



**CENTRAL OHIO WORKFORCE INVESTMENT CORPORATION
FRANKLIN COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2006



Mary Taylor, CPA
Auditor of State

**CENTRAL OHIO WORKFORCE INVESTMENT CORPORATION
FRANKLIN COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Directors:

We have audited the accompanying financial statements of the governmental activities and major fund of Central Ohio Workforce Investment Corporation, Franklin County, Ohio (the Corporation), as of and for the year ended June 30, 2006, which collectively comprise the Corporation's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Corporation'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.

As discussed in Note 1, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities and major fund of Central Ohio Workforce Investment Corporation, Franklin County, Ohio, as of June 30, 2006, and the respective changes in cash financial position thereof for the year then ended in conformity with the basis of accounting Note 1 describes.

For the year ended June 30, 2006, the Corporation revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 2, 2008, on our consideration of the 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. 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.

The Corporation did not present Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was performed to form opinions on the financial statements that collectively comprise the Corporation's basic financial statements. The accompanying federal awards expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information 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.



Mary Taylor, CPA
Auditor of State

January 2, 2008

**CENTRAL OHIO WORKFORCE INVESTMENT CORPORATION
FRANKLIN COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS
JUNE 30, 2006**

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash	<u>\$ 1,910,052</u>
<i>Total Assets</i>	<u><u>\$ 1,910,052</u></u>
Net Assets	
Restricted for:	
Other Purposes	<u>1,910,052</u>
<i>Total Net Assets</i>	<u><u>\$ 1,910,052</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, 2006**

	Cash Disbursements	Operating Grants and Contributions	Net (Disbursements) Receipts and Changes in Net Assets
Governmental Activities			Governmental Activities
Administration	\$ 329,266	\$ 478,234	\$ 148,968
WIA Adult	1,525,488	2,231,024	705,536
City Summer Youth	2,260	54,969	52,709
WIA Dislocated Worker	1,168,407	1,761,140	592,733
WIA National Emergency Grant -BRAC	95,850	138,013	42,163
One Stop Services	250,550	207,678	(42,872)
WIA Rapid Response	24,940	-	(24,940)
Reed Act	128,547	128,547	-
WIA Veteran Short Term Training Program	2,000	-	(2,000)
WIA Youth - In School	1,791,957	2,046,395	254,438
WIA Youth - Out of School	1,119,961	1,279,599	159,638
Youth Continuation	1,128	8,000	6,872
Youth Settlement	24,017	18,712	(5,305)
Payroll and Benefits	271,831	-	(271,831)
<i>Total Governmental Activities</i>	<u>6,736,202</u>	<u>8,352,311</u>	<u>1,616,109</u>
			Change in Net Assets 1,616,109
			<i>Net Assets Beginning of Year</i> <u>293,943</u>
			<i>Net Assets End of Year</i> <u>\$ 1,910,052</u>

See accompanying notes to the basic financial statements

**CENTRAL OHIO WORKFORCE INVESTMENT CORPORATION
FRANKLIN COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCE
GOVERNMENTAL FUND
JUNE 30, 2006**

	<u>Special Revenue</u>
Assets	
Equity in Pooled Cash	\$ 1,910,052
<i>Total Assets</i>	<u>\$ 1,910,052</u>
Fund Balance	
Unreserved:	
Reported in:	
Special Revenue Fund	1,910,052
<i>Total Fund Balance</i>	<u>\$ 1,910,052</u>

See accompanying notes to the basic financial statements

**CENTRAL OHIO WORKFORCE INVESTMENT CORPORATION
FRANKLIN COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS
FUND BALANCE - GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2006**

	Special Revenue
Receipts	
WIA Allocations	\$ 7,749,963
City Summer Youth Program	386,670
Youth Continuation Grant	8,000
One Stop Services	207,678
<i>Total Receipts</i>	8,352,311
Disbursements	
Administration	329,266
WIA Adult	1,525,488
City Summer Youth	2,260
WIA Dislocated Worker	1,168,407
WIA National Emergency Grant - BRAC	95,850
One Stop Services	250,550
WIA Rapid Response	24,940
Reed Act	128,547
WIA Veteran Short Term Training Program	2,000
WIA Youth - In School	1,791,957
WIA Youth - Out of School	1,119,961
Youth Continuation	1,128
Youth Settlement	24,017
Payroll and Benefits	271,831
<i>Total Disbursements</i>	6,736,202
<i>Net Change in Fund Balance</i>	1,616,109
<i>Fund Balance Beginning of Year</i>	293,943
<i>Fund Balance End of Year</i>	\$ 1,910,052

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, 2006**

Note 1 - Reporting Entity

Central Ohio Workforce Investment Corporation (Corporation) was established in 2004 as a 501(c) not-for-profit organization. This non-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 Jobs 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. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Corporation accounting policies.

A. Basis of Presentation

The Corporation's basic financial statements consist of government-wide financial 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 Corporation as a whole. These statements include the financial activities of the primary government. All activities of the Corporation are governmental activities. Governmental activities generally are financed through intergovernmental receipts or other nonexchange transactions.

**CENTRAL OHIO WORKFORCE INVESTMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006
(Continued)**

Note 2 - Summary of Significant Accounting Policies (continued)

The statement of net assets presents the cash balance of the governmental activities of the Corporation at year end. The statement of activities compares disbursements and program receipts for each program or function of the Corporation to 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.

Fund Financial Statements

During the year, 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 all governmental functions of the Corporation are financed. The following is the only governmental fund:

Special Revenue Fund – This fund accounts for proceeds from specific sources that are restricted to expenditure for specific purposes.

C. Basis of Accounting

The Corporation 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, 2006
(Continued)**

Note 2 - Summary of Significant Accounting Policies (continued)

The only 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 has no restricted assets as of June 30, 2006.

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. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the cash basis of accounting.

J. Employer Contributions to Social Security and Medicare

The Corporation recognizes the disbursement for employer contributions to Social Security and Medicare when they are paid. As described in Note 6, the employer contributions include portions for retirement benefits and for postretirement health care benefits.

K. 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 an other financing source nor a capital outlay expenditure are 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, 2006.

L. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through grantors or laws or regulations of other governments.

**CENTRAL OHIO WORKFORCE INVESTMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006
(Continued)**

Note 3 – Change in Fund Classification and Restatement of Fund Balance

A. Change in Fund Reporting

For 2006, the Corporation ceased to report using the Auditor of State Regulatory Basis and reported on the cash basis as described in Note 2C. Due to this change, the Corporation has elected to show all activity in one special revenue fund because all activity at the Corporation is grant activity.

B. Restatement of Fund Equity

The implementation of this change had the following effects on fund balance of the Corporation as they were previously reported. There was no effect on the government wide statement of net assets.

	Administrative	Special Revenue	Total Governmental Funds
Fund Balance June 30, 2005	\$ 40,733	\$ 253,211	\$ 293,943
Reclass Administrative Fund	(40,733)	40,733	0
Restated Fund Balance June 30, 2005	\$ 0	\$ 293,943	\$ 293,943

Note 4 - Deposits and Investments

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

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the Corporation will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Corporation has no deposit policy for custodial credit risk. At year end, the carrying amount of the Corporation deposits was \$1,910,052 and the bank balance was \$3,328,778. Of the bank balance \$100,000 was covered by FDIC insurance, \$1,650,000 was exposed to custodial credit risk because these deposits were uninsured and collateralized with securities held by the pledging financial institution, and \$1,578,778 was uninsured and uncollateralized.

Note 5 - 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 2006, the Corporation contracted with Philadelphia Insurance Companies for various types of insurance as follows:

Type of Coverage	Deductible	Coverage
Commercial Property	\$ 500	\$ 10,000
Auto Liability	0	1,000,000
General Liability	0	2,000,000
Umbrella Liability	10,000	5,000,000
Public Officials Liability	10,000	5,000,000
Boiler and Machinery	1,000	75,000

There has been no material change in this coverage from the prior year. Settled claims have not exceeded this commercial coverage in any of the past two years.

**CENTRAL OHIO WORKFORCE INVESTMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006
(Continued)**

Note 6 – Social Security and Medicare

The Corporation employees contribute to Social Security and Medicare, social benefit plans. 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 7 – Operating Leases

The Corporation entered into a lease agreement for office space with the Buckeye Union Insurance Company June 21, 2006. The Corporation disbursed \$231,105 to pay lease costs for the year ended June 30, 2006. Future lease payments are as follows:

Fiscal Year	Amount
2007	\$ 693,315
2008	924,420
2009	952,153
2010	980,501
2011	1,010,083
Total	<u>\$ 4,560,472</u>

Note 8 – Related Party Transactions

Various Board Members are employed by companies that provide services to the Corporation. The following table describes each:

<u>Company</u>	<u>Board Member</u>	<u>Amount</u>	<u>Service</u>
Columbus Public Schools	Dr. Gene Harris	\$300,819	Program
Columbus State Community College	Jan Wagner	364,454	Program
Dawson Resources	Michael Linton	722	Professional Services
Eastland-Fairfield Career Tech.	Dr. Mark Weedy	477,608	Program
Franklin County DJFS	Doug Holmes	960,313	Program
Mount Carmel College of Nursing	Dr. Anne E. Schiele	26,759	Program
Ohio State University	Rebecca Andrea	63,500	Professional Services
Vorys, Sater, Seymour & Pease LLP	Maureen Conley	51,997	Professional Services
Greater Columbus Chamber of Com.	Cheryl Hay	206,121	Prog & Prof Services

Note 9 – Subsequent Events

On December 13, 2006, the City of Columbus acquired ownership of the building the Corporation leases for offices and assumed the office building lease agreement entered into between the Corporation and the Buckeye Union Insurance Company. As disclosed in Note 7 this will result in the City of Columbus receiving \$4,560,472 in lease payment from the Corporation over the next 5 years.

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**CENTRAL OHIO WORKFORCE INVESTMENT CORPORATION
FRANKLIN COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2006**

Federal Grantor Agency/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Expenditures
<u>U.S. DEPARTMENT OF LABOR</u>			
<i>Passed Through Ohio Department of Job & Family Services</i>			
Workforce Investment Act Cluster:			
Adult Program (SFY04)	G-05-15-1270	17.258	\$ 232,497
Adult Administration (SFY04)	G-05-15-1270	17.258	-
Adult Program (SFY05)	G-05-15-1270	17.258	1,340,976
Adult Administration (SFY05)	G-05-15-1270	17.258	112,508
Total for CFDA 17.258			<u>1,685,981</u>
Youth Program (SFY04)	G-05-15-1270	17.259	305,983
Youth Administration (SFY04)	G-05-15-1270	17.259	-
Youth Program (SFY05)	G-05-15-1270	17.259	2,168,085
Youth Administration (FY05)	G-05-15-1270	17.259	181,903
Youth Program (SFY06)	G-67-15-1004	17.259	459,811
Youth Administration (SFY06)	G-67-15-1004	17.259	45,643
Total for CFDA 17.259			<u>3,161,425</u>
Dislocated Worker Program (SFY04)	G-05-15-1270	17.260	280,824
Dislocated Worker Administration (SFY04)	G-05-15-1270	17.260	-
Dislocated Worker Program (SFY05)	G-05-15-1270	17.260	960,442
Dislocated Worker Administration (SFY05)	G-05-15-1270	17.260	80,582
Dislocated Worker Program (SFY06)	G-67-15-1004	17.260	97,850
Dislocated Worker Administration (SFY06)	G-67-15-1004	17.260	9,713
Total for CFDA 17.260			<u>1,429,411</u>
Total Workforce Investment Act Cluster			<u>6,276,817</u>
Unemployment Insurance	20-1175160	17.225	128,547
Workforce Investment Act - Pilots, Demonstrations and Research Projects	20-1175160	17.261	24,017
Total Federal Awards Expenditures			<u><u>\$ 6,429,381</u></u>

The accompanying notes are an integral part of this schedule.

**CENTRAL OHIO WORKFORCE INVESTMENT CORPORATION
FRANKLIN COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2006**

NOTE A--SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B – SUBRECIPIENTS

The Corporation passes-through federal assistance to other governmental or not-for profit agencies(subrecipients). As described in Note A, the Corporation records expenditures of federal awards to subrecipients when paid in cash.

The subrecipients have certain compliance responsibilities related to administering these federal programs. Under OMB Circular A-133, the Corporation is responsible for monitoring subrecipients to provide assurance that federal awards are expended for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements, and performance goals are achieved. 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	\$913,052
Workforce Investment Act – Youth Program	17.259	2,463,631
Workforce Investment Act – Dislocated Worker Program	17.260	647,212



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*

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

To the Board of Directors:

We have audited the financial statements of the governmental activities and the major fund of Central Ohio Workforce Investment Corporation, Franklin County, Ohio (the Corporation) as of and for the year ended June 30, 2006, which collectively comprise the Corporation's basic financial statements and have issued our report thereon dated January 2, 2008, wherein we noted the Corporation revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34.

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 Corporation's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Corporation's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Corporation's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Corporation's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider the following deficiencies described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting: 2006-001 and 2006-002.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However, of the significant deficiencies described above, we believe findings number 2006-001 and 2006-002 are also material weaknesses.

We also noted certain internal control matters that we reported to the Corporation's management in a separate letter dated January 2, 2008.

Compliance and Other Matters

As part of reasonably assuring whether the 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, 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*.

The Corporation's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Corporation's responses and, accordingly, we express no opinion on them.

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



Mary Taylor, CPA
Auditor of State

January 2, 2008



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 IN ACCORDANCE WITH OMB CIRCULAR A-133

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

To the Board of Directors:

Compliance

We have audited the compliance of Central Ohio Workforce Investment Corporation, Franklin County, Ohio (the Corporation) 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, 2006. The summary of auditor's results section of the accompanying schedule of findings identifies the Corporation's major federal program. The Corporation'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 Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the Corporation'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 Corporation's compliance with those requirements.

As described in findings 2006-004 and 2006-006 in the accompanying schedule of findings, the Corporation did not comply with requirements regarding cash management and subrecipient monitoring applying to its WIA Program. Compliance with these requirements is necessary, in our opinion, for the Corporation to comply with requirements applicable to this program.

In our opinion, except for the noncompliance described in the preceding paragraph, the Central Ohio Workforce Investment Corporation, Franklin County, Ohio, complied, in all material respects, with the requirements referred to above applying to its major federal program for the year ended June 30, 2006. The results of our auditing procedures disclosed an instance of noncompliance with those requirements that OMB Circular A-133 requires us to report which is described in the accompanying schedule of findings as item 2006-005. In a separate letter to the Corporation's management dated January 2, 2008, we reported another matter related to federal noncompliance not requiring inclusion in this report.

Internal Control Over Compliance

The Corporation'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 Corporation's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the Corporation's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the Corporation's ability to administer a federal program such that there is more than a remote likelihood that the entity's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as findings 2006-003, 2006-004 and 2006-006 through 2006-008 to be significant deficiencies.

A material weakness is significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that the Corporation's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings, we consider findings 2006-003, 2006-004, and 2006-006 through 2006-008 to be material weaknesses.

The Corporation's responses to the findings we identified are described in the accompanying schedule of findings. We did not audit the Corporation's responses and, accordingly, we express no opinion on them.

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



Mary Taylor, CPA
Auditor of State

January 2, 2008

**CENTRAL OHIO WORKFORCE INVESTMENT CORPORATION
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	Yes
(d)(1)(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Qualified
(d)(1)(vi)	Are there any reportable findings under § .510?	Yes
(d)(1)(vii)	Major Programs (list):	Workforce Investment Act Cluster – CFDA # 17.258, 17.259, 17.260
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

**CENTRAL OHIO WORKFORCE INVESTMENT CORPORATION
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

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

Finding Number	2006-001
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Nonpayroll Disbursements - Significant Deficiency/ Material Weakness

The Corporation has established a procurement policy and has established control procedures to provide assurance invoices received for payment are accurate and OK to pay, however, we were unable to determine that the initial purchase was approved prior to obligation for twenty-seven out of sixty transactions selected for testing or 45%. In addition, forty-four out of sixty transactions selected for testing or 73% did not have evidence that the disbursement was charged to the proper account code or program. This could lead to unauthorized purchases being made and posting disbursements to the incorrect account or program.

We recommend that the Corporation utilize a purchase requisition form or procurement approval form signed by the appropriate level of management evidencing that the purchase has been approved prior to obligation. We further recommend that the account code or program is documented on each invoice or expense voucher form and is signed/initialed by the appropriate level of management to evidence that the account code or program charged is appropriate.

Officials' Response:

Beginning in fiscal year 2007, purchase requisition forms are being used to evidence appropriate approvals. Additionally, account and program codes are written on the expense voucher or the invoice. Account codes are reviewed by either the CFO or the Financial Analyst to assure proper coding. Codes are reviewed again during the month end closing process.

Finding Number	2006-002
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Intergovernmental Receipts - Significant Deficiency/Material Weakness

The Chief Financial Officer prepares a spreadsheet of all invoices received for payment to request advances of federal funding. This allows the Corporation to request funding for immediate needs and reduce the time elapsing between the receipt of federal funds and the subsequent disbursement. The pass through agency then provides a payment authorization form which is used by the CFO to post the receipts to the appropriate fund. Five out of thirty-two transactions selected for testing or 15% of the draw downs received did not agree to the spreadsheet used by the CFO to request the funding. Differences ranged from \$2,084,085 to \$229. An explanation for the variance was not documented. In addition, two out of thirty-two or 6% were not accompanied by a payment authorization form to post the receipt to the appropriate fund.

**CENTRAL OHIO WORKFORCE INVESTMENT CORPORATION
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

Finding Number	2006-002 (Continued)
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Intergovernmental Receipts - Significant Deficiency/Material Weakness (Continued)

This could result in noncompliance with federal cash management requirements and to funding being posted to an inappropriate fund and used for purposes that may not be allowable.

We recommend that the Corporation apply internal control procedures on a consistent basis, provide documentation for differences between amounts requested and received, and maintain evidence used to post receipts to the appropriate fund.

Officials' Response:

COWIC will implement procedures to maintain variance analyses in the cash draw notebook that explains the differences between cash requests and actual draws provided by the State. Differences are typically due to variances relating to the quarterly cash flow forecast and/or the quarterly reconciliation and are always researched. However, the reconciliation was not maintained with the other cash reports.

3. FINDINGS FOR FEDERAL AWARDS

Finding Number	2006-003
CFDA Title and Number	Workforce Investment Act Cluster 17.258, 17.259, 17.260
Federal Award Number / Year	G-67-15-1004
Federal Agency	U.S. Department of Labor (USDOL)
Pass-Through Agency	Ohio Department of Jobs and Family Services

Individualized Training Accounts / Activities Allowed – Significant Deficiency/Material Weakness

The Workforce Investment Act of 1998 (WIA) states that Individual Training Accounts (ITAs) are established for eligible individuals to finance training through eligible providers. Each local area is responsible for maintaining records for each ITA. Each Workforce Policy Board of the local area is responsible for establishing recordkeeping policies and procedures for the ITAs. The actual maintenance of the ITA records may be performed by a variety of entities, such as a CDJFS. An ITA is not a separate cash account. It is simply a record of cash authorized and services "purchased" for an eligible participant.

**CENTRAL OHIO WORKFORCE INVESTMENT CORPORATION
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

3. FINDINGS FOR FEDERAL AWARDS (Continued)

Individualized Training Accounts / Activities Allowed – Significant Deficiency/Material Weakness (Continued)

There was no evidence that policies and procedures were implemented to effectively monitor Individual Training Account (ITA) services. An approved ITA voucher was submitted to the Corporation from the Franklin County Department of Jobs and Family Services (FCDJFS) but there is no evidence that the Corporation or FCDJFS tracked the Individual Training Accounts. Three out of thirty or 10% of the ITA vouchers selected for testing did not have all required approvals. An account was not maintained for each eligible participant documenting the amount approved and each payment made toward the financing of the training. Invoices supporting each payment made against an ITA were not readily accessible.

To ensure control and accountability of Individual Training Accounts, we recommend that the Corporation implement policies and procedures to track all Individualized Training Accounts throughout the duration of each award.

Officials’ Response/Corrective Action Plan:

During this audit period Franklin County Department of Jobs and Family Services (FCDJFS) was responsible for tracking the ITA spending by client and to maintain the client files. A spreadsheet was developed by the FCDJFS Training Manager for this purpose. Beginning in fiscal year 2007 COWIC accounting staff developed a tracking system for ITAs. Shirley Costantino, Director of Financial Services, will be responsible for overseeing the implementation of the ITA tracking system.

Finding Number	2006-004
CFDA Title and Number	Workforce Investment Act Cluster 17.258, 17.259, 17.260
Federal Award Number / Year	G-67-15-1004
Federal Agency	U.S. Department of Labor (USDOL)
Pass-Through Agency	Ohio Department of Jobs and Family Services

Cash Management – Material Noncompliance – Significant Deficiency/Material Weakness

29 CFR 97.20(b)(7) states that procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and subgrantees must be followed whenever advance payment procedures are used. Grantees must establish reasonable procedures to ensure the receipt of reports on subgrantees’ cash balances and cash disbursements in sufficient time to enable them to prepare complete and accurate cash transactions reports to the awarding agency. When advances are made by letter of credit or electronic transfer of funds methods, the grantee must make drawdowns as close as possible to the time of making disbursements. Grantees must monitor cash drawdowns by their subgrantees to assure that they conform substantially to the same standards of timing and amount as apply to advances to the grantees.

**CENTRAL OHIO WORKFORCE INVESTMENT CORPORATION
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

3. FINDINGS FOR FEDERAL AWARDS (Continued)

**Cash Management – Material Noncompliance – Significant Deficiency/Material Weakness
(Continued)**

The Ohio Department of Job and Family Services current policy indicates a 10 day disbursement cycle. This time cycle requires that the daily balances of the sub-grantee not exceed 10 days' needs.

The following table specifies the draw request balances disbursed in excess of 10 days:

Draw Date	Amount	Expenditures Within 10 Days	Balance of Draw	Balance expended	Days Past 10 Days
July 19, 2005	\$460,246	\$284,262	\$175,984	August 10, 2005	12
July 26, 2005	35,792	0	35,792	August 15, 2005	10
August 9, 2005	209,133	113,953	95,180	September 9, 2005	21
August 16, 2005	114,005	0	114,005	October 12, 2005	47
August 23, 2005	14,060	0	14,060	October 12, 2005	40
August 30, 2005	189,589	0	189,589	November 29, 2005	81
September 13, 2005	11,956	0	11,956	November 29, 2005	67
September 20, 2005	16,279	0	16,279	November 29, 2005	60
October 4, 2005	37,733	0	37,733	November 29, 2005	46
October 25, 2005	13,965	0	13,965	December 6, 2005	32
November 8, 2005	30,862	0	30,862	December 6, 2005	18
November 15, 2005	14,332	0	14,332	December 6, 2005	11
November 29, 2005	119,168	27,349	91,819	December 15, 2005	6
December 13, 2005	294,228	80,357	213,871	January 12, 2006	20
December 20, 2005	27,103	0	27,103	January 12, 2006	13
February 28, 2006	582,031	22,798	559,233	April 7, 2006	28
April 5, 2006	1,299,501	0	1,299,501	May 23, 2006	38
May 5, 2006	41,181	0	41,181	June 23, 2006	39
Jun 20, 2006	2,084,085	1,953,236	130,849	July 24, 2006	24
June 27, 2006	1,195,847	0	1,195,847	July 28, 2006	21

In addition, we noted procedures were not implemented for subrecipients that received advanced funding during 2005 to minimize the time elapsing between the transfer of federal funds and the pay-out of funds for program purposes. Six subrecipients were advance funded for 2006 program services. The advances were made by the Corporation June 30, 2005 ranging from \$15,000 to \$68,000 and pay-out was made by the subrecipient throughout 2006 and 2007.

**CENTRAL OHIO WORKFORCE INVESTMENT CORPORATION
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

3. FINDINGS FOR FEDERAL AWARDS (Continued)

**Cash Management – Material Noncompliance – Significant Deficiency/Material Weakness
(Continued)**

As described in finding 2006-002 the Corporation has implemented procedures to draw down funding for immediate needs, however the procedures were not followed consistently. Beginning in 2006 all subrecipients receive funding on a costs reimbursement basis from the Corporation.

We recommend that the Corporation implement procedures consistently for advance draw downs and continue to pass through grant funding to subrecipients on a cost reimbursement basis.

Officials' Response/Corrective Action Plan:

Managing cash on hand continues to be a challenge due to the quarterly reconciliation procedures established by the State. The "pushing down" of funds, particularly for accruals in the last month of the quarter, end up first being drawn down by COWIC and later being forced down by the State. By the time the quarter is reconciled and the State "pushes" cash down to COWIC, COWIC has already requested draws to cover the same expenses, resulting in the State releasing funds twice for the same expenditures.

COWIC accounting staff will continue to strive toward better cash management and attempt to develop a draw method that works suitably with the State's quarterly reconciliation procedures. Cash management will continue to be a hot topic of discussion at the State quarterly fiscal meetings. Shirley Costantino, Director of Financial Services, will be responsible for overseeing the implementation of new cash draw down procedures.

Finding Number	2006-005
CFDA Title and Number	Workforce Investment Act Cluster 17.258, 17.259, 17.260
Federal Award Number / Year	G-67-15-1004
Federal Agency	U.S. Department of Labor (USDOL)
Pass-Through Agency	Ohio Department of Jobs and Family Services

Reporting – Noncompliance

Ohio Admin Code 5101:9-31-05 requires that the JFS 01992 report is postmarked by the twentieth day of the following month. WIA regulation 667.300(d) requires that quarterly reports are due no later than 45 days after the end of each quarter.

Five out of the six JFS 01992 reports were filed 4 to 6 months past the required due date. All four quarterly reports were filed 20 to 91 days past the required due date.

We recommend that the Corporation implement procedures to provide assurance that required reports are filed in a timely manner in accordance with the above requirements.

**CENTRAL OHIO WORKFORCE INVESTMENT CORPORATION
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

3. FINDINGS FOR FEDERAL AWARDS (Continued)

Officials' Response/Corrective Action Plan: (Continued)

All fiscal reporting is now the responsibility of COWIC staff. The CFO developed month end close procedures to assure the monthly State deadlines and requirements are met. Fiscal 2007 is evidence of the improvement. Improved quarterly reporting procedures are currently being developed. Shirley Costantino, Director of Financial Services, is responsible for overseeing the implementation of new reporting procedures.

Finding Number	2006-006
CFDA Title and Number	Workforce Investment Act Cluster 17.258, 17.259, 17.260
Federal Award Number / Year	G-67-15-1004
Federal Agency	U.S. Department of Labor (USDOL)
Pass-Through Agency	Ohio Department of Jobs and Family Services

Subrecipient Monitoring– Material Noncompliance/Significant Deficiency/Material Weakness

20 CFR 667.400(c) states that each recipient and subrecipient must conduct regular oversight and monitoring of its WIA activities and those of its subrecipients and contractors in order to determine whether or not there is compliance with provisions of the act and applicable laws and regulations and provide technical assistance as necessary and appropriate.

The Corporation developed procedures to monitor subrecipients during 2006, such as, desk reviews, on-site reviews, phone surveys, etc. According to the policy all subrecipients will receive financial monitoring at least annually. The procedures developed were not implemented during 2006 which could result in subrecipients receiving federal funding for unallowable purposes.

We recommend that the Corporation implement subrecipient monitoring procedures developed to provide assurance that subrecipients are in compliance with the provisions of the act and applicable laws and regulations.

**CENTRAL OHIO WORKFORCE INVESTMENT CORPORATION
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

3. FINDINGS FOR FEDERAL AWARDS (Continued)

**Subrecipient Monitoring– Material Noncompliance/Significant Deficiency/Material Weakness
(Continued)**

Officials' Response/Corrective Action Plan:

The COWIC hired its Director of Compliance in December, 2005 and his initial six months was devoted to developing COWIC policies, developing programmatic and fiscal monitoring procedures and plans along with the identification and hiring of appropriate programmatic and fiscal monitoring staff. The COWIC's program monitor was hired in May 2006 and training began immediately. COWIC conducted its risk assessments and initiated its program monitoring in the latter part of May 2006 and programmatic monitoring was scheduled for its contracts over the ensuing year.

The initial fiscal monitoring for COWIC contracts began in June 2006, as was conducted by the Director of Compliance. COWIC had difficulty in identifying a qualified fiscal monitor. COWIC advertised for the position in May, 2006 but did not obtain any qualified candidates. COWIC also sought assistance from various State agencies to solicit qualified applicants with no success. As a result of a second job announcement, COWIC did identify and hire an experienced fiscal monitor in February 2007. COWIC then scheduled the remaining contracts for monitoring review. Program and Fiscal monitoring activities are currently being performed as required. Roy Landreth, Director of Compliance, is responsible for overseeing the implementation of subrecipient monitoring procedures.

Finding Number	2006-007
CFDA Title and Number	Workforce Investment Act Cluster 17.258, 17.259, 17.260
Federal Award Number / Year	G-67-15-1004
Federal Agency	U.S. Department of Labor (USDOL)
Pass-Through Agency	Ohio Department of Jobs and Family Services

Non Payroll Disbursements - Significant Deficiency/Material Weakness

See GAGAS finding # 2006-001 above; OMB Circular A-133 also requires us to report this finding.

**CENTRAL OHIO WORKFORCE INVESTMENT CORPORATION
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006
(Continued)**

3. FINDINGS FOR FEDERAL AWARDS (Continued)

Finding Number	2006-008
CFDA Title and Number	Workforce Investment Act Cluster 17.258, 17.259, 17.260
Federal Award Number / Year	G-67-15-1004
Federal Agency	U.S. Department of Labor (USDOL)
Pass-Through Agency	Ohio Department of Jobs and Family Services

Intergovernmental Receipts - Significant Deficiency/Material Weakness

See GAGAS finding # 2006-002 above; OMB Circular A-133 also requires us to report this finding.

**CENTRAL OHIO WORKFORCE INVESTMENT CORPORATION
FRANKLIN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
JUNE 30, 2006**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2005-001	Financial reporting and monitoring	Partially	Reissued Finding 2006-006
2005-002	Reporting and Retention of Records	No	Reissued Finding 2006-005
2005-003	Federal Award Internal Control	No	Reissued Finding 2006-007 and 2006-008
2005-004	Allowable Costs	Yes	
2005-005	Allowable Costs	Yes	
2005-006	Individualized Training Accounts	No	Reissued Finding – 2006-003
2005-007	Procurement	Yes	
2005-008	Cash Management	No	Reissued Finding – 2006-004



Mary Taylor, CPA
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 11, 2008**