

**CENTRAL OHIO WORKFORCE INVESTMENT CORPORATION
FRANKLIN COUNTY**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015

SHIRLEY COSTANTINO, COO/CFO



Dave Yost • Auditor of State

Board of Directors
Central Ohio Workforce Investment Corporation
1111 East Broad Street
Columbus, Ohio 43205

We have reviewed the *Independent Auditor's Report* of the Central Ohio Workforce Investment Corporation, Franklin County, prepared by Julian & Grube, Inc., for the audit period July 1, 2014 through June 30, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

Finding for Recover Repaid Under Audit

State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951), provides that expenditures made by a governmental unit should serve a public purpose. Typically the determination of what constitutes a "proper public purpose" rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only. Auditor of State Bulletin 2003-005 Expenditure of Public Funds/Proper Public Purpose states that the Auditor of State's Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect.

During the period of August 7, 2014 through November 25, 2015, Wendy Taylor was paid bi-weekly an amount of \$1,963; however, she was only approved to receive a bi-weekly salary of \$1,936. This resulted in an overpayment of \$945 for this period.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for monies illegally expended may be hereby issued against Wendy Taylor in the amount of \$945, and in favor of Central Ohio Workforce Investment Council's Fund, in the amount of \$945.

Ms. Taylor had deductions of \$500 and \$454 made from her salary during the bi-weekly pay periods December 10 and 22, 2015, respectively; for a total re-payment of \$954. COWIC paid back the additional \$9 deducted from Ms. Taylor during the December 10th and 22nd pays, during the February 4, 2016 pay.

Central Ohio Workforce Investment Corporation
1111 East Broad Street
Columbus, Ohio 43205
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Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Central Ohio Workforce Investment Corporation is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D" and a long, sweeping tail on the "y".

Dave Yost
Auditor of State

March 7, 2016

**CENTRAL OHIO WORKFORCE INVESTMENT CORPORATION
FRANKLIN COUNTY**

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Julian & Grube, Inc.
Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

Central Ohio Workforce Investment Corporation
Franklin County
1111 East Broad Street, Suite 201
Columbus, Ohio 43205

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Central Ohio Workforce Investment Corporation, Franklin County, Ohio, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Central Ohio Workforce Investment Corporation's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis described in Note 2. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Central Ohio Workforce Investment Corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Central Ohio Workforce Investment Corporation's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

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 Central Ohio Workforce Investment Corporation, Franklin County, Ohio, as of June 30, 2015, and the respective changes in cash financial position thereof for the fiscal year then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

Other Matters

Supplementary Information

Our audit was conducted to opine on the financial statements taken as a whole.

The Schedule of Federal Awards Expenditures presents additional analysis as required by the 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 financial statements.

The Schedule of Federal Awards Expenditures is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected the Schedule of Federal Awards Expenditures to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the Schedule of Federal Awards Expenditures directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Federal Awards Expenditures is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2015, on our consideration of the Central Ohio Workforce Investment Corporation'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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Central Ohio Workforce Investment Corporation's internal control over financial reporting and compliance.



Julian & Grube, Inc.
December 23, 2015

**CENTRAL OHIO WORKFORCE INVESTMENT CORPORATION
FRANKLIN COUNTY**

**STATEMENT OF NET POSITION - CASH BASIS
June 30, 2015**

	<u>Governmental Activities</u>
Assets	
Cash	<u>\$ 1,469,926</u>
<i>Total Assets</i>	<u><u>\$ 1,469,926</u></u>
Net Position	
Restricted for:	
Workforce Services	\$1,468,910
Unrestricted	<u>1,016</u>
<i>Total Net Position</i>	<u><u>\$1,469,926</u></u>

See accompanying notes to the basic financial statements.

**CENTRAL OHIO WORKFORCE INVESTMENT CORPORATION
FRANKLIN COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2015**

	Cash Disbursements	Operating Grants and Contributions	Net (Disbursements) Receipts and Changes in Net Position Governmental Activities
Governmental Activities			
Administration	\$ 117,012	\$ 597,694	\$ 480,682
Adult Services	3,153,232	2,166,461	(986,771)
Disability Navigator	-	484	484
Dislocated Worker Services	845,616	1,197,164	351,548
National Emergency Grant Services	276,852	331,279	54,427
Ohio Works Incentive Program	783,026	1,172,857	389,831
One Stop Services	178,087	280,122	102,035
Rapid Response Services	142,298	255,411	113,113
Summer Youth Works	1,497,559	1,395,040	(102,519)
Youth Services - In School	466,446	739,774	273,328
Youth Services - Out of School	1,002,720	731,557	(271,163)
WIOA Transition	27,964	31,465	3,501
Payroll and Benefits	3,582,959	3,535,874	(47,085)
Other Expenses	11,526	-	(11,526)
Total Governmental Activities	\$ 12,085,297	\$ 12,435,182	\$ 349,885
General Receipts			
Unrestricted Contributions			6,100
<i>Total General Receipts</i>			<u>6,100</u>
Change in Net Position			355,985
<i>Net Position Beginning of Year</i>			<u>1,113,941</u>
<i>Net Position End of Year</i>			<u>\$ 1,469,926</u>

See accompanying notes to the basic financial statements.

**CENTRAL OHIO WORKFORCE INVESTMENT CORPORATION
FRANKLIN COUNTY**

**STATEMENT OF ASSETS AND FUND BALANCE - CASH BASIS
GOVERNMENTAL FUND
June 30, 2015**

	<u>Special Revenue</u>
Assets	
Cash	\$ 1,469,926
<i>Total Assets</i>	<u>\$ 1,469,926</u>
Fund Balances	
Restricted	
Reported in:	
Special Revenue Fund	\$ 1,468,910
Assigned	1,016
<i>Total Fund Balances</i>	<u>\$ 1,469,926</u>

See accompanying notes to the basic financial statements.

**CENTRAL OHIO WORKFORCE INVESTMENT CORPORATION
FRANKLIN COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN FUND BALANCE - CASH BASIS
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	Special Revenue
Receipts	
WIA Allocations	\$ 7,689,667
Intergovernmental Receipts	4,459,319
One Stop Contributions	286,195
Contributions	6,100
<i>Total Receipts</i>	12,441,281
Disbursements	
Administration	117,011
Adult Services	3,153,232
Ohio Works Incentive Program	783,026
Dislocated Worker Services	845,616
National Emergency Grant Services	276,852
One Stop Services	178,087
Rapid Response Services	142,298
Summer Youth Works	1,497,559
Youth Services - In School	466,446
Youth Services - Out of School	1,002,720
WIOA Transition	27,964
Payroll and Benefits	3,582,959
Other Expenses	11,526
<i>Total Disbursements</i>	12,085,296
<i>Net Change in Fund Balance</i>	355,985
<i>Fund Balance Beginning of Year</i>	1,113,941
<i>Fund Balance End of Year</i>	\$ 1,469,926

See accompanying notes to the basic financial statements.

**CENTRAL OHIO WORKFORCE INVESTMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 1 – Reporting Entity

Central Ohio Workforce Investment Corporation (the Corporation) was established in 2004 as a 501(c)(3) not-for-profit organization. This not-for-profit is eligible to receive and administer funds granted by the Governor of the State of Ohio under the Workforce Investment Act (WIA) of 1998. The Corporation is known as the Local Workforce Board for Area 11 within the State and represents the City of Columbus and Franklin County, Ohio.

WIA funding is allocated to the State of Ohio by the United States Department of Labor based on a statutory formula. The State then allocates funding to Local Workforce Boards through the Ohio Department of Job and Family Services based on a formula. As the grant administrator, the Corporation is responsible for all federal compliance requirements applicable to the WIA program. The Corporation may pass funding through to another entity to administer the grant (sub-recipients).

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

For financial reporting purposes, all departments and operations, over which the Corporation exercises financial accountability, are included in the reporting entity.

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2 C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting.

The following are the more significant of the Corporation's accounting policies.

A. Basis of Presentation

The Corporation's basic financial statements consist of government-wide financial statements, including a statement of Net Position – Cash Basis and a Statement of Activities – Cash Basis, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The Statement of Net Position – Cash Basis presents the cash balance of the governmental activities of the Corporation at fiscal year-end. The Statement of Activities – Cash Basis compares disbursements and program receipts for each program or function of the Corporation's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Corporation is responsible. Program receipts include grants and contributions that are restricted to meeting the operational requirements of a particular program. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a cash basis or draws from general receipts.

**CENTRAL OHIO WORKFORCE INVESTMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015
(Continued)**

Note 2 – Summary of Significant Accounting Policies (Continued)

A. Basis of Presentation (Continued)

Fund Financial Statements

The Corporation segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Corporation at this more detailed level. The focus of governmental fund financial statements is on major funds.

B. Fund Accounting

The Corporation uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The only fund of the Corporation is a governmental fund.

Governmental Funds

Governmental funds are those through which most governmental functions of the Corporation are financed. The following is the only governmental fund:

Special Revenue Fund - This fund accounts for proceeds from grants and contributions that are restricted to specific purposes.

C. Basis of Accounting

The Corporation's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

The Corporation's annual budget is primarily a management tool that assists its users in analyzing and tracking financial activity. Because of the Corporation's dependency on federal and state budgetary decisions, revenue estimates are based upon the best available information as to potential sources of funding. The Board of Directors formally approves the annual budget. Emphasis is placed on complying with grant budgets and the terms and conditions specific to each grant.

These terms and conditions usually specify the period during which costs may be incurred and outline budget restrictions or allowances.

**CENTRAL OHIO WORKFORCE INVESTMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015
(Continued)**

Note 2 – Summary of Significant Accounting Policies (Continued)

D. Budgetary Process (Continued)

The main funding sources for the audit period were federal, state, and local grants which have grant periods that may or may not coincide with the Corporation's fiscal year. These grants are normally for a twenty-four month period but can be for shorter or longer terms. Although the annual budget is reviewed and approved by the Board of Directors, it is not a legally binding budget.

E. Cash

All cash received by the Corporation is deposited into a non-interest bearing checking account.

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are imposed by grantors and laws of other governments. The Corporation does not have any restricted assets at June 30, 2015. The Corporation's net position is restricted for Workforce Services.

G. Inventory and Prepaid Items

The Corporation reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. Capital Assets

Acquisitions of property, plant, and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

I. Employer Contributions to Postemployment Benefits

The Corporation recognizes the disbursement for employer contributions to Social Security and Medicare when they are paid. As described in Note 5, the employer contributions include portions for pension benefits and for postretirement health care benefits.

J. Long-Term Obligations

The cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither a financing source nor capital outlay expenditure is reported at inception. Lease payments are reported when paid. The Corporation has not entered into any long-term obligations or capital leases as of June 30, 2015.

K. Net Position

Net position is reported as restricted when there are limitations imposed on their use either through grantors or laws or regulations of other governments. The Corporation's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net position is available.

**CENTRAL OHIO WORKFORCE INVESTMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015
(Continued)**

Note 2 – Summary of Significant Accounting Policies (Continued)

L. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Corporation is bound to observe constraints imposed upon the use of the resources in the governmental funds.

The classifications are as follows:

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

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

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the Corporation for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by policies of the Board.

Unassigned Unassigned fund balance is the residual classification for the General Fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

Note 3 – Deposits

Monies held by the Corporation are placed into a non-interest bearing checking account. The Corporation has no investments.

**CENTRAL OHIO WORKFORCE INVESTMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015
(Continued)**

Note 3 – Deposits (Continued)

Deposits

At June 30, 2015, the carrying amount of the Corporation's deposits was \$1,469,926 and the bank balance was \$1,741,759. Of the Corporation's bank balance, the initial \$250,000 was covered by the Federal Deposit Insurance Corporation and the remaining \$1,491,759 was collateralized and not exposed to custodial credit risk.

Custodial credit risk is the risk that, in the event of bank failure, the Corporation's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits.

Note 4 – Risk Management

The Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2015, the Corporation contracted with Philadelphia Insurance Companies for various types of insurance as follows:

<u>Type of Coverage</u>	<u>Deductible</u>	<u>Coverage</u>
Commercial Property	\$500	\$900,000
Auto Liability	2,000	1,000,000
General Liability	0	2,000,000
Umbrella Liability	10,000	5,000,000
Public Officials Liability	10,000	5,000,000
Employee Dishonesty	500	50,000
Boiler and Machinery / Inland Marine	2,500	500,000

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There was an increased amount in coverage in commercial property and employee dishonesty, \$150,000 and \$40,000, respectively for fiscal year 2015.

Note 5 – Postemployment Benefits

Corporation employees contribute to Social Security and Medicare. The plans provide for retirement, healthcare and prescription drug benefits including survivor and disability benefits to participants. Each employee contributes 6.2% and 1.45% of their gross pay to Social Security and Medicare, respectively. The Corporation matches this contribution by contributing an additional 6.2% and 1.45%. The Corporation has contributed 100% of their required Social Security and Medicare payments.

Note 6 – Leases

The Corporation leases a building from the City of Columbus for office space. The Corporation disbursed \$560,172 to pay lease costs for the year ended June 30, 2015. Future lease payments are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2016	\$ 746,896
2017	373,448
Total	<u>\$ 1,120,344</u>

**CENTRAL OHIO WORKFORCE INVESTMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015
(Continued)**

Note 7 – Contingent Liabilities

Amounts grantor agencies pay to the Corporation are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 8 – Related Party Transactions

<u>Company</u>	<u>Board Member</u>	<u>Amount</u>	<u>Service</u>
City of Columbus	Steve Campbell	\$560,172	Facility Rent
IMPACT Community Action	Robert Chilton	\$128,549	Program Services
Columbus State Community College	Nancy Case	\$13,008	Program Services
Columbus Chamber of Commerce	Michael Dalby	\$2,350	Membership Services
Franklin County Department of Job & Family Services	Anthony Trotman	\$565,975	Program Services
United Way of Central Ohio	Matt Kosanovich	\$1,610	Employee Donations

SUPPLEMENTARY INFORMATION

**CENTRAL OHIO WORKFORCE INVESTMENT CORPORATION
FRANKLIN COUNTY**

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

Federal Grantor Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
U.S. DEPARTMENT OF LABOR			
Passed Through Ohio Department of Job and Family Services			
Workforce Investment Act (WIA) Cluster			
Adult Administration - PY14	JFSCAP14	17.258	\$ 13,732
Adult Administration - FY15	JFSCAF15	17.258	107,609
Adult Program - FY14	JFSFAF14	17.258	745,112
Adult Program - PY14	JFSCAP14	17.258	123,592
Adult Program - FY15	JFSCAF15	17.258	1,622,342
WIOA Transition	JFSFSW10	17.258	63,934
Total for Adult Program and Administration			<u>2,676,321</u>
Youth Administration - PY13	JFSFYP13	17.259	59,069
Youth Administration - PY14	JFSCYP14	17.259	45,284
Youth Program - PY13	JFSFYP13	17.259	2,118,726
Total for Youth Program and Administration			<u>2,223,079</u>
Dislocated Worker Administration - PY14	JFSCDP14	17.278	20,029
Dislocated Worker Administration - FY15	JFSCDF15	17.278	110,423
Dislocated Worker Program (Adult under DW) - FY14	JFSCDF14	17.278	398,247
Dislocated Worker Program - FY14	JFSFDF14	17.278	614,545
Dislocated Worker Program - PY14	JFSCDP14	17.278	180,265
Dislocated Worker Program - FY15	JFSCDF15	17.278	1,014,465
Rapid Response - SFY15/FY14	JFSFDF14	17.278	120,000
Rapid Response - FY14	JFSFDF14	17.278	31,587
Rapid Response - FY15	JFSCDF15	17.278	27,059
Total for Dislocated Worker Program and Administration			<u>2,516,620</u>
Total Workforce Investment Act (WIA) Cluster			<u>7,416,020</u>
NEG-27 NEG/DW Training	JFSFND13	17.277	291,568
TOTAL U.S. DEPARTMENT OF LABOR			<u>7,707,588</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through Ohio Department of Job and Family Services and Passed Through Franklin County Job and Family Services			
Temporary Assistance for Needy Families	20-1175160	93.558	1,109,157
Temporary Assistance for Needy Families - OWF MOU	JFSOLS15	93.558	1,065,238
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>2,174,395</u>
Total			<u>\$ 9,881,983</u>

The accompanying notes are an integral part of this schedule.

**CENTRAL OHIO WORKFORCE INVESTMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B – SUBRECIPIENTS

The Corporation passes certain federal awards received from the Ohio Department of Job and Family Services to other governments or not-for-profit agencies (subrecipients). As Note A describes, the Corporation records expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, the Corporation has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals. The total amount of Federal assistance provided to subrecipients by the Corporation for each Federal program is summarized below:

Program Title	CFDA #	Amounts Provided to Subrecipients
Workforce Investment Act – Adult Program	17.258	\$1,160,345
Youth Employment Project – TANF	93.558	348,200
Workforce Investment Act – Youth Program	17.259	979,694
Workforce Investment Act – Dislocated Worker Program	17.278	486,702



Julian & Grube, Inc.
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**Independent Auditor's Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Required by *Government Auditing Standards***

Central Ohio Workforce Investment Corporation
Franklin County
1111 East Broad Street
Columbus, Ohio 43205

To the Board of Directors:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities and the major fund of the Central Ohio Workforce Investment Corporation, Franklin County, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Central Ohio Workforce Investment Corporation's basic financial statements and have issued our report thereon dated December 23, 2015, wherein we noted the Central Ohio Workforce Investment Corporation uses a special purpose framework other than generally accepted accounting principles.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Central Ohio Workforce Investment Corporation's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Central Ohio Workforce Investment Corporation's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Central Ohio Workforce Investment Corporation's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Board of Directors
Central Ohio Workforce Investment Corporation

Compliance and Other Matters

As part of reasonably assuring whether the Central Ohio Workforce Investment Corporation'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, opining 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*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Central Ohio Workforce Investment Corporation's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Central Ohio Workforce Investment Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
December 23, 2015



Julian & Grube, Inc.
Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

**Independent Auditor's Report on Compliance With Requirements Applicable to The
Major Federal Program and on Internal Control Over Compliance
Required by OMB Circular A-133**

Central Ohio Workforce Investment Corporation
Franklin County
1111 East Broad Street, Suite 201
Columbus, Ohio 43205

To the Board of Directors:

Report on Compliance for the Major Federal Program

We have audited the Central Ohio Workforce Investment Corporation's compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Central Ohio Workforce Investment Corporation's major federal program for the year ended June 30, 2015. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Central Ohio Workforce Investment Corporation's major federal program.

Management's Responsibility

The Central Ohio Workforce Investment Corporation's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the Central Ohio Workforce Investment Corporation's compliance for the Central Ohio Workforce Investment Corporation's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Central Ohio Workforce Investment Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Central Ohio Workforce Investment Corporation's major program. However, our audit does not provide a legal determination of the Central Ohio Workforce Investment Corporation's compliance.

Board of Directors
Central Ohio Workforce Investment Corporation

Opinion on the Major Federal Program

In our opinion, the Central Ohio Workforce Investment Corporation complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2015.

Report on Internal Control Over Compliance

The Central Ohio Workforce Investment Corporation's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Central Ohio Workforce Investment Corporation's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Central Ohio Workforce Investment Corporation's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

This report only describes the scope of our internal control over compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.



Julian & Grube, Inc.
December 23, 2015

**CENTRAL OHIO WORKFORCE INVESTMENT CORPORATION
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2015**

1. SUMMARY OF AUDITOR'S RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Program's Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under §.510(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Program (listed):</i>	Workforce Investment Act (WIA) Cluster: WIA Adult Program, CFDA #17.258; WIA Youth Activities, CFDA #17.259; and WIA Dislocated Worker Formula Grants, CFDA #17.278
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: \$300,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

**CENTRAL OHIO WORKFORCE INVESTMENT CORPORATION
FRANKLIN COUNTY**

**STATUS OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2015**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; Finding no Longer Valid
2014-001	<u>Significant Deficiency – Allowable Costs/Cost Principles – Individual Training Account Approvals</u> - The Corporation could not provide evidence of an approved ITA Agreement for 2.5% of Agreements tested.	Yes	N/A



Dave Yost • Auditor of State

CENTRAL OHIO WORKFORCE INVESTMENT CORPORATION

FRANKLIN 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 22, 2016**