



**AREA 10 WORKFORCE INVESTMENT BOARD
RICHLAND COUNTY**

SINGLE AUDIT

FOR THE FISCAL YEAR ENDED JUNE 30, 2008



Mary Taylor, CPA
Auditor of State

**AREA 10 WORKFORCE INVESTMENT BOARD
RICHLAND COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Workforce Investment Board:

We have audited the accompanying basic financial statements of the governmental activities and the major fund of the Area 10 Workforce Investment Board, Richland County, Ohio, (the Board) as of and for the year ended June 30, 2008, which collectively comprise the Board's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Board's management. 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 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 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 10 Workforce Investment Board, Richland County, Ohio, as of June 30, 2008, and the respective changes in financial position thereof and the budgetary comparison for the general fund 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 February 27, 2009, 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.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the Board's basic financial statements. The Federal Awards Expenditures Schedule is required by 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. We subjected this schedule to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Mary Taylor, CPA
Auditor of State

February 27, 2009

**AREA 10 WORKFORCE INVESTMENT BOARD
RICHLAND COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2008
UNAUDITED

This discussion and analysis of the Area 10 Workforce Investment Board's (the Board) financial performance provides an overall review of the Board's financial activities for the year ended June 30, 2008. The intent of this discussion and analysis is to look at the Board's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the Board's financial performance.

Highlights

Key Highlights for 2008 are as follows:

- The Board as of July 1, 2007, had a carry-forward grant allocation of \$706,551 from the Ohio Department of Job and Family Services, as follows:

WIA Administration	\$ 93,778
WIA Adult	82,179
WIA Dislocated Worker	158,088
WIA Youth	372,461
State Grant	<u>45</u>
Total Carry-Forward	<u>\$706,551</u>

- 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.
- The Board's total grant allocations, including the carry-forward of \$706,551 during the program year, were \$4,455,751.

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 provides 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 net 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 causes 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.

Fund Financial Statements

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. All of the activities of the Board are recorded in a governmental fund. Fund financial reports provide detailed information about the Board's major fund. The Board uses one fund to account for a multitude of financial transactions. The Board's major governmental fund is the general fund.

**AREA 10 WORKFORCE INVESTMENT BOARD
RICHLAND COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2008
UNAUDITED

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 near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The notes to the basic financial statements are an integral part of the financial statements and provide expanded explanation and detail regarding the information reported in the statements.

The Board as a Whole

Table 1 provides a summary of the Board's net assets for 2008 compared to 2007:

(Table 1)		
Net Assets		
	2008	2007
Assets:		
Current and Other Assets	<u>\$265,328</u>	<u>\$510,626</u>
Liabilities:		
Other Liabilities	<u>265,328</u>	<u>510,626</u>
Net Assets:		
Unrestricted	<u>\$ 0</u>	<u>\$ 0</u>

Table 2 reflects the change in net assets during 2008 compared to 2007:

(Table 2)		
Change in Net Assets		
	2008	2007
Expenses		
Workforce Development:		
Adult	\$700,357	\$611,170
Dislocated Worker	622,740	553,250
Youth	811,505	803,739
Special Project Allocation	5,061	1,068,514
National Emergency Grant – OH 15 - BRAC		83,343
National Emergency Grant – OH 17	45,651	
Rapid Response Grant	168,425	109,624
Regional Innovation Grant	69,719	
Administration	169,681	135,826
Employment Services Grant	6,373	6,999
State Grant		<u>1,245</u>
Total Expenses	<u>\$2,599,512</u>	<u>\$3,373,710</u>

**AREA 10 WORKFORCE INVESTMENT BOARD
RICHLAND COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2008
UNAUDITED

Program Revenues

Operating Grants:		
Adult	\$700,357	\$611,170
Dislocated Worker	622,740	553,250
Youth	811,505	803,739
Special Project Allocation	5,061	1,068,514
National Emergency Grant – OH 15 - BRAC		83,343
National Emergency Grant – OH 17	45,651	
Rapid Response Grant	168,425	109,624
Regional Innovation Grant	69,719	
Administration	169,681	135,826
Employment Services Grant	6,373	6,999
State Grant	<u> </u>	<u>1,245</u>
Total Program Revenues	2,599,512	3,373,710
Change in Net Assets	<u> 0</u>	<u> 0</u>
Net Assets, Beginning of Year	<u> 0</u>	<u> 0</u>
Net Assets, End of Year	<u> \$0</u>	<u> \$0</u>

Federal and State grants represent 100% of total revenues.

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

Revenues and expenses for the year were largely for direct services by member counties for training, supportive, and employment related activities for both job seekers and employers within and outside of Area 10.

Financial Analysis of the Board's Governmental Fund

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

Governmental Fund. The focus of the Board's *governmental fund* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Board's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a Board's net resources available for spending at the end of the year.

As of the end of the current fiscal year, the Board's governmental fund reported an ending fund balance of (\$96,338), which is all reported in the General Fund and reflects the deficiency of receipts under expenditures for the year.

Budgeting Highlights

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

**AREA 10 WORKFORCE INVESTMENT BOARD
RICHLAND COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2008
UNAUDITED

During 2008, the Board amended its budget several times to reflect changing circumstances. The budgeted receipts and disbursements are prepared on a multi-year program basis. Final budgeted receipts were in excess of final actual receipts due to this basis.

Final disbursements were budgeted at \$4,455,751 while actual disbursements were \$2,879,802. Actual disbursements exceeded actual receipts. The result is the decrease in fund balance of \$262,036 for 2008.

Capital Assets

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

Debt

The Board has no debt obligations.

Contractual Obligations

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

On May 15, 2007, the Board entered into contracts with Mid-Ohio Educational Service Center and Pioneer Career and Technology Center, effective from July 1, 2007 through June 30, 2008, to provide youth services for Richland and Crawford Counties, respectively. The Board exercised the option to extend these contracts from July 1, 2008 through June 30, 2009.

Contacting the Board's Financial Management

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

**AREA 10 WORKFORCE INVESTMENT BOARD
RICHLAND COUNTY**

**STATEMENT OF NET ASSETS
JUNE 30, 2008**

Assets	
Cash with Fiscal Agent	\$129,545
Prepaid Expense	34,792
Intergovernmental Receivable	100,991
Total Assets	<u>265,328</u>
Liabilities	
Accounts Payable	<u>265,328</u>
Net Assets	
Unrestricted	<u>0</u>
Total Net Assets	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements.

**AREA 10 WORKFORCE INVESTMENT BOARD
RICHLAND COUNTY**

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Expenses:

Workforce development:

Adult	\$700,357
Dislocated Worker	622,740
Youth	811,505
Special Project Allocation	5,061
National Emergency Grant – OH 17	45,651
Rapid Response Grant	168,425
Regional Innovation Grant	69,719
Administration	169,681
Employment Services Grant	6,373
Total program expenses	2,599,512

Program revenues:

Operating grants:

Adult	700,357
Dislocated Worker	622,740
Youth	811,505
Special Project Allocation	5,061
National Emergency Grant – OH 17	45,651
Rapid Response Grant	168,425
Regional Innovation Grant	69,719
Administration	169,681
Employment Services Grant	6,373
Total program revenues	2,599,512

Change in Net Assets 0

Net Assets -- July 1, 2007 0

Net Assets -- June 30, 2008 \$0

See accompanying notes to the basic financial statements.

**AREA 10 WORKFORCE INVESTMENT BOARD
RICHLAND COUNTY**

**BALANCE SHEET
GENERAL FUND
JUNE 30, 2008**

Assets

Cash with Fiscal Agent	\$129,545
Prepaid Expense	34,792
Intergovernmental Receivable	<u>100,991</u>
Total Assets	<u><u>\$265,328</u></u>

Liabilities and Fund Balances

Liabilities

Accounts Payable	265,328
Deferred Revenue	<u>96,338</u>
Total Liabilities	<u>361,666</u>

Fund Balances

Unreserved, Undesignated (Deficit), Reported in:	
General Fund	<u>(96,338)</u>
Total Liabilities and Fund Deficit	<u><u>\$265,328</u></u>

See accompanying notes to the basic financial statements.

**AREA 10 WORKFORCE INVESTMENT BOARD
RICHLAND COUNTY**

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

Total General Fund Deficit	(\$96,338)
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Amounts reported for governmental activities in the statement of net assets are different because:

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

Deferred Revenue	<u>96,338</u>
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Net Assets of Governmental Activities	<u><u>\$0</u></u>
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See accompanying notes to the basic financial statements.

**AREA 10 WORKFORCE INVESTMENT BOARD
RICHLAND COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN GENERAL FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Revenues:

Operating grants:

Adult	\$724,565
Dislocated Worker	529,153
Youth	790,973
Special Project Allocation	15,228
National Emergency Grant – OH 15 - BRAC	40,903
National Emergency Grant – OH 17	138,630
Rapid Response Grant	121,071
Regional Innovation Grant	69,719
Administration	185,051
Employment Services Grant	5,681
State Grant	1,245

Total Revenues	2,622,219
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Expenditures:

Workforce development:

Adult	700,357
Dislocated Worker	622,740
Youth	811,505
Special Project Allocation	5,061
National Emergency Grant – OH 17	45,651
Rapid Response Grant	168,425
Regional Innovation Grant	69,719
Administration	169,681
Employment Services Grant	6,373

Total Expenditures	2,599,512
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Net Change in Fund Balance	22,707
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Fund Deficit, July 1, 2007	(119,045)
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Fund Deficit, June 30, 2008	(\$96,338)
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See accompanying notes to the basic financial statements.

**AREA 10 WORKFORCE INVESTMENT BOARD
RICHLAND COUNTY**

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

Net Change in Fund Balance - General Fund	\$22,707
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Amounts reported for governmental activities in the statement of activities are different because:

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

Operating Grants	(119,045)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Operating Grants	<u>96,338</u>
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Change in Net Assets of Governmental Activities	<u><u>\$0</u></u>
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See accompanying notes to the basic financial statements.

**AREA 10 WORKFORCE INVESTMENT BOARD
RICHLAND COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
GENERAL FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Operating grants:				
Adult	\$742,923	\$938,421	\$724,565	(\$213,856)
Dislocated Worker	1,069,035	897,715	529,153	(368,562)
Youth	1,378,546	1,365,557	790,973	(574,584)
Special Project Allocation	5,061	5,061	15,228	10,167
National Emergency Grant – OH 15 - BRAC			40,903	40,903
National Emergency Grant – OH 17	190,000	190,000	138,630	(51,370)
Rapid Response Grant	491,200	511,200	121,071	(390,129)
Regional Innovation Grant	250,000	250,000	65,066	(184,934)
Administration	406,198	290,752	185,051	(105,701)
Employment Services Grant	7,000	7,000	5,681	(1,319)
State Grant	45	45	1,245	1,200
Total Revenues	<u>4,540,008</u>	<u>4,455,751</u>	<u>2,617,566</u>	<u>(1,838,185)</u>
Expenditures:				
Workforce development:				
Adult	742,923	938,421	772,251	166,170
Dislocated Worker	1,069,035	897,715	661,235	236,480
Youth	1,378,546	1,365,557	775,138	590,419
Special Project Allocation	5,061	5,061	187,157	(182,096)
National Emergency Grant – OH 15 - BRAC			35,897	(35,897)
National Emergency Grant – OH 17	190,000	190,000	42,874	147,126
Rapid Response Grant	491,200	511,200	165,237	345,963
Regional Innovation Grant	250,000	250,000	69,719	180,281
Administration	406,198	290,752	163,721	127,031
Employment Services Grant	7,000	7,000	6,373	627
State Grant	45	45	45	45
Total Expenditures	<u>4,540,008</u>	<u>4,455,751</u>	<u>2,879,602</u>	<u>1,576,149</u>
Net Change in Fund Balance	0	0	(262,036)	(262,036)
Fund Balance, July 1, 2007	<u>126,760</u>	<u>126,760</u>	<u>126,760</u>	<u>0</u>
Fund Balance (Deficit), June 30, 2008	<u>\$126,760</u>	<u>\$126,760</u>	<u>(\$135,276)</u>	<u>(\$262,036)</u>

See accompanying notes to the basic financial statements.

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**AREA 10 WORKFORCE INVESTMENT BOARD
RICHLAND COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008**

1. DESCRIPTION OF AREA 10 AND THE REPORTING ENTITY

A. Description of the Entity

The Workforce Investment Act (WIA) is a federally funded program that provides employment and job training services to eligible adults, dislocated workers and youth. The United States Department of Labor (DOL) is the federal agency responsible for the program. The Ohio Department of Job and Family Services (ODJFS) is the oversight agency for the State of Ohio.

Area 10 Workforce Investment Board (the Board) is designated as a local Workforce Investment Area under WIA 116 and its geopolitical span includes Richland and Crawford counties. The grant recipient is a consortium of elected officials from the counties within the local area. The functions of the consortium are carried out by a Board of Governors, which consists of the Chief Elected Official (CEO) of each participating sub area.

In accordance with WIA 117, the consortium established a local Workforce Investment Board (WIB) to set policy for the local workforce investment system. The local board has no employees. The Executive Director and business administrator perform administrative functions for the board and are employees of Richland County Department of Job and Family Services.

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

B. Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations included ensuring that the basic financial statements are not misleading. The primary government of the Board consists of the general fund, departments, and boards that are not legally separate from the Board. The Board's financial statements include Adult, Dislocated Worker, Youth, Special Project Allocation, National Emergency Grant, Base Realignment Commission Grant, Rapid Response Grant, Regional Innovation Grant, Employment Services Grant and Administrative programs.

Component units are legally separate organizations for which the Board is financially accountable. The Board is financially accountable for an organization if the Board appoints a voting majority of the organization's governing board and (1) the Board is able to significantly influence the programs or services performed or provided by the organization; or (2) the Board is legally entitled to or can otherwise access the organization's resources; the Board is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Board is obligated for the debt of the organization. The Board is also financially accountable for any organizations that are fiscally dependent on the Board in that the Board approves the budget, the issuance of debt, or the levying of taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Board, are accessible to the Board and are significant in amount to the Board. The Board has no component units.

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

**AREA 10 WORKFORCE INVESTMENT BOARD
RICHLAND COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Board applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental activities unless those pronouncements conflict with or contradict GASB pronouncements. The most significant of the Board's accounting policies are described below.

A. Basis of Presentation

The Board's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements The statement of net assets and the statement of activities display information about the Board as a whole. These statements include all the financial activities of the Board.

The statement of net assets presents the financial condition of the governmental activities of the Board at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Board's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include grants that are restricted to meeting the operational requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Board, with certain limited exceptions. However, the Board had no general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing.

Fund Financial Statements During the year, all transactions related to the Board functions or activities are reported in the general fund in order to aid financial management and to demonstrate legal compliance. The focus of governmental fund financial statements is on major funds. The general fund is a major fund and is presented in a separate column. There are no other major or non-major funds.

B. Fund Accounting

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

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

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

**AREA 10 WORKFORCE INVESTMENT BOARD
RICHLAND COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus

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

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

D. Basis of Accounting

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

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

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

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

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

**AREA 10 WORKFORCE INVESTMENT BOARD
RICHLAND COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

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

E. Cash

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

F. Budgetary Process

Richland County (the fiscal agent) requires the Board to budget its fund. The major 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 Board must approve any increase or decrease to the budget.

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

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

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

The following table summarizes the adjustments necessary to reconcile the GAAP basis statement to the budgetary basis statement for the general fund.

Net Change in Fund Balance	
GAAP Basis	\$22,707
Net Adjustment for Revenue Accruals	(4,653)
Net Adjustment for Expenditure Accruals	<u>(280,090)</u>
Budget Basis	<u><u>(\$262,036)</u></u>

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2008, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expense in the year in which services are consumed.

**AREA 10 WORKFORCE INVESTMENT BOARD
RICHLAND COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Net Assets

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

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

I. Estimates

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

3. CASH AND DEPOSITS

The Richland County Treasurer maintains a cash pool used by all of the County's funds, including those of the Board. The Ohio Revised Code prescribes allowable deposits and investments. At fiscal year-end, the carrying amount of the Board's deposits with the Richland County Treasurer was \$129,545 and reflected as Cash with Fiscal Agent on the financial statements. The Richland County Treasurer is responsible for maintaining adequate depositor collateral for all funds in the County's pooled cash and deposit accounts.

4. RISK MANAGEMENT

For the fiscal year ended June 30, 2008, the Board did not have Commercial Insurance coverage. The Board was covered by the fiscal agent's insurance policies.

5. CONTRACTED SERVICES

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

6. CONTRACTUAL OBLIGATIONS

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

On May 15, 2007, the Board entered into contracts with Mid-Ohio Educational Service Center and Pioneer Career and Technology Center, effective from July 1, 2007 through June 30, 2008, to provide youth services for Richland and Crawford Counties, respectively. The Board exercised the option to extend these contracts from July 1, 2008 through June 30, 2009.

**AREA 10 WORKFORCE INVESTMENT BOARD
RICHLAND COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008
(Continued)**

7. CONTINGENCIES

A. Grants

The Board receives financial assistance from Federal and State agencies in the form of grants. Disbursing grant funds generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability. However, in the opinion of management, any such disallowed claims through June 30, 2008 will not have a material adverse effect on the Board.

B. Litigation

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

**AREA 10 WORKFORCE INVESTMENT BOARD
RICHLAND COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Pass Through Entity Number	Federal Expenditures
<u>U.S. Department of Labor</u>			
<i>Passed through the Ohio Department of Jobs and Family Services:</i>			
Employment Service/Wagner-Peyser Funded Activities Grant	17.207	N/A	\$6,373
WIA Cluster:			
WIA Adult Program	17.258	N/A	700,357
WIA Adult Program - Special Project Allocation - Training Workers in Advance Manufacturing Pilot Project		N/A	1,687
WIA Adult Program/Administration		N/A	49,155
Total WIA Adult Program			<u>751,199</u>
WIA Youth Activities	17.259	N/A	811,505
WIA Youth Activities - Special Project Allocation - Training Workers in Advance Manufacturing Pilot Project		N/A	1,687
WIA Youth Activities/Administration		N/A	56,936
Total WIA Youth Activities			<u>870,128</u>
WIA Dislocated Workers	17.260	N/A	622,740
WIA Dislocated Workers - Special Project Allocation - Training Workers in Advance Manufacturing Pilot Project		N/A	1,687
WIA Dislocated Workers - National Emergency Grant - OH 17		N/A	45,651
WIA Dislocated Workers - Rapid Response		N/A	168,425
WIA Dislocated Workers/Administration		N/A	63,590
<i>Direct Program:</i>			
WIA Dislocated Workers - National Emergency Grant - OH X2 - Regional Innovation Grant		N/A	69,719
Total WIA Dislocated Workers			<u>971,812</u>
Total WIA Cluster			<u>2,593,139</u>
Total U.S. Department of Labor			<u><u>\$2,599,512</u></u>

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

**AREA 10 WORKFORCE INVESTMENT BOARD
RICHLAND COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2008**

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 Ohio Department of Job and Family Services to other governments. As described in Note A, the Board records expenditures of Federal awards to subrecipients when requested on the accrual basis of accounting.

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



Mary Taylor, CPA

Auditor of State

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

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

To the Workforce Investment Board:

We have audited the financial statements of the governmental activities and the major fund of the Area 10 Workforce Investment Board, Richland County, Ohio, (the Board) as of and for the year ended June 30, 2008, which collectively comprise the Board's basic financial statements and have issued our report thereon dated February 27, 2009. 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 expressing our opinions on the financial statements, but not to opine 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 control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Board's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Board's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Board's internal control will not prevent or detect a material financial statement misstatement.

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

Compliance and Other Matters

As part of reasonably assuring whether the Board's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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

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

Mary Taylor
Auditor of State

February 27, 2009



Mary Taylor, CPA

Auditor of State

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

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

To the Workforce Investment Board:

Compliance

We have audited the compliance of the Area 10 Workforce Investment Board, Richland County, Ohio, (the Board) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to its major federal program for the year ended June 30, 2008. 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 contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the Board's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Board's compliance with those requirements.

In our opinion, the Board complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended June 30, 2008.

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 in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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.

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A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the Board's ability to administer a federal program such that there is more than a remote likelihood that the Board's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the Board's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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 that might be 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, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Mary Taylor
Auditor of State

February 27, 2009

**AREA 10 WORKFORCE INVESTMENT BOARD
RICHLAND COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
FOR THE YEAR ENDED JUNE 30, 2008**

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):	CFDA's # 17.258, 17.259 and 17.260: WIA Cluster
<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 STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



Mary Taylor, CPA
Auditor of State

AREA 10 WORKFORCE INVESTMENT BOARD

RICHLAND COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 31, 2009**