opioid Grant	132,428	94,917	(37,511)
Disaster Grants	656,534	627,632	(28,902)
Ohio Means Jobs Center Resource Sharing	65,098	74,531	9,433
Power Grant	512,633	495,169	(17,464)
Other Expenses	130	0	(130)
<i>Total Governmental Activities</i>	\$3,426,007	\$3,566,445	140,438
 General Revenues:			
Grants and Entitlements not Restricted for Specific Programs			7,035
Investment Earnings			130
<i>Total General Revenues</i>			7,165
<i>Change in Net Position</i>			147,603
<i>Net Position Beginning of Year</i>			(199,473)
<i>Net Position End of Year</i>			(\$51,870)

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

SO Consortium
Balance Sheet
Governmental Fund
As of June 30, 2019

	<u>Workforce Development Fund</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$5,321
Intergovernmental Receivable	<u>251,680</u>
<i>Total Assets</i>	<u><u>\$257,001</u></u>
Liabilities:	
Accounts Payable	\$57,191
Intergovernmental Payable	<u>251,680</u>
<i>Total Liabilities</i>	308,871
Fund Balances:	
Unassigned (Deficit)	<u>(51,870)</u>
<i>Total Fund Balances</i>	<u>(51,870)</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u><u>\$257,001</u></u>

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

SO Consortium
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Fund
For the Fiscal Year Ended June 30, 2019

	Workforce Development Fund
Revenues:	
Intergovernmental:	
Adult	\$640,636
Dislocated Worker	733,311
Youth	743,910
Administration	156,339
Opioid Grant	94,917
Disaster Grants	627,632
Ohio Means Jobs Center Resource Sharing	74,531
Power Grant	495,169
Planning Grant	7,035
Interest	130
<i>Total Revenues</i>	3,573,610
Expenditures:	
Workforce Development:	
Adult	509,351
Dislocated Worker	761,396
Youth	615,412
Administration	173,025
Opioid Grant	132,428
Disaster Grants	656,534
Ohio Means Jobs Center Resource Sharing	65,098
Power Grant	512,633
Other Expenditures	130
<i>Total Expenditures</i>	3,426,007
<i>Net Change in Fund Balances</i>	147,603
<i>Fund Balances at Beginning of Year</i>	(199,473)
<i>Fund Balances at End of Year</i>	(\$51,870)

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

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 1 Workforce Development Board (the Board), is designated as a local Workforce Development Area under WIOA 116 and its geopolitical span includes Adams, Brown, Pike and Scioto 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 the Community Action Organization of Scioto County, Inc.. The administrative entity performs administrative functions for the Board and are employees of the Scioto County Career Technical Center.

The grant recipient designated the Community Action Organization of Scioto County, Inc. as the fiscal agent for the local area. The Community Action Organization of Scioto County, Inc. 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 (disaster grants), employment services (Power), Ohio means jobs, opioid, 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.

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.

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 yearend. 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.

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.

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.

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 and current liabilities are included on the balance sheet. The statement of

SO Consortium
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

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. However, there were no reconciling items to report for fiscal year 2019 and therefore no reconciliations have been presented.

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. However, there were no differences to report for fiscal year 2019.

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.

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.

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.

Cash

The Community Action Organization of Scioto County, Inc. (the CAO) is the custodian for the Board's cash. The Board's assets are held in the CAO's cash and investment pool, and are valued at the CAO's reported carrying amount.

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.

SO Consortium
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

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

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 fiscal agent 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.

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 Community Action Organization of Scioto County, Inc. (the CAO) maintains a cash and investments pool used by all of the CAO’s programs, including those of the Board. The Ohio Revised Code prescribes allowable deposits and investments for the Board. At fiscal year-end, the carrying amount of the Board’s deposits with the CAO was \$5,321. The CAO is responsible for maintaining adequate depositor collateral for all funds in the CAO’s pooled cash and deposit accounts.

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 2019, the Board contracted with Winchester for various types of insurance, including general liability aggregate coverage of \$1,000,000.

Note 5 – Contracted Services

The Board does not have any employees. It contracts for accounting, administrative, use of facility, and management services from other governmental and not-for-profit agencies.

Note 6 – Contractual Obligations

The Board entered into an agreement with the Scioto County Career Technical Center to provide services as administrative agent, effective January 1, 2016. The Board also entered into an agreement with the Community Action Organization of Scioto County, Inc. (the CAO) to provide services as fiscal agent, effective January 1, 2016. The CAO provides 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, 2019 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 Board's fund balance at June 30, 2019 was a deficit of \$51,870 and was therefore reported as unassigned.

Note 9 – Subsequent Event

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

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SO Consortium
Schedule of Expenditures of Federal Awards
For Fiscal Year Ended
June 30, 2019

Federal Grantor/Pass Through Grantor/Program Title	Pass Through Entity Number	Federal CFDA Number	Passed Through to Subrecipients	Federal Awards Expenditures
United States Department of Labor				
<i>Passed through the Ohio Department of Job and Family Services</i>				
WIOA Cluster:				
WIOA Adult Program:				
Adult Formula Program (SFY19)	G-1819-15-0174	17.258	\$301,193	\$301,193
Adult Formula Program Administration (SFY19)	G-1819-15-0174	17.258	0	68,378
State Special Project Initiatives (SFY19)	G-1819-15-0174	17.258	2,556	2,556
Adult Formula Program (SFY18)	G-1819-15-0174	17.258	270,274	301,950
Adult Formula Program Administration (SFY18)	G-1819-15-0174	17.258	0	13,666
State Special Project Initiatives (SFY18)	G-1819-15-0174	17.258	1,800	1,800
Adult Formula Program Administration (SFY17)	G-1819-15-0174	17.258	0	48
Total WIOA Adult Program			575,823	689,591
WIOA Youth Program:				
Youth Formula Program (SFY18)	G-1819-15-0174	17.259	474,682	474,682
Youth Formula Program Administration (SFY18)	G-1819-15-0174	17.259	0	32,202
Youth Formula Program (SFY17)	G-1819-15-0174	17.259	259,017	288,270
Youth Formula Program Administration (SFY17)	G-1819-15-0174	17.259	0	394
Total WIOA Youth Program			733,699	795,548
WIOA Dislocated Worker Program:				
Dislocated Worker Formula Program (SFY19)	G-1819-15-0174	17.278	210,371	210,371
Dislocated Worker Formula Program Administration (SFY19)	G-1819-15-0174	17.278	0	20,853
Rapid Response (SFY19)	G-1819-15-0174	17.278	2,673	2,673
Dislocated Worker Formula Program (SFY18)	G-1819-15-0174	17.278	477,857	502,710
Dislocated Worker Formula Program Administration (SFY18)	G-1819-15-0174	17.278	0	16,140
Rapid Response (SFY18)	G-1819-15-0174	17.278	2,510	2,510
Dislocated Worker Formula Program (SFY17)	G-1819-15-0174	17.278	456	456
Total WIOA Dislocated Worker Program			693,867	755,713
Total WIOA Cluster			2,003,389	2,240,852
Employment Service Cluster:				
Employment Service/Wagner-Peyser Funded Activities (SFY19)	G-1819-15-0174	17.207	67,603	67,603
Employment Service/Wagner-Peyser Funded Activities (SFY18)	G-1819-15-0174	17.207	12,327	12,327
Total Employment Service Cluster			79,930	79,930
Trade Adjustment Assistance:				
Trade Adjustment Assistance (SFY19)	G-1819-15-0174	17.245	10,691	10,691
Trade Adjustment Assistance (SFY18)	G-1819-15-0174	17.245	2,290	2,290
Total Trade Adjustment Assistance			12,981	12,981
WIOA National Dislocated Worker Grants/WIA National Emergency Grants:				
National Emergency Grant 31-Lordstown GM	G-1819-15-0174	17.277	0	449,126
National Emergency Grant 31-Lordstown GM Administration	G-1819-15-0174	17.277	0	39,239
National Emergency Grant-Opioids	G-1819-15-0174	17.277	84,735	84,735
National Emergency Grant-Opioids Administration	G-1819-15-0174	17.277	0	10,182
National Emergency Grant 30-Disaster SSFL	G-1819-15-0174	17.277	473,559	510,273
National Emergency Grant 30-Disaster #2 SSFL	G-1819-15-0174	17.277	113,862	117,359
National Emergency Grant 29-Power (SFY17)	G-1819-15-0174	17.277	5,784	56,124
Total WIOA National Dislocated Worker Grants/WIA National Emergency Grants			677,940	1,267,038
Total United States Department of Labor			2,774,240	3,600,801
Total Federal Financial Assistance			\$2,774,240	\$3,600,801

The notes to the schedule of federal awards expenditures are an integral part of this schedule.

SO Consortium

Notes to the Schedule of Expenditures of Federal Awards For Fiscal Year Ended June 30, 2019

Note 1 – Basis of Presentation

The accompanying schedule of federal awards expenditures (the schedule) is a summary of the activity of Area 1 Workforce Development Board's (the Board) federal award programs. The information in this schedule is presented 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 2 – 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.

Note 3 – 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 4 – Subrecipients

The Board passes certain federal awards received from the Ohio Department of Job and Family Services to other governments (sub-recipients). As note 2 describes, the Board reports expenditures of federal awards to subrecipients when paid in cash.

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

OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

SO Consortium
Scioto County
951 Vern Riffe Drive
Lucasville, Ohio 45648

To the Board:

We were engaged to audit, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities and the major fund of the SO Consortium, Scioto County, Ohio (the Consortium) as of and for the years ended June 30, 2021, 2020, and 2019, and the related notes to the financial statements, which collectively comprise the Consortium's basic financial statements and have issued our report thereon dated February 1, 2024. We did not opine on these financial statements because we were unable to obtain sufficient appropriate audit evidence to support the occurrence, completeness and accuracy of the amounts reported in the Statement of Net Position, Statement of Activities, Balance Sheet, or Statement of Revenues, Expenditures and Changes in Fund Balances due to unsupported adjustments and transactions recorded in the accounting records and reported on the financial statements. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Consortium.

Internal Control Over Financial Reporting

As part of our financial statement engagement, we considered the Consortium's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Consortium's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Consortium's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider material weaknesses. We consider findings 2021-001 and 2021-002 to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the Consortium's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our engagement and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Consortium's Response to Findings

The Consortium's responses to the findings identified in our engagement are described in the accompanying schedule of findings and corrective action plan. We did not subject the Consortium's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results and does not opine on the effectiveness of the Consortium's internal control or on compliance. This report is an integral part of an engagement performed under *Government Auditing Standards* in considering the Consortium's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio
February 1, 2024

OHIO AUDITOR OF STATE KEITH FABER

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

SO Consortium
Scioto County
951 Vern Riffe Drive
Lucasville, Ohio 45648

To the Board:

Report on Compliance for Each Major Federal Program

We were engaged to audit the SO Consortium's (the Consortium) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect SO Consortium's major federal programs for the years ended June 30, 2021, 2020, and 2019. The *Summary of Auditor's Results* in the accompanying schedule of findings and questioned costs identifies the Consortium's major federal programs.

Management's Responsibility

The Consortium's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the Consortium's compliance for the Consortium's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in 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). Because of the matter described in the *Basis for Disclaimer of Opinion on the WIOA Cluster and the WIOA National Dislocated Worker Grants / WIA National Emergency Grants* paragraph, we were unable to obtain sufficient appropriate evidence to opine on the Consortium's major Federal programs listed in the following section.

Basis for Disclaimer of Opinion on the WIOA Cluster and the WIOA National Dislocated Worker Grants / WIA National Emergency Grants

As described in Findings 2021-003 through 2021-006 in the accompanying schedule of findings and questioned costs, we were unable to obtain sufficient appropriate documentation supporting the Consortium's compliance with requirements regarding the following:

Finding #	AL#	Program (or Cluster) Name	Compliance Requirement
2021-003	17.258,17.259,17.278 17.277	WIOA Cluster & WIOA National Dislocated Worker Grants/WIA National Emergency Grants	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Cash Management, Eligibility, Matching, Level of Effort, Earmarking, Period of Performance, Procurement & Sus. & Debarment, Reporting, Subrecipient Monitoring
2021-004	17.258,17.259,17.278	WIOA Cluster	Activities Allowed or Unallowed, Allowable Costs/Cost Principles
2021-005	17.277	WIOA National Dislocated Worker Grants/WIA National Emergency Grants	Activities Allowed or Unallowed, Allowable Costs/Cost Principles
2021-006	17.258,17.259,17.278 17.277	WIOA Cluster & WIOA National Dislocated Worker Grants/WIA National Emergency Grants	Reporting

Consequently we were unable to determine whether the Consortium complied with those requirements applicable to those programs.

Disclaimer of Opinion on the WIOA Cluster and the WIOA National Dislocated Worker Grants / WIA National Emergency Grants

Because of the significance of the matters described in the *Basis for Disclaimer of Opinion on the WIOA Cluster and the WIOA National Dislocated Worker Grants / WIA National Emergency Grants* paragraph, the scope of our work was insufficient to enable us to express, and we do not express, an opinion on the Consortium's compliance with the compliance requirements applicable to the WIOA Cluster and the WIOA National Dislocated Worker Grants / WIA National Emergency Grants for the years ended June 30, 2021, 2020, and 2019.

Other Matters

The Consortium's responses to our noncompliance findings are described in the accompanying schedule of findings and questioned costs and corrective action plan. We did not subject the Consortium's responses to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion them.

Report on Internal Control over Compliance

The Consortium's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance engagement, we considered the Consortium's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Consortium's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses, described in the accompanying schedule of findings and questioned costs as items 2021-003 through 2021-006.

The Consortium's responses to our internal control over compliance findings are described in the accompanying schedule of findings and questioned costs and corrective action plan. We did not subject the Consortium's responses to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

This report only describes the scope of our tests of internal control over compliance and the results of this testing based on the Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio
February 1, 2024

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**SO CONSORTIUM
SCIOTO COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
2 CFR § 200.515
JUNE 30, 2021-2019**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Disclaimer
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	Yes
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Disclaimer
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	Yes
(d)(1)(vii)	Major Programs (list):	WIOA Cluster – AL #17.258, 17.259, 17.278 WIOA National Dislocated Worker Grants/WIA National Emergency Grants – AL #17.277
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2021-001

Material Weakness

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to

FINDING NUMBER 2021-001
(Continued)

preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

Due to deficiencies in internal control related to financial reporting, the Consortium misclassified and mis-posted various revenues and expenditures in the annual financial report submitted to the Auditor of State for fiscal years 2021-2019. These misstatements had the following effect on the Consortium's financial statements:

- In 2021, a \$70,000 Special State Grant, including both revenues and expenditures, were omitted from the financial statements.
- In 2021, \$197,878 was incorrectly posted as Prepaid Expenses on the balance sheet.
- In 2021, \$246,297 in revenues were unrecorded for various grant funds.
- In 2021, \$37,127 of Ohio Means Jobs activity, including both revenues and expenditures, was overstated because it appeared that the Fiscal Agent's activity was included in the Consortium's financial statements.
- In 2021, \$63,568 of Intergovernmental Receivable was overstated.
- In 2020, \$79,534 was incorrectly posted as Prepaid Expenses on the balance sheet.
- In 2020, \$83,056 in revenues were overstated for various grant funds.
- In 2020, \$439,683 in revenues were unrecorded for various grant funds.
- In 2020, \$85,284 in revenues were misposted between different grant funds.
- In 2019, (\$39,282) of expenditures are reported on the financial statements as an adjustment to the accounting system with no support for what this adjustment was related to.
- In 2019, \$97,901 of Ohio Means Jobs activity, including both revenues and expenditures, were omitted from the financial statements.
- In 2019, \$56,124 was reported as Power Grant activity that was found to be GM Grant and the Ohio Means Jobs grant's activity.

In addition to these identified errors, it was also noted that there were adjustments posted on the trial balance reports that could not be verified/supported by the Consortium. In 2020, revenues had a net adjustment amount of \$290,763 and expenditures had a net adjustment amount of \$185,196. These amounts were the net of various adjustments posted to various funds with no support on file to determine what they were related to. Also, support could not be provided for beginning balances on the financial statements.

The Consortium has not adjusted the financial statements nor accounting records to correct these errors. They could not be posted to the system due to the fact that we could not determine in all circumstances what the offsetting entry of the error would be.

**FINDING NUMBER 2021-001
(Continued)**

Failure to correctly post activity to the accounting system and the financial statements and maintain adequate support for adjustments could result in the financial statements being misleading or misstated. For the current year this resulted in modifications to the audit opinion over the financial statements.

To ensure the Consortium's financial statements and notes to the financial statements are complete and accurate, the Consortium should adopt policies and procedures, including a final review of the statements and notes by the Fiscal Agent and the Director to identify and correct errors and omissions.

Officials' Response:

See Corrective Action Plan.

FINDING NUMBER 2021-002

Material Weakness

Sound accounting practices require that when designing the public office's system of internal control and the specific control activities, management should ensure adequate security of assets and records, and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records. The reconciliation of cash (bank) balances to accounting system records (book) to the accounting system is the most basic and primary control process performed. Lack of completing an accurate and timely reconciliation may allow for accounting errors, theft and fraud to occur without timely detection.

The Fiscal Agent is responsible for reconciling the book (fund) balance to the total bank balance on a monthly basis, and the Board and Consortium Director are responsible for reviewing the reconciliations and related support.

Monthly bank to book reconciliations were prepared by the Fiscal Agent. However, that process did not include reconciling the system cash account directly to the bank. Instead, the fiscal agent kept a manual ledger of activity outside of the fiscal agent's accounting system which was reconciled to the bank. This created difficulties when adjustments or corrections were made in the system later that affected the Consortium's accounts. At the end of 2021, we could not agree the "reconciled" balance per the fiscal agent's records to the amount in the accounting system or on the financial statements. We noted a difference of \$21,694 between these records. This difference could not be explained by the fiscal agent.

Failure to reconcile directly to the accounting system increases the possibility that the Consortium will not be able to identify, assemble, analyze, classify, and record its transactions correctly or to document compliance with finance related legal and contractual requirements. Further, the lack of accurate monthly reconciliations increases the risk of theft/fraud over the cash cycle and could lead to inaccurate reporting in the annual financial statements.

The Fiscal Agent should record all transactions and prepare monthly bank to book cash reconciliations, which include all bank accounts and all fund balances. Variances should be investigated, documented and corrected. In addition, the Board should review the monthly cash reconciliations including the related support (such as reconciling items) and document the reviews.

Officials' Response:

See Corrective Action Plan.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

1. Schedule of Expenditures of Federal Awards

Finding Number:	2021-003
Assistance Listing Number and Title:	AL # 17.258, 17.259, 17.278 – WIOA Cluster AL # 17.277 - WIOA National Dislocated Worker Grants/WIA National Emergency Grants
Federal Award Identification Number / Year:	2021, 2020, 2019
Federal Agency:	U.S. Department of Labor
Compliance Requirement:	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Cash Management, Eligibility, Matching, Level of Effort, Earmarking, Period of Performance, Procurement & Sus. & Debarment, Reporting, Subrecipient Monitoring
Pass-Through Entity:	Ohio Department of Job and Family Services
Repeat Finding from Prior Audit?	No

Noncompliance and Material Weakness

2 CFR Subpart F § 200.510(b) requires the auditee prepare a Schedule of Expenditures of Federal Awards (the Schedule) for the period covered by the Consortium's financial statements which must include the total federal awards expended as determined in accordance with § 200.502.

At a minimum, the schedule must:

- (1) List individual Federal programs by Federal agency.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total Federal awards expended for each individual Federal program and the AL number or other identifying number when the AL information is not available.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period.
- (6) Include notes that describe the significant accounting policies used in preparing the schedule, and note whether or not the auditee has elected to use the 10 percent de minimis cost rate as covered in § 200.414 Indirect (F&A) costs.

The Consortium chose to report their Schedule of Federal Awards on a cash basis. The fiscal agent's accounting system operated on a full accrual basis and the federal schedule that was presented for audit was taken from the CFIS system for tracking federal expenditures for the Ohio Department of Job and Family Services. However, the Consortium was not able to provide support from the accounting system to reconcile the amounts reported on the Schedule to the accounting system.

**FINDING NUMBER 2021-003
(Continued)**

Due to the lack of support for the federal schedule, we were unable to ensure that activity upon which we based our testing of the compliance for major federal programs was complete and therefore we could not obtain the necessary assurances to form an opinion over the major federal programs' compliance. Noncompliance with grant requirements as well as errors and omissions on the Schedule of

Expenditures of Federal Awards could have an adverse effect on future grant awards by the awarding agency in addition to an inaccurate assessment of major federal programs that would be subjected to audit.

Management should review all grant and loan award documents in order to execute policies and procedures which help ensure compliance with grant requirements, including Schedule reporting requirements. The Consortium should implement a system to track all federal expenditures and related information separately from other expenditures and report federal expenditures with proper support including, but not limited to, grant agreements, calculation of the expenditures, and any federal reporting requirements. This will help ensure the Consortium is in compliance with grant and loan requirements, the Schedule is complete and accurate, and major federal programs are accurately identified for audit.

Officials' Response:

See Corrective Action Plan.

2. WIOA Cluster – Unsupported Expenditures

Finding Number:	2021-004
Assistance Listing Number and Title:	AL # 17.258, 17.259, 17.278 – WIOA Cluster
Federal Award Identification Number / Year:	2021
Federal Agency:	U.S. Department of Labor
Compliance Requirement:	Activities Allowed or Unallowed, Allowable Costs/Cost Principles
Pass-Through Entity:	Ohio Department of Job and Family Services
Repeat Finding from Prior Audit?	No

Questioned Cost / Noncompliance/ Material Weakness

2 CFR § 2900.4 gives regulatory effect to the Department of Labor for 2 CFR § 200 Subpart E which outlines allowable costs principles. This guidance provides that for a cost to be allowable, it must (1) be for a purpose the specific award permits and (2) fall within 2 CFR 200 Subpart E - Cost Principles.

WIOA, 128 Stat. 1525 et seq. outlines the various allowable activities for this program.

During testing of fiscal year 2021, there were costs charged to the WIOA Cluster that were not supported by invoices. The total amount tested that had no invoice support was \$11,484 between 4 different checks. Thus, we could not determine if these costs were allowable or not. Failure to maintain adequate support documentation for federal expenditures could result in costs being disallowed by the grantor. Support should be maintained for all expenditures to ensure that each expenditure charged to the program is for an allowable activity/cost. It is likely that the projected expenditure amount is in excess of \$25,000 and therefore is considered questioned costs under 2 CFR § 200.516.

In addition to this issue, we could not determine if the expenditures in total for this program were supported by the accounting system records since we could not reconcile between the accounting system and the federal schedule. See Finding 2021-003 above for this issue in detail.

**FINDING NUMBER 2021-004
(Continued)**

Officials' Response:

See Corrective Action Plan.

3. WIOA National Dislocated Worker Grants/WIA National Emergency Grants– Unsupported Expenditures

Finding Number:	2021-005
Assistance Listing Number and Title:	AL # 17.277 - WIOA National Dislocated Worker Grants/WIA National Emergency Grants
Federal Award Identification Number / Year:	2021
Federal Agency:	U.S. Department of Labor
Compliance Requirement:	Activities Allowed or Unallowed, Allowable Costs/Cost Principles
Pass-Through Entity:	Ohio Department of Job and Family Services
Repeat Finding from Prior Audit?	No

Questioned Cost / Noncompliance /Material Weakness

2 CFR § 2900.4 gives regulatory effect to the Department of Labor for 2 CFR § 200 Subpart E which outlines allowable costs principles. This guidance provides that for a cost to be allowable, it must (1) be for a purpose the specific award permits and (2) fall within 2 CFR 200 Subpart E - Cost Principles.

We further noted that 20 CFR section 671.140 states the following as allowable activities:

- (a) National emergency grants may provide adjustment assistance for eligible dislocated workers, described at WIA section 173(c)(2) or (d)(2).
- (b) Adjustment assistance includes the core, intensive, and training services authorized at WIA sections 134(d) and 173. The scope of services to be provided in a particular project are negotiated between the Department and the grantee, taking into account the needs of the target population covered by the grant. The scope of services may be changed through grant modifications, if necessary.
- (c) National emergency grants may provide for supportive services to help workers who require such assistance to participate in activities provided for in the grant. Needs-related payments, in support of other employment and training assistance, may be available for the purpose of enabling dislocated workers who are eligible for such payments to participate in programs of training services. Generally, the terms of a grant must be consistent with Local Board policies governing such financial assistance with formula funds (including the payment levels and duration of payments). However, the terms of the grant agreement may diverge from established Local Board policies, in the following instances:
 - (1) If unemployed dislocated workers served by the project are not able to meet the 13 or 8 weeks enrollment in training requirement at WIA section 134(e)(3)(B) because of the lack of formula or emergency grant funds in the State or local area at the time of dislocation, such individuals may be eligible for needs-related payments if they are enrolled in training by the end of the 6th week following the date of the emergency grant award;
 - (2) Trade-impacted workers who are not eligible for trade readjustment assistance under NAFTA-TAA may be eligible for needs-related payments under a national emergency grant if the worker is enrolled in training by the end of the 16th week following layoff; and
 - (3) Under other circumstances as specified in the national emergency grant application guidelines.

**FINDING NUMBER 2021-005
(Continued)**

- (d) A national emergency grant to respond to a declared emergency or natural disaster, as defined at § 671.110(e), may provide short-term disaster relief employment for:
 - (1) Individuals who are temporarily or permanently laid off as a consequence of the disaster;
 - (2) Dislocated workers; and
 - (3) Long-term unemployed individuals.
- (e) Temporary employment assistance is authorized on disaster projects that provide food, clothing, shelter and other humanitarian assistance for disaster victims; and on projects that perform demolition, cleaning, repair, renovation and reconstruction of damaged and destroyed structures, facilities and lands located within the disaster area. For such temporary jobs, each eligible worker is limited to no more than six months of employment for each single disaster. The amounts, duration and other limitations on wages will be negotiated for each grant.
- (f) Additional requirements that apply to national emergency grants, including natural disaster grants, are contained in the application instructions.

During testing of fiscal year 2021, there were costs charged to this grant that were not supported by invoices. The total amount tested that had no invoice support was \$14,615 between 7 different checks. Thus, we could not determine if these costs were allowable or not. Failure to maintain adequate support documentation for federal expenditures could result in costs being disallowed by the grantor. Support should be maintained for all expenditures to ensure that each expenditure charged to the program is for an allowable activity/cost. It is likely that the projected expenditure amount is in excess of \$25,000 and therefore is considered questioned costs under 2 CFR § 200.516.

In addition to this issue, we could not determine if the expenditures in total for this program were supported by the accounting system records since we could not reconcile between the accounting system and the federal schedule. See Finding 2021-003 above for this issue in detail.

Officials' Response:

See Corrective Action Plan.

4. Reporting

Finding Number:	2021-006
Assistance Listing Number and Title:	AL # 17.258, 17.259, 17.278 – WIOA Cluster AL # 17.277 - WIOA National Dislocated Worker Grants/WIA National Emergency Grants
Federal Award Identification Number / Year:	2021, 2020, 2019
Federal Agency:	U.S. Department of Labor
Compliance Requirement:	Reporting
Pass-Through Entity:	Ohio Department of Job and Family Services
Repeat Finding from Prior Audit?	No

FINDING NUMBER 2021-006
(Continued)

Noncompliance and Material Weakness

2 CFR § 2900.4 gives regulatory effect to the U.S. Department of Labor for **2 CFR § 200.332(a)(3)** which requires a pass-through entity to impose any additional requirements on the subrecipient necessary in order for the pass-through entity to meet its own responsibility to the Federal awarding agency including identification of any required financial and performance reports. Additionally, **Ohio Admin. Code 5101:9-7-29 (D)(2)(c)** requires WIOA local areas to submit the completed quarterly financial statement to the Bureau of County Finance and Technical Assistance (BCFTA) no later than the tenth calendar day of the second month following the quarter the report represents. Ohio Admin. Code 5101:9-7-29 further requires the fiscal agent to reconcile any difference between the WIOA local area's financial records and financial data submitted to BCFTA via CFIS.

The following issues were noted related to the quarterly submissions:

1. The quarterly financial certification for the fourth quarter of calendar year 2018 was not filed until February 13, 2019, the third quarter of calendar year 2020 was not filed until at least November 17, 2020. Both of these were considered late filings.
2. For all submissions in fiscal years 2019, 2020, and 2021, the fiscal agent was unable to provide system reports from their accounting system that reconciled to the actual financial data (i.e. beginning balances, revenues, expenses, ending balances) submitted to BCFTA via CFIS. Instead, for 2019 and 2020, the fiscal agent provided only manually maintained records of undetailed transactions to support the amounts they reported on the financial reports. Then for 2021, they provided nothing to support what was reported.
3. For all submissions in fiscal years 2019, 2020, and 2021, the fiscal agent was unable to provide any support for the amounts they reported as accruals on the certifications.

This could lead to questions regarding accuracy of the amounts reported to Ohio Department of Job and Family Services.

The Consortium should implement procedures to ensure quarterly reports are filed no later than the tenth calendar day of the second month following the quarter the report represents. In addition, all data reported thru these quarterly reports should be supported by the accounting system of the Fiscal Agent.

Officials' Response:

See Corrective Action Plan.



Workforce Development Board #1

WDB #1

Crystal Keaton, Director

951 Vern Riffe Drive
Lucasville, OH 45648
740-259-6826

“CB” Herrmann, WDA #1 Chair
Daryll Gray, Chief Elected Official

www.omjwda1.org

CORRECTIVE ACTION PLAN 2 CFR § 200.511(c) June 30, 2021 - 2019

Finding Number: 2021-001
Planned Corrective Action: **The** Consortium will ensure its financial statements and notes to the financial statements are complete and accurate. The Consortium will adopt policies and procedures, including a final review of the statements and notes by the Fiscal Agent and the Director to identify and correct errors and omissions.
Anticipated Completion Date: March 31, 2024
Responsible Contact Person: Crystal Keaton

Finding Number: 2021-002
Planned Corrective Action: The Fiscal Agent will record all transactions and prepare monthly bank to book cash reconciliations, which include all bank accounts and all fund balances. Variances will be investigated, documented, and corrected. In addition, the Board will review the monthly cash reconciliations including the related support and document the review.
Anticipated Completion Date: March 31, 2024
Responsible Contact Person: Crystal Keaton

Finding Number: 2021-003
Planned Corrective Action: The Fiscal Agent and Board Management will review all grant and loan award documents in order to execute policies and procedures which help ensure compliance with grant agreements, including Schedule reporting requirements. The Consortium will implement a system to track all federal expenditures and related information separately from other expenditures and report federal expenditures with proper support including, but not limited to, grant agreements, calculation of the expenditures, and any federal reporting requirements.
Anticipated Completion Date: March 31, 2024
Responsible Contact Person: Crystal Keaton



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Locations: Adams County

19221 St. Rt. 136
Winchester, OH 45697

937-695-0316
800-233-7891

Brown County

406 W. Plum Street
Georgetown, OH 45121

937-795-0316
800-553-7393 Ext 261

Pike County

941 Market Street
Piketon, OH 45661

740-289-2371

Scioto County

433 Third Street
Portsmouth, OH

740-354-7544

Finding Number: 2021-004
Planned Corrective Action: Fiscal Agent will ensure that supporting documentation is maintained for all expenditures to ensure that each expenditure charged to the program is for an allowable activity/cost. In addition, the Fiscal Agent will complete corrective action for 2021-003.
Anticipated Completion Date: March 31, 2024
Responsible Contact Person: Crystal Keaton

Finding Number: 2021-005
Planned Corrective Action: Fiscal Agent will ensure that supporting documentation is maintained for all expenditures to ensure that each expenditure charged to the program is for an allowable activity/cost. In addition, Fiscal Agent will complete corrective action for 2021-003.
Anticipated Completion Date: March 31, 2024
Responsible Contact Person: Crystal Keaton

Finding Number: 2021-006
Planned Corrective Action: The Consortium will implement procedures to ensure quarterly reports are filed no later than the tenth calendar day of the second month following the quarter the report represents. In addition, all data reported thru these quarterly reports will be supported by the accounting system of the Fiscal Agent and County Financial Information System (CFIS).
Anticipated Completion Date: March 31, 2024
Responsible Contact Person: Crystal Keaton

OHIO AUDITOR OF STATE KEITH FABER



SO CONSORTIUM

SCIOTO 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 2/15/2024

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

This report is a matter of public record and is available online at
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