



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

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2010



Dave Yost • Auditor of State

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

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Area 20/21 Workforce Investment Board
Ross County
475 Western Avenue, Suite B
Chillicothe, Ohio 45601

To the Workforce Investment Board:

We have audited the accompanying basic financial statements of the Area 20/21 Workforce Investment Board, Ross County, Ohio (the Board), as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Area 20/21 Workforce Investment Board, Ross County, Ohio, as of June 30, 2010, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2011, 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.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's Discussion and Analysis*, and the *Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Special Revenue Fund* as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

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We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the Board's basic financial statements taken as a whole. The federal awards expenditure schedule provides additional information 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 basic financial statements. The federal awards expenditure schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State

March 29, 2011

AREA 20/21 WORKFORCE INVESTMENT BOARD
ROSS COUNTY

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(Unaudited)

The discussion and analysis of the Area 20/21 Workforce Investment Board's (the Board) financial performance provides an overview and analysis of the Board's financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the Board's financial performance as a whole. Readers should also review our notes to the basic financial statements and the financial statements themselves to enhance their understanding of the Board's financial performance.

Financial Highlights

- ▶ The assets of Area 20/21 Workforce Investment Board exceeded its liabilities at June 30, 2010 by \$24,431.
- ▶ In total, net assets of governmental activities increased by \$166,718 which represents a 117.17 percent decrease from 2009.
- ▶ Program specific revenues in the form of grants and contributions accounted for \$5,361,591 or 100 percent of total revenues.
- ▶ The Board had \$5,194,873 in expenses related to governmental activities; all of these expenses were offset by program specific grants or contributions.
- ▶ The Board's receipts are solely from support from Federal and State government agencies. The Federal receipts are designated for employment and training related activities.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Board's basis of accounting.

Report Components

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

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

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

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(Unaudited)*

Fund Financial Statements

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

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Board's sole fund is a governmental fund.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on inflows and outflows of spendable cash, as well as on balances of spendable cash available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term requirements.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Financial Analysis Governmental Activities

Recall that the statement of net assets provides the perspective of the Board as a whole, showing assets, liabilities, and the difference between them (net assets). Table 1 provides a summary of the Board's net assets for fiscal year 2009 compared to fiscal year 2008.

Table 1
Net Assets at Year End

	<u>2010</u>	<u>2009</u>
<u>Assets:</u>		
Current and Other Assets	<u>\$248,897</u>	<u>\$389,257</u>
<i>Total Assets</i>	<u>248,897</u>	<u>389,257</u>
<u>Liabilities:</u>		
Current Liabilities	<u>224,466</u>	<u>531,544</u>
<i>Total Liabilities</i>	<u>224,466</u>	<u>531,544</u>
<u>Net Assets:</u>		
Restricted	<u>24,431</u>	<u>(142,289)</u>
<i>Total Net Assets</i>	<u>\$24,431</u>	<u>(\$142,289)</u>

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

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(Unaudited)*

Current and other assets decreased \$140,360 from fiscal year 2009 due to a decrease in cash and cash equivalents and intergovernmental receivables.

Current (other) liabilities decreased by \$307,078 or 57.77 percent due to a decrease in intergovernmental payables.

The net asset balance of \$24,431 is restricted. The restricted net assets represent resources that are subjected to external restrictions (i.e. grants) on how they may be used.

Table 2 shows the changes in net assets for fiscal year 2010 and provides a comparison to fiscal year 2009.

Table 2
Changes in Net Assets

	2010	2009
<i>Revenues:</i>		
<i>Operating Grants:</i>		
Adult	\$1,297,307	\$929,018
Dislocated Worker	1,775,054	1,360,210
Youth	1,805,087	734,497
Rapid Response Grant	227,019	685,481
Administration	227,735	276,137
Workforce Services	1,523	0
One Stop Resource Sharing	13,541	0
State Grant	14,325	363,637
<i>Total Program Revenue</i>	5,361,591	4,348,980
Earnings on Investments	0	3,123
Miscellaneous	0	288,827
<i>Total Revenues</i>	\$5,361,591	\$4,640,930

(Continued)

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

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(Unaudited)*

Expenses:

Workforce Development:

Adult	1,249,591	1,340,641
Dislocated Worker	1,671,132	1,274,887
Youth	1,641,356	727,649
Rapid Response Grant	336,895	568,836
Administration	279,913	264,996
One Stop Resource Sharing	13,541	0
State Grant	2,445	338,945
Miscellaneous	<u>0</u>	<u>218,598</u>
<i>Total Expenses</i>	<u>5,194,873</u>	<u>4,734,552</u>
<i>Change in Net Assets</i>	166,718	(93,622)
Net Assets – Beginning of Year	<u>(142,287)</u>	<u>(48,665)</u>
Net Assets – End of Year	<u>\$24,431</u>	<u>(\$142,287)</u>

The most significant expenses for the Board are Dislocated Worker, Youth, and Adult. These programs account for 87.82 percent of the total governmental activities. Dislocated Worker, which accounts for 32.17 percent of the total, represents cost associated with administering the program to provide training, support and employment related activities to dislocated workers. Youth, which accounts for 31.60 percent of the total, represents cost associated with administering the program to provide training, support and employment related activities to youth. Adult, which accounts for 24.05 percent of the total, represents cost associated with administering the program to provide training, support and employment related activities to adults.

All of the funding for the Board is revenue received from Federal and State Grants.

Administration revenues represent 4.25 percent of the total allocation and are comprised of federal grant revenue.

Total program revenues increased \$1,012,611 or 23.28 percent. This increase is due to an increase in operating grants and contributions.

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

Financial Analysis Governmental Funds

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

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

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(Unaudited)*

Governmental Funds - The focus of the Board's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Board's financing requirements. 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 funds reported an ending fund balance of \$24,431, which is all reported in the Special Revenue Fund and reflects the excess of expenditures over receipts for the year.

Budget Highlights

The Board's budget is reflected in the Schedule 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, disbursements, and encumbrances.

During fiscal year 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.

For the Board, the final budget basis revenue was \$4,853,576, representing an increase of the \$363,300 from the original budget revenues of \$4,490,276. The final budget basis expenditures were \$4,853,576 representing an increase of \$363,300 from the original budget basis expenditures of \$4,490,276.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2010, the Board had no capital assets. All capital assets used by the Board are owned by Ross County.

Debt Administration

At June 30, 2010, the Board had no general obligation debt outstanding.

Current Issues

The Board entered into a Memorandum of Understanding with Ross County to provide services as fiscal agent, effective July 1, 2007. The Ross County Auditor and Treasurer provide financial processing and accountability services for the Board.

The Board entered into a contract with Integrated Service Systems and another contract with Pickaway County Community Action Organization, Inc., effective from March 1, 2008 through June 30, 2009, to provide youth services.

Contacting the Board's Financial Management

This financial report is designed to provide our citizens and taxpayers with a general overview of the Board's finances and to show the Board's accountability for the money it received. If you have any questions about this report or need additional information, contact Paula Ogan, Fiscal Supervisor, Area 20/21 Workforce Investment Board, 475 Western Avenue Suite B, P.O. Box 469, Chillicothe, Ohio 45601.

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AREA 20/21 WORKFORCE INVESTMENT BOARD

Statement of Net Assets

June 30, 2010

Assets:

Cash and Cash Equivalents With Fiscal Agents	\$11,061
Intergovernmental Receivable	236,505
Prepaid Items	<u>1,331</u>
<i>Total Assets</i>	<u>248,897</u>

Liabilities:

Contracts Payable	18,303
Intergovernmental Payable	<u>206,163</u>
<i>Total Liabilities</i>	<u>224,466</u>

Net Assets:

Restricted For Other Purposes	<u>24,431</u>
<i>Total Net Assets</i>	<u><u>\$24,431</u></u>

See accompanying notes to the basic financial statements and accountant's report.

AREA 20/21 WORKFORCE INVESTMENT BOARD

Statement of Activities

For the Fiscal Year Ended June 30, 2010

	<u>Program Revenues</u>	<u>Net (Expenses) Revenues and Changes in Net Assets</u>
<u>Expenses</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
<i>Governmental Activities:</i>		
<i>Workforce Development:</i>		
Adult	\$1,249,591	\$47,716
Dislocated Worker	1,671,132	103,922
Youth	1,641,356	163,731
Rapid Response Grant	336,895	(109,876)
Administration	279,913	(52,178)
Workforce Services	0	1,523
One Stop Resource Sharing	13,541	0
State Grant	2,445	11,880
	<u>\$5,194,873</u>	<u>166,718</u>
<i>Total Governmental Activities</i>	<u><u>\$5,361,591</u></u>	<u>166,718</u>
		<u>0</u>
<i>Total General Revenues</i>		<u>0</u>
		166,718
<i>Change in Net Assets</i>		166,718
		<u>(142,287)</u>
<i>Net Assets at Beginning of Year</i>		<u>(142,287)</u>
		<u><u>\$24,431</u></u>
<i>Net Assets at End of Year</i>		<u><u>\$24,431</u></u>

See accompanying notes to the basic financial statements and accountant's report.

AREA 20/21 WORKFORCE INVESTMENT BOARD

*Balance Sheet
Special Revenue Fund
June 30, 2010*

Assets:

Cash and Cash Equivalents With Fiscal Agents	\$11,061
Intergovernmental Receivable	236,505
Prepaid Items	<u>1,331</u>
<i>Total Assets</i>	<u>248,897</u>

Liabilities and Fund Balances:

Liabilities:

Contracts Payable	18,303
Intergovernmental Payable	<u>206,163</u>
<i>Total Liabilities</i>	<u>224,466</u>

Fund Balances:

Reported in:

Special Revenue Fund	<u>24,431</u>
<i>Total Fund Balances</i>	<u>24,431</u>

<i>Total Liabilities and Fund Balances</i>	<u><u>\$248,897</u></u>
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See accompanying notes to the basic financial statements and accountant's report.

AREA 20/21 WORKFORCE INVESTMENT BOARD
Statement of Revenues, Expenditures and Changes in Fund Balance
Special Revenue Fund
For the Fiscal Year Ended June 30, 2010

Revenues:

Operating Grants:

Adult	\$1,297,307
Dislocated Worker	1,775,054
Youth	1,805,087
Rapid Response Grant	227,019
Administration	227,735
Workforce Services	1,523
One Stop Resource Sharing	13,541
State Grant	14,325
	14,325

<i>Total Revenues</i>	5,361,591
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Expenditures:

Workforce Development:

Adult	1,249,591
Dislocated Worker	1,671,132
Youth	1,641,356
Rapid Response Grant	336,895
Administration	279,913
One Stop Resource Sharing	13,541
State Grant	2,445
	2,445

<i>Total Expenditures</i>	5,194,873
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<i>Net Change in Fund Balances</i>	166,718
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<i>Fund Balances at Beginning of Year</i>	(142,287)
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<i>Fund Balances at End of Year</i>	\$24,431
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See accompanying notes to the basic financial statements and accountant's report.

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

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

NOTE 1 – DESCRIPTION OF THE ENTITY

Description of the Board

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.

The Area 20/21 Workforce Investment Board (the Board), is designated as a local Workforce Investment Area under WIA 116 and its geopolitical span includes Ross, Pickaway, and Fairfield 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 Fiscal Agent and Administrative Entity perform administrative functions for the board and are employees of Ross County Department of Job and Family Services.

The grant recipient designated Ross 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.

Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the Board consists of all funds, departments, boards, and agencies that are not legally separate from the Board. The Board's financial statements include Adult, Dislocated Worker, Youth, Rapid Response 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. Component units may also include organizations that are fiscally dependent on the Board in that the Board approves the budget, the issuance of debt, or the levying of taxes. The Board has no component units.

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

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

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Board also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the Board's accounting policies are described below.

A. Basis of Presentation

The Board's basic financial statement consists 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 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 disbursements are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include grants that are restricted to meeting the operational requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Board, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing.

Fund Financial Statements

During the year, the Board segregates transactions related to certain Board functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The focus of governmental fund financial statements is on major funds rather than reporting by type. The special revenue fund is presented in a separate column.

B. Fund Accounting

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

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

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

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

Governmental Funds

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

Special Revenue Fund - This fund is the operating fund of the Board and is used to account for all financial resources. The Special Revenue Fund is available to the Board for any purpose provided it is expended or transferred according to the general laws of Ohio.

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 economic resources measurement focus. With this measurement focus, only current assets and current liabilities are included on the balance sheet. The statement of revenues, expenditures and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements include a reconciliation, if necessary, with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

D. Basis of Accounting

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

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

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

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

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 the fiscal year-end: accrued interest.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

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

E. Cash

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

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

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

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

F. 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. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

G. 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 adopted by the Board or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments.

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

H. Estimates

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

NOTE 3 – CASH AND DEPOSITS

The Ross 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 Ross County Treasurer was \$11,061 and reflected as Cash and Cash Equivalent with Fiscal Agent on the financial statements. The Ross County Treasurer is responsible for maintaining adequate depositor collateral for all funds in the County’s pooled cash and deposit accounts.

NOTE 4 - RISK MANAGEMENT

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2010, the Board contracted with United States Liability Insurance Company for various types of insurance as follows:

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

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

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

NOTE 5- CONTRACTED SERVICES

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

NOTE 6 – CONTRACTUAL OBLIGATIONS

The Board entered into a Memorandum of Understanding with Ross County to provide services as fiscal agent, effective July 1, 2007. The Ross County Auditor and Treasurer provide financial processing and accountability services for the Board.

The Board entered into a contract with Integrated Service Systems and another contract with Pickaway County Community Action Organization, Inc., effective from March 1, 2008 through June 30, 2009, to provide youth services.

These annual contracts have been renewed and will be effective until June 30, 2010.

NOTE 7 - CONTINGENCIES

Grants - The Board receives financial assistance from Federal and State agencies in the form of grants. Disbursing grant funds generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability. However, in the opinion of management, any such disallowed claims through June 30, 2010 will not have a material adverse effect on the Board.

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

AREA 20/21 WORKFORCE INVESTMENT BOARD
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
<i>Operating Grants:</i>				
Adult	\$876,358	\$949,001	\$1,339,145	\$390,144
Dislocated Worker	1,610,265	1,743,741	1,810,572	66,831
Youth	1,096,016	1,186,866	1,935,647	748,781
Rapid Response Grant	223,820	242,372	158,480	(83,892)
Administration	408,041	441,864	220,758	(221,106)
Workforce Services	0	0	3,046	3,046
One Stop Resource Sharing	0	0	13,541	13,541
State Grant	168,362	182,318	14,325	(167,993)
Interest	630	630	0	(630)
Miscellaneous	106,784	106,784	0	(106,784)
<i>Total Revenues</i>	4,490,276	4,853,576	5,495,514	641,938
<u>Expenditures:</u>				
<i>Workforce Development:</i>				
Adult	962,816	976,716	1,531,534	(554,818)
Dislocated Worker	1,818,464	1,830,764	1,718,949	111,815
Youth	929,071	929,071	1,569,213	(640,142)
Rapid Response Grant	253,763	403,763	336,895	66,868
Administration	418,748	418,748	328,236	90,512
One Stop Resource Sharing	0	0	13,541	(13,541)
State Grant	0	187,100	2,445	184,655
Miscellaneous	106,784	106,784	0	106,784
Interest and Fiscal Charges	630	630	0	630
<i>Total Expenditures</i>	4,490,276	4,853,576	5,500,813	(647,237)
<i>Excess of Revenues Over (Under) Expenditures</i>	0	0	(5,299)	(5,299)
<i>Fund Balance at Beginning of Year</i>	16,360	16,360	16,360	0
<i>Fund Balance at End of Year</i>	\$16,360	\$16,360	\$11,061	(\$5,299)

See accompanying notes to the supplemental information.

AREA 20/21 WORKFORCE INVESTMENT BOARD

Notes to the Supplementary Information

For the Fiscal Year Ended June 30, 2010

NOTE 2 – BUDGETARY SCHEDULE

Ross County (the fiscal agent) required the Board to budget all funds. The major documents prepared are 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 amounts reported as the original budget in the budgetary statements reflect the amounts in the WIA grant allocation when the Ross County Commissioners adopted the original budget. The amounts reported as the final budget in the budgetary statements reflect the amounts in the WIA grant allocation in effect at the time of the final budget.

The Ross County Commissioners may amend the budget throughout the year with the restriction that the budget may not exceed WIA grant allocations. The amounts reported as the final budget represent the final budget the Ross County Commissioners passed during the year.

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

Net Change in Fund Balance per the Statement of Revenues, Expenditures, and Changes in Fund Balance	\$166,718
Net revenue accruals	133,923
Net expenditure accruals	<u>(305,940)</u>
Net Change in Fund Balance per the Budgetary Schedule	<u><u>(\$5,299)</u></u>

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

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

Federal Grantor Agency/ Pass Through Grantor Program Title	Federal CFDA Number	Expenditures
<u>U.S. DEPARTMENT OF LABOR</u>		
<i>Passed Through Ohio Department of Job & Family Services, Entity Number G-89-15-0562</i>		
Employment Service/Wagner-Peyser Funded Activities	17.207	\$ 10,509
Workforce Investment Act Cluster:		
Adult Program	17.258	804,644
Adult Administration	17.258	63,824
ARRA - Adult Program	17.258	430,691
ARRA - Adult Administration	17.258	7,132
One Stop Resource Sharing - Multiple Grants	17.258	54
ODOD HB372 IWT Statewide	17.258	618
ARRA - Stimulus Project Hire	17.258	3,798
ARRA - Stimulus Ohio Learning Accts	17.258	1,685
Youth Employment Project	17.258	5,500
Special Project	17.258	2,600
Total - Adult Program		<u>1,320,547</u>
Youth Program	17.259	724,686
Youth Administration	17.259	85,645
ARRA - Youth Program	17.259	840,200
ARRA - Youth Administration	17.259	3,311
ODOD HB372 IWT Statewide	17.259	3,329
ARRA - Stimulus Project Hire	17.259	20,453
ARRA - Stimulus Ohio Learning Accts	17.259	9,073
Youth Employment Project	17.259	29,614
Special Project	17.259	14,000
Total - Youth Program		<u>1,730,312</u>
Dislocated Worker Program	17.260	1,070,909
Dislocated Worker Administration	17.260	95,845
ARRA - Dislocated Worker Program	17.260	581,652
ARRA - Dislocated Worker Administration	17.260	24,156
Rapid Response Program	17.260	7,158
ARRA - Rapid Response Program	17.260	329,737
ODOD HB372 IWT Statewide	17.260	809
ARRA - Stimulus Project Hire	17.260	4,967
ARRA - Stimulus Ohio Learning Accts	17.260	2,203
Youth Employment Project	17.260	7,192
Special Project	17.260	3,400
Total - Dislocated Worker Program		<u>2,128,028</u>
Total - Workforce Investment Act Cluster		<u>5,178,887</u>
Disabled Veterans' Outreach Program (DVOP)	17.801	2,896
Local Veterans' Employment Representative Program	17.804	<u>136</u>
Total Federal Awards Expenditures		<u>\$ 5,192,428</u>

The accompanying notes are an integral part of this schedule.

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

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

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) summarizes activity of the Board's federal award programs. The Schedule has been prepared on the accrual 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 the obligation occurs.

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.



Dave Yost • Auditor of State

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

Area 20/21 Workforce Investment Board
Ross County
475 Western Avenue, Suite B
Chillicothe, Ohio 45601

To the Workforce Investment Board:

We have audited the financial statements of the governmental activities and the major fund of the Area 20/21 Workforce Investment Board, Ross 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 March 29, 2011. 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*.

Area 20/21 Workforce Investment Board
Ross 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 finance committee, the Workforce Investment Board, federal awarding agencies and pass-through entities, and others within the Board. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State

March 29, 2011



Dave Yost • Auditor of State

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

Area 20/21 Workforce Investment Board
Ross County
475 Western Avenue, Suite B
Chillicothe, Ohio 45601

To the Workforce Investment Board:

Compliance

We have audited the compliance of the Area 20/21 Workforce Investment Board, Ross 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 Area 20/21 Workforce Investment Board, Ross County, Ohio 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.

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 the finance committee, management, the Workforce Investment Board, others within the entity, 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 "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

March 29, 2011

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

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

1. SUMMARY OF AUDITOR'S RESULTS

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

AREA 20/21 WORKFORCE INVESTMENT AGENCY BOARD

ROSS 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
MAY 5, 2011**