



Mary Taylor, CPA
Auditor of State

**AREA 16 WORKFORCE INVESTMENT BOARD
BELMONT COUNTY**

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Mary Taylor, CPA

Auditor of State

Area 16 Workforce Investment Board
Belmont County
310 Fox Shannon Place
St. Clairsville, Ohio 43950

To the Workforce Investment Board:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statement due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statement in accordance with GAAP. Our Report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statement presents are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statement you prepared using the cash basis and financial statement format the AOS permits.

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Mary Taylor, CPA
Auditor of State

February 28, 2007

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Area 16 Workforce Investment Board
Belmont County
310 Fox Shannon Place
St. Clairsville, Ohio 43950

To the Workforce Investment Board:

We have audited the accompanying financial statement of the Area 16 Workforce Investment Board, Belmont County, Ohio (the Board), as of and for the year ended June 30, 2006. This financial statement is the responsibility of the Board's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Board has prepared this financial statement using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statement of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Board to reformat its financial statement presentation and make other changes effective for the year ended June 30, 2006. Instead of the activity the accompanying financial statement presents for 2006, the revisions require presenting entity wide statements for 2006. While the Board does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statement does not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Board has elected not to reformat its statement. Since this Board does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statement referred to above for the year ended June 30, 2006 does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Board as of June 30, 2006, or its changes in financial position for the year then ended.

Also, in our opinion, the financial statement referred to above presents fairly, in all material respects, the cash balance of the Area 16 Workforce Investment Board, Belmont County, as of June 30, 2006, and its cash receipts and disbursements for the year then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Board to include Management's Discussion and Analysis for the year ended June 30, 2006. The Board has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statement.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2007, on our consideration of the Board'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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

We conducted our audit to opine on the Board's financial statement. The Schedule of Federal Awards Expenditures is required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statement. We subjected the Schedule of Federal Awards Expenditures to the auditing procedures applied in the audit of the financial statement. In our opinion, this information is fairly stated in all material respects in relation to the financial statement taken as a whole.



Mary Taylor, CPA
Auditor of State

February 28, 2007

**AREA 16 WORKFORCE INVESTMENT BOARD
BELMONT COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

Cash Receipts:	
Intergovernmental	<u>\$5,989,935</u>
Total Cash Receipts	<u>5,989,935</u>
Cash Disbursements:	
Contract Services	<u>5,969,378</u>
Total Cash Disbursements	<u>5,969,378</u>
Total Cash Receipts Over Cash Disbursements	<u>20,557</u>
Cash Balance, July 1	<u>0</u>
Cash Balance, December 31	<u><u>\$20,557</u></u>

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

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**AREA 16 WORKFORCE INVESTMENT BOARD
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Area 16 Workforce Investment Board (the Board) was established in 2003 by the State of Ohio under the Ohio Revised Code. This regional council of government is eligible to receive and administer funds granted by the Governor of the State under the Workforce Investment Act (WIA) of 1998. Area 16 is a regional council of governments, including Belmont, Carroll, Harrison, and Jefferson counties.

The Board carries out the purpose of WIA 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 to provide oversight and evaluation of such efforts. These functions and tasks will be conducted within the framework of a public/private partnership. The purpose of WIA 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 the Board 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 the Board itself are included in the reporting entity. The Board 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 the Board does not select their governing authority, designate their management, exercise significant influence over their daily operations or maintain their accounting records.

The Workforce Investment Board is comprised of nine members from each county. The Board members are appointed by each county board of commissioners for two year terms. The Workforce Investment Board is required to consist of no less than fifty one percent business members.

The Board designated Belmont County Department of Job and Family Services (BCDJFS) as the fiscal agent for the Area 16. BCDJFS has the responsibility to disburse funds for the local area at the direction of the local Board. Funds flow from the State to BCDJFS and are passed onto the four 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 of their respective county.

B. Basis of Accounting

This financial statement follows the accounting basis the Auditor of State prescribes or permits. 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.

This statement adequately discloses material matters the Auditor of State prescribes.

**AREA 16 WORKFORCE INVESTMENT BOARD
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Cash

The Belmont County Treasurer is the custodian for the Board's cash. The Board's cash is held in the Belmont County's cash and investment pool, and are valued at the County Treasurer's reported carrying amount. The Board had a cash balance of \$20,557 at June 30, 2006.

D. Budgetary Process

The Board's annual budget is primarily a management tool that assists its users in analyzing financial activity. The Board's primary funding source is federal grants which have grant periods that may or may not coincide with the Board's fiscal year. These grants normally are for a two-year period, ending June 30 or September 30. Program year funding expires on June 30 and fiscal year funding expires on September 30. The annual budget differs from that of a local government due to the uncertain nature of grant awards from the State or Federal government and the conversion of grant budgets to the Board's fiscal year basis.

The Budget prepared by the management of the Board does not represent a legally binding budget, thus no budgetary statement is included in the financial statement.

2. RISK MANAGEMENT

Commercial Insurance

The Board is uninsured for the following risks:

- Directors and Officers;
- Professional Liability; and
- Errors and omissions.

3. CONTINGENT LIABILITIES

There are no pending material lawsuits in which the Board is involved. Under the terms of federal and state grants, periodic audits are required and certain expenditures may be questioned as not appropriate under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. Management cannot presently determine any amounts grantors may disallow. The Board's management believes disallowances, if any, will be immaterial.

**AREA 16 WORKFORCE INVESTMENT BOARD
BELMONT COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

FEDERAL GRANTOR <i>Pass-Through Grantor</i> Program Title	Pass-through Entity Number	Federal CFDA Number	Expenditures
U.S. DEPARTMENT OF LABOR			
<i>Passed-Through Ohio Department of Jobs and Family Services:</i>			
Employment Service/Wagner-Peyser Funded Activities	(A)	17.207	\$2,419
Unemployment Insurance	(A)	17.225	200,010
<i>Workforce Investment Act Cluster:</i>			
<i>Passed-Through Ohio Department of Jobs and Family Services:</i>			
<i>Workforce Investment Act - Area #16:</i>			
Workforce Investment Act - Adult Administration	(A)	17.258	72,698
Workforce Investment Act - Adult Program	(A)	17.258	678,525
Workforce Investment Act - Special Projects	(A)	17.258	163,955
Workforce Investment Act - Veteran Services Training Program (VSTP)	(A)	17.258	839
Total Workforce Investment Act - Adult			<u>916,017</u>
Workforce Investment Act - Youth Administration	(A)	17.259	65,263
Workforce Investment Act - Youth Activities	(A)	17.259	609,132
Workforce Investment Act - Special Projects	(A)	17.259	147,187
Workforce Investment Act - Veteran Services Training Program (VSTP)	(A)	17.259	753
Total Workforce Investment Act - Youth			<u>822,335</u>
Workforce Investment Act - Dislocated Workers Administration	(A)	17.260	43,101
Workforce Investment Act - Dislocated Workers	(A)	17.260	402,282
Workforce Investment Act - NEG Flood	(A)	17.260	1,949,325
Workforce Investment Act - Rapid Response	(A)	17.260	1,520,304
Workforce Investment Act - Special Projects	(A)	17.260	97,205
Workforce Investment Act - Veteran Services Training Program (VSTP)	(A)	17.260	498
Total Workforce Investment Act - Dislocated Workers			<u>4,012,715</u>
Total Workforce Investment Act - Area #16 and WIA Cluster			<u>5,751,067</u>
Workforce Investment Act Pilots, Demonstrations, and Research Projects	(A)	17.261	15,882
Total U.S. Department of Labor			<u>5,969,378</u>
Total Federal Awards Expenditures			<u>\$5,969,378</u>

(A) Project number not known or applicable.

The Notes to the Schedule of Federal Awards Expenditures is an integral part of the Schedule.

**AREA 16 WORKFORCE INVESTMENT BOARD
BELMONT COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
JUNE 30, 2006**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the Board's federal award programs. The Schedule has been prepared on the cash basis of accounting.

NOTE B - SUBRECIPIENTS

The Board passes-through certain Federal assistance received from the Ohio Department of Job and Family Services to other governments (subrecipients). As described in Note A, the Board records expenditures of Federal awards to subrecipients when requested on the cash basis of accounting.

The subrecipient agencies have certain compliance responsibilities related to administering these Federal Programs. Under Federal Circular A-133, the Board is responsible for monitoring subrecipients to help assure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements, and that performance goals are achieved.



Mary Taylor, CPA

Auditor of State

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

Area 16 Workforce Investment Board
Belmont County
310 Fox Shannon Place
St. Clairsville, Ohio 43950

To the Workforce Investment Board:

We have audited the financial statement of the Area 16 Workforce Investment Board, Belmont County, Ohio (the Board), as of and for the year ended June 30, 2006, and have issued our report thereon dated February 28, 2007, wherein we noted the Board followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Board's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statement and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statement we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Board's management dated February 28, 2007, we reported an other matter involving internal control over financial reporting we did not deem a reportable condition.

Compliance and Other Matters

As part of reasonably assuring whether the Board's financial statement is 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit 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*.

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Area 16 Workforce Investment Board
Belmont County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

We intend this report solely for the information and use of management, the Board, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

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

Mary Taylor, CPA
Auditor of State

February 28, 2007



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Area 16 Workforce Investment Board
Belmont County
310 Fox Shannon Place
St. Clairsville, Ohio 43950

To the Workforce Investment Board:

Compliance

We have audited the compliance of the Area 16 Workforce Investment Board, Belmont County, Ohio (the Board), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that apply to its major federal program for the year ended June 30, 2006. The Summary of Auditor's Results section of the accompanying Schedule of Findings identifies the Board's major federal program. The Board's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to the major federal program. Our responsibility is to express an opinion on the Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the Board's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Board's compliance with those requirements.

In our opinion, the Area 16 Workforce Investment Board complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended June 30, 2006. In a separate letter to the Board's management dated February 28, 2007, we reported other matters related to federal noncompliance not requiring inclusion in this report.

Internal Control Over Compliance

The Board's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Board's internal control over compliance with requirements that could directly and materially affect a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over federal compliance not requiring inclusion in this report, that we reported to the Board's management in a separate letter dated February 28, 2007.

We intend this report solely for the information and use of management, the Board, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

February 28, 2007

**AREA 16 WORKFORCE INVESTMENT BOARD
BELMONT COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2006**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions 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 internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	CFDA's # 17.258, 17.259 & 17.260: Workforce Investment Act (WIA) Cluster
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

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

None

3. FINDINGS FOR FEDERAL AWARDS

None



Mary Taylor, CPA
Auditor of State

AREA 16 WORKFORCE INVESTMENT BOARD

BELMONT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 27, 2007**