

**AREA 10 WORKFORCE INVESTMENT BOARD
RICHLAND COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010
UNAUDITED

Table 2 reflects the change in net assets during 2010 compared to 2009:

	(Table 2)	2010	2009
	Change in Net Assets	2010	2009
Expenses			
Workforce Development:			
Adult		\$907,848	\$790,684
Dislocated Worker		1,507,397	797,388
Youth		1,434,874	856,339
Special Project Allocation		18,800	5,213
National Emergency Grant – OH 17		0	155,110
National Emergency Grant – OH 19		236,324	0
Rapid Response Grant		684,448	624,441
Regional Innovation Grant		0	127,015
Administration		148,841	149,713
Employment Services Grant		29,430	6,373
One Stop System Enhancement Grant		35,678	0
Miscellaneous Expenditures		<u>1,002</u>	<u>0</u>
Total Expenses		<u>\$5,004,642</u>	<u>\$3,512,296</u>
Program Revenues			
Operating Grants:			
Adult		\$907,848	\$790,684
Dislocated Worker		1,507,397	797,388
Youth		1,434,874	856,339
Special Project Allocation		18,800	5,213
National Emergency Grant – OH 17		0	155,110
National Emergency Grant – OH 19		236,324	0
Rapid Response Grant		684,448	624,441
Regional Innovation Grant		0	127,015
Administration		148,841	149,713
Employment Services Grant		29,430	6,393
One Stop System Enhancement Grant		35,678	0
Miscellaneous Revenues		<u>1,002</u>	<u>0</u>
Total Program Revenues		<u>5,004,642</u>	<u>3,512,296</u>
Change in Net Assets		0	0
Net Assets, Beginning of Year		<u>0</u>	<u>0</u>
Net Assets, End of Year		<u><u>\$0</u></u>	<u><u>\$0</u></u>

Federal and State grants represent 100% of total revenues.

Administration revenues represent less than 10% of the total allocation and are primarily comprised of federal grant revenue.

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 10.

**AREA 10 WORKFORCE INVESTMENT BOARD
RICHLAND COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010
UNAUDITED

Financial Analysis of the Board's Governmental Fund

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

Governmental Fund. The focus of the Board's *governmental fund* 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. In particular, unreserved fund balance may serve as a useful measure of a Board's net resources available for spending at the end of the year.

As of the end of the current fiscal year, the Board's governmental fund reported an ending fund balance of (\$642,728), which is all reported in the General Fund and reflects the deficiency of receipts under expenditures for the year.

Budgeting Highlights

The Board's budget is reflected in the Statement of Revenues, Expenditures and Changes in General Fund Balance – Budget (Non-GAAP Basis) and Actual and is based on accounting for certain transactions on a basis of cash receipts, and disbursements.

During 2010, the Board amended its budget to reflect changing circumstances. The budgeted receipts and disbursements are prepared on a multi-year program basis. Final budgeted receipts were in excess of final actual receipts due to this basis.

Final disbursements were budgeted at \$6,389,821 while actual disbursements were \$4,543,248. Actual disbursements exceeded actual receipts. The result is the decrease in fund balance of \$98,635 for 2010.

Capital Assets

The Board does not own any capital assets. All capital assets used by the Board are owned by Richland County.

Debt

The Board has no debt obligations.

Contractual Obligations

On November 16, 2004, the Board entered into a Memorandum of Understanding with Richland County to provide services as fiscal agent. The Richland County Auditor and Treasurer provide financial processing and accountability services for the Board.

On June 2, 2009, the Board entered into contracts with Mid-Ohio Educational Service Center and Pioneer Career and Technology Center, effective from July 1, 2009 through June 30, 2010, to provide youth services for Richland and Crawford Counties, respectively. The Board exercised the option to extend these contracts from July 1, 2010 through June 30, 2011.

Contacting the Board's Financial Management

This financial report is designed to provide a general overview of the Board's finances for all those with an interest in the Board's activities. Questions concerning any of the information in this report or requests for additional information should be directed to Carmen Jones, Business Administrator, Richland County Department of Job and Family Services, 171 Park Avenue East, Mansfield, Ohio 44902.

**AREA 10 WORKFORCE INVESTMENT BOARD
RICHLAND COUNTY**

**STATEMENT OF NET ASSETS
JUNE 30, 2010**

Assets	
Cash with Fiscal Agent	\$8,486
Intergovernmental Receivable	642,728
Total Assets	<u>651,214</u>
Liabilities	
Accounts Payable	<u>651,214</u>
Net Assets	
Unrestricted	<u>0</u>
Total Net Assets	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements.

**AREA 10 WORKFORCE INVESTMENT BOARD
RICHLAND COUNTY**

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Expenses:

Workforce development:

Adult	\$907,848
Dislocated Worker	1,507,397
Youth	1,434,874
Special Project Allocation	18,800
National Emergency Grant – OH 19	236,324
Rapid Response Grant	684,448
Administration	148,841
Employment Services Grant	29,430
One Stop System Enhancement Grant	35,678
Miscellaneous Expenditures	1,002
Total program expenses	5,004,642

Program revenues:

Operating grants:

Adult	907,848
Dislocated Worker	1,507,397
Youth	1,434,874
Special Project Allocation	18,800
National Emergency Grant – OH 19	236,324
Rapid Response Grant	684,448
Administration	148,841
Employment Services Grant	29,430
One Stop System Enhancement Grant	35,678
Miscellaneous Revenue	1,002
Total program revenues	5,004,642

Change in Net Assets 0

Net Assets - July 1, 2009 0

Net Assets - June 30, 2010 \$0

See accompanying notes to the basic financial statements.

**AREA 10 WORKFORCE INVESTMENT BOARD
RICHLAND COUNTY**

**BALANCE SHEET
GENERAL FUND
JUNE 30, 2010**

Assets

Cash with Fiscal Agent	\$8,486
Intergovernmental Receivable	<u>642,728</u>
Total Assets	<u><u>\$651,214</u></u>

Liabilities and Fund Balances

Liabilities

Accounts Payable	\$651,214
Deferred Revenue	<u>642,728</u>
Total Liabilities	<u>1,293,942</u>

Fund Balances

Unreserved, Undesignated (Deficit), Reported in:	
General Fund	<u>(642,728)</u>
Total Liabilities and Fund Deficit	<u><u>\$651,214</u></u>

See accompanying notes to the basic financial statements.

**AREA 10 WORKFORCE INVESTMENT BOARD
RICHLAND COUNTY**

**Reconciliation of General Fund Balance to
Net Assets of Governmental Activities**

Total General Fund Deficit	(\$642,728)
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*Amounts reported for governmental activities in
the statement of net assets are different
because:*

Some revenues in the governmental funds are deferred because they are not collected within the available period.

Deferred Revenue	<u>642,728</u>
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Net Assets of Governmental Activities	<u><u>\$0</u></u>
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See accompanying notes to the basic financial statements.

**AREA 10 WORKFORCE INVESTMENT BOARD
RICHLAND COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN GENERAL FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Revenues:

Operating grants:

Adult	\$745,862
Dislocated Worker	1,492,362
Youth	1,448,388
Special Project Allocation	13,000
National Emergency Grant – OH 19	168,447
Rapid Response Grant	460,730
Administration	66,069
Employment Services Grant	29,430
One Stop System Enhancement Grant	19,323
Miscellaneous Revenue	1,002

Total Revenues	4,444,613
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Expenditures:

Workforce development:

Adult	907,848
Dislocated Worker	1,507,397
Youth	1,434,874
Special Project Allocation	18,800
National Emergency Grant – OH 19	236,324
Rapid Response Grant	684,448
Administration	148,841
Employment Services Grant	29,430
One Stop System Enhancement Grant	35,678
Miscellaneous Expenditures	1,002

Total Expenditures	5,004,642
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Net Change in Fund Balance	(560,029)
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Fund Deficit, July 1, 2009	(82,699)
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Fund Deficit, June 30, 2010	(\$642,728)
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See accompanying notes to the basic financial statements.

**AREA 10 WORKFORCE INVESTMENT BOARD
RICHLAND COUNTY**

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in General Fund Balance to the
Statement of Activities**

Net Change in Fund Balance - General Fund	(\$560,029)
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Amounts reported for governmental activities in the statement of activities are different because:

Revenues in the statement of revenues, expenditures and changes in general fund balance from prior year accruals are not reported as revenue in the statement of activities.

Operating Grants	(82,699)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Operating Grants	<u>642,728</u>
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Change in Net Assets of Governmental Activities	<u><u>\$0</u></u>
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See accompanying notes to the basic financial statements.

**AREA 10 WORKFORCE INVESTMENT BOARD
RICHLAND COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
GENERAL FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Operating grants:				
Adult	\$1,068,556	\$1,087,019	\$745,862	(\$341,157)
Dislocated Worker	1,885,153	1,853,356	1,492,362	(360,994)
Youth	1,484,653	1,559,196	1,448,388	(110,808)
Special Project Allocation	0	146,385	13,000	(133,385)
National Emergency Grant – OH 19	94,473	433,450	168,447	(265,003)
Rapid Response Grant	717,615	814,043	460,730	(353,313)
Administration	480,035	272,442	66,069	(206,373)
Employment Services Grant	29,430	29,430	19,323	(10,107)
One Stop System Enhancement Grant	194,500	194,500	29,430	(165,070)
Miscellaneous Revenue	0	0	1,002	1,002
Total Revenues	<u>5,954,415</u>	<u>6,389,821</u>	<u>4,444,613</u>	<u>(1,945,208)</u>
Expenditures:				
Workforce development:				
Adult	\$1,068,556	\$1,087,019	832,020	254,999
Dislocated Worker	1,885,153	1,853,356	1,461,743	391,613
Youth	1,484,653	1,559,196	1,330,999	228,197
Special Project Allocation	0	146,385	18,800	127,585
National Emergency Grant – OH 19	94,473	433,450	220,817	212,633
Rapid Response Grant	717,615	814,043	485,930	328,113
Administration	480,035	272,442	156,603	115,839
Employment Services Grant	29,430	29,430	29,430	0
One Stop System Enhancement Grant	194,500	194,500	5,904	188,596
Miscellaneous Expenditures	0	0	1,002	(1,002)
Total Expenditures	<u>5,954,415</u>	<u>6,389,821</u>	<u>4,543,248</u>	<u>1,846,573</u>
Net Change in Fund Balance	0	0	(98,635)	(98,635)
Fund Balance, July 1, 2009	<u>112,852</u>	<u>112,852</u>	<u>112,852</u>	<u>0</u>
Fund Balance, June 30, 2010	<u>\$112,852</u>	<u>\$112,852</u>	<u>\$14,217</u>	<u>(\$98,635)</u>

See accompanying notes to the basic financial statements.

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**AREA 10 WORKFORCE INVESTMENT BOARD
RICHLAND COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

1. DESCRIPTION OF AREA 10 AND THE REPORTING ENTITY

A. Description of the Entity

The Workforce Investment Act (WIA) 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.

Area 10 Workforce Investment Board (the Board) is designated as a local Workforce Investment Area under WIA 116 and its geopolitical span includes Richland and Crawford 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 WIA 117, the consortium established a local Workforce Investment Board (WIB) to set policy for the local workforce investment system. The local board has no employees. The Executive Director and business administrator perform administrative functions for the board and are employees of Richland County Department of Job and Family Services.

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

B. Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations included ensuring that the basic financial statements are not misleading. The primary government of the Board consists of the general fund, departments, and boards that are not legally separate from the Board. The Board's financial statements include Adult, Dislocated Worker, Youth, Special Project Allocation, National Emergency Grant, Rapid Response Grant, Employment Services Grant 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. The Board is also financially accountable for any organizations that are fiscally dependent on the Board in that the Board approves the budget, the issuance of debt, or the levying of taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Board, are accessible to the Board and are significant in amount to the Board. The Board has no component units.

The Board's management believes these financial statements present all activities for which the Board is financially accountable.

**AREA 10 WORKFORCE INVESTMENT BOARD
RICHLAND COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(Continued)**

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 Board applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental activities unless those pronouncements conflict with or contradict GASB pronouncements. The most significant of the Board's accounting policies are described below.

A. Basis of Presentation

The Board's basic financial statements consist of government-wide statements, including a statement of net assets 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 assets and the statement of activities display information about the Board as a whole. These statements include all the financial activities of the Board.

The statement of net assets presents the financial condition of the governmental activities of the Board at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Board's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include 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. However, the Board had no general revenues. 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, all transactions related to the Board functions or activities are reported in the general fund in order to aid financial management and to demonstrate legal compliance. The focus of governmental fund financial statements is on major funds. The general fund is a major fund and is presented in a separate column. There are no other major or non-major funds.

B. Fund Accounting

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

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

General Fund - The general fund accounts for all financial resources of the Board. The general fund balance is available for any purpose in accordance with each grant agreement and Ohio law.

**AREA 10 WORKFORCE INVESTMENT BOARD
RICHLAND COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus

Government-Wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the Board are included on the statement of net assets. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets.

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues) and uses (i.e., expenditures) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. 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 revenue and in the presentation of expenses versus expenditures.

Revenues - Nonexchange Transactions Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include grants. On an accrual basis, revenue from grants is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. 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. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: Federal and State grants and subsidies.

Deferred Revenue Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

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

**AREA 10 WORKFORCE INVESTMENT BOARD
RICHLAND COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, as applicable to the Board's basis of accounting.

E. Cash

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

F. Budgetary Process

Richland County (the fiscal agent) requires the Board to budget its fund. The major document prepared is the budget based on the WIA grant allocation. The budgetary basis reports expenditures when a commitment is made (i.e., when an encumbrance is approved). The WIA grant allocation establishes a limit on the amounts the Board may budget. The budget is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control the Board selects. The Board uses the object level as its legal level of control. Individual grants are limited to their approved budget. The Board must approve any increase or decrease to the budget.

The amounts reported as the original budget in the budgetary statement reflect the amounts in the WIA grant allocation when the Board adopted the original budget. The amounts reported as the final budget in the budgetary statement reflect the amounts in the WIA grant allocation in effect at the time of the final budget.

The Board may amend the budget throughout the year with the restriction that the budget may not exceed WIA grant allocations. The amounts reported as the original budget reflect the first budget covering the entire fiscal year. The amounts reported as the final budget represent the final budget the Board passed during the year.

A budget versus actual statement for the General Fund is part of the financial statements.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statement to the budgetary basis statement for the General Fund.

Net Change in Fund Balance	
GAAP Basis	\$ (560,029)
Net Adjustment for Expenditure Accruals	<u>461,394</u>
Budget Basis	<u><u>(\$98,635)</u></u>

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2010, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expense in the year in which services are consumed.

**AREA 10 WORKFORCE INVESTMENT BOARD
RICHLAND COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Net Assets

Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The government-wide statement of net assets reports \$0 of restricted net assets.

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

I. Estimates

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

3. CASH AND DEPOSITS

The Richland County Treasurer maintains a cash pool used by all of the County's funds, including those of the Board. The Ohio Revised Code prescribes allowable deposits and investments. At fiscal year-end, the carrying amount of the Board's deposits with the Richland County Treasurer was \$8,486 and reflected as Cash with Fiscal Agent on the financial statements. The Richland County Treasurer is responsible for maintaining adequate depositor collateral for all funds in the County's pooled cash and deposit accounts.

4. RISK MANAGEMENT

For the fiscal year ended June 30, 2010, the Board did not have Commercial Insurance coverage. The Board was covered by the fiscal agent's insurance policies.

5. CONTRACTED SERVICES

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

6. CONTRACTUAL OBLIGATIONS

On November 16, 2004, the Board entered into a Memorandum of Understanding with Richland County to provide services as fiscal agent. The Richland County Auditor and Treasurer provide financial processing and accountability services for Area 10.

On June 2, 2009, the Board entered into contracts with Mid-Ohio Educational Service Center and Pioneer Career and Technology Center, effective from July 1, 2009 through June 30, 2010, to provide youth services for Richland and Crawford Counties, respectively. The Board exercised the option to extend these contracts from July 1, 2010 through June 30, 2011.

**AREA 10 WORKFORCE INVESTMENT BOARD
RICHLAND COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(Continued)**

7. CONTINGENCIES

A. 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, 2010 will not have a material adverse effect on the Board.

B. Litigation

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

**AREA 10 WORKFORCE INVESTMENT BOARD
RICHLAND COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Federal Expenditures
<u>U.S. Department of Labor</u>		
<i>Passed through the Ohio Department of Jobs and Family Services:</i>		
Employment Service/Wagner-Peyser Funded Activities Grant	17.207	\$22,749
WIA Cluster:		
WIA Adult Program	17.258	557,275
ARRA-WIA Adult Program		459,866
WIA Adult Program - Special Project Allocation - Training Workers in Advance		
Manufacturing Pilot Project		6,244
WIA Adult Program/Administration		29,332
Total WIA Adult Program		<u>1,052,717</u>
WIA Youth Activities	17.259	677,075
ARRA-WIA Youth Activities		757,799
WIA Youth Activities/Administration		19,972
Total WIA Youth Activities		<u>1,454,846</u>
WIA Dislocated Workers	17.260	806,684
ARRA-WIA Dislocated Workers		604,094
WIA Dislocated Workers - National Emergency Grant - OH 19		236,325
WIA Dislocated Workers - Rapid Response		567,360
ARRA-WIA Dislocated Workers - Rapid Response		117,088
WIA Dislocated Workers/Administration		99,536
Total WIA Dislocated Workers		<u>2,431,087</u>
Total WIA Cluster		<u>4,938,650</u>
Disabled Veterans' Outreach Program (DVOP)	17.801	6,269
Local Veterans' Employment Representative Program	17.804	294
Total U.S. Department of Labor		<u><u>\$4,967,962</u></u>

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

**AREA 10 WORKFORCE INVESTMENT BOARD
RICHLAND COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2010**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) reports the Area 10 Workforce Investment Board's (the Board's) federal award programs' expenditures. The Schedule has been prepared on the accrual basis of accounting.

NOTE B - SUBRECIPIENTS

The Board passes certain federal awards received from the Ohio Department of Jobs and Family Services to other governments (subrecipients). As Note A describes, the Board reports expenditures of Federal awards to subrecipients when requested on the accrual basis of accounting.

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.



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 10 Workforce Investment Board
Richland County
171 Park Avenue East
Mansfield, Ohio 44902

To the Workforce Investment Board:

We have audited the financial statements of the governmental activities and the major fund of the Area 10 Workforce Investment Board, Richland County, Ohio, (the Board) as of and for the year ended June 30, 2010, which collectively comprise the Board's basic financial statements and have issued our report thereon dated October 29, 2010. 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 as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Board's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Board's internal control over financial reporting.

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 more than a reasonable possibility that a material misstatement of the Board's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the Board'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 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*.

We intend this report solely for the information and use of management, the Workforce Investment Board, federal awarding agencies, pass-through entities, and others within the Board. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor
Auditor of State

October 29, 2010



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Area 10 Workforce Investment Board
Richland County
171 Park Avenue East
Mansfield, Ohio 44902

To the Workforce Investment Board:

Compliance

We have audited the compliance of the Area 10 Workforce Investment Board, Richland 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 could directly and materially affect the Board's major federal program for the year ended June 30, 2010. 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 each 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 included in the Comptroller General of the United States' *Government Auditing Standards*; 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 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 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 Board complied, in all material respects, with the requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2010.

Internal Control Over Compliance

The Board's management is responsible for establishing and maintaining effective internal control over compliance with the 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 opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Board's internal control over compliance.

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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 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 compliance requirement will not be prevented, or timely detected and corrected.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor
Auditor of State

October 29, 2010

**AREA 10 WORKFORCE INVESTMENT BOARD
RICHLAND COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
FOR THE YEAR ENDED JUNE 30, 2010**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other 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 internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies in internal control 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 and 17.260: 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?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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Mary Taylor, CPA
Auditor of State

AREA 10 WORKFORCE INVESTIGATION BOARD

RICHLAND 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
NOVEMBER 30, 2010**