



**Mary Taylor, CPA**  
Auditor of State



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

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

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

To the Workforce Investment Board:

We have audited the accompanying 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, 2009, 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 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, 2009, and the change in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2010, 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 Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual provides additional information and is not a required part of the 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 also not a required part of the basic financial statements. We subjected the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual and the Federal Awards Expenditures 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

March 16, 2010

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009  
(UNAUDITED)**

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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, 2009. 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 liabilities of Area 20/21 Workforce Investment Board exceeded its assets at June 30, 2009 by \$142,287.
- < In total, net assets of governmental activities decreased by \$93,622 which represents a 192.4 percent decrease from 2008.
- < General revenues accounted for \$291,950, or 6.3 percent of all revenues. Program specific revenues in the form of grants and contributions accounted for \$4,348,980 or 93.7 percent of total revenues of \$4,640,930.
- < The Board had \$4,734,552 in expenses related to governmental activities; only \$4,348,980 of these expenses were offset by program specific grants or contributions. General revenues of \$291,950 along with cash balances from the prior year were used to provide for the remainder of these programs.
- < The Board's receipts are solely from support from Federal and State government agencies. The Federal receipts are designated for employment and training related activities.

**Using the Basic Financial Statements**

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

**Report Components**

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009  
(UNAUDITED)**

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**Fund Financial Statements**

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

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

**Governmental Funds**

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

**Notes to the Basic Financial Statements**

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

**Financial Analysis Governmental Activities**

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

Table 1

**Net Assets at Year End**

	<u>2009</u>	<u>2008</u>
<b><u>Assets:</u></b>		
Current and Other Assets	\$389,257	\$540,124
<i>Total Assets</i>	<u>389,257</u>	<u>540,124</u>
<b><u>Liabilities:</u></b>		
Current Liabilities	531,544	588,789
<i>Total Liabilities</i>	<u>531,544</u>	<u>588,789</u>
<b><u>Net Assets:</u></b>		
Unrestricted	(142,287)	(48,665)
<i>Total Net Assets</i>	<u><u>(\$142,287)</u></u>	<u><u>(\$48,665)</u></u>



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009  
(UNAUDITED)**

Current and other assets decreased \$150,867 from fiscal year 2008 due to a decrease in cash and cash equivalents.

Current (other) liabilities decreased by \$57,245 or 9.7 percent. This is primarily due to a decrease in intergovernmental payable.

The net asset balance of (\$142,287) is unrestricted.

Table 2 shows the changes in net assets for fiscal year 2009 and provides a comparison to fiscal year 2008.

Table 2  
**Changes in Net Assets**

	2009	2008
<b><u>Revenues:</u></b>		
<i>Operating Grants:</i>		
Adult	\$929,018	\$923,540
Dislocated Worker	1,360,210	813,430
Youth	734,497	623,241
Rapid Response Grant	685,481	111,448
Administration	276,137	167,614
State Grant	363,637	13,016
<i>Total Program Revenue</i>	4,348,980	2,652,289
Earnings on Investments	3,123	473
Miscellaneous	288,827	70,381
<i>Total Revenues</i>	\$4,640,930	\$2,723,143

(Continued)

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009  
(UNAUDITED)**

**Expenses:**

*Workforce Development:*

Adult	1,340,641	887,340
Dislocated Worker	1,274,887	868,453
Youth	727,649	494,283
Rapid Response Grant	568,836	230,880
Administration	264,996	114,413
State Grant	338,945	13,016
Miscellaneous	<u>218,598</u>	<u>163,423</u>
<i>Total Expenses</i>	4,734,552	2,771,808
<i>Change in Net Assets</i>	(93,622)	(48,665)
Net Assets – Beginning of Year, Restated	<u>(48,665)</u>	<u>0</u>
Net Assets – End of Year	<u>(\$142,287)</u>	<u>(\$48,665)</u>

The most significant expenses for the Board are Dislocated Worker, Adult, and Youth. These programs account for 70.61 percent of the total governmental activities. Dislocated Worker, which accounts for 26.93 percent of the total, represents cost associated with administering the program to provide training, support and employment related activities to dislocated workers. Adult, which accounts for 28.32 percent of the total, represents cost associated with administering the program to provide training, support and employment related activities to adults. Youth, which accounts for 15.37 percent of the total, represents cost associated with administering the program to provide training, support and employment related activities to youth.

The majority of the funding for the Board is revenue received from Federal and State Grants, which account for nearly 89.94 percent of total revenues.

Administration revenues represent 5.95 percent of the total allocation and are comprised of federal grant revenue.

Total program revenues increased \$1,659,499 or 61.7 percent. This increase is due to an increase in operating grants and contributions.

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

**Financial Analysis Governmental Funds**

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009  
(UNAUDITED)**

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

As of the end of the current fiscal year, the Board's governmental funds reported an ending fund balance of (\$142,287), which is all reported in the Special Revenue Fund and reflects the excess of expenditures over receipts for the year.

**Budget Highlights**

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

During fiscal year 2009, 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 \$5,447,229, representing an increase of the \$665,327 from the original budget revenues of \$4,781,902. The final budget basis expenditures were \$5,472,115 representing an increase of \$690,213 from the original budget basis expenditures of \$4,781,902.

**Capital Assets and Debt Administration**

**Capital Assets**

At June 30, 2009, the Board had no capital assets. All capital assets used by the Board are owned by Ross County.

**Debt Administration**

At June 30, 2009, the Board had no general obligation debt outstanding.

**Current Issues**

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

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

**Contacting the Board's Financial Management**

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

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

**STATEMENT OF NET ASSETS  
JUNE 30, 2009**

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**Assets:**

Cash and Cash Equivalents With Fiscal Agents	\$ 16,360
Intergovernmental Receivable	366,832
Accrued Interest Receivable	3,596
Prepaid Items	<u>2,469</u>
Total Assets	<u>389,257</u>

**Liabilities:**

Contracts Payable	16,597
Intergovernmental Payable	<u>514,947</u>
Total Liabilities	<u>531,544</u>

**Net Assets:**

Unrestricted	<u>(142,287)</u>
Total Net Assets	<u><u>\$ (142,287)</u></u>

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

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

**STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	Expenses	Program Revenues	Net (Expenses) Revenues and Changes in Net Assets
		Operating Grants and Contributions	Governmental Activities
<b><u>Governmental Activities:</u></b>			
Workforce Development:			
Adult	\$ 1,340,641	\$ 929,018	\$ (411,623)
Dislocated Worker	1,274,887	1,360,210	85,323
Youth	727,649	734,497	6,848
Rapid Response Grant	568,836	685,481	116,645
Administration	264,996	276,137	11,141
State Grant	338,945	363,637	24,692
Miscellaneous	218,598	-	(218,598)
	<b>\$ 4,734,552</b>	<b>\$ 4,348,980</b>	<b>(385,572)</b>
 <b><u>General Revenues:</u></b>			
			3,123
Earnings on Investments			288,827
Miscellaneous			288,827
			291,950
Total General Revenues			291,950
			(93,622)
Change in Net Assets			(93,622)
			(48,665)
Net Assets at Beginning of Year, Restated			(48,665)
			(142,287)
Net Assets at End of Year			\$ (142,287)

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

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

**BALANCE SHEET  
SPECIAL REVENUE FUND  
JUNE 30, 2009**

**Assets:**

Cash and Cash Equivalents With Fiscal Agents	\$ 16,360
Intergovernmental Receivable	366,832
Accrued Interest Receivable	3,596
Prepaid Items	<u>2,469</u>
Total Assets	<u>389,257</u>

**Liabilities and Fund Balances:**

**Liabilities:**

Contracts Payable	16,597
Intergovernmental Payable	<u>514,947</u>
Total Liabilities	<u>531,544</u>

**Fund Balance:**

Reported in:	
Special Revenue Fund	<u>(142,287)</u>
Total Fund Balance	<u>(142,287)</u>
Total Liabilities and Fund Balance	<u>\$ 389,257</u>

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

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

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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**Revenues:**

Operating Grants:	
Adult	\$ 929,018
Dislocated Worker	1,360,210
Youth	734,497
Rapid Response Grant	685,481
Administration	276,137
State Grant	363,637
Interest	3,123
Miscellaneous	<u>288,827</u>
 Total Revenues	 <u>4,640,930</u>

**Expenditures:**

Workforce Development:	
Adult	1,340,641
Dislocated Worker	1,274,887
Youth	727,649
Rapid Response Grant	568,836
Administration	264,996
State Grant	338,945
Miscellaneous	<u>218,598</u>
 Total Expenditures	 <u>4,734,552</u>
 Net Change in Fund Balance	 (93,622)
 Fund Balance at Beginning of Year, Restated	 <u>(48,665)</u>
 Fund Balance at End of Year	 <u><u>\$ (142,287)</u></u>

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



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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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**NOTE 1 – DESCRIPTION OF THE ENTITY**

**Description of the Board**

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

The Area 20/21 Workforce Investment Board (the Board), is designated as a local Workforce Investment Area under WIA 116 and its geopolitical span includes Ross, Pickaway, and Fairfield counties. The grant recipient is a consortium of elected officials from the counties within the local area. The functions of the consortium are carried out by a Board of Governors, which consists of the Chief Elected Official (CEO) of each participating sub area.

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

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

**Reporting Entity**

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the Board consists of all funds, departments, boards, and agencies that are not legally separate from the Board. The Board's financial statements include Adult, Dislocated Worker, Youth, Rapid Response Grant, Administrative, State Grant, and Miscellaneous 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, 2009  
(Continued)**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Basis of Presentation**

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

**Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the Board as a whole. These statements include the financial activities of the Board.

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

**Fund Financial Statements**

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

**B. Fund Accounting**

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009  
(Continued)**

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**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 accounts for monies received on behalf of and disbursed to participating governments, and any other activities restricted by State and Federal laws.

**C. Measurement Focus**

**Government-Wide Financial Statements**

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

**Fund Financial Statements**

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

**D. Basis of Accounting**

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

**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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009  
(Continued)**

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

**D. Basis of Accounting (Continued)**

**Revenues – Nonexchange Transactions (Continued)**

Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the Board, available means expected to be received within thirty days of year-end.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at the fiscal year-end: accrued interest and intergovernmental receivable.

**Expenses/Expenditures**

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

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

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

**E. Cash**

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

**F. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2009, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

**G. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments.

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

**H. Estimates**

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009  
(Continued)**

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**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 \$16,360 and reflected as Cash and Cash Equivalent with Fiscal Agent on the financial statements. The Ross County Treasurer is responsible for maintaining adequate depositor collateral for all funds in the County's pooled cash and deposit accounts.

**NOTE 4 - RISK MANAGEMENT**

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2009, the Board contracted with United States Liability Insurance Company for various types of insurance as follows:

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

**NOTE 5- CONTRACTED SERVICES**

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

**NOTE 6 – CONTRACTUAL OBLIGATIONS**

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

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

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

**NOTE 7 - CONTINGENCIES**

**Grants** - The Board receives financial assistance from Federal and State agencies in the form of grants. Disbursing grant funds generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability. However, in the opinion of management, any such disallowed claims through June 30, 2009 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, 2009  
(Continued)**

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**NOTE 8 – RESTATEMENT OF NET ASSETS**

During preparation of the 2009 financial statements errors were noted in the prior year intergovernmental receivables and payables balances, which required the following restatements to net assets.

<u>Governmental Activities</u>	
\$119,849	Net Assets, June 30, 2008
377,385	Restatement – Intergovernmental Receivables
<u>(545,899)</u>	Restatement – Intergovernmental Payables
<u>(\$48,665)</u>	Net Assets – Restated, July 1, 2008

**NOTE 9 – RELATED PARTIES**

Each member county has representation on the Workforce Investment Board. For fiscal year 2009 the Board paid Fairfield County \$1,212,652, Pickaway County \$1,321,178, and Ross County \$1,278,308.

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

**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, 2009**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Operating Grants:				
Adult	\$ 1,064,900	\$ 1,255,939	\$ 975,107	\$ (280,832)
Dislocated Worker	1,410,940	1,664,057	1,291,969	(372,088)
Youth	790,320	932,100	723,680	(208,420)
Rapid Response Grant	581,201	685,466	532,194	(153,272)
Administration	266,682	314,523	244,195	(70,328)
Workforce Services Month	4,507	5,316	4,127	(1,189)
VSTP	4,466	5,267	4,089	(1,178)
State Grant	397,123	468,365	363,637	(104,728)
Interest	900	900	-	(900)
Miscellaneous	260,863	115,296	257,285	141,989
<b>Total Revenues</b>	<b>4,781,902</b>	<b>5,447,229</b>	<b>4,396,283</b>	<b>(1,050,946)</b>
<b>Expenditures:</b>				
Workforce Development:				
Adult	794,625	1,204,134	1,030,580	173,554
Dislocated Worker	1,597,033	1,402,480	1,373,412	29,068
Youth	1,146,477	1,143,600	834,082	309,518
Rapid Response Grant	700,000	526,178	568,836	(42,658)
Administration	282,004	441,968	180,886	261,082
State Grant	-	523,303	338,945	184,358
Miscellaneous	260,863	229,552	215,255	14,297
Interest and Fiscal Charges	900	900	-	900
<b>Total Expenditures</b>	<b>4,781,902</b>	<b>5,472,115</b>	<b>4,541,996</b>	<b>930,119</b>
Excess of Revenues Over (Under) Expenditures	-	(24,886)	(145,713)	(120,827)
Fund Balance at Beginning of Year	162,073	162,073	162,073	-
<b>Fund Balance at End of Year</b>	<b>\$ 162,073</b>	<b>\$ 137,187</b>	<b>\$ 16,360</b>	<b>\$ (120,827)</b>

See accompanying notes to the supplemental information.

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

**NOTES TO THE SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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**NOTE 2 – BUDGETARY SCHEDULE**

Ross County (the fiscal agent) required the Board to budget all funds. The major documents prepared are the budget based on the WIA grant allocation. The budgetary basis reports expenditures when a commitment is made (i.e., when an encumbrance is approved); encumbrances are carried over at year-end, and need not be re-appropriated. 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 original WIA grant allocation. 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 budget may be amended 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 budgeted amounts including any amendments throughout the year.

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

<b>Net Change in Fund Balance per the Statement of Revenues, Expenditures, and Changes in Fund Balance</b>	\$ (93,622)
Net revenue accruals	(244,647)
Net expenditure accruals	<u>192,556</u>
<b>Net Change in Fund Balance per the Budgetary Schedule</b>	<u><u>\$ (145,713)</u></u>



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

**FEDERAL AWARDS EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2009**

<b>Federal Grantor Agency/ Pass Through Grantor/ Program Title</b>	<b>Pass Through Entity Number</b>	<b>Federal CFDA Number</b>	<b>Expenditures</b>
<b><u>U.S. DEPARTMENT OF LABOR</u></b>			
<i>Passed Through Ohio Department of Job &amp; Family Services</i>			
Employment Service/Wagner-Peyser Funded Activities		17.207	<u>\$ 5,842</u>
Workforce Investment Act Cluster:			
Adult Program	G-89-15-0562	17.258	1,326,933
Adult Administration	G-89-15-0562	17.258	69,198
ARRA - Adult Program	G-89-15-0562	17.258	13,708
Total - Adult Program			<u>1,409,839</u>
Youth Program	G-89-15-0562	17.259	714,740
Youth Administration	G-89-15-0562	17.259	58,039
ARRA - Youth Program	G-89-15-0562	17.259	12,909
Total - Youth Program			<u>785,688</u>
Dislocated Worker Program	G-89-15-0562	17.260	1,836,367
Dislocated Worker Administration	G-89-15-0562	17.260	137,759
ARRA - Dislocated Worker Program	G-89-15-0562	17.260	7,356
Total - Dislocated Worker Program			<u>1,981,482</u>
Total U.S. Department of Labor - Workforce Investment Act Cluster			<u>4,177,009</u>
Special Project - Youth Employment Project	G-89-15-0562	17.261	<u>17,742</u>
<b>Total Federal Awards Expenditures</b>			<b><u>\$ 4,200,593</u></b>

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

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

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B – SUBRECIPIENTS**

The Board passes-through certain Federal assistance received from the Ohio Department of Job and Family Services to other governments (subrecipients). As described in Note A, the Board records expenditures of Federal awards to subrecipients when the obligation occurs.

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



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

To the Workforce Investment Board:

We have audited the financial statements of the governmental activities and the major fund of the Area 20/21 Workforce Investment Board, Ross County, Ohio (the Board) as of and for the year ended June 30, 2009, which collectively comprise the Board's basic financial statements and have issued our report thereon dated March 16, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Board's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Board's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Board's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Board's financial statements will not be prevented, or detected and timely corrected.

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

### Compliance and Other Matters

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

Area 20/21 Workforce Investment Board  
Ross County  
Independent Accountants' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by Government Auditing Standards  
Page 2

We did note a certain noncompliance or other matter that we reported to the Board's management in a separate letter dated March 16, 2010.

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

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

**Mary Taylor, CPA**  
Auditor of State

March 16, 2010



# Mary Taylor, CPA

Auditor of State

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

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

To the Workforce Investment Board:

### Compliance

We have audited the compliance of the Area 20/21 Workforce Investment Board, Ross County, Ohio (the Board) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to its major federal program for the year ended June 30, 2009. The summary of auditor's results section of the accompanying schedule of findings identifies the Board's major federal program. The Board's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the Board's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Board's compliance with those requirements.

In our opinion, the Area 20/21 Workforce Investment Board, Ross County, Ohio complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended June 30, 2009.

### 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 opining on compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Board's internal control over compliance.

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*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

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

We intend this report solely for the information and use of the finance committee, 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 cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

March 16, 2010

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

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2009**

**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):	Workforce Investment Act Cluster (CFDA #17.258, 17.259, 17.260)
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

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

None

**3. FINDINGS FOR FEDERAL AWARDS**

None

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

**SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A -133 § .315 (b)  
JUNE 30, 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2008-001	Subrecipient Monitoring – Contrary to 20 C.F.R. 667.400(c)(1), the Board did not perform subrecipient monitoring.	Yes	Fully Corrected





**Mary Taylor, CPA**  
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 6, 2010**