

Independent Auditors' Report and Related Financial Statements

For the Year Ended June 30, 2011

Mid-Ohio Valley Workforce Investment Corporation

**Teed & Associates, PLLC
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Mid-Ohio Valley Workforce Investment Corporation

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For the Year Ended June 30, 2011

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Mid-Ohio Valley Workforce Investment Corporation
Management Discussion and Analysis
Unaudited
June 30, 2011

Mid-Ohio Valley Workforce Investment Corporation (MOVVIC) provides this Management Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2011. We encourage readers to consider this information in conjunction with the Agency's financial statements which follow.

2011 Financial Highlights

257 individuals received training totaling \$334,141. Compared to 861 individuals and \$868,283 spent in FY10.

6 companies and 56 employees were helped through on the job training wage reimbursements.

6 case managers assisted 1,573 Adult and Dislocated Workers during the year.

175 Youth were served throughout the year in the Youth Advantage program.

488 Youth were served through the DHHR funded Summer Youth program.

94 Youth were served through the DRS funded Youth grant.

Using this Annual Report

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Agency's financial activities.

The Basic Financial Statements consist of a Statement of Net Assets, Statement of Activities and Changes in Net Assets and the Statement of Cash Flows.

Notes to the Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

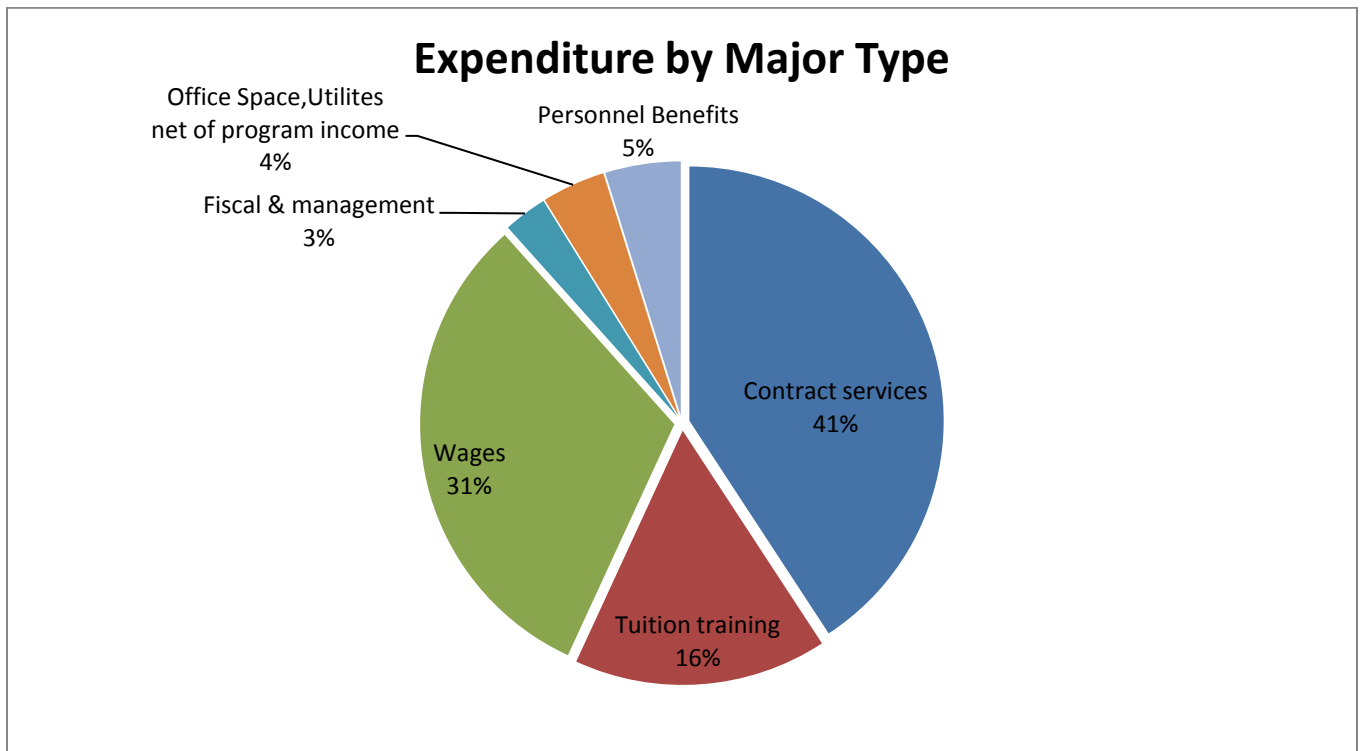
Other Supplementary Information provides detailed information about the expenditures by funding program. The Schedule of Expenditures of Federal Awards provides details of the various federal programs managed through the MOVVIC.

Reporting the MOVVIC's Financial Activities

The Statement of Net Assets presents the assets, liabilities and net assets of the MOVVIC as of the end of the year. The Statement of Activities and Changes in Net Assets reports the revenues and expenditures of the MOVVIC over the fiscal year.

Comparing Revenue in FY11 of \$3,422,182 and FY10 \$3,516,496, revenue decreased slightly due to expiration of funds from the US-DOL American Recovery and Reinvestment Act (ARRA-Stimulus) offset by increased funding from USDHHS Temporary Assistance for the Needy Families grants.

Comparing the expenditures for FY11 indicates a decrease in expenditures of \$94,314 over FY10 expenditures. Increase expenditures in wages for summer youth program were offset by decreased tuition and training expenditures.



Fund Analysis

FY2011 was a year of expanded programs as the MOVWIC operated a pilot program with WV DHHR geared towards putting TANF receipts into the workforce, started a youth program in conjunction with WV DRS and ran a DHHR Summer youth employment program. Due to success in these programs they were renewed for the fiscal year 2012.

With the oversight of the Region 4 Workforce Investment Board and various sub-committees the focus and goal has been to serve the customers. Our internal costs have been and continue to be decreased as we find new and innovative ways to manage the grants.

Economic Factors and Budget Impact

Many factors impact the Agency's budget as revenues are largely derived from sub-grantee grant awards with USDOL funds. A direct impact from local economic conditions was noticed in early FY09 with continuation into FY10 and FY11 with employee layoffs and with high unemployment rate. Some recovery was noted with the increased demand for the On-The-Job Training program indicative of the employers slowly beginning to hire again. The FY11 budget was modified several times throughout the year to meet the growing Dislocated Worker demand for services and the addition of new grant awards. As allowed by law funds were transferred from the Adult Program to the Dislocated Worker Program.

Contacting the MOVWIC's Financial Management

This financial report is designed to provide our grantors, government members and citizens with a general overview of the MOVWIC's finances and to show the MOVWIC's accountability for the money it receives and manages. If you have any questions regarding this report or need additional financial information contact: Comptroller, PO Box 247, Parkersburg, WV 26102.

Teed & Associates, PLLC

Certified Public Accountants

Established 1992

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Independent Auditors' Report

To the Board of Directors
Mid-Ohio Valley Workforce Investment Corporation
Parkersburg, West Virginia

We have audited the statement of net assets of the Mid-Ohio Valley Workforce Investment Corporation (MOVWIC) as of June 30, 2011, and the related statement of activities and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the MOVWIC's management. Our responsibility is to express an opinion 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 *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Mid-Ohio Valley Workforce Investment Corporation as of June 30, 2011, and the changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 4, 2011, on our consideration of the Mid-Ohio Valley Workforce Investment Corporation's internal control over financial reporting and our 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 our 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.

To The Board of Directors
Mid-Ohio Valley Workforce Investment Corporation
Parkersburg, West Virginia
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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 our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as whole. The supplementary information on pages 11 through 13 and the accompanying schedule of expenditures of federal awards on pages 14 through 16 are presented for purposes of additional analysis as required by OMB Circular A-133 are not a required part of the basic financial statements. The supplementary information and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Teady & associates, PLLC

Charleston, West Virginia
October 4, 2011

Mid-Ohio Valley Workforce Investment Corporation
Statement of Net Assets
June 30, 2011

ASSETS:

Cash and cash equivalents	\$ 94,093
Grants receivable	1,499,991
Prepaid expense	<u>28,309</u>
Total assets	<u>1,622,393</u>

LIABILITIES:

Accounts payable	\$ 371,312
Payroll expense payable	2,116
Deferred revenue	<u>1,248,965</u>
Total liabilities	<u>1,622,393</u>

NET ASSETS:

Unrestricted	<u>-</u>
Total net assets	<u><u>\$ -</u></u>

The notes to the financial statements are an integral part of this statement.

Mid-Ohio Valley Workforce Investment Corporation
Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2011

REVENUES:

Federal grant revenue	\$ 3,422,182
Total revenues	<u>3,422,182</u>

EXPENDITURES:

Youth	1,987,502
Dislocated worker	743,887
Adult	369,934
Other programs	<u>320,859</u>
Total expenditures	<u>3,422,182</u>
Net change in fund balance	-
Fund balance at beginning of year	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>

The notes to the financial statements are an integral part of this statement.

Mid-Ohio Valley Workforce Investment Corporation
Statement of Cash Flow
For the Year Ended June 30, 2011

Cash flows from operating activities:	
Change in net assets	\$ -
Adjustments to reconcile change in net assets to net cash used in operating activities:	
(Increase) Decrease in operating assets:	
Grants receivable	(116,908)
Prepaid expense	(18,270)
Increase (decrease) in operating liabilities:	
Accounts payable	7,533
Payroll expenses payable	1,200
Deferred revenue	<u>128,882</u>
Net cash provided by operating activities	<u>2,437</u>
Decrease in cash and cash equivalents	2,437
Cash and cash equivalents, beginning of year	<u>91,656</u>
Cash and cash equivalents, end of year	<u><u>\$ 94,093</u></u>

The notes to the financial statements are an integral part of this statement.

Mid-Ohio Valley Workforce Investment Corporation
Notes to the Financial Statements
For the Year Ended June 30, 2011

NOTE 1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION

Mid-Ohio Valley Workforce Investment Corporation (MOVWIC) is a non-profit corporation organized under the laws of the State of West Virginia. MOVWIC was formed to provide job training programs through subcontracts with training providers for adult and dislocated workers under the Workforce Investment Act. The programs are designed to increase the participants' education and occupational skills. Youth activity programs are also provided by MOVWIC to increase the attainment of basic skills and secondary diplomas for those participants.

MOVWIC received substantially all of its funding from the U.S. Department of Labor. A significant reduction in this level of funding may have a significant impact on MOVWIC's programs and activities.

B. CASH AND CASH EQUIVALENTS

MOVWIC considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash balances are fully insured through FDIC insurance and collateralized obligations. Management believes these deposits are in financially stable institutions and credit risk associated with the deposits is minimal.

C. GRANTS RECEIVABLE

Grant receivables result from the expenditure of grant funds which have not been fully reimbursed at year end. Management has determined an allowance for uncollectible accounts is not necessary because they believe all receivables will be collected. All receivables relate to federal programs.

D. REVENUE RECOGNITION

Grant revenue resulting from exchange transactions is recognized when the related costs are incurred. Deferred Revenue consist of grant funds that MOVWIC has received but for which it has not incurred related expenses and/or satisfied the requirements of the grant agreements. As of June 30, 2011 our deferred revenue balance was \$1,248,965 of which the majority was West Virginia DHHR and DRS funds used for grant expenditures in July and August 2011.

Mid-Ohio Valley Workforce Investment Corporation
Notes to the Financial Statements
For the Year Ended June 30, 2011

E. EXPENSES

Expenses are recorded when incurred in accordance with the accrual basis of accounting. The costs of providing the various programs and activities have been summarized on a programmatic basis in the statement of activities.

F. PROGRAM INCOME

Program income is accounted for in accordance with CFR 97.250 and is used to defray program costs. Program income of \$8,656 was earned through interest and sub rentals and was directly applied to program expenses.

G. EXPENSE ALLOCATION

Expenses which are not specifically identified with and charged directly to a particular service are allocated based upon a cost allocation plan. The cost allocation plan is revised yearly and allocations are based upon two factors; staffing and participant ratio.

H. INCOME TAXES

MOVWIC is exempt from federal income taxes under the provisions of Section 501 (c) (4) of the Internal Revenue Code.

I. USE OF ESTIMATES

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

Mid-Ohio Valley Workforce Investment Corporation
Notes to the Financial Statements
For the Year Ended June 30, 2011

J. RECEIVABLES

Receivables consisted of the following at June 30, 2011:

WIA - Youth Programs	\$ 93,215
WIA - Dislocated Programs	37,080
WIA - Adult Programs	119,124
Other Youth Programs	1,162,000
Other Adult Programs	<u>88,572</u>
Total receivables	<u>\$ 1,499,991</u>

NOTE 2 RELATED PARTIES

The Mid-Ohio Valley Regional Planning and Development Council (MOVRC) serves as the fiscal agent for MOVWIC. In this capacity, MOVRC personnel process all transactions of MOVWIC and provide monthly accounting data to the members of MOVWIC's board of directors. The Executive Director of MOVRC serves as the Secretary of MOVWIC. The MOVWIC reimburses MOVRC for payroll and related charges applicable to staff assigned to MOVWIC activities which totaled \$288,519 for payroll and fringes and \$90,584 for fiscal and management (indirect) expenses in 2011. This reimbursement is processed monthly in the month following the actual charges

NOTE 3 COMMITMENTS

MOVWIC has commitments of approximately \$124,017 to program participants under training agreements or letters of commitment as of June 30, 2011. Approximately \$431,639 is available under grant awards to fund these commitments as of June 30, 2011.

NOTE 4 STIMULUS GRANTS

On February 19, 2010, the President signed the American Recovery and Reinvestment Act (ARRA) which provided additional funds for WIA activities. MOVWIC was granted \$1,767,717 USDOL Funds to be used from February 19, 2009 through June 30, 2011. As of June 30, 2010, \$1,767,717 had been expended and the grant closed out.

Mid-Ohio Valley Workforce Investment Corporation
Notes to the Financial Statements
For the Year Ended June 30, 2011

On February 1, 2010 WV Division of Rehabilitation Services awarded \$123,952 from their ARRA award. As of June 30, 2010, \$50,540 had been spent with the remainder fully expended by March 31, 2011 and the grant closed out.

On April 1, 2010 WV Division of Health and Human Resources awarded \$99,517 and later increased to \$155,200 of which \$79,614 was from their ARRA award. As of June 30, 2011, \$129,316 had been spent and the grant closed out.

On June 1, 2010 WV Division of Health and Human Resources/Bureau of Children and Families awarded \$1,081,945 and subsequently increased to \$1,236,220 of which \$865,556 was from their ARRA award for youth subsidized employment activities. As of June 30, 2011, \$1,031,265 had been expended and the grant closed out.

SUPPLEMENTARY INFORMATION

Mid-Ohio Valley Workforce Investment Corporation
Schedule of Expenses by Natural Classification
For the Year Ended June 30, 2011

	Youth	Dislocated Worker	Adult	DHHR Summer Youth
EXPENDITURES:				
Personnel	\$ 27,040	\$ 38,214	\$ 38,548	\$ 832,228
Personnel benefits	6,886	13,000	12,679	98,090
Supplies and materials	21,846	11,083	11,083	9,472
Telephone	240	450	374	
Travel	2,439	2,710	2,746	4,873
Postage	85	197	139	742
Printing and publishing	103	86	90	2,741
Fiscal and management expenses	14,297	14,138	14,445	18,717
Contract services	644,433	292,619	89,813	43,199
Tuition and training	21,925	254,313	160,700	-
Dues, fees and memberships	-	13	13	-
Insurance	-	-	-	-
Office space and utilities	55,578	28,414	28,458	3,079
Administrative allocation	24,083	19,415	10,422	814
Other expenses less program income	16,815	1,735	426	15,849
Total	<u>\$ 835,770</u>	<u>\$ 676,387</u>	<u>\$ 369,934</u>	<u>\$ 1,029,803</u>

The notes to the financial statements are an integral part of this statement.

Mid-Ohio Valley Workforce Investment Corporation
Schedule of Expenses by Natural Classification -- continued
For the Year Ended June 30, 2011

	<u>DOL NEG</u>	<u>Trade Act Case Management</u>	<u>Rehab- Youth</u>	<u>Rehab- Veteran</u>
EXPENDITURES:				
Personnel	\$ 10,819	\$ -	\$ 5,738	\$ -
Personnel benefits	3,002	-	990	-
Supplies and materials	479	-	3,082	1,141
Telephone	193	-	39	-
Travel	1,071	-	350	-
Postage	-	-	3	-
Printing and publishing	3	-	0	-
Fiscal and management expenses	3,000	-	3,041	-
Contract services	16,500	67,500	104,100	9,618
Tuition and training	92,958	-	-	-
Dues, fees and memberships		-	-	-
Insurance		-	-	-
Office space and utilities		-	4,490	-
Administrative allocation	101	-	96	9
Other expenses less program income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 128,125</u>	<u>\$ 67,500</u>	<u>\$ 121,929</u>	<u>\$ 10,767</u>

The notes to the financial statements are an integral part of this statement.

Mid-Ohio Valley Workforce Investment Corporation
Schedule of Expenses by Natural Classification -- continued
For the Year Ended June 30, 2011

	<u>TANF</u>	<u>SNAP</u>	<u>Administrative</u>	<u>Total</u>
EXPENDITURES:				
Personnel	\$ 53,199	\$ 2,669	\$ 27,890	\$ 1,036,344
Personnel benefits	16,094	581	6,683	158,003
Supplies and materials	2,486	1,659	364	62,695
Telephone	667	39	56	2,059
Travel	7,426	100	659	22,375
Postage	373	6	78	1,623
Printing and publishing	86	7	77	3,192
Fiscal and management expenses	8,225	1,406	14,362	91,631
Contract services	11,625	62,133		1,341,539
Tuition and training	-	-	\$9.37	529,906
Dues, fees and memberships	-	-	1,062	1,087
Insurance	-	-	2,596	2,596
Office space and utilities	8,540	4,507	-	133,066
Administrative allocation	81	58	(55,077)	-
Other expenses less program income	-	-	1,241	36,065
Total	<u>\$ 108,802</u>	<u>\$ 73,165</u>	<u>\$ -</u>	<u>\$ 3,422,182</u>

The notes to the financial statements are an integral part of this statement.

**Mid-Ohio Valley Workforce Investment Corporation
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011**

<u>Grantor / Program</u>	<u>CFDA#</u>	<u>Pass-Through ID Number</u>	<u>Federal Expenditures</u>
Federal Awards:			
US Department of Labor			
Passed through the West Virginia Governor's Office, Workforce Investment Division			
Workforce Investment Trade Adjustment Assistance	17.245	PY10-RR-02	\$ 67,500
Workforce Investment Act Dislocated Worker			
Adult State Set Aside	17.278/17.260	PY09-SSA-13	200,000
Workforce Investment Act Adult Program	17.258	PY10-W4-A1	310,675
Workforce Investment Act Adult Program	17.258	PY09-W4-A1	18,464
Workforce Investment Act Youth Program	17.259	PY10-W4-A1	563,358
Workforce Investment Act Youth Program	17.259	PY09-W4-A1	272,412
Workforce Investment Act National Emergency Grant	17.277	PY10-NEG-W4	128,125
Workforce Investment Act Dislocated Worker	17.278	PY10-W4-A1	437,295
Workforce Investment Act Dislocated Worker	17.260	PY09-W4-A1	44,887
Rapid Response	17.260	PY10-RR-07	<u>35,000</u>
Total U.S. Department of Labor expenditures			<u>2,077,716</u>
U.S. Department of Agriculture			
Passed through the West Virginia Department of Health and Human Resources			
Supplement Nutrition Assistance Program (SNAP)	10.561	G100519	18,007
Supplement Nutrition Assistance Program (SNAP)	10.561	G110577	<u>55,158</u>
Total U.S. Department of Agriculture expenditures			<u>73,165</u>

The notes to the financial statements are an integral part of this statement.

Mid-Ohio Valley Workforce Investment Corporation
Schedule of Expenditures of Federal Awards (continued)
For the Year Ended June 30, 2011

<u>Grantor / Program</u>	<u>CFDA#</u>	<u>Pass-Through ID Number</u>	<u>Federal Expenditures</u>
Federal Awards:			
U.S. Department of Health and Human Services			
Passed through the West Virginia Department of Health and Human Resources			
Summer Youth Program Temporary Assistance for Needy Families Subsidized Employment	93.558	G101033	986,738
Summer Youth Program Temporary Assistance for Needy Families Subsidized Employment	93.558	G111016	43,065
Temporary Assistance for Needy Families Work Now Program	93.558	G101000	94,163
ARRA -Temporary Assistance for Needy Families Work Now Program	93.714	G101000	<u>14,639</u>
Total U.S. Department of Health and Human Services expenditures			<u>1,138,605</u>
U.S. Department of Education			
Passed through the West Virginia Department of Rehabilitation Services			
Vocational Rehabilitation Services to States-Veteran Grant	84.126	87344827096	10,767
Vocational Rehabilitation Services to States-Youth Grant	84.126	87344827096	48,517
ARRA - Vocational Rehabilitation Services to States-Youth	84.390	87341891	<u>73,412</u>
Total U.S. Department of Education expenditures			<u>132,696</u>
Total expenditures of federal awards			<u>\$ 3,422,182</u>

The notes to the financial statements are an integral part of this statement.

Mid-Ohio Valley Workforce Investment Corporation
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Mid-Ohio Valley Workforce Investment Corporation and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*

NOTE 2. SUBRECIPIENTS

Of the federal awards presented in the schedule, the entity provided to subrecipients as follows:

<u>Program Title</u>	<u>CFDA #</u>	<u>Amounts Provided to Subrecipients</u>
One Stop Coordinator Contract-Adult	17.258	\$ 89,813
One Stop Coordinator Contract-Youth	17.259	10,515
One Stop Coordinator Contract-Dislocated Wor	17.260	360,119
One Stop Coordinator Contract-NEG	17.277	16,500
Youth Advantage Contract	17.259	633,917
DRS Rehab Youth Contract	84.126	41,189
DRS Rehab Veteran Contract	84.126	9,618
ARRA - DRS Rehab Youth Contract	84.390	62,911
DHHR TANF Contract	93.558	11,625
DHHR SNAP Contract	10.561	<u>62,133</u>
Total provided to subrecipients		<u>\$ 1,298,340</u>

The notes to the financial statements are an integral part of this statement.

**REPORTS ON INTERNAL CONTROL AND ON COMPLIANCE AND OTHER
MATTERS**

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INDEPENDENT AUDITORS' 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*

To The Board of Directors
Mid-Ohio Valley Workforce Investment Corporation
Parkersburg, West Virginia

We have audited the financial statements of Mid-Ohio Valley Workforce Investment Corporation (MOVWIC) as of and for the year ended June 30, 2011 and have issued our report thereon dated October 4, 2011. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the MOVWIC's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the MOVWIC's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the MOVWIC'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 and correct 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.

To The Board of Directors
Mid-Ohio Valley Workforce Investment Corporation
Parkersburg, West Virginia
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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify a deficiency in internal control over financial reporting that we consider to be a material weakness over financial reporting.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the MOVVIC's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions 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 our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance that is required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the council, management, and other federal and state oversight agencies and is not intended to be used and should not be used by anyone other than these specified parties. However, in accordance with *West Virginia Code 6-9-9a*, this report is a matter of public record and its distribution is not limited

Teed & Associates, PLLC

Charleston, West Virginia
October 4, 2011

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

To The Board of Directors
Mid-Ohio Valley Workforce Investment Corporation
Parkersburg, West Virginia

Compliance

We have audited the compliance of Mid-Ohio Valley Workforce Investment Corporation (MOVWIC) 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. MOVWIC's major federal programs are identified in the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of the major federal programs is the responsibility of MOVWIC's management. Our responsibility is to express an opinion on MOVWIC's compliance based on our audit.

We conducted our audit of compliance 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 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 MOVWIC's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on MOVWIC's compliance with those requirements.

In our opinion, Mid-Ohio Valley Workforce Investment Corporation 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.

To The Board of Directors
Mid-Ohio Valley Workforce Investment Corporation
Parkersburg, West Virginia
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Internal Control Over Compliance

The management of MOVWIC 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 our audit, we considered MOVWIC's internal control over compliance with requirements that could have a direct and material effect on 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 MORWIC's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, 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 a material noncompliance requirement with type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of the board of directors, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Teed & Associates, PLLC

Charleston, West Virginia
October 4, 2011

**Mid-Ohio Valley Workforce Investment Corporation
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011**

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? _____Yes No
- Significant deficiency(ies) identified that is/are not considered to be material weakness(es)? _____Yes No

Noncompliance material to the financial statements noted? _____Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____Yes No
- Significant deficiency(ies) identified that is/are not considered to be material weakness(es)? _____Yes No

Type of auditor’s report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133 _____Yes No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number(s)</u>
Summer Youth Program Temporary Assistance for Needy Families Subsidized Employment	93.558
ARRA Temporary Assistance for Needy Families Work Now Program	93.714
Temporary Assistance for Needy Families Work Now Program	93.558

Dollar threshold used to distinguish between Type A and Type B Programs: \$ 300,000

Auditee qualified as a low-risk auditee? _____X Yes _____ No

**Mid-Ohio Valley Workforce Investment Corporation
Schedule of Findings and Questioned Costs -- continued
For the Year Ended June 30, 2011**

Section II – Financial Statement Findings

There are no findings reported.

Section III – Federal Award Findings and Questioned Costs

There are no findings or questioned costs reported.

Section IV – Corrective Action Plan

A corrective action plan is not required since there are no findings of questioned costs.

Section V – Summary Schedule of Prior Audit Findings

There were no findings or questioned costs reported.