Ohio Valley Employment Resource

Financial Statements

For the Year Ended June 30, 2011

Dave Yost • Auditor of State

Board of Directors
Ohio Valley Employment Resource
212 Cumberland Street
Caldwell, Ohio 43724

We have reviewed the *Independent Auditors' Report* of the Ohio Valley Employment Resource, Noble County, prepared by Salvatore Consiglio, CPA, Inc., for the audit period July 1, 2010 through June 30, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Ohio Valley Employment Resource is responsible for compliance with these laws and regulations.

Dave Yost

Dave Yost
Auditor of State

May 3, 2012

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OHIO VALLEY EMPLOYMENT RESOURCE
AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2011

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Independent Auditors' Report

Board of Directors
Ohio Valley Employment Resource

I have audited the accompanying financial statements of the governmental activities and the major fund of the Ohio Valley Employment Resource (OVER) as of and for the year ended June 30, 2011, which collectively comprise the OVER's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the OVER's management. My responsibility is to express an opinion on these basic financial statements based on my audit.

I have conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the basic 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. I believe that my audit provides a reasonable basis for my opinions.

In my 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 Ohio Valley Employment Resource as of June 30, 2011, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated December 19, 2011 on my consideration of the Ohio Valley Employment Resource internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiry of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion thereon.

My Audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Ohio Valley Employment Resource basic financial statements. The accompanying Schedule of Expenditure of Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditure of Federal Awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly presented in all material respect in relation to the basic financial statements taken as a whole.

Salvatore Consiglio

Digitally signed by Salvatore Consiglio
DN: cn=Salvatore Consiglio, o=Salvatore Consiglio, CPA, Inc., ou, email=sconsiglio@salcpa.com, c=US
Date: 2012.03.26 10:35:02 -04'00'

Salvatore Consiglio, CPA, Inc.

December 19, 2011

The discussion and analysis of the Ohio Valley Employment Resource (OVER) financial performance provides an overall review of the OVER's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the OVER's financial performance as a whole; readers are encouraged to consider the information presented here in conjunction with the additional information contained in the financial statements and the notes thereof.

FINANCIAL HIGHLIGHTS

Key Financial Highlights for the year ended June 30, 2011 are as follows:

- The assets of the OVER exceeded its liabilities by $22,317.
- Revenues decreased ($749,108) or (23.63%) from the previous fiscal year.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the Ohio Valley Employment Resource's basic financial statements. The OVER's basic financial statements are comprised of three components: 1) government-wide statements; 2) fund financial statements; and 3) notes to the financial statements.

Government-Wide Statements

The government-wide statements are designed to provide readers with a broad overview of the OVER's finances on a full accrual basis of accounting, which is similar to a private-sector business. The statement of net assets present information on all of the OVER's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the OVER is improving or deteriorating. The statement of activities presents information showing how the OVER's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the OVER that are principally supported by intergovernmental revenues (governmental activities). The governmental activities of the OVER include the Workforce Investment Act activities for the following funding streams, administration, adult, dislocated workers, rapid response, youth, and other funding streams as available. There are no business-type activities reported for the OVER.

Fund Financial Statements

The fund financial statements are used to report additional and detailed information about the OVER. These statements focus on the major fund of the OVER. A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The OVER, like other state and local governments, use fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The only governmental fund of the OVER is a special revenue fund.

Governmental Funds

The OVER's basic services are reported in its governmental fund, which focuses on how money flows into and out of the fund and the balance left at year-end that is available for spending. This fund is reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the OVER's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the OVER's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation in the financial statements.

Notes to the Financial Statements

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

THE OVER AS A WHOLE

Government-Wide Financial Analysis

The financial statements include all organizations, activities and functions for which the OVER is financially accountable. The accounts of OVER are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures.

The individual funds and account groups, which are used by OVER, are classified as Governmental Funds: Special Revenue Funds – To account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the OVER's governmental type activities.

Table 1 – Net Assets

	06/30/11	06/30/10	Change
Assets			
Current and Other Assets	$ 75,360	$ 123,487	$ (48,127)
Capital Assets, Net	22,417	13,897	8,520
Total Assets	**$ 97,777**	**$ 137,384**	**$ (39,606)**
Liabilities			
Current Liabilities	$ 70,600	$ 116,897	$ (46,297)
Non-Current Liabilities	4,860	6,690	(1,829)
Total Liabilities	**$ 75,460**	**$ 123,587**	**$ (48,126)**
Net Assets			
Investment in Capital Assets Net of Debt	$ 22,417	$ 13,897	$ 8,520
Unrestricted Net Assets	(100)	(100)	-
Total Net Assets	**$ 22,317**	**$ 13,797**	**$ 8,520**

Table 2 – Changes in Net Assets

	06/30/11	06/30/10	Change
Total Revenues	$ 2,421,123	$ 3,170,230	$ (749,107)
Total Expenses	2,412,603	3,172,966	(760,363)
Increase (Decrease) in Net Assets	**$ 8,520**	**$ (2,736)**	**$ 11,256**

Governmental Program Revenues equaled expenses from governmental activities for the period except for depreciation expense. Grant Revenue is not recognized as earned until the expenditure has occurred.

THE AGENCY'S FUNDS

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

The focus of the OVER's governmental funds is to provide information on near-term inflows, outflows, and balances of available resources. Such information is useful in assessing OVER's requirements.

As of the end of the current fiscal year, the OVER's governmental fund reported an ending fund balance of $4,760. As OVER only has one governmental fund, the analysis from a fund perspective is similar to the analysis already presented on a government-wide basis, exclusive of generally accepted accounting differences between the two sets of statements which are highlighted in the reconciliation statements and notes to the financial statements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

SPECIAL REVENUE FUND BUDGETARY HIGHLIGHTS

The OVER's annual budget is primarily a management tool that assists its users in analyzing financial activity for its fiscal year ending June 30, 2011. OVER's primary funding source is federal and state grants, which have grant periods that may or may not coincide with the Agency's fiscal year. Due to the nature of OVER's dependency on federal and state budgetary decisions, revenue estimates are based upon the best available information as to potential sources of funding.

OVER's annual budget differs from that of a local government in two respects. First the uncertain nature of grant awards from other entities and second conversion of grant budgets to a fiscal year basis. The resultant annual budget is subject to constant change within the fiscal year due to increases/decreases in actual grant awards from those estimated, changes in grant periods, unanticipated grant awards not included in the budget and expected grant awards which fail to materialize.

The OVER's annual budget for the Special Revenue funds are reviewed and approved by the Council of Governments.

Actual revenues and expenses for fiscal year 2011 were well within budgeted levels and the significant change from prior year was due to the reduction of Stimulus WIA formula funding (ARRA). As the fiduciary agent of taxpayer funds, OVER diligently searches for new and more efficient methods to reduce and/or contain operating expenses.

OVER's goal is to continues to serve the maximum customers with the allocations available.

CAPTIAL ASSET AND DEBT ADMINISTRATION

<u>Capital Assets</u>

At June 30, 2011, OVER has $22,417 invested in capital assets as reflected in the following table, which represents a net increase of $8,520 from the previous period.

<u>Table 3 – Capital Assets at Year-end (Net of Depreciation)</u>

	06/30/11	06/30/10	Change
Equipment and Furniture	$ 22,417	$ 13,897	$ 8,520
Total Capital Assets	**$ 22,417**	**$ 13,897**	**$ 8,520**

See Note 5 for additional information on capital assets.

<u>Debt</u>

OVER has no debt for the year ended June 30, 2011.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

Significant economic factors affecting OVER are as follows:

- Federal Workforce Investment Act funding through the U.S. Department of Labor
- National, State and Local Unemployment rates
- National, State and Local Poverty and Income Levels
- Inflationary pressure on training, services, supplies and other program and operational costs.

OVER's program allocations are calculated as a fixed percentage of each of the Area's County allocations, which are calculated by Ohio Department of Job & Family Services (ODJFS) based on a formula specified in the Workforce Investment Act. This formula considers various economic factors including income levels and unemployment rates. During the period of this report, Morgan and Noble counties saw high levels of unemployment, including large worker dislocations from company shutdowns and layoffs particularly in the manufacturing sector.

The program allocations for the Area 15 WIA formula funding streams decreased 33.84% for fiscal year 2011. In addition, on April 17, 2009 the American Reinvestment and Recovery Act was passed, this included additional funding for the Workforce Investment Act. These funds are identified as "stimulus" funding.

CONTACTING THE OVER'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customer and creditors with a general overview of the OVER's finances and to show the OVER's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Ohio Valley Employment Resource, via email @ www.jobsetc.net.

Ohio Valley Employment Resource
STATEMENT OF NET ASSETS
June 30, 2011

ASSETS		
Equity in Pooled Cash and Cash Equivalents	$	9,484
Intergovernmental Receivable		61,712
Prepaid Expenses		4,164
Capital Assets, Net		22,417
Total Assets	$	97,777
LIABILITIES		
Current Liabilities:		
Accounts Payable	$	68,117
Accrued Wages and Benefits		2,483
Total Current Liabilities		70,600
Noncurrent Liabilities:		
Accrued Compensated Absences		4,860
Total Noncurrent Liabilities		4,860
Total Liabilities	$	75,460
NET ASSETS		
Investment in Capital Assets	$	22,417
Unrestricted Net Assets		(100)
Total Net Assets	$	22,317

The accompanying notes to the basic financial statements are an integral part of these statements.

Ohio Valley Employment Resource
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2011

	Expenses	Program Revenue Operating Grants and Contributions	Net (Expenses) Revenue and Changes In Net Assets Governmental Activities
Governmental Activities:			
Employment and Training Program Costs	$ 2,412,603	$ 2,420,980	$ 8,377
Total Governmental Activities	2,412,603	2,420,980	8,377
Program Income			143
Changes in Net Assets			8,520
Net Assets Beginning of Year			13,797
Net Assets End of Year			$ 22,317

The accompanying notes to the basic financial statements are an integral part of these statements.

Ohio Valley Employment Resource
BALANCE SHEET - GOVERNMENTAL FUND
June 30, 2011

ASSETS		
Equity in Cash and Cash Equivalents	$	9,484
Intergovernmental Receivable		61,712
Prepaid Expenses		4,164
Total Assets	$	75,360
LIABILITIES		
Accounts Payable	$	68,117
Accrued Wages and Benefits		2,483
Total Liabilities		70,600
FUND BALANCE		
Non Spendable:		
Prepaid Expenses		4,164
Unassigned		596
Total Fund Balance		4,760
Total Liabilities and Fund Balance	$	75,360

The accompanying notes to the basic financial statements are an integral part of these statements.

Ohio Valley Employment Resource
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
June 30, 2011

Total Governmental Fund Balances	$	4,760
Amount reported for governmental activities in the statement of net assets are different because:		
Long-term leave liabilities do not require current financial resources, therefore are not reported as expenses in the governmental funds		(4,860)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		22,417
Net Assets of Governmental Activities	$	22,317

The accompanying notes to the basic financial statements are an integral part of these statements.

Ohio Valley Employment Resource
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUND
For the Year Ended June 30, 2011

		Special Revenue
REVENUE		
Intergovernmental Revenue	$	2,420,980
Program Income		143
Total Revenue		2,421,123
EXPENDITURES		
Human Services:		
Employment and Training Program		2,422,810
Program Income Expensed		143
Total Expenses		2,422,953
Net Change in Fund Balance		(1,830)
Fund Balance Beginning of Year		6,590
Fund Balance at End of Year	$	4,760

The accompanying notes to the basic financial statements are an integral part of these statements.

Ohio Valley Employment Resource
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES AND CHANGE IN FUND BALANCE OF GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2011

Net Change in Fund Balance - Total Governmental Funds	$	(1,830)
Amount reported for governmental activities in the statement of activities are different because:		
Some expenses reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Compensated Absences		1,831
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful life as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period		8,520
Rounding Variances		(1)
Change in Net Assets of Governmental Activities	$	8,520

The accompanying notes to the basic financial statements are an integral part of these statements.

NOTE 1: REPORTING ENTITY

On August 7, 1998, President Clinton signed the Workforce Investment Act of 1998 (WIA), comprehensive reform legislation that superseded the Job Training Partnership Act (JTPA) and amends the Wagner-Peyser Act. WIA reforms Federal job training programs and creates a new, comprehensive workforce investment system. The system is intended to be customer-focused, to help American access the tools they need to manage their careers through information and high quality services, and to help U.S. companies find skilled workers.

The State of Ohio Department of Job and Family Services is the State Agency designated as the State Workforce Investment Board to oversee the state plan in implementing the WIA program. The Governor designated Monroe, Morgan, Noble and Washington Counties Workforce Investment Area fifteen as a single service delivery area to serve economically disadvantaged individuals and individuals facing barriers to employment. Within Workforce Investment Area Seven; Monroe, Morgan, Noble and Washington Counties joined together to form a Workforce Development Area #7/34. The chief elected officials of Monroe, Morgan, Noble and Washington Counties have established the Ohio Valley Employment Resource (OVER) to develop and implement programs under the Workforce Investment Act. Any liabilities incurred by the programs are ultimately the responsibility of the county commissioners.

Ohio Valley Employment Resource is a Regional Council of Governments consisting of Monroe, Morgan, Noble and Washington Counties. Prior to July 1, 2004, the four county areas was part of a larger Ohio Option Workforce Investment Area (Area 7). Each county served as its own Workforce Investment Act Fiscal Agent. OVER was contracted to serve as the Administrative Entity of the Council of Government and the Workforce Investment Board for the four counties. On July 1, 2004, the workforce area structure changed, the four county Workforce Investment Areas separated from the Ohio Option Area (Area 7) and became a legally separate Workforce Investment Area (Area 15), as defined by the WIA Act. OVER was named the grant recipient and fiscal agent for the four county areas. Effective July 1, 2004, all of WIA funding flows from the State of Ohio Department of Job and Family Service to OVER. OVER competitively procured the services of the Workforce Development Agencies for each of the four counties. OVER continued the role of Administrative Entity of the Council of Government and for the Workforce Investment Board for the Area 15.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist the reader in understanding and evaluating the financial statements of OVER.

A. Basis of Presentation

The accompanying basic financial statements comply with the provision of Governmental Accounting Standards Board (GASB) Statement 14, the Financial Reporting Entity, in that the financial statements include all OVER, activities and functions for which the OVER is financially accountable. This report includes all activities considered by management to be part of the OVER by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Presentation (Continued)

Section 2100 indicates that the reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's government body and either it is able to impose its will on those organizations or there is a potential for the organizations to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on organizations if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organizations. A financial benefit or burden relationship exists if the primary government a) is entitled to the organizations' resources; b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organizations; or c) is obligated in some manner for the debt of the organizations.

Management believes the financial statements included in this report represent all of the funds of the agency of which the OVER is financially accountable.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the organization as a whole. These statements include the financial activities of the primary government. All activities of the OVER are governmental activities.

The statement of net assets presents the financial condition of the governmental activities of the OVER at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the OVER's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Financial Statements (Continued)

classified as program revenues are presented as general revenues of the OVER, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the OVER.

Fund Financial Statements

Fund financial statements report detailed information about the organization. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. OVER has only one fund which is major.

B. Fund Accounting

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

Governmental Funds

Governmental funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund asset and liabilities is reported as fund balance. OVER's major governmental fund is:

General Funds – The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to OVER for any purpose provided it is expended or transferred according to the general laws of Ohio.

C. Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the OVER are included on the Statement of Net Assets.

Fund Financial Statements

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

relationship between the government-wide statements and the statements for governmental funds.

D. Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions
Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. For the OVER, available means expected to be received within 60 days of fiscal year end.

Non-exchange transactions, in which the OVER receives value without directly giving equal value in return, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the OVER must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the OVER on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources such as grants and investment earnings are considered to be both measurable and available at fiscal year end.

Deferred Revenue
Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. On governmental fund financial statements, receivables that will not be collected with the available period have also been reported as deferred revenue.

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Capital Assets

Capital Assets include furniture, fixtures, and equipment purchased by the OVER. At the time of purchase, such assets are recorded as expenditures in the Governmental Funds.

These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported on the fund financial statements.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

The OVER capitalization policy is to depreciate all non-expendable personal property having a useful life of more than one year and purchase price of $5,000 or more per unit. Depreciation is computed using the straight-line method over the estimated useful life of three to ten years.

F. Budgetary Process

The OVER annual budget is primarily a management tool that assists its users in analyzing financial activity for its fiscal year ending June 30.

OVER's primary funding source is federal and state grants, which have grant periods that may or may not coincide with the agency's fiscal year. These grants normally are for a twenty-four month period, with a fiscal year ending June 30th.

Due to the nature of the OVER's dependency on federal and state budgetary decisions, revenue estimates are based upon the best available information as to potential sources of funding. The annual budget differs from that of a local government in two respects:

1) The uncertain nature of grant awards from other entities

2) Conversion of grant budgets to a fiscal year basis

The resultant annual budget is subject to constant change within the fiscal year due to:

- Increases/decreases in actual grant awards from those estimated;
- Changes in grant periods;
- Unanticipated grant awards not included in the budget; and
- Expected grant awards, which fail to materialize.

The Council of Governments formally approved the annual budget, but greater emphasis is placed on complying with the grant budget, terms and conditions on a grant-by-grant basis. These terms and conditions usually specify the period during which costs may be incurred and outline budget restrictions or allowances.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Although the annual budget for the Special Revenue funds is reviewed and approved by the Council of Governments, it is not a legally adopted budget and it is not subject to the budget procedures that are followed by the County Budget Commission.

G. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

H. Cash and Cash Equivalents

To improve cash management, all cash received by the OVER is pooled in a central bank account. Monies for all funds are maintained in the account or temporarily used to purchase short term investments. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

For presentation on the financial statements, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the OVER are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2010 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year which services are consumed.

J. Fund Balance Designation

Fund Balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon use of the resources in governmental funds. The classifications are as follows:

Nonspendable - The nonspendable classification includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash.

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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Fund Balance Designation (Continued)

Committed - The committed classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board of Commissioners. The committed amounts cannot be used for any other purpose unless the Board of Commissioners 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 classification are intended to be used by the District 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 the Board of Commissioners.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

OVER first applies restricted resources when expenditure is 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 classifications can be used.

K. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use, either through the enabling legislation adopted by the OVER or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

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

NOTE 3: DEPOSITS AND INVESTMENTS

State statutes classify monies held by the OVER into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the OVER treasury, in commercial accounts payable or withdrawn on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits identified as not required for use within the current two-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit, maturing not more than one year from the date of deposit, or by savings or deposit accounts including passbook accounts.

Protection of OVER deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by collateral held by OVER or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Deposits - At fiscal year end, the carrying amount of the OVER deposits was $9,484 and the bank balance was $15,982. Based on the criteria described in GASB Statement No. 40, “Deposit and Investment Risk Disclosure,” as of June 30, 2011, the entire bank balance was covered by the federal deposit insurance.

Custodial credit risk is the risk that in the event of bank failure, the OVER will not be able to recover the deposits. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by Chapter 135 of the Ohio Revised Code, is held in single financial institution collateral pool at the Federal Reserve Banks or at member banks of the Federal Reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the OVER.

Investments – OVER had no investments as of June 30, 2011.

NOTE 4: CAPITAL ASSETS

A summary of the changes in capital assets during the year ended June 30, 2011, follows:

	Balance 6/30/2010	Additions	Deletions	Balance 6/30/2011
Government Activities				
Capital Assets being Depreciated:				
Furniture and Equipment	$ 64,046	$ 20,527	$ 0	$ 84,573
Total Capital Assets being Depreciated	64,046	20,527	0	84,573
Less Accumulated Depreciation:				
Furniture and Equipment	(50,149)	(12,007)	0	(62,156)
Total Accumulated Depreciation	(50,149)	(12,007)	0	(62,156)
Total Capital Assets being Depreciated	$ 13,897	$ 8,520	$ 0	$ 22,417

NOTE 5: DEFINED BENEFIT PENSION PLAN

OVER participate in the Ohio Public Employees Retirement System (OPERS).

Ohio Public Employees Retirement System administers three separate pension plans.

1. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan.

2. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

3. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, whose investment is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of both the Traditional Pension and Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2010, member and employer contribution rates were consistent across all three plans. The 2010 member contribution rates were 10.0% and the employer contribution rate was 14.0%

The OVER required contributions to OPERS for the years ended June 30, 2011, 2010, and 2009 were $23,021, $16,802, and $19,799, respectively. The full amount has been contributed for 2011. All required contributions for the two previous years have been paid.

NOTE 6: POST-EMPLOYMENT BENEFITS

A. Plan Description

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the Traditional Pension Plan - a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan - a defined contribution plan; and the Combined Plan - a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined plans. Members of t he Member-Directed Plan does not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age and service retirees under the Traditional Pension and Combined plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issue a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 1-800-222-7377.

NOTE 6: POST-EMPLOYMENT BENEFITS (Continued)

B. Funding Policy

The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2010, the Authority contributed at a rate of 14.00 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.00 percent of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post-Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contribution allocated to the health care plan was 5.50 percent of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care coverage by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. OVER actual contributions for the years ended June 30, 2011, 2010 and 2009, which were used to fund post-employment benefits, were $9,044, $9,900 and $8,204 respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

NOTE 7: COMPENSATED ABSENCES

All employees of OVER earn vacation and sick leave at varying rates depending on length of service. All accumulated, unused vacation time is paid upon separation if the employee has at least six months of service with OVER. The following schedule details earned vacation leave based on length of service:

Years of Employment	Vacation Leave
1 – 3 years	10 days
4 – 9 years	15 days
9+ years	20 days

Employees earn 4.62 hours per of sick leave per each completed 80 hours of service. All accumulated, unused vacation time is paid upon separation if the employee has at least six months of service with OVER per Employee Handbook. In accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, vacation and

NOTE 7: COMPENSATED ABSENCES (Continued)

compensatory time are accrued as liabilities when an employee's right to receive compensation is attributable to services already rendered and it is probable that the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Leave time that has been earned but is unavailable for use as paid time off or as some other form of compensation because an employee has not met the minimum service time requirement, is accrued to the extent that it is considered to be probable that the conditions for compensation will be met in the future.

Sick leave is accrued using the vesting method, whereby the liability is recorded on the basis of leave accumulated by employees who are eligible to receive termination payments as of the balance sheet date, and on leave balances accumulated by other employees who are expected to become eligible in the future to receive such payments.

As of June 30, 2011, the liability for unpaid, compensated absences was $4,860 for OVER. This entire liability was classified as long-term.

A summary of changes in long-term compensated absences liability during the year ended June 30, 2011 follows:

	Balance 06/30/2010	**Additions**	**Reductions**	**Balance 06/30/2011**
Accrued Compensated Absences	$6,690	$5,036	($6,866)	$4,860
Total	$6,690	$3,014	($6,866)	$4,860

NOTE 8: CONTINGENT LIABILITIES

There are no expenditures recommended for disallowance. Costs recommended for disallowance are those involving expenditures for which existing documentary evidence leads the auditor to conclude that the expenditures were in violation of legislative or regulatory requirements. These costs are disallowed by the Grantor unless the grantee is able to convince the Grantor that they were made in accordance with legal or regulatory requirements.

There are no expenditures listed as questionable. Questionable costs are those involving the lack of or inadequacy of documentary support. Findings containing questionable costs do not necessarily mean that the costs were for improper purposes; but there was insufficient documentary evidence to allow a determination of their eligibility.

Under the terms of federal and state grants, periodic audits are required and certain expenditures may be questioned as not appropriate under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. Management believes disallowances, if any, will be immaterial.

Management is not aware of any pending litigation outstanding against Ohio Valley Employment Resource.

NOTE 9: INSURANCE AND RISK MANAGEMENT

OVER 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 2011, OVER contracted with several companies for various types of insurance as follows:

Company	Type of Coverage	Deductible
Old Republic Surety Company	Bond-Public Employees	$ 0.00
Motorist Insurance Company	Common Property	$ 250.00
Cincinnati Insurance Company	Non-Profit Director & Officials Liability/Errors & Omissions	$ 0.00
	Employment Practices	$ 100.00

OVER pays the State Worker's Compensation system a premium based on a rate per $100 of salaries. This rate is calculated based on accident history and administrative costs.

OVER continued to carry commercial insurance for other risks of loss. Settled claims resulting from the above noted risk have not exceeded commercial insurance coverage in any of the past three years.

NOTE 10: NOTE TO SCHEDULE OF EXPENDITURES FEDERAL AWARDS

The accompanying Schedule of Expenditures of Federal Awards is a summary of the activity of the OVER federal awards programs. The schedule has been prepared on the accrual basis of accounting.

Ohio Valley Employment Resource
SCHEDULE OF EXPENDITURE OF FEDERAL AWARD
For the Year Ended June 30, 2011

Federal Grantor/ Pass Through Grantor	CFDA Number	Pass-Through Entity Number		Expenditure
U.S. Department of Labor:				
Pass-Through Program From:				
Ohio Department of Job and Family Services				
Employment Services (Cluster):				
Employment Services Wagner-Peyser Funded Activities	17.207	(A)	$	45,536
Disabled Veterns' Outreach Program	17.801	(A)		11,225
Local Verternas' Employment Representative Program	17.804	(A)		1,059
Total Employment Services (Cluster)				57,820
Workforce Investment Act (Cluster)				
WIA Adult	17.258	(A)		345,692
WIA Adult - Administration	17.258	(A)		25,564
One-Stop Resource Sharing	17.258	(A)		574
Stimulus - Special Project	17.258	(A)		289,433
Stimulus - Ohio Learning Accounts	17.258	(A)		45,069
Total WIA Adult (17.258)				706,332
WIA Youth	17.259	(A)		374,926
WIA Youth - Administration	17.259	(A)		8,396
Total WIA Youth (17.259)				383,322
WIA Dislocated Worker	17.260	(A)		335,128
WIA Dislocated Worker - Administration	17.260	(A)		31,424
Rapid Response	17.260	(A)		199,433
Stimulus - NEG OH-21 OJT	17.260	(A)		7,000
Stimulus - Rapid Response	17.260	(A)		199,433
Total Dislocated Worker (17.260)				772,418
WIA Dislocated Worker	17.278	(A)		4,435
WIA Dislocated Worker - Administration	17.278	(A)		27,519
Rapid Response	17.278	(A)		200,000
Total Dislocated Worker (17.278)				231,954
Total Workforce Investment Act (Cluster)				2,094,026
Total Pass-Through ODJFS				2,151,846
Total Expenditure of Federal Award			**$**	**2,151,846**

(A) Pass-Through Entity number not known or applicable.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Ohio Valley Employment Resource

I have audited the financial statements of the governmental activities and the major fund of the Ohio Valley Employment Resource, Ohio, as of and for the year ended June 30, 2011, which collectively comprise Ohio Valley Employment Resource basic financial statements and have issued my report thereon dated December 19, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Ohio Valley Employment Resource, Ohio's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters
As part of obtaining reasonable assurance about whether Ohio Valley Employment Resource financial statements are free of material misstatement, I performed tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The result of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended for the information of the Board of Directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Salvatore Consiglio

Digitally signed by Salvatore Consiglio
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Salvatore Consiglio, CPA, Inc.

December 19, 2011

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

Board of Directors
Ohio Valley Employment Resource

Compliance

I have audited the compliance of the Ohio Valley Employment Resource, Ohio, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2011. Ohio Valley Employment Resource, Ohio major federal programs are identified in the Summary of Auditor's result section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Ohio Valley Employment Resource, Ohio's management. My responsibility is to express an opinion on Ohio Valley Employment Resource, Ohio's compliance based on my audit.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Ohio Valley Employment Resource, Ohio's compliance with those requirements and performing such other procedures, as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Ohio Valley Employment Resource, Ohio's compliance with those requirements.

In my opinion, Ohio Valley Employment Resource, Ohio, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

The management of Ohio Valley Employment Resource, Ohio is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs.

In planning and performing my audit, I considered Ohio Valley Employment Resource, Ohio's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Ohio Valley Employment Resource, Ohio's internal control over compliance.

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

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

This report is intended for the information of the Board of Directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Salvatore Consiglio

Digitally signed by Salvatore Consiglio
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Date: 2012.03.26 10:35:51 -04'00'

Salvatore Consiglio, CPA, Inc.
December 19, 2011

Ohio Valley Employment Resource

Schedule of Findings and Questioned Costs
OMB Circular A-133 § .505

June 30, 2011

1. SUMMARY OF AUDITOR'S RESULTS

Type of Financial Statement Opinion	Unqualified
Were there any significant deficiency reported as material weakness at the financial statement level (GAGAS)?	No
Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
Were there any significant deficiency reported for any major federal programs as material weakness?	No
Were there any other significant deficiency reported for the major federal programs?	No
Type of Major Programs' Compliance Opinion	Unqualified
Are there any reportable findings under § .510?	No
Major Programs (list):	CFDA #17.258, 17.259, 17.260, 17.278 WIA Cluster;
Dollar Threshold: Type A/B Programs	Type A: > $300,000 Type B: All Others
Low Risk Auditee?	Yes

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There are no findings or questioned costs for the year ended June 30, 2011.

3. FINDINGS REALTED TO FEDERAL AWARDS

There are no findings or questioned costs for the year ended June 30, 2011.

Ohio Valley Employment Resource
Schedule of Prior Audit Findings
For the Year Ended June 30, 2011

The audit report for the fiscal year ended June 30, 2010 contained no audit findings.

Dave Yost • Auditor of State

OHIO VALLEY EMPLOYMENT RESOURCE

NOBLE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
MAY 15, 2012