



Dave Yost • Auditor of State

**AREA 16 WORKFORCE INVESTMENT BOARD
BELMONT COUNTY**

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Dave Yost • Auditor of State

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

To the Workforce Investment Board:

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

January 25, 2013

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Workforce Investment Board:

We have audited the accompanying financial statement of the Area 16 Workforce Investment Board, Belmont County, Ohio (the Board), as of and for the year ended June 30, 2012. This financial statement is the responsibility of the Board's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

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

Instead of the activity the accompanying financial statement presents, GAAP requires presenting entity-wide statements. While the Board does not follow GAAP, generally accepted auditing standards require us to include the following paragraph if the statement does not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require certain governments to reformat their statements. The Board has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statement referred to above for the year ended June 30, 2012 does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Board as of June 30, 2012, or its changes in financial position for the year then ended.

Also, in our opinion, the financial statement referred to above presents fairly, in all material respects, the cash balance of the Area 16 Workforce Investment Board, Belmont County, Ohio, as of June 30, 2012, and its cash receipts and disbursements for the year then ended on the accounting basis Note 1 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2013, on our consideration of the Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

We conducted our audit to opine on the Board's financial statement taken as a whole. The Federal Awards Expenditures Schedule (the 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 financial statement. The Schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. This Schedule was subject to the auditing procedures we applied to the financial statement. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, 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 financial statement taken as a whole.



Dave Yost
Auditor of State

January 25, 2013

**AREA 16 WORKFORCE INVESTMENT BOARD
BELMONT COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Cash Receipts:	
Intergovernmental	<u>\$3,530,941</u>
Total Cash Receipts	<u>3,530,941</u>
Cash Disbursements:	
Contract Services	<u>3,530,945</u>
Total Cash Disbursements	<u>3,530,945</u>
Total Cash Receipts (Under) Cash Disbursements	<u>(4)</u>
Cash Balance, July 1	<u>20,004</u>
Cash Balance, June 30	
Restricted	<u><u>\$20,000</u></u>

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

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**AREA 16 WORKFORCE INVESTMENT BOARD
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

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

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

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

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

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

The Board designated the Belmont County Department of Job and Family Services (BCDJFS) as the fiscal agent for the Area 16. BCDJFS has the responsibility to disburse funds for the local area at the direction of the local Board. Funds flow from the State to BCDJFS and are passed onto the four individual counties based on allocations established by the State. The individual counties have responsibility for the administration of the adult, dislocated worker, and youth programs of their respective county. Effective October 1, 2011 the Board appointed Carroll County as their administrative agent for a period of two years.

B. Basis of Accounting

This financial statement follows the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. This statement adequately discloses material matters, as the Auditor of State prescribes or permits.

**AREA 16 WORKFORCE INVESTMENT BOARD
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Cash

The Belmont County Treasurer is the custodian for the Board's cash. The Board's cash is held in the Belmont County's cash and investment pool, and is valued at the County Treasurer's reported carrying amount. The Board had a cash balance of \$20,000 at June 30, 2012.

D. Budgetary Process

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

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

E. Cash Balance

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

1. Nonspendable

The Board classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

2. Restricted

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

3. Committed

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

**AREA 16 WORKFORCE INVESTMENT BOARD
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Fund Balance (Continued)

4. Assigned

Assigned cash balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. *Assigned* amounts represent intended uses established by Board Members or a Board official delegated that authority by resolution, or by State Statute.

5. Unassigned

Unassigned cash balance is the residual classification and includes amounts not included in the other classifications.

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

2. RISK MANAGEMENT

Commercial Insurance

The Board is uninsured for the following risks:

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

3. CONTINGENT LIABILITIES

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

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**AREA 16 WORKFORCE INVESTMENT BOARD
BELMONT COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

FEDERAL GRANTOR <i>Pass-Through Grantor</i> Program Title	Pass-through Entity Number	Federal CFDA Number	Expenditures
U.S. DEPARTMENT OF LABOR			
<i>Passed-Through Ohio Department of Jobs and Family Services:</i>			
Unemployment Insurance	(A)	17.225	\$103,771
Disabled Veterans' Outreach Program	(A)	17.801	4,475
Local Veterans' Employment Representative Program	(A)	17.804	382
Workforce Investment Act National Emergency Grants	(A)	17.277	1,525,754
<i>Passed-Through Ohio Department of Jobs and Family Services:</i>			
Workforce Investment Act Cluster:			
Workforce Investment Act - Adult Administration	(A)	17.258	42,192
Workforce Investment Act - Adult Program	(A)		339,305
Workforce Investment Act - Adult Stimulus	(A)		20,270
Total Workforce Investment Act - Adult			<u>401,767</u>
Workforce Investment Act - Youth Administration	(A)	17.259	18,511
Workforce Investment Act - Youth Activities	(A)		374,385
Workforce Investment Act - Youth Stimulus	(A)		20,875
Total Workforce Investment Act - Youth			<u>413,771</u>
Workforce Investment Act - Dislocated Workers Administration	(A)	17.260	26
Workforce Investment Act - Dislocated Workers	(A)		60,334
Workforce Investment Act - Dislocated Workers Stimulus	(A)		54,440
Workforce Investment Act - Rapid Response	(A)		141
Total Workforce Investment Act - Dislocated Workers			<u>114,941</u>
Workforce Investment Act - Dislocated Worker Formula Grants Administration	(A)	17.278	59,028
Workforce Investment Act - Dislocated Worker Formula Grants	(A)		907,056
Total Workforce Investment Act - Dislocated Worker Formula Grants			<u>966,084</u>
Total Workforce Investment Act Cluster			<u>1,896,563</u>
Total U.S. Department of Labor			<u>3,530,945</u>
Total Federal Awards Expenditures			<u><u>\$3,530,945</u></u>

(A) Project number not known or applicable.

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

**AREA 16 WORKFORCE INVESTMENT BOARD
BELMONT COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - SUBRECIPIENTS

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

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



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

To the Workforce Investment Board:

We have audited the financial statement of the Area 16 Workforce Investment Board, Belmont County, Ohio (the Board), as of and for the year ended June 30, 2012, and have issued our report thereon dated January 25, 2013, wherein we noted the Board followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Board's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statement, 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 statement 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 statement is free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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 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

January 25, 2013



Dave Yost • Auditor of State

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

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

To the Workforce Investment Board:

Compliance

We have audited the compliance of the Area 16 Workforce Investment Board, Belmont County, Ohio (the Board), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Board's major federal program for the year ended June 30, 2012. 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 its major federal program. Our responsibility is to opine on the Board's compliance based on our audit.

Our compliance audit followed 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*. These 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 these 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 these 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, 2012.

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 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.



Dave Yost
Auditor of State

January 25, 2013

**AREA 16 WORKFORCE INVESTMENT BOARD
BELMONT COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2012**

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 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 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(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Workforce Investment Act National Emergency Grants - CFDA # 17.277
<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?	Yes

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

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AREA 16 WORKFORCE INVESTMENT BOARD

BELMONT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
FEBRUARY 7, 2013