

Area 20/21 Workforce Investment Board
Ross County
Single Audit
For the Fiscal Year Ended June 30, 2015



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Dave Yost • Auditor of State

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

We have reviewed the Independent Auditor's Report of the Area 20/21 Workforce Investment Board, Ross County, prepared by Millhuff-Stang, CPA, Inc., for the audit period July 1, 2014 through June 30, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Area 20/21 Workforce Investment Board is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

May 12, 2016

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Area 20/21 Workforce Investment Board
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For the Fiscal Year Ended June 30, 2015

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Independent Auditor's Report

Members of the Board
Area 20/21 Workforce Investment Board
475 Western Avenue, Suite B
Chillicothe, Ohio 45601

Report on the Financial Statements

We have audited the accompanying 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, 2015, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Area 20/21 Workforce Investment Board, Ross County, Ohio, as of June 30, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting 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. 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 assurance.

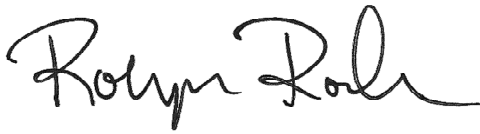
Supplemental and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. The budgetary comparison schedule and Federal Awards Expenditures Schedule, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedule and Federal Awards Expenditures Schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedule and federal awards expenditures schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2016 on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Robyn Roush". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Robyn Roush, CPA, CITP
Vice-President/Owner
Millhuff-Stang, CPA, Inc.

March 10, 2016

AREA 20/21 WORKFORCE INVESTMENT BOARD
ROSS COUNTY

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(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, 2015. 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, 2015 by \$256,334.
- < In total, net position of governmental activities increased by \$136,942 which represents a 114.70 percent increase from 2014.
- < Program specific revenues in the form of grants and contributions accounted for \$2,196,943 or 99.82 percent of total revenues.
- < The Board had \$2,064,023 in expenses related to governmental activities; program revenues of \$2,196,943 were adequate to offset expenses.
- < The Board's receipts are mostly support from Federal 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.

Report Components

The Statement of Net Position 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 position and changes in net position. This change in net position 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, 2015
(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 position provides the perspective of the Board as a whole, showing assets, liabilities, and the difference between them (net position). Table 1 provides a summary of the Board's net position at June 30, 2015 compared to June 30, 2014.

Table 1
Net Position at Year End

	2015	2014
<u>Assets:</u>		
Current and Other Assets	\$385,088	\$187,702
<i>Total Assets</i>	385,088	187,702
<u>Liabilities:</u>		
Current Liabilities	128,754	68,310
<i>Total Liabilities</i>	128,754	68,310
<u>Net Position:</u>		
Restricted	256,334	119,392
<i>Total Net Position</i>	\$256,334	\$119,392

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

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)*

Current and other assets increased \$197,386 from June 30, 2014 due primarily to an increase in intergovernmental receivables.

Current liabilities increased by \$60,444 or 88.48 percent due primarily to an increase in unearned revenue which was partially offset by a decrease in contracts payable.

The net position balance of \$256,334 is restricted. The restricted net position represents resources that are subject to restrictions on how they can be used.

Table 2 shows the changes in net position for fiscal year 2015 and provides a comparison to fiscal year 2014.

Table 2
Changes in Net Position

	2015	2014
<u>Revenues:</u>		
<i>Operating Grants:</i>		
Adult	\$459,645	\$677,048
Dislocated Worker	740,363	728,898
Youth	558,630	592,903
Special Project Allocation	1,412	0
National Emergency Grant	0	1,485,700
Rapid Response Grant	0	6,764
Administration	151,831	216,294
Ohio Works Incentive	208,871	153,640
State Grant	76,191	102,488
<i>Total Program Revenue</i>	2,196,943	3,963,735
<i>General Revenues:</i>		
Miscellaneous	4,022	19,300
<i>Total General Revenues</i>	4,022	19,300
<i>Total Revenues</i>	\$2,200,965	\$3,983,035

(Continued)

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

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)*

	2015	2014
<u>Expenses:</u>		
<i>Workforce Development:</i>		
Adult	\$403,925	\$633,934
Dislocated Worker	687,418	672,168
Youth	511,777	578,521
National Emergency Grant	0	1,427,389
Rapid Response Grant	0	6,768
Administration	147,827	208,037
Ohio Works Incentive	186,223	176,287
State Grant	126,853	82,049
<i>Total Expenses</i>	2,064,023	3,785,153
<i>Change in Net Position</i>	136,942	197,882
Net Position - Beginning of Year	119,392	(78,490)
Net Position- End of Year	\$256,334	\$119,392

The most significant expenses for the Board are Dislocated Worker, Youth and Adult. These programs account for 77.67 percent of the total governmental activities. Dislocated Worker, which accounts for 33.30 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 24.80 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 19.57 percent of the total, represents cost associated with administering the program to provide training, support and employment related activities to adults.

Most of the funding for the Board is revenue received from Federal Grants.

Administration revenues represent 6.91 percent of the total allocation and are comprised of federal grant revenue.

Total program revenues decreased by \$1,766,792 or 44.57 percent due primarily to not receiving a national emergency grant in 2015.

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, 2015
(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.

As of the end of the current fiscal year, the Board's governmental fund reported an ending fund balance deficit of \$73,289, which is all reported in the Special Revenue Fund.

Budget Highlights

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

During fiscal year 2015, 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 \$2,260,077 representing a decrease of \$1,778,686 from the original budget basis revenues of \$4,038,763. The final budget basis expenditures were \$2,260,077 representing an increase of \$14,600 from the original budget basis expenditures of \$2,245,477.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2015, the Board had no capital assets. All capital assets used by the Board are owned by South Central Ohio Job and Family Services.

Debt Administration

At June 30, 2015, the Board had no general obligation debt outstanding.

Current Issues

The Board entered into a Memorandum of Understanding with South Central Ohio Job and Family Services to provide services as fiscal agent, effective July 1, 2013. The Ross County Auditor and Treasurer provide financial processing and accountability services for the Board.

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.

AREA 20/21 WORKFORCE INVESTMENT BOARD

Statement of Net Position

June 30, 2015

	<u>Governmental Activities</u>
<u>Assets:</u>	
Cash and Cash Equivalents With Fiscal Agent	\$32,686
Intergovernmental Receivable	<u>352,402</u>
<i>Total Assets</i>	<u>385,088</u>
<u>Liabilities:</u>	
Contracts Payable	1,425
Unearned Revenue	<u>127,329</u>
<i>Total Liabilities</i>	<u>128,754</u>
<u>Net Position:</u>	
Restricted for Other Purposes	<u>256,334</u>
<i>Total Net Position</i>	<u><u>\$256,334</u></u>

See accompanying notes to the basic financial statements.

AREA 20/21 WORKFORCE INVESTMENT BOARD

*Statement of Activities
For the Fiscal Year Ended June 30, 2015*

	<u>Expenses</u>	<u>Program Revenues</u>	<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
<u>Governmental Activities:</u>			
<i>Workforce Development:</i>			
Adult	\$403,925	\$459,645	\$55,720
Dislocated Worker	687,418	740,363	52,945
Youth	511,777	558,630	46,853
Special Project Allocation	0	1,412	1,412
Administration	147,827	151,831	4,004
Ohio Works Incentive	186,223	208,871	22,648
State Grant	126,853	76,191	(50,662)
	<u>\$2,064,023</u>	<u>\$2,196,943</u>	<u>132,920</u>
<i>Total Governmental Activities</i>			
 <u>General Revenues:</u>			
Miscellaneous			<u>4,022</u>
<i>Total General Revenues</i>			<u>4,022</u>
Change in Net Position			136,942
<i>Net Position at Beginning of Year</i>			<u>119,392</u>
<i>Net Position at End of Year</i>			<u><u>\$256,334</u></u>

See accompanying notes to the basic financial statements.

AREA 20/21 WORKFORCE INVESTMENT BOARD

*Balance Sheet
Special Revenue Fund
June 30, 2015*

Assets:

Cash and Cash Equivalents With Fiscal Agent	\$32,686
Intergovernmental Receivable	<u>352,402</u>
<i>Total Assets</i>	<u>385,088</u>

Liabilities, Deferred Inflows of Resources and Fund Balances:

Liabilities:

Contracts Payable	1,425
Unearned Revenue	<u>127,329</u>
<i>Total Liabilities</i>	<u>128,754</u>

Deferred Inflows of Resources:

Unavailable Revenue	<u>329,623</u>
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Fund Balances:

Unassigned	<u>(73,289)</u>
<i>Total Fund Balances</i>	<u>(73,289)</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u><u>\$385,088</u></u>

See accompanying notes to the basic financial statements.

AREA 20/21 WORKFORCE INVESTMENT BOARD
*Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2015*

Total Governmental Funds Balances (\$73,289)

*Amounts reported for governmental activities in the statement of
net position are different because:*

Some of the Board's receivables will be collected after fiscal year-end, but are not available soon enough to pay for the current period's expenditures and therefore, are deferred in the funds. These receivables consist of:

Intergovernmental 329,623

Net Position of Governmental Activities \$256,334

See accompanying notes to the basic financial statements.

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, 2015

Revenues:

Operating Grants:

Adult	\$371,321
Dislocated Worker	641,768
Youth	418,421
Special Project Allocation	1,019
Administration	149,729
Ohio Works Incentive Program	208,871
State Grant	76,191
Miscellaneous	4,022
	4,022

<i>Total Revenues</i>	1,871,342
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Expenditures:

Workforce Development:

Adult	403,925
Dislocated Worker	687,418
Youth	511,777
Administration	147,827
Ohio Works Incentive Program	186,223
State Grant	126,853
	126,853

<i>Total Expenditures</i>	2,064,023
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<i>Net Change in Fund Balances</i>	(192,681)
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<i>Fund Balances at Beginning of Year</i>	119,392
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<i>Fund Balances at End of Year</i>	(\$73,289)
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See accompanying notes to the basic financial statements.

AREA 20/21 WORKFORCE INVESTMENT BOARD
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2015*

Net Change in Fund Balances - Total Governmental Funds (\$192,681)

*Amounts reported for governmental activities in the statement of
activities are different because:*

Revenues in the statement of activities that do not provide current financial
resources are not reported as revenues in the funds. These revenues consist of:
 Intergovernmental

329,623

Change in Net Position of Governmental Activities

\$136,942

See accompanying notes to the basic financial statements.

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

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015*

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, Fairfield, Vinton and Hocking 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 South Central Ohio Job and Family Services.

The grant recipient designated South Central Ohio Job and Family Services 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, dislocated worker and youth programs for their respective county.

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, Ohio Work Incentive, 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, 2015*

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 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 position 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 position 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 position 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, 2015*

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.

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 position. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Fund Financial Statements

All governmental funds are accounted for using a flow of economic resources measurement focus. With this measurement focus, only current assets, current liabilities and deferred inflows of resources 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 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 inflows and outflows of resources 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, 2015*

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.

Deferred Inflows of Resources

In addition to the liabilities, the balance sheet reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Board, deferred inflows of resources include unavailable revenue. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the Board unavailable revenue includes intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

Unearned Revenue

Unearned revenues include grants that have been collected but the corresponding expenditures have not been incurred and certain revenues received in advance.

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.

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, 2015*

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

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2015, 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. The Board reported no prepaid items at June 30, 2015.

G. Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on its 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 position is available.

H. Fund Balances

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. Fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent because they are either not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because either (a) constraints imposed by law through constitutional provisions, charter requirements or enabling legislation; or (b) constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.

Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Board – the highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board removes the specified use by taking the same type of action as when imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – amounts constrained by the Board’s “intent” to be used for specific purposes, but are neither restricted nor committed. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed. In the general fund, assigned amounts represent intended uses established by policies of the Board, which includes giving the Business Administrator the authority to constrain monies for intended purposes.

Unassigned – this is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

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

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015*

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

I. 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 \$32,686 and is reflected as Cash and Cash Equivalents 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 2015, the Board contracted with County Risk Sharing Authority (CORSA) 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

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 South Central Ohio Job and Family Services to provide services as fiscal agent, effective January 1, 2013. The Ross County Auditor and Treasurer provide financial processing and accountability services for the Board.

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, 2015 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

ROSS COUNTY

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015*

NOTE 8 – FUND BALANCES

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Board is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the governmental funds are unassigned deficit balance of \$73,289.

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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
<i>Operating Grants:</i>				
Adult	\$762,775	\$440,378	\$388,629	(\$51,749)
Dislocated Worker	1,381,666	797,686	703,950	(93,736)
Youth	1,013,702	585,247	516,475	(68,772)
Special Project Allocation	2,000	1,155	1,019	(136)
National Emergency Grant	49,329	28,480	25,133	(3,347)
Administration	293,878	169,666	149,729	(19,937)
Ohio Works Incentive Program	409,958	236,684	208,871	(27,813)
State Grant	124,101	0	84,620	84,620
Miscellaneous	1,354	781	690	(91)
<i>Total Revenues</i>	<u>4,038,763</u>	<u>2,260,077</u>	<u>2,079,116</u>	<u>(180,961)</u>
<u>Expenditures:</u>				
<i>Workforce Development:</i>				
Adult	586,829	586,829	403,925	182,904
Dislocated Worker	529,617	529,617	687,418	(157,801)
Youth	552,998	552,998	511,777	41,221
Special Project Allocation	1,600	1,600	0	1,600
National Emergency Grant	0	0	14,011	(14,011)
Administration	185,494	185,494	174,722	10,772
Ohio Works Incentive Program	304,500	304,500	208,870	95,630
State Grant	84,439	99,039	107,520	(8,481)
<i>Total Expenditures</i>	<u>2,245,477</u>	<u>2,260,077</u>	<u>2,108,243</u>	<u>151,834</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	1,793,286	0	(29,127)	(29,127)
<i>Fund Balance at Beginning of Year</i>	<u>59,203</u>	<u>59,203</u>	<u>59,203</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$1,852,489</u>	<u>\$59,203</u>	<u>\$30,076</u>	<u>(\$29,127)</u>

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, 2015*

NOTE 2 – BUDGETARY SCHEDULE

Ross County (the fiscal agent) required the Board to budget all funds. 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 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 South Central Ohio Job and Family Services 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 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	(\$192,681)
Net revenue accruals	207,774
Net expenditure accruals	<u>(44,220)</u>
Net Change in Fund Balance per the Budgetary Schedule	<u><u>(\$29,127)</u></u>

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

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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>		
Workforce Investment Act Cluster:		
Adult Program	17.258	\$403,925
Adult Administration	17.258	35,349
Total - Adult Program		<u>439,274</u>
Youth Program	17.259	511,777
Youth Administration	17.259	39,910
Total - Youth Program		<u>551,687</u>
Dislocated Worker Program	17.278	687,418
Dislocated Worker Administration	17.278	99,462
Total - Dislocated Worker Program		<u>786,880</u>
Total Workforce Investment Act Cluster		1,777,841
NEG OH-25 WINDSTORM	17.277	14,011
Total - National Emergency Grants		<u>14,011</u>
Total U.S. Department of Labor		<u>1,791,852</u>
<u>U.S. Department of Health and Human Services</u>		
<i>Passed through Ohio Department of Job and Family Services:</i>		
TANF - OWIP Program	93.558	24,871
Total - TANF OWIP Program		<u>24,871</u>
Total Federal Awards Expenditures		<u><u>\$1,816,723</u></u>

See accompanying notes to the federal awards expenditures schedule.

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

*Notes to the Federal Awards Expenditures Schedule
For the Fiscal Year Ended June 30, 2015*

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The Accompanying Federal Awards Expenditures Schedule (the Schedule) reports the Area 20/21 Workforce Investment Board's (the Board's) federal award programs' disbursements. The schedule has been prepared on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

NOTE B – SUBRECIPIENTS

The Board passes certain federal awards received from Ohio Department of Job & Family Services to other governments or not-for-profit agencies (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. The total amount of Federal assistance provided to subrecipients by the Board for each Federal program is summarized below:

Program Title	CFDA#	Amounts Provided to Subrecipients
<i>SubRecipient - Fairfield County</i>		
Youth	17.259	\$192,997
Youth Administration	17.259	5,440
<i>Total Youth</i>	17.259	198,437
Adult	17.258	188,416
Adult Administration	17.258	7,617
Special (OMJ Branding)	17.258	394
<i>Total Adult</i>	17.258	196,427
Dislocated Worker	17.278	107,304
Dislocated Administration Worker	17.278	9,873
<i>Total Dislocated Worker</i>	17.278	117,177
<i>TANF - OWIP</i>	93.558	14,000
<i>Total Fairfield County</i>		\$526,041

(Continued)

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

*Notes to the Federal Awards Expenditures Schedule
For the Fiscal Year Ended June 30, 2015*

Program Title	CFDA#	Amounts Provided to Subrecipients
<i>SubRecipient - Pickaway County</i>		
Youth	17.259	\$91,005
Youth Administration	17.259	4,145
<i>Total Youth</i>	17.259	<u>95,150</u>
Adult	17.258	73,374
<i>Total Adult</i>	17.258	<u>73,374</u>
Dislocated Worker	17.278	54,100
<i>Total Dislocated Worker</i>	17.278	<u>54,100</u>
<i>Total Pickaway County</i>		<u><u>\$222,624</u></u>
<i>SubRecipient - South Central Ohio JFS</i>		
Youth	17.259	\$227,775
Youth Administration	17.259	3,339
<i>Total Youth</i>	17.259	<u>231,114</u>
Adult	17.258	142,135
<i>Total Adult</i>	17.258	<u>142,135</u>
Dislocated Worker	17.278	526,014
Dislocated Administration Worker	17.278	43,022
<i>Total Dislocated Worker</i>	17.278	<u>569,036</u>
TANF -OWIP	93.558	10,871
<i>Total South Central Ohio JFS</i>		<u><u>\$953,156</u></u>

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

Members of the Board
Area 20/21 Workforce Investment Board
475 Western Avenue, Suite B
Chillicothe, Ohio 45601

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, 2015, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated March 10, 2016.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2015-001, that we consider to be a material weakness.

Compliance and Other Matters

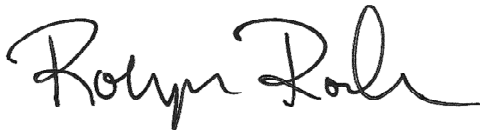
As part of obtaining reasonable assurance about whether the Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Board's Response to Finding

The Board's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Board's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



Robyn Roush, CPA, CITP
Vice-President/Owner
Millhuff-Stang, CPA, Inc.

March 10, 2016

**Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance
Required by OMB Circular A-133**

Independent Auditor's Report

Members of the Board
Area 20/21 Workforce Investment Board
475 Western Avenue, Suite B
Chillicothe, Ohio 45601

Report on Compliance for Each Major Federal Program

We have audited the Area 20/21 Workforce Investment Board's (the Board) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Board's major federal program for the year ended June 30, 2015. The Board's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Board's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for its major federal program. However, our audit does not provide a legal determination of the Board's compliance.

Opinion on Each Major Federal Program

In our opinion, the Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2015.

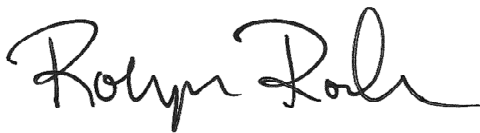
Report on Internal Control Over Compliance

Management of the Board is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion 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, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Robyn Roush, CPA, CITP
Vice-President/Owner
Millhuff-Stang, CPA, Inc.

March 10, 2016

Area 20/21 Workforce Investment Board
Schedule of Findings and Questioned Costs
OMB Circular A-133 Section .505
For the Fiscal Year Ended June 30, 2015

Section I – Summary of Auditor’s Results

<i>Financial Statements</i>	
Type of financial statement opinion:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No
<i>Federal Awards</i>	
Internal control over major program(s):	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Type of auditor’s report issued on compliance for major programs:	Unmodified
Any auditing findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	No
Identification of major program(s):	Workforce Investment Act Cluster: CFDA #17.258, 17.259, 17.278
Dollar threshold used to distinguish between type A and type B programs:	Type A: >\$300,000 Type B: All Others
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

Finding 2015-001 – Material Weakness – Financial Reporting

A monitoring system by the Board should be in place to prevent or detect misstatements for the fair presentation of the Board’s financial statements. During the course of the audit, we identified that intergovernmental receivables were reported net of unearned revenues and that deferred inflows of resources were not computed for receivable balances that remained uncollected after the Board’s available period. Adjustments were made to the accompanying financial statements to correct these issues. Similar errors in previously presented financial statements were deemed immaterial and correction was waived. The Board should implement monitoring procedures to ensure that the financial statements are properly presented.

Client Response:

The Board currently and always has practiced sound financial reporting. These adjustments were not the result of the Board’s accounting process and therefore, no audit adjustments were needed for the June 30, 2015 cash basis financial records. These adjustments were the result of applying GAAP reporting policies. The Board will discuss this issue with the compilers used to prepare the Board’s GAAP financial statements to ensure that this correction is made to the GAAP compilation process, so that no similar errors are made in the preparation of future financial statements.

Section III – Federal Award Findings and Questioned Costs

None

Area 20/21 Workforce Investment Board

Schedule of Prior Audit Findings

OMB Circular A-133 Section .315(b)

For the Fiscal Year Ended June 30, 2015

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2014-001	Noncompliance and Material Weakness – Workforce Investment Act Cluster - Subrecipient Monitoring	Yes	

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Dave Yost • Auditor of State

AREA 20/21 WORKFORCE INVESTMENT 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 24, 2016**