

**PASCO-HERNANDO JOBS AND EDUCATION
PARTNERSHIP REGIONAL BOARD, INC.**

FINANCIAL STATEMENTS

JUNE 30, 2009 AND 2008

**PASCO-HERNANDO JOBS AND EDUCATION
PARTNERSHIP REGIONAL BOARD, INC.
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JUNE 30, 2009 AND 2008**

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JAMES MOORE & CO., P.L.
CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
Pasco-Hernando Jobs and Education Partnership Regional Board, Inc.:

We have audited the accompanying statement of financial position of Pasco-Hernando Jobs and Education Partnership Regional Board, Inc. (the Organization) as of June 30, 2009, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Pasco-Hernando Jobs and Education Partnership Regional Board, Inc. as of June 30, 2008, were audited by other auditors whose report dated November 11, 2008, expressed an unqualified opinion on those statements.

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. 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 audits provide a reasonable basis for our opinion.

In our opinion, the 2009 financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2009, and the changes in its net assets and its 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 our report dated December 15, 2009, on our consideration of the Organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. 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. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audits were performed for the purpose of forming an opinion on the basic financial statements of the Organization taken as a whole. The accompanying schedule of expenditures of federal awards and State Financial Assistance is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Gainesville, Florida
December 15, 2009

James Moore + Co., P.L.

PASCO-HERNANDO JOBS AND EDUCATION PARTNERSHIP REGIONAL BOARD
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2009 AND 2008

	2009	2008
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	\$ 551,921	\$ 67,620
Grants receivable	468,399	442,839
Receivables	7,522	-
Prepaid expenses	3,530	10,362
Total current assets	1,031,372	520,821
Property and equipment, net	399,962	480,288
Total Assets	\$ 1,431,334	\$ 1,001,109
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Accounts payable and accrued expenses	\$ 790,046	\$ 560,699
Deferred revenue	246,153	45,282
Total current liabilities and total liabilities	1,036,199	605,981
Commitments and contingencies (Notes 4 and 5)		
Net Assets- Unrestricted	395,135	395,128
Total Liabilities and Net Assets	\$ 1,431,334	\$ 1,001,109

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

**PASCO-HERNANDO JOBS AND EDUCATION PARTNERSHIP REGIONAL BOARD
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008**

	2009	2008
Unrestricted Support and revenue		
Grants and contracts	\$ 6,305,215	\$ 5,925,161
Other income	43,585	18,875
Total unrestricted support and revenue	6,348,800	5,944,036
Expenses		
Program services	5,859,015	5,528,573
Management and general	489,778	497,011
Total expenses	6,348,793	6,025,584
Change in unrestricted net assets	7	(81,548)
Net assets-unrestricted, beginning of year	395,128	476,676
Net assets-unrestricted, end of year	\$ 395,135	\$ 395,128

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

PASCO-HERNANDO JOBS AND EDUCATION PARTNERSHIP REGIONAL BOARD
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Program Services</u>	<u>Management and General</u>	<u>Total Expenses</u>
Contract services	\$ 2,026,380	\$ -	\$ 2,026,380
Salaries and related expense	1,089,800	273,343	1,363,143
Tuition and financial assistance	509,087	-	509,087
Building rental	415,346	8,801	424,147
Depreciation	117,585	117	117,702
Utilities	137,757	5,459	143,216
Training	64,415	12,591	77,006
Outreach	531,214	7,078	538,292
Small equipment and software	379,690	-	379,690
Contracted services	53,202	26,512	79,714
Professional services	58,125	104,621	162,746
Program supplies	103,578	4,509	108,087
Repairs and maintenance	106,096	4,001	110,097
Insurance	61,420	2,110	63,530
One stop operations	21,984	-	21,984
Travel	61,798	10,085	71,883
Printing and postage	50,560	3,755	54,315
Fees, insurance and test	34,617	50	34,667
Meetings and conferences	13,923	2,700	16,623
Consulting	7,373	14,827	22,200
Employer services	1,188	-	1,188
Dues and subscriptions	13,283	8,898	22,181
Miscellaneous	594	321	915
Total expenses	<u>\$ 5,859,015</u>	<u>\$ 489,778</u>	<u>\$ 6,348,793</u>

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

**PASCO-HERNANDO JOBS AND EDUCATION PARTNERSHIP REGIONAL BOARD
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Program Services</u>	<u>Management and General</u>	<u>Total Expenses</u>
Contract services	\$ 1,865,480	\$ -	\$ 1,865,480
Salaries and related expense	847,823	291,901	1,139,724
Tuition and financial assistance	816,364	-	816,364
Building rental	441,727	17,283	459,010
Depreciation	189,697	9,984	199,681
Utilities	155,228	9,603	164,831
Loss on disposal of assets	161,533	-	161,533
Training	45,238	11,090	56,328
Outreach	146,446	7,444	153,890
Small equipment and software	126,132	19,884	146,016
Contracted services	124,911	1,958	126,869
Professional services	56,371	57,723	114,094
Program supplies	180,899	4,127	185,026
Repairs and maintenance	71,717	4,562	76,279
Insurance	54,896	11,297	66,193
One stop operations	64,072	-	64,072
Travel	55,140	3,034	58,174
Printing and postage	36,976	18,953	55,929
Fees, insurance and test	38,618	-	38,618
Meetings and conferences	17,929	10,408	28,337
Consulting	6,380	14,000	20,380
Employer services	20,307	21	20,328
Dues and subscriptions	4,689	3,739	8,428
Total expenses	<u>\$ 5,528,573</u>	<u>\$ 497,011</u>	<u>\$ 6,025,584</u>

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

**PASCO-HERNANDO JOBS AND EDUCATION PARTNERSHIP REGIONAL BOARD
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008**

	2009	2008
Cash flows from operating activities		
Change in net assets	\$ 7	\$ (81,548)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation	117,702	199,681
Increase in grants receivable	(25,560)	(225,057)
Increase in other receivable	(7,522)	-
Increase (decrease) in deferred revenue	200,870	(184,883)
Decrease (increase) in prepaids	6,831	(10,363)
Loss on disposal of assets	-	161,533
Increase (decrease) in accounts payable and accrued expenses	229,350	(126,659)
Total adjustments	521,671	(185,748)
Net cash provided by (used in) operating activities	521,678	(267,296)
Cash flows from investing activities		
Purchases of property and equipment	(37,377)	(284,109)
Net cash used in investing activities	(37,377)	(284,109)
Net increase (decrease) in cash and cash equivalents	484,301	(551,405)
Cash and cash equivalents, beginning of year	67,620	619,025
Cash and cash equivalents, end of year	\$ 551,921	\$ 67,620

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

**PASCO-HERNANDO JOBS AND EDUCATION
PARTNERSHIP REGIONAL BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008**

(1) **Summary of Significant Accounting Policies:**

The following is a summary of the more significant accounting policies and practices of Pasco-Hernando Jobs and Education Partnership Regional Board, Inc. (the Organization), which affect significant elements of the accompanying financial statements.

(a) **General**—The Organization is a nonprofit corporation organized to promote and enhance employment of individuals in the Florida Counties of Pasco and Hernando (workforce Region 16) and fulfill the duties and responsibilities provided by the Workforce Florida Act of 1996. The Organization provides job training, job placement, and benefit services to the citizens of the two county region. The governing body of the Organization consists of board members who are appointed by state and local officials to oversee conformance with grant regulations. A substantial portion of the Organization's support and revenue is received from the Florida Agency For Workforce Innovation.

(b) **Financial statement presentation**—The Organization's financial statements have been prepared in accordance with the recommendations of the Financial Accounting Standards Board in its standards for non-profit organizations.

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor imposed restrictions. The Organization records all revenues and gains that are spent in the same fiscal year as unrestricted revenue. Any amounts not spent are recorded as either temporarily restricted or permanently restricted revenue if donor restrictions exist.

Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed restrictions.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that will not be met by either actions of the Organization and/or the passage of time.

As of June 30, 2009 and 2008, the Organization had no temporarily restricted or permanently restricted net assets.

(c) **Revenue recognition**—The Organization's recognizes grants, contracts and contributions of cash or other assets as restricted support if they are received with grantor or donor stipulations that limit the use of the donated assets. Temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction when a donor restriction expires, when a stipulated tie restriction ends or purpose restriction is accomplished. A receivable is recognized by the Organization for grants or contracts to be received from the grantor or donor.

PASCO-HERNANDO JOBS AND EDUCATION
PARTNERSHIP REGIONAL BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

(1) **Summary of Significant Accounting Policies:** (Continued)

The Organization recognizes revenues from exchange transactions when the service is rendered. A receivable is recognized by the Organization for outstanding invoices.

The Organization considers its receivables to be fully collectible; accordingly, no allowance for doubtful accounts is required.

(d) **Cash and cash equivalents**—For purposes of reporting cash flows, cash and cash equivalents include investments with original maturities of three months or less.

(e) **Property and equipment**—Property and equipment are recorded at cost or, if donated, at the estimated fair value at the date of donation. The Organization has a policy of capitalizing expenditures for property and equipment with costs greater than \$5,000. Depreciation is provided using the straight-line method over the estimated useful lives of assets.

(f) **Deferred revenue**—Deferred revenue represents grant revenues which have been received, but for which the prescribed services have not yet been completed. These revenues will be recognized in income when these services are completed.

(g) **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 estimate assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(h) **Functional expenses**—The costs of providing various services have been summarized on a functional basis in the statements of activities and statements of functional expenses. Costs that are directly related to the Organization's specific purpose has been recorded as a direct expense and included as program services. Certain costs have been allocated among program and supporting services. Benefit costs are allocated based on a percentage of direct costs.

(i) **Federal income tax**—The Organization is exempt from federal and state income taxes under Section 501(c)(3) and, accordingly, no provision for income taxes has been made in the accompanying financial statements.

The Organization has elected to defer the adoption of accounting for uncertainty in income taxes as allowed by generally accepted accounting principles. This principle clarifies generally acceptable accounting principles for recognition, measurement, presentation and disclosure relating to uncertain tax positions. For financial statements covering periods prior to adoption, the Organization evaluates uncertain tax positions in accordance with existing generally accepted accounting principles and makes such accruals and disclosures as might be required thereunder. Management does not expect that the adoption of this principle to have a material effect on its financial position, net assets, or cash flows.

(j) **Subsequent events**—Subsequent events have been evaluated through December 15, 2009, which is the date the financial statements were available to be issued.

**PASCO-HERNANDO JOBS AND EDUCATION
PARTNERSHIP REGIONAL BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008**

(2) **Concentration of Credit Risk:**

Information related to significant concentrations of credit risk for financial instruments owned by the Organization is as follows:

(a) **Demand deposits**—The Organization has demand deposits with a local bank. The Organization has no policy requiring collateral to support these deposits and accounts, although demand deposits with banks are federally insured up to FDIC limits. At June 30, 2009 and 2008, the bank balance totaled \$1,007,799 and \$272,703, respectively.

(b) **Grants, contracts and other receivables**—The Organization receives certain fees for services provided to organizations and individuals located in central Florida. The other receivables represent amounts due from these organizations and individuals. The Organization also has amounts due from federal and state governmental agencies under cost reimbursement and service grants and contracts related to various education and assistance activities. The Organization has no policy requiring collateral or other security to support its receivables.

(3) **Retirement Plan:**

The Organization sponsors a 401(k) retirement plan for its employees who have attained 21 years of age. Voluntary employee contributions are allowed from eligible employees. The plan allows for discretionary contribution. The Contribution is determined annually by the Board of Directors. There were no discretionary contributions for the years ended June 30, 2009 and 2008.

(4) **Contingencies:**

The Organization is subject to federal audits to determine compliance with grant funding requirements. In the event that expenditures would be disallowed, repayment could be required. Government grants require the fulfillment of certain conditions as set forth by applicable laws, rules and regulations and in the grant agreements. Failure to fulfill the conditions could result in the return of the funds to the grantor.

During September 2009, the Agency for Workforce Innovation conducted a review of the Organization for the years ended June 30, 2009 and 2008. It is the opinion of management that the ultimate resolution of any matters noted as part of the review will not have a materially adverse effect on the Organization's financial position or results of operations.

**PASCO-HERNANDO JOBS AND EDUCATION
PARTNERSHIP REGIONAL BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008**

(5) **Operating Leases:**

The Organization leases office space under operating leases with varying terms through 2012. Some of the office lease options contain an escalation clause providing for annual increases in monthly rents. Under the terms of the leases, the Organization is generally responsible for insurance, repairs and maintenance costs. Lease expense under all operating leases for the years ended June 30, 2009 and 2008 were \$424,151 and \$459,010, which is recorded net of sublease rental income of \$178,963 and \$174,322, respectively. The following is a schedule by years of future minimum rentals under noncancellable leases at June 30, 2009:

Year Ending September 30,	Amount
2010	\$ 348,449
2011	461,323
2012	468,474
2013	474,582
2014	-
Thereafter	-
Total	\$ 1,752,828

Minimum payments have not been reduced by minimum sublease rentals of \$708,008 due in the future under noncancellable subleases.

(6) **Property and Equipment:**

Property and equipment consist of the following:

	2009	2008
Computer equipment	\$ 183,494	\$ 149,555
Office furniture	99,387	99,387
Office equipment	222,359	215,009
Mobile One-Stop Center	294,932	294,392
Software	41,035	41,035
	841,207	799,918
Less: Accumulated depreciation	(441,245)	(319,630)
Total property and equipment	\$ 399,962	\$ 480,288

Depreciation expense for the years ended June 30, 2009 and 2008, is \$105,427 and \$199,681, respectively.

**PASCO-HERNANDO JOBS AND EDUCATION
PARTNERSHIP REGIONAL BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008**

(7) **Reconciliation of Financial Records to the One Stop Management Information System (OSMIS):**

The Organization has completed a reconciliation of its financial records to OSMIS for the fiscal year ended June 30, 2009. The reconciliation was performed in a satisfactory manner.

(8) **Related Party Transactions:**

Pasco Hernando Jobs and Education Partnership Regional Board, Inc.'s Board of Directors includes representatives of both the private and public sector industries. During the fiscal years ended June 30, 2009 and 2008, the Organization entered into several contracts with entities with which certain board members are associated for the purpose of providing services to participants. Total payments to these entities during the years ended June 30, 2009 and 2008, were \$272,009 and \$216,414, respectively.

SUPPLEMENTAL INFORMATION

**PASCO-HERNANDO JOBS AND EDUCATION PARTNERSHIP REGIONAL BOARD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2009**

Federal Grantor/Pass-through Grantor/State Grantor Program Title	CFDA/CSFA Number	Expenditures
FEDERAL AWARDS		
U. S. Department of Agriculture - Passed Through State of Florida Agency for Workforce Innovation		
Supplemental Nutrition Assistance Program	10.561	\$ 285,688
Total U.S. Department of Agriculture		<u>285,688</u>
U.S. Department of Labor - Passed Through State of Florida Agency for Workforce Innovation		
WIA Youth Activities	17.259	476,095
ARRA - WIA Youth Activities	17.259	459,637
WIA Adult Program	17.258	688,196
WIA Dislocated Workers	17.260	588,583
Total for WIA Cluster		<u>2,212,511</u>
Employment Service/Wagner-Peyser	17.207	496,745
Disabled Veterans' Outreach Program (DVOP)	17.801	48,189
Local Veterans' Employment Representative Program	17.804	61,869
Total for Employment Service Cluster		<u>606,803</u>
Work Incentive Grants	17.266	43,820
Unemployment Insurance	17.225	797,451
Trade Adjustment Assistance	17.245	1,148
Total U.S. Department of Labor		<u>3,661,733</u>
U.S. Department of Health and Human Services - Passed Through State of Florida Agency for Workforce Innovation		
Temporary Assistance for Needy Families	93.558	2,243,020
Total Department of Health and Human Services		<u>2,243,020</u>
TOTAL FEDERAL AWARDS		<u>\$ 6,190,441</u>
STATE FINANCIAL ASSISTANCE		
State of Florida Department of Education: Passed Through State of Florida Agency for Workforce Innovation		
FL Ready to Work Credential - Business Outreach Outreach	48.106	\$ 8,869
Total State of Florida Department of Education Commissioner of Education		<u>8,869</u>
TOTAL STATE FINANCIAL ASSISTANCE		<u>\$ 8,869</u>
TOTAL FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE		<u>\$ 6,199,310</u>

PASCO-HERNANDO JOBS AND EDUCATION PARTNERSHIP REGIONAL BOARD, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

(A) **Basis of Presentation:**

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal awards and state financial assistance activity of Pasco-Hernando Jobs and Education Partnership Regional Board, Inc. (the Organization), and is presented on the accrual basis of accounting. The information in this schedule is present 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.

There were no noncash awards in the current year.

(B) **Subrecipients:**

Pasco-Hernando Jobs and Education Partnership Regional Board, Inc. provided federal awards to subrecipients as follows during the year ended June 30, 2009:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided</u>
Supplemental Nutrition Assistance Program	10.561	\$ 131,397
Employment Service Cluster:		
Employer Service / Wagner Peyser Funded Activities	17.207	173,381
Disabled Veterans' Outreach Program (DVOP)	17.801	125
Local Veterans' Employment Representative Program	17.804	125
Employment Service Cluster Subtotal		<u>173,631</u>
Unemployment Insurance	17.225	160,827
Trade Adjustment Assistance	17.245	1,148
WIA Cluster:		
WIA Adult Program	17.258	288,799
WIA Youth Activities	17.259	388,053
WIA Dislocated Workers	17.260	304,039
WIA Cluster Subtotal		<u>980,891</u>
Temporary Assistance for Needy Families	93.558	1,060,273
Cost Pools		<u>121,252</u>
		<u><u>\$ 2,629,419</u></u>

JAMES MOORE & CO., P.L.
CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

**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,
Pasco-Hernando Jobs and Education Partnership Regional Board, Inc.:

We have audited the financial statements of Pasco-Hernando Jobs and Education Partnership Regional Board, Inc. (the Organization), as of and for the year ended June 30, 2009, and have issued our report thereon dated December 15, 2009. 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 Organization's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

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

A control deficiency 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 significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the Organization's financial statements that is more than inconsequential will not be prevented or detected by the Organization's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as 2009-01 and 2009-02 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

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 that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the board of directors and management of the Organization, others within the Organization, Agency for Workforce Innovation, all federal and state awarding agencies, and the U.S. Office of Management and Budget (OMB) and is not intended to be and should not be used by anyone other than these specified parties.

James Moore + Co., P.L.

Gainesville, Florida
December 15, 2009

JAMES MOORE & CO., P.L.
CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

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

To the Board of Directors,
Pasco-Hernando Jobs and Education Partnership Regional Board, Inc.:

Compliance

We have audited the compliance of Pasco-Hernando Jobs and Education Partnership Regional Board, Inc. (the Organization) 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, 2009. The Organization's major federal programs are identified in the summary of auditors' results 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 program is the responsibility of the Organization's management. Our responsibility is to express an opinion on the Organization's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and audit guidance provided by the Agency for Workforce Innovation. 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 Pasco-Hernando Jobs and Education Partnership Regional Board, Inc.'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 Pasco-Hernando Jobs and Education Partnership Regional Board, Inc.'s compliance with those requirements.

In our opinion, Pasco-Hernando Jobs and Education Partnership Regional Board, Inc. 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, 2009.

Internal Control Over Compliance

The management of Pasco-Hernando Jobs and Education Partnership Regional Board, Inc. 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 Pasco-Hernando Jobs and Education Partnership Regional Board, Inc.'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 did not express an opinion on the effectiveness of Pasco-Hernando Jobs and Education Partnership Regional Board, Inc.'s internal control over compliance.

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

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2009-02 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We do not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

Pasco-Hernando Jobs and Education Partnership Regional Board, Inc.'s responses to findings identified in our audit report are described in the accompanying schedule of findings and questioned costs. We did not audit Pasco-Hernando Jobs and Education Partnership Regional Board, Inc.'s responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the board of directors, management, others within the Organization, Agency for Workforce Innovation, and 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.

James Moore + Co., P.L.

Gainesville, Florida
December 15, 2009

**PASCO-HERNANDO JOBS AND EDUCATION PARTNERSHIP REGIONAL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL AWARDS PROGRAM
FOR THE YEAR ENDED JUNE 30, 2009**

Section I. Summary of Auditors' Results:

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financing report:

• Material weakness(es) identified? Yes No

• Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes No

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

• Material weakness(es) identified? Yes No

• Significant deficiency(ies) identified that 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: CFDA No. 17.225, Unemployment Insurance
CFDA No. 93.558, Temporary Assistance for Needy Families (TANF)
Employment Service Cluster:
CFDA No. 17.207, Employment Representation (LVER) Program
CFDA No. 17.801 Disabled Veterans Outreach Program (DVOP)
CFDA No. 17.804, Local Veterans Employment Representation (LVER)
WIA Cluster:
CFDA No. 17.258, WIA Adult Program
CFDA No. 17.259, WIA Youth Activities

CFDA No. 17.260, WIA Dislocated Workers Program

Dollar threshold used to distinguish between the type A and type B program: \$ 300,000

Auditee qualified as a low-risk auditee? Yes No

**PASCO-HERNANDO JOBS AND EDUCATION PARTNERSHIP REGIONAL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL AWARDS PROGRAM
FOR THE YEAR ENDED JUNE 30, 2009
(Continued)**

Section II. Findings Relating to the Financial Statements Which are Required to be Reported in Accordance With *Government Auditing Standards* :

Significant Deficiencies

- 2009-01:** Untimely preparation of bank reconciliations
- Condition:** The Organization performed bank reconciliations for twelve months of activity related to the unrestricted cash account at the end of the fiscal year.
- Criteria:** Bank reconciliations should be performed in a timely manner each month.
- Effect:** Untimely reconciliation of bank balances increases the risk that fraudulent activity may not be detected in a timely manner.
- Recommendation:** Cash balances should be reconciled at the end of each month and reconciliations should be approved by the Finance Director after review of the related bank statement.
- 2009-02:** Inaccurate allocation of expenditures related to services provided by Arbor E&T, LLC
- Condition:** During review of invoices received from Arbor E&T, LLC, we noted expenditures were not allocated in accordance with Arbor E&T, LLC cost allocation plan.
- Criteria:** Review procedures should be in place to prevent miscoding of expenses.
- Effect:** Program related expenditures were misallocated between programs.
- CFDA:** 10.561, 17.207, 17.225, 17.258, 17.260, 93.558
- Recommendation:** Procedures that could be implemented include a review process of the Arbor E&T, LLC invoices and a comparison of the actual hours worked, as tracked in the Organization's personnel time tracking software.

Section III. Findings and Questioned Costs for Federal Awards:

Significant Deficiency

Same as 2009-02 noted above

Section IV. Prior Audit Findings and Corrective Action Plan for Federal Awards:

All findings reported in the prior year have been corrected.

Pasco Hernando
Jobs and Education Partnership
Regional Board, Inc.

3185 Premier Drive
Brooksville, Florida 34604
Tel: 352.593.2222
Fax: 352.593.2200
www.CareerCentral.jobs



December 18, 2009

James Moore & CO., P.L.
Certified Public Accountants and Consultants
Attn: Donna Brown
5931 NW 1st Place
Gainesville, FL 32607-5315

Dear Ms. Brown:

Below is our response to the two significant deficiencies identified in your Report on Internal Control to our Board of Directors.

Finding 2009-01 – Untimely preparation of bank reconciliation.

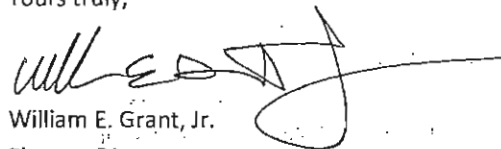
All bank accounts except the unrestricted account had been reconciled. The former finance director was the only person on the staff that had completed this reconciliation. In order to perform a complete and thorough reconciliation, the current assistant finance director performed an analysis of the account based upon bank statements over several months. This analysis was not completed until after year end. Today, the reconciliation is performed once the bank statement arrives.

Finding 2009-02 – Inaccurate allocation of expenditures related to services provided by Arbor E&T, LLC

This allocation error was the result of turnover in the local finance department for Arbor. This issue has been corrected. The basis for the allocation is our TimeTracker system output for full time equivalent (FTEs). That report was not always delivered in a timely manner and due to training issues was not being used for the allocation. The report is now being delivered the day after month end and the resultant allocation is being reviewed by the board staff as part of the invoice approval process.

We appreciate your efforts and the courteous manner in which your staff conducted the audit.

Yours truly,


William E. Grant, Jr.
Finance Director

Mission: Pasco Hernando Workforce Partnership enhances economic development efforts of our region by providing a well-trained, high quality workforce which supports the success of local business and improves the quality of life.