

**WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana**

Annual Financial Statements

**As of and for the Year Ended
June 30, 2013**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **MAR 12 2014**

WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana

Annual Financial Statements

As of and for the Year Ended June 30, 2013

C O N T E N T S

	Statement	Page No.
Independent Auditor's Report		3
Required Supplemental Information:		
Management's Discussion and Analysis		6
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position	A	10
Statement of Activities	B	11
Fund Financial Statements:		
Governmental Fund:		
Balance Sheet	C	12
Statement of Revenues, Expenditures and Changes in Fund Balances	D	13
Notes to the Financial Statements		15
Other Supplemental Information:		
Schedule of Expenditures of Federal Awards	1	21

WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana
Annual Financial Statements
As of and for the Year Ended June 30, 2013

C O N T E N T S (Contd.)

**Independent Auditor's Reports Required by
*Government Auditing Standards and
OMB Circular A-133:***

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	22
Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by OMB Circular A-133	24
Schedule of Findings and Questioned Costs with Management's Response and Planned Corrective Action	27
Summary Schedule of Prior Audit Findings	30

M. CARLEEN DUMAS
Certified Public Accountant
369 Donaldson Road. Calhoun, Louisiana. Telephone 318/644-5726

Independent Auditor's Report

BOARD OF DIRECTORS
WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and major fund of Workforce Investment Board #82 (the "Board"), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. 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. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Member of the American Institute of Certified Public Accountants
Member of the Society of Louisiana of Certified Public Accountants

BOARD OF DIRECTORS
WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana
Independent Auditor's Report
June 30, 2013

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 major fund of Workforce Investment Board #82, as of June 30, 2013, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and analysis on pages 6 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Workforce Investment Board #82's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purpose of additional analysis and is not a required part of the financial statements.

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

BOARD OF DIRECTORS
WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana
Independent Auditor's Report
June 30, 2013

In accordance with *Government Auditing Standards*, I have also issued my report dated December 16, 2013, on my consideration of Workforce Investment Board #82's internal control over financial reporting and on my tests of the Board's compliance with certain provisions of laws, regulations, contracts and 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* in considering the Board's internal control over financial reporting and compliance.

/s Carleen Dumas
Calhoun, Louisiana
December 16, 2013

WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2013

Our discussion and analysis of Workforce Investment Board #82's (hereafter referred to as the Board) financial performance provides an overview of the Board's financial activities for the fiscal year ended June 30, 2013. Please read it in conjunction with the Board's financial statements that begin on page 10.

BASIC FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities on pages 10 and 11 provide information about the activities of the Board as a whole. The fund financial statements are presented on pages 12 and 13. Fund financial statements report the Board's operations in more detail than the government-wide statements.

The Statement of Net Position and the Statement of Activities

The Statement of Net Position and the Statement of Activities provide information in a way that shows the change in the Board's financial condition resulting from the current year's activities. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most businesses. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Board's *net position* and *changes in net position*. Net position - the difference between assets (what the Board owns) and liabilities (what the Board owes) is a measure of the financial position of the Board. Over time, the increase or decrease in the Board's net position is an indicator of whether the Board's financial position is improving or deteriorating.

In the Statement of Net Position and the Statement of Activities, the Board reports only governmental activities due to the fact that all of the Board's resources are provided for and related to workforce development under the federal Workforce Investment Act.

Fund Financial Statements

The fund financial statements begin on page 12 and provide more detailed information about the Board's funds. The Board has only one fund, the General Fund, which is reported as a governmental fund.

WORKFORCE INVESTMENT BOARD #82
 Monroe, Louisiana
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 For the Year Ended June 30, 2013

All of the services provided by the Board are accounted for in the General Fund. Governmental funds focus on how money flows into and out of the funds and the balances left at year-end that are available for spending. Governmental funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Board's operations. Governmental fund information helps to determine whether there are more or fewer financial resources that are available to be spent in the near future.

ANALYSIS OF FINANCIAL DATA

Government-Wide

On July 1, 2010, Workforce Investment Board #82 became the fiscal agent in connection with the agreements between Union Parish Police Jury (the grant recipient) and the Louisiana Workforce Commission for funding under the federal Workforce Investment Act. During this third year as the fiscal agent, which ended on June 30, 2013, the Board's net position increased by \$76. Approximately 95% of the Board's revenues are from federal Workforce Investment Act grants. Program revenues of \$836,890 were all expended on workforce development programs.

	GOVERNMENTAL ACTIVITIES	
	<u>2013</u>	<u>2012</u>
Assets:		
Current assets	<u>\$53,150</u>	<u>\$63,196</u>
Liabilities:		
Current liabilities	<u>52,772</u>	<u>62,895</u>
Net Position:		
Unrestricted	<u>\$378</u>	<u>\$301</u>
	GOVERNMENTAL ACTIVITIES	
	<u>2013</u>	<u>2012</u>
Expenses - workforce development	<u>\$836,836</u>	<u>\$855,315</u>
Program revenues:		
Charges for services	42,800	45,000
Operating grants	794,090	810,583
General revenues - interest income	23	26
Total revenues	<u>836,913</u>	<u>855,609</u>
Change in net position	77	294
Net position - beginning	<u>301</u>	<u>7</u>
Net position - ending	<u>\$378</u>	<u>\$301</u>

WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2013

Governmental Funds

The General Fund revenues, expenditures and changes in fund balance reported in the fund financial statements are the same as the revenues, expenses, and increase in net position of the governmental activities in the government-wide financial statements. At June 30, 2013, the Board's General Fund reported an assigned fund balance of \$378.

FUTURE OPERATIONS

The Board expects to continue as the fiscal agent for the Workforce Investment Act grant funds awarded to Union Parish Police Jury. Effective July 1, 2013, North Delta assumed the responsibilities of the fiscal agent for the year ending June 30, 2014. The Board anticipates receiving and expending approximately \$1,222,262 in federal grant funds for the year ending June 30, 2014.

BASIC FINANCIAL STATEMENTS

Statement A

**WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana**

**STATEMENT OF NET POSITION
June 30, 2013**

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash	\$20,126
Accounts receivable	<u>33,024</u>
Total assets	<u>53,150</u>
LIABILITIES	
Accounts payable	<u>52,772</u>
NET POSITION	
Unrestricted	<u><u>\$378</u></u>

The accompanying notes are an integral part of this statement.

Statement B**WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana****STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2013**

	<u>GOVERNMENTAL ACTIVITIES</u>
Expenses - workforce development	<u>\$836,836</u>
Program revenues:	
Charges for services	42,800
Operating grants	<u>794,090</u>
Total program revenues	<u>836,890</u>
Net revenue (expense)	54
General revenues - interest earnings	<u>23</u>
Change in net position	77
Net position - beginning	<u>301</u>
Net position - ending	<u><u>\$378</u></u>

The accompanying notes are an integral part of this statement.

Statement C

**WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana**

**BALANCE SHEET - GOVERNMENTAL FUND
June 30, 2013**

	<u>GENERAL FUND</u>
ASSETS	
Cash	\$20,126
Accounts receivable	<u>33,024</u>
TOTAL ASSETS	<u><u>\$53,150</u></u>
LIABILITIES AND FUND BALANCES	
Liabilities - accounts payable	\$52,772
Fund balance - assigned	<u>378</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$53,150</u></u>
Reconciliation of the Balance Sheet of Governmental Fund To the Statement of Net Position:	
Fund balance - assigned - General Fund	\$378
Net position of governmental activities (Statement A)	<u><u>\$378</u></u>

The accompanying notes are an integral part of this statement.

WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
For the Year Ended June 30, 2013

	GENERAL FUND
REVENUES	
Intergovernmental revenue - federal grants	\$794,090
Charges for services - PHOCAS	42,800
Interest earnings	23
Total revenues	836,913
EXPENDITURES	
Workforce development:	
WIB administrative:	
Meetings	2,439
Supplies	1,691
Fiscal agent	67,000
North Delta Regional and Development District	17,300
Professional services - audit	5,000
WIB program:	
North Delta Regional and Development District	51,900
Total WIB expenditures	145,330
Provider administrative:	
Salary	15,000
Provider program:	
Salary	365,460
Professional services - audit	5,428
Other	129,043
Participants	176,575
Total provider expenditures	691,506
Total expenditures	836,836
NET CHANGE IN FUND BALANCE	77
FUND BALANCE AT BEGINNING OF YEAR	301
FUND BALANCE AT END OF YEAR	\$378

(Continued)

The accompanying notes are an integral part of this statement.

**WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana**

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND (Contd.)
For the Year Ended June 30, 2013**

**Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of Governmental Fund to
the Statement of Activities:**

Net change in fund balance - General Fund

\$77

Change in net position of governmental activities (Statement B)

\$77

(Concluded)

The accompanying notes are an integral part of this statement.

WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2013

INTRODUCTION

Workforce Investment Board #82 is a nonprofit corporation organized to provide policy for the Local Workforce Investment Area 82 (LWIA 82) along with the Chief Elected Officials for LWIA 82 and their designated Chief Elected Official in regard to requirements of the Workforce Investment Act of 1998. LWIA 82 consists of the parishes of Union, Morehouse, and West Carroll, Louisiana. The functions of the Board include submission of the local workforce investment plan, selection of Business and Career Solutions Center operators, selection of youth providers, identification of eligible providers of training services, identification of eligible providers of intensive services, budgeting and administration, program oversight, negotiation of local performance measures, and the receipt of additional federal, non-federal, state, and other workforce funds, as an integrated system.

At June 30, 2013, Workforce Investment Board #82 consists of 25 members appointed by the designated Chief Elected Official of LWIA 82, 11 of which are from the private sector. The board members serve without benefit of compensation.

The Union Parish Police Jury is the designated grant recipient for LWIA 82. The grant recipient accepts full responsibility for funds expended under the Workforce Investment Act and assures that all funds provided will be expended according to limitations set forth in the Act, federal and state regulations, policies and procedures and the approved local workforce investment plan. It is the responsibility of the grant recipient to reimburse the Louisiana Workforce Commission for any questioned costs which are ultimately disallowed by the U. S. Department of Labor.

Although organized as a nonprofit corporation, the Board follows governmental reporting standards, as set by the Governmental Accounting Standards Board because it is considered to be a quasi-public organization. The definition of a quasi-public organization as provided in Louisiana Revised Statute 24:513 A(1)(b) includes nonprofit organizations whereby a majority of the governing body is appointed by an individual governmental official as part of his official duties. As noted above, members of the Board are appointed by the designated Chief Elected Official of LWIA 82 who is a governmental official.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Workforce Investment Board #82.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that

WORKFORCE INVESTMENT BOARD #82
Notes to the Financial Statements

are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Interest earnings are reported as general revenues.

Separate financial statements are provided for governmental funds. All individual governmental funds are reported as separate columns in the fund financial statements. The Workforce Investment Board #82 has only one governmental fund.

**B. Measurement Focus, Basis of Accounting, and
Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Revenue from federal grants and charges for services associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Interest earnings are considered to be measurable and available only when cash is received by the Board.

The Workforce Investment Board #82 reports the following governmental fund:

General Fund

The General fund is the general operating fund of the Board and accounts for all financial resources.

C. Deposits

Cash includes amounts in an interest-bearing demand deposit.

WORKFORCE INVESTMENT BOARD #82
Notes to the Financial Statements

D. Receivables

Receivables are generally shown net of an allowance for uncollectible amounts. These statements contain no provision for uncollectible accounts. The Board is of the opinion that such an allowance would be immaterial in relation to the financial statements taken as a whole.

E. Net Position/Fund Balance

For the government-wide statement of net position, net position is reported as restricted when constraints placed on net position are either:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or
2. imposed by law through constitutional provisions or enabling legislation.

Fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which funds can be spent. Fund balance should be reported as restricted when constraints on the use of the funds meet the same criteria as restricted net position in the government-wide statement of net position as noted in the previous paragraph. Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Directors are reported as committed fund balance. Assigned fund balance are amounts that are constrained by the Board's intent to be used for specific purposes, but are neither restricted nor committed. The Board of Directors is authorized to assign amounts to a specific purpose. Unassigned fund balance is the residual classification and represents fund balance that has not been restricted, committed, or assigned to a specific purpose.

At June 30, 2013, the General Fund fund balance is reported as assigned because all of the Board's resources are used for workforce development.

F. 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 of assets and liabilities, disclosures, and revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

WORKFORCE INVESTMENT BOARD #82
Notes to the Financial Statements

**2. STEWARDSHIP, COMPLIANCE, AND
ACCOUNTABILITY**

Budget Information

The Workforce Investment Board #82 uses its annual budget for management purposes only and the budget is not legally adopted by the board; consequently, no budgetary comparison schedules are presented in this report.

3. DEPOSITS IN FINANCIAL INSTITUTIONS

At June 30, 2013, cash (book balances) consists of \$20,126 in an interest-bearing checking account. These deposits are stated at cost, which approximates market. These deposits are secured from risk by federal deposit insurance.

4. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2013, in the amount of \$33,024, consists of the following:

Federal grants	\$28,063
Charges for services - PHOCAS	4,550
Other	411
Allowance for doubtful accounts	<u>NONE</u>
Total	<u>\$33,024</u>

5. CONTINGENCIES

During the year ended June 30, 2013, the Board received \$794,090 in grant revenues from the United States Department of Labor passed through the Louisiana Workforce Commission for workforce development in LWIA 82. Costs charged to the grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Board has not complied with the rules and regulations governing the grant, refunds of any money received may be required. In the opinion of the Board's management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

WORKFORCE INVESTMENT BOARD #82
Notes to the Financial Statements

6. SUBSEQUENT EVENTS

Management of the Board has evaluated subsequent events through December 16, 2013, the date which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION SCHEDULE

WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2013

Federal Grantor/Program Title	Federal CFDA Number	Federal Expenditures
United States Department of Labor:		
Passed through Louisiana Workforce Commission:		
Workforce Investment Act (WIA) - Adult Program	17.258	\$334,506
Workforce Investment Act (WIA) - Youth Activities	17.259	314,907
Workforce Investment Act (WIA) - Dislocated Workers	17.278	<u>144,623</u>
Total WIA program cluster		<u><u>\$794,036</u></u>

Note to the Schedule of Expenditures of Federal Awards

Note A - Basis of Presentation

The above schedule of expenditures of federal awards includes the federal grant activity of Workforce Investment Board #82 for the year ended June 30, 2013 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. \$349,995 of the total WIA program cluster expenditures were provided to subrecipients.

M. CARLEEN DUMAS
Certified Public Accountant
369 Donaldson Road. Calhoun, Louisiana. Telephone 318/644-5726

**Independent Auditor's 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
WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana**

I have audited, 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 the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor, the financial statements of the governmental activities and major fund of Workforce Investment Board #82 (the "Board"), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements and have issued my report thereon dated December 16, 2013.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Board's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, I do not express an opinion on the effectiveness of the Board's internal control.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Board's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Member of the American Institute of Certified Public Accountants
Member of the Society of Louisiana of Certified Public Accountants**

BOARD OF DIRECTORS
WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana
Independent Auditor's Report
on Compliance and on
Internal Control, etc.,
June 30, 2013

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free of material misstatement, I performed tests of the Board's 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

/s Carleen Dumas
Calhoun, Louisiana
December 16, 2013

M. CARLEEN DUMAS
Certified Public Accountant
369 Donaldson Road. Calhoun, Louisiana. Telephone 318/644-5726

**Independent Auditor's Report on Compliance for
Each Major Federal Program and Report on Internal Control over Compliance
Required by OMB Circular A-133**

BOARD OF DIRECTORS
WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana

Report on Compliance for Each Major Federal Program

I have audited Workforce Investment Board #82's (the "Board") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement*, that could have a direct and material effect on the Board's major federal program for the year ended June 30, 2013. The Board's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for Workforce Investment Board #82's major federal program based on my audit of the types of compliance requirements referred to above. 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 Board'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 on compliance for the Board's major program. However, my audit does not provide a legal determination of the Board's compliance.

Member of the American Institute of Certified Public Accountants
Member of the Society of Louisiana of Certified Public Accountants

BOARD OF DIRECTORS
WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana
Independent Auditor's Report
on Compliance for Each Major
Federal Program and Report on
Internal Control Over Compliance, etc.,
June 30, 2013

Opinion on Each Major Federal Program

In my opinion, Workforce Investment Board #82 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2013.

Other Matters

The results of my auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs with management's response and corrective action as item 2013-1. My opinion on each major federal program is not modified with respect to this matter.

Workforce Investment Board #82's response to the noncompliance finding identified in my audit is described in the accompanying schedule of findings and questioned costs with management's response and corrective action. Workforce Investment Board #82's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, I express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Board is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the Board's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing my opinion on compliance for the major federal program 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 the Board'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 material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with

**BOARD OF DIRECTORS
WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana
Independent Auditor's Report
on Compliance for Each Major
Federal Program and Report on
Internal Control Over Compliance, etc.,
June 30, 2013**

a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Purpose of Report

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

/s Carleen Dumas
Calhoun, Louisiana
December 16, 2013

WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
WITH MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION.
For the Year Ended June 30, 2013

Section I - Summary of Auditor's Results

Financial Statements

1. Type of auditor's report issued - Unmodified.
2. Internal control over financial reporting:

Material weakness(es) identified? - No
Significant deficiency(ies) identified? - None reported
3. Noncompliance material to financial statements noted? - No

Federal Awards

1. Internal control over major programs:

Material weakness(es) identified? - No
Significant deficiency(ies) identified? - None reported
2. Type of auditor's report issued on compliance for major programs - Unmodified.
3. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? - Yes
4. Identification of major programs:

Department of Labor:
CFDA Number: 17.258 WIA Adult Program
CFDA Number: 17.259 WIA Youth Activities
CFDA Number: 17.278 WIA Dislocated Workers
5. Dollar threshold used to distinguish between type A and type B programs - \$300,000.
6. Auditee qualified as low-risk auditee? - No

BOARD OF DIRECTORS
WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana
Schedule of Findings and Questioned Costs
With Management's Response and Corrective Action.

Section II - Financial Statement Findings

None

Section II - Federal Award Findings

CFDA 17.258, 17.259, 17.278 - WIA Adult Program, WIA Youth Activities, WIA Dislocated Workers

2013-1. Noncompliance with Subrecipient Monitoring Requirement

Criteria: Each recipient of WIA program funds must conduct regular oversight and monitoring of its subrecipients to determine that the subrecipients used the program funds for authorized purposes, complied with laws, regulations, and the provisions of contracts and agreements, and achieved performance goals.

Condition: During the year ended June 30, 2013, the Board contracted with Workforce Investment Board 83 to provide monitoring services for its subrecipient. It was noted from my audit procedures that regular monitoring was performed during the year. However, the U. S. Department of Labor conducted an onsite review of Local Workforce Investment Area 82 (LWIA82) for the period July 1, 2011 through September 20, 2013 and concluded that LWIA82 was not adequately monitoring its subrecipients by focusing exclusively on one component of the program.

Questioned Costs: None.

Effect: Failure to conduct regular oversight and monitoring of subrecipients could result in program funds being used for unauthorized purposes or in a manner that is not in compliance with the laws and provisions of the program.

Cause: The monitoring services provided were not in accordance with federal regulations.

Recommendation: The Board should take the necessary steps to ensure that regular oversight and monitoring of its subrecipients is performed in accordance with federal regulations.

BOARD OF DIRECTORS
WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana
Schedule of Findings and Questioned Costs
With Management's Response and Corrective Action.

**Management's Response and
Planned Corrective Action:**

WIB 82 has contracted with WIB 83 to provide monitoring services for the area. The monitoring area includes guidance issued from Louisiana Workforce Commission. Although monitoring practices are now in place including schedules and reviews, WIB 82 will request additional technical assistance on monitoring practices from LWC and will work on the development of new practices with our monitoring functions to expand monitoring services into a more comprehensive review as detailed in 20 CFR 667.410 and include expanded program and administrative requirements.

WORKFORCE INVESTMENT BOARD #82
Monroe, Louisiana

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2013

Finding No. 2012-1. (Financial Statement)

Condition: Deficiencies noted in internal controls over accounting for administrative costs.

Current Status: The condition has been resolved.

**Finding No. 2012-2. (Department of Labor CFDA 17.258, 17.259, 17.260 - WIA Adult Program
WIA Youth Activities, WIA Dislocated Workers)**

Condition: Management did not ensure that regular oversight and monitoring of its subrecipients was performed.

Current Status: The condition has not been resolved. See Finding No. 2013-1 in the Schedule of Findings and Questioned Costs with Management's Response and Corrective Action.