

***STARK TUSCARAWAS WORKFORCE
DEVELOPMENT BOARD***

STARK COUNTY, OHIO

SINGLE AUDIT

For the Year Ended June 30, 2024





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Columbus, Ohio 43215
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800-282-0370

Board of Chiefs
Stark Tuscarawas Workforce Development Board
822 30th Street NW
Canton, Ohio 44709

We have reviewed the *Independent Auditor's Report* of the Stark Tuscarawas Workforce Development Board, Stark County, prepared by Charles E. Harris & Associates, Inc., for the audit period July 1, 2023 through June 30, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Stark Tuscarawas Workforce Development Board is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

March 13, 2025

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**Stark Tuscarawas Workforce Development Board
Stark County**

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INDEPENDENT AUDITOR'S REPORT

Stark Tuscarawas Workforce Development Board
Stark County
822 30th Street N.W.
Canton, Ohio 44709

To the Board of Directors:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Stark Tuscarawas Workforce Development Board, Stark County, Ohio (STWDB), which comprise the cash balances, receipts and disbursements for each governmental fund type as of and for the year ended June 30, 2024, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the year ended June 30, 2024, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the STWDB, as of June 30, 2024, or the changes in financial position, thereof for the year then ended.

Basis for Opinions

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

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the financial statements are prepared by STWDB on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

Our audit was conducted to opine on the financial statements as a whole. The Schedule of Expenditures of Federal Awards (Schedule) 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* is presented for purposes of additional analysis and is not a required part of the financial statements.

The Schedule is the responsibility of management and derives from and relates directly to the underlying accounting and other records used to prepare the financial statements. We subjected this Schedule to the auditing procedures we applied to the financial statements. We also applied certain additional procedures, including comparing and reconciling the Schedule directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this Schedule is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2024, on our consideration of the STWDB'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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the STWDB's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the STWDB's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.

November 21, 2024

Stark Tuscarawas Workforce Development Board
Stark County
Statement of Receipts, Disbursements,
and Changes in Fund Balances - Regulatory Cash Basis
Government Fund Type
For the Year Ended June 30, 2024

	<u>General</u>
Cash Receipts	
Intergovernmental	\$ 4,305,168
<i>Total Cash Receipts</i>	<u>4,305,168</u>
Cash Disbursements	
Current:	
WIOA Adult	2,263,588
WIOA Youth	1,309,863
WIOA Dislocated Worker	820,267
Other Department of Labor	337,133
Miscellaneous	<u>125,633</u>
<i>Total Cash Disbursements</i>	<u>4,856,484</u>
<i>Net Change in Fund Cash Balances</i>	(551,316)
<i>Fund Cash Balances, July 1, 2023</i>	<u>589,396</u>
<i>Fund Cash Balances, June 30, 2024</i>	<u><u>\$ 38,080</u></u>

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

Stark Tuscarawas Workforce Development Board

Stark County

Notes to the Financial Statements

For the Year Ended June 30, 2024

Note 1 – Reporting Entity

Stark Tuscarawas Workforce Development Board (STWDB) was originally established in 2016 under the Ohio Revised Code as a regional council of governments and currently includes Stark and Tuscarawas counties as members. STWDB is eligible to receive and administer funds granted by the Governor of the State under the Workforce Innovation and Opportunity Act.

STWDB carries out the purpose of the Workforce Innovation and Opportunity Act by assessing workforce needs; developing strategies, plans, programs, and resources to provide employment, training and education, and related services to the citizens of the local area; and providing oversight and evaluation of such efforts. These functions and tasks are conducted within the framework of a public/private partnership. The purpose of the Workforce Innovation and Opportunity Act is to provide workforce investment activities through statewide and local workforce investment systems that increase the employment, retention, and earnings of participants and increase occupational skill attainment by participants and, as a result, improve the quality of the workforce, reduce welfare dependency, and enhance the productivity and competitiveness of the nation.

For financial reporting purposes, all departments and operations over which STWDB exercises financial accountability are included in the reporting entity. Oversight responsibility was evaluated based on consideration of financial interdependency, selection of governing authority, designation of management, the ability to significantly influence management and accountability for fiscal matters.

No governmental units other than STWDB itself are included in the reporting entity. STWDB does not have oversight responsibility over any other governmental unit. This is evidenced by the fact that, with respect to any other governmental unit, there is no financial interdependency and STWDB does not select their governing authority, designate their management, exercise significant influence over their daily operations or maintain their accounting records.

Workforce Initiative Association, Stark County (WIA) serves as fiscal agent and custodian for STWDB. WIA is responsible for receiving and disbursing funds at the direction of STWDB, but as a legally separate entity, WIA is not financially accountable for STWDB's operations.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

STWDB's financial statements consist of a statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types.

Fund Accounting

STWDB uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The fund of STWDB is presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the STWDB for any purpose provided it is expended or transferred according to the general laws of Ohio.

Stark Tuscarawas Workforce Development Board

Stark County

Notes to the Financial Statements

For the Year Ended June 30, 2024

Note 2 – Summary of Significant Accounting Policies (Continued)

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

Budgetary Process

The Board's annual budget is primarily a management tool that assists its users in analyzing financial activity for its fiscal year ending June 30.

The Board's primary funding source is federal and state grants, which have grant periods that may or may not coincide with STWDB's fiscal year. These grants normally are for a twenty-four month period, with a fiscal year ending June 30.

Due to the nature of the Board's dependency on federal and state budgetary decisions, revenue estimates are based upon the best available information as to potential sources of funding. The annual budget differs from that of a local government in two respects:

1. The uncertain nature of grant awards from other entities;
2. Conversion of grant budgets to a fiscal year basis.

The resultant annual budget is subject to constant change within the fiscal year due to:

1. Increases/decreases in actual grant awards from those estimated;
2. Changes in grant periods;
3. Unanticipated grant awards not included in the budget; and
4. Expected grant awards which fail to materialize.

The Board formally approved the annual budget, but greater emphasis is placed on complying with the grant budget, terms and conditions on a grant-by-grant basis. These terms and conditions usually specify the period during which costs may be incurred and outline budget restrictions or allowances.

Although the annual budget is reviewed and approved by the Board, it is not a legally adopted budget and it is not subject to the budget procedures that are followed by the County Budget Commission.

Stark Tuscarawas Workforce Development Board

Stark County

Notes to the Financial Statements

For the Year Ended June 30, 2024

Note 2 – Summary of Significant Accounting Policies (Continued)

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which STWDB must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The STWDB classifies assets as nonspendable when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the STWDB.

Restricted Fund balance is restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed The Board can commit amounts via formal action (resolution). The STWDB must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

STWDB applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 8.

Stark Tuscarawas Workforce Development Board

Stark County

Notes to the Financial Statements

For the Year Ended June 30, 2024

Note 3 – Deposits and Investments

Workforce Initiative Association (WIA) maintains a cash and investment pool used by STWDB. The Ohio Revised Code prescribes allowable deposits and investments. As of June 30, 2024, the carrying amount of STWDB's deposits with WIA is \$38,080. WIA is responsible for maintaining adequate depositor collateral for all funds in the cash and investment accounts.

Note 4 – Risk Management

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. STWDB pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Commercial Insurance

STWDB is exposed to various risks of loss related to torts, thefts of, damages to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters.

During 2024, STWDB contracted with insurance companies for the various types of insurance below:

<u>INSURANCE</u>	<u>TYPE OF COVERAGE</u>	<u>COVERAGE</u>
Travelers	Officer and Director Liability	\$2,000,000
Travelers	Employment Practices Liability	\$2,000,000

Settled claims resulting from the above noted risks have not exceeded commercial insurance coverage in either of the past two years since STWDB's creation, nor has there been any significant reduction in insurance coverage from the prior year.

STWDB carries commercial insurance for other risks of loss, including employee health and life insurance.

Note 5 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

STWDB employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10.0 percent of their gross salaries, of which 5% was picked up by STWDB and STWDB contributed an amount equaling 14.0 percent of participants' gross salaries. STWDB has paid all contributions required through June 30, 2024.

Stark Tuscarawas Workforce Development Board

Stark County

Notes to the Financial Statements

For the Year Ended June 30, 2024

Note 6 – Postemployment Benefits

OPERS offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For fiscal year 2024, the portion of OPERS employer contributions allocated to health care was 0% for members in the traditional pension plan and 2% for members in the combined plan. For 2024, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4%; however, a portion of the health care rate was funded with reserves.

Note 7 – Contingent Liabilities

STWDB may be a defendant in lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect STWDB's financial condition.

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

Note 8 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. As of June 30, 2024, STWDB had no encumbrances.

In the general fund, outstanding encumbrances would be considered assigned.

Stark Tuscarawas Workforce Development Board
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2024

Federal Grantor/ Pass Through Grantor Program Title	AL Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Labor			
Pass-Through Program From:			
Ohio Department of Job and Family Services			
Workforce Innovation and Opportunity Act Cluster			
WIOA Adult Program	17.258	\$ 1,598,671	\$ 2,008,307
WIOA Adult Program - Administration	17.258	72,314	118,174
Total WIOA Adult Program		1,670,985	2,126,481
WIOA Youth Activities	17.259	1,154,217	1,104,910
WIOA Youth Activities - Administration	17.259	2,722	85,244
Total WIOA Youth Activities		1,156,938	1,190,154
WIOA Dislocated Worker Formula Grants	17.278	634,934	638,122
WIOA Dislocated Worker Formula Grants - Administration	17.278	106,015	(46,896)
Total WIOA Dislocated Worker Formula Grants		740,950	591,226
Total Workforce Innovation and Opportunity Act Cluster		3,568,873	3,907,861
Unemployment Insurance	17.225	213,571	214,727
WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277	67,084	2,615
Total U.S. Department of Labor		3,849,528	4,125,203
Total Expenditures of Federal Awards		\$ 3,849,528	\$ 4,125,203

The accompanying notes to this schedule are an integral part of this schedule.

STARK TUSCARAWAS WORKFORCE DEVELOPMENT BOARD
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(PREPARED BY MANAGEMENT)

NOTE A: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of The Stark Tuscarawas Workforce Development Board (STWDB) under programs of the federal government for the year ended June 30, 2024. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of STWDB, it is not intended to and does not present the financial position or changes in net position of STWDB.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C: INDIRECT COST RATE

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

NOTE D: SUBRECIPIENTS

STWDB passes certain federal awards received from the U.S. Department of Labor and the Ohio Department of Job and Family Services to other governments or not-for-profit agencies (subrecipients). As Note B describes, STWDB reports expenditures of federal awards to subrecipients on a cash basis.

As a subrecipient, STWDB 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 to help assure they achieve the subawards' performance goals.

NOTE E - TRANSFERS BETWEEN FEDERAL PROGRAMS

STWDB made allowable expenditure transfers of \$313,533 from the WIOA Adult Program #17.258 to the WIOA Dislocated Worker Formula Grant #17.278.

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

Stark Tuscarawas Workforce Development Board
Stark County
822 30th Street N.W
Canton, Ohio 44709

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for the governmental fund type as of and for the year ended June 30, 2024 and the related notes to the financial statements of the Stark Tuscarawas Workforce Development Board, Stark County, (the STWBD) and have issued our report thereon dated November 21, 2024, wherein we noted the STWBD followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

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

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


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

Report on Compliance and Other Matters

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

Purpose of This Report

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



Charles E. Harris & Associates, Inc.
November 21, 2024

Charles E. Harris & Associates, Inc.

Certified Public Accountants

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

Stark Tuscarawas Workforce Development Board
Stark County
822 30th Street N.W.
Canton, Ohio 44709

To the Board of Directors:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Stark Tuscarawas Workforce Development Board, Stark County, Ohio's (STWDB) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the STWDB's major federal program for the year ended June 30, 2024. The STWDB's major federal program is identified in the *Summary of Auditor's Results* of the accompanying Schedule of Findings.

In our opinion, the STWDB complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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


Report on Internal Control Over Compliance

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

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

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

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



Charles E. Harris & Associates, Inc.
November 21, 2024

Stark Tuscarawas Workforce Development Board
Stark County
Schedule of Findings
2 CFR § 200.515
June 30, 2024

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Adverse on GAAP Unmodified on regulatory basis
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Workforce Investment Act (STWDB) Cluster AL #17.258 STWDB Adult Program AL #17.259 STWDB Youth Activities AL #17.278 STWDB Dislocated Workers
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	No

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

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OHIO AUDITOR OF STATE KEITH FABER



STARK TUSCARAWAS WORKFORCE DEVELOPMENT BOARD COUNCIL OF GOVERNMENTS

STARK 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 3/25/2025

65 East State Street, Columbus, Ohio 43215
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This report is a matter of public record and is available online at
www.ohioauditor.gov