

ENTERPRISEWORKS

AUDIT REPORT

For the Year Ended September 30, 2010

Prepared by:  
MARY M. ULBRICH, CPA  
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NEW ALBANY, OH 43054

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INDEPENDENT AUDITOR'S REPORT

To the Trustees of  
EnterpriseWorks  
Columbus, Ohio

I have audited the accompanying statement of financial position of EnterpriseWorks (a nonprofit organization) as of September 30, 2010, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I have conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of EnterpriseWorks as of September 30, 2010, 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*, I have also issued my report dated December 15, 2010, on my consideration of EnterpriseWorks' internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters.

To the Trustees of  
EnterpriseWorks

My audit was conducted for the purpose of forming an opinion on the basic financial statements of EnterpriseWorks taken as a whole. The accompanying schedule of expenditures of federal awards 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 my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Mary M Ulbrich, CPA

New Albany, Ohio  
December 15, 2010

ENTERPRISEWORKS  
STATEMENT OF FINANCIAL POSITION  
September 30, 2010

CURRENT ASSETS	
Cash and cash equivalents	\$ 86,377
Accounts receivable	<u>48,861</u>
TOTAL CURRENT ASSETS	135,237
FURNITURE AND EQUIPMENT	<u>3,174</u>
TOTAL ASSETS	<u>\$138,411</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	\$ 4,013
Accrued payroll	14,664
Accrued vacation	12,092
Accrued rent payable	250
Accrued payroll taxes payable	<u>2,157</u>
TOTAL CURRENT LIABILITIES	<u>33,176</u>
TOTAL LIABILITIES	<u>33,176</u>
NET ASSETS	
Unrestricted	93,985
Temporarily restricted	<u>11,250</u>
TOTAL NET ASSETS	<u>105,235</u>
TOTAL LIABILITIES and NET ASSETS	<u>\$138,411</u>

See accompanying notes.

ENTERPRISEWORKS  
STATEMENT OF REVENUES, EXPENSES AND NET ASSETS  
Year ended September 30, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
Interest income	\$ 227	\$ 0	\$ 227
Book sale	<u>1,126</u>	<u>0</u>	<u>1,126</u>
TOTAL REVENUE	1,353	0	1,353
SUPPORT			
Government fees	526,855	0	526,855
United Way	0	47,500	47,500
Grant income-city	20,192	0	20,192
Net assets released from restrictions	<u>48,961</u>	<u>(48,961)</u>	<u>0</u>
TOTAL SUPPORT	<u>596,008</u>	<u>(1,461)</u>	<u>594,547</u>
TOTAL REVENUE AND SUPPORT	597,361	(1,461)	595,900
EXPENSES			
Program expense			
Business Planning for disabled	470,548	0	470,548
Youth career enhancement	138,953	0	138,953
Supporting services			
Management and general	12,907	0	12,907
Fund raising	<u>5,123</u>	<u>0</u>	<u>5,123</u>
TOTAL EXPENSES	<u>627,531</u>	<u>0</u>	<u>627,531</u>
Decrease in net assets	(30,170)	(1,461)	(31,631)
Net Assets at Beginning of Year	<u>124,155</u>	<u>12,711</u>	<u>136,866</u>
NET ASSETS AT END OF YEAR	<u>\$ 93,985</u>	<u>\$11,250</u>	<u>\$105,235</u>

See accompanying notes.

ENTERPRISEWORKS  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended September 30, 2010

	<u>Program Service</u>		<u>Supporting Services</u>		
	Business Planning	Youth	Management	Fund	
	Services for	Career	and	Raising	<u>Total</u>
	<u>Disabled</u>	<u>Enhancement</u>	<u>General</u>		
Accounting	\$ 11,683	\$ 4,109	\$ 546	\$ 0	\$ 16,338
Audit	5,240	1,554	206	0	7,000
Bank Charges	664	223	0	0	887
Computer Expense	4,097	799	874	0	5,770
Contract Services	238,106	0	0	0	238,106
Depreciation Expense	9,609	3,226	2	0	12,837
Dues	325	250	365	0	940
Fees	170	0	0	0	170
Health benefits	16,117	2,558	304	303	19,282
Insurance	4,785	1,628	62	0	6,475
Internet	2,118	0	10	0	2,128
Interest expense	373	1,469	388	0	2,230
Legal fees	0	0	2,484	0	2,484
Licenses	0	0	150	0	150
Meetings	536	0	131	117	784
Office supplies and Expense-	2,334	1,834	837	0	5,005
Payroll service fees	505	168	1	0	674
Payroll taxes	13,673	8,169	324	323	22,489
Photocopies	169	93	149	2	413
Penalties	0	0	1,233	0	1,233

See accompanying notes.

ENTERPRISEWORKS  
STATEMENT OF FUNCTIONAL EXPENSES (continued)  
For the Year Ended September 30, 2010

	<u>Programs</u>		<u>Supporting Services</u>		
	<u>Business Planning Services for Disabled</u>	<u>Youth Career Enhancement</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Postage	\$ 121	\$ 716	\$ 548	\$ 0	\$ 1,385
Printing	932	396	0	0	1,328
Professional Development	361	275	0	0	636
Program expense	0	5,188	0	0	5,188
Program supplies	670	7,630	34	0	8,334
Rent	1,500	1,500	0	0	3,000
Storage rental	629	759	0	0	1,388
Telephone	7,454	632	63	0	8,149
Transportation	0	17,820	0	0	17,820
Travel	2,758	650	49	232	3,689
Wages	<u>145,619</u>	<u>77,307</u>	<u>4,147</u>	<u>4,146</u>	<u>231,219</u>
 Total Expenses	 <u>\$470,548</u>	 <u>\$138,953</u>	 <u>\$12,907</u>	 <u>\$5,123</u>	 <u>\$627,531</u>

See accompanying notes.

ENTERPRISEWORKS  
STATEMENT OF CASH FLOWS  
Year ended September 30, 2010

CASH FLOWS OPERATING ACTIVITIES	
EXCESS OF REVENUE AND SUPPORT	
OVER EXPENSES (EXPENSES OVER REVENUE	
AND SUPPORT)	\$(31,631)
ADJUSTMENTS TO RECONCILE REVENUE AND	
SUPPORT TO NET CASH PROVIDED	
BY OPERATING ACTIVITIES	
Depreciation	12,837
(Increase) decrease in assets	
Accounts receivable	(1,796)
Prepaid expense	2,250
Increase (decrease) in liabilities	
Accounts payable	(2,646)
Accrued payroll	9,224
Accrued vacation	12,092
Accrued rent payable	250
Accrued payroll taxes	2,157
Other current liabilities	<u>(735)</u>
CASH FLOWS PROVIDED BY	
OPERATING ACTIVITIES	<u>2,002</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Payments on line of credit	(48,000)
Payments on capital leases	<u>(555)</u>
CASH FLOWS PROVIDED (USED)	
BY FINANCING ACTIVITIES	<u>(48,555)</u>
NET INCREASE (DECREASE)	
IN CASH AND CASH EQUIVALENTS	(46,553)
CASH AND CASH EQUIVALENTS-BEGINNING OF YEAR	<u>132,930</u>
CASH AND CASH EQUIVALENTS-ENDING	<u>\$ 86,377</u>
Supplemental Disclosure	
Interest paid	<u>\$ 2,229</u>

See accompanying notes.

ENTERPRISEWORKS  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the accompanying financial statements follows:

Nature of Activities

EnterpriseWorks is a private, not-for-profit corporation, organized in the State of Ohio in January 1998 for the purpose of providing a center for business planning for people with disabilities, and an effective resource that directs challenged youth toward developing realistic career goals, self-sufficiency and socially responsible behavior.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Accordingly, they reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Net assets and revenues, expenses and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the organization and changes therein are classified and reported as follows:

Unrestricted net assets represent the portion of expendable funds that is available for support of the operations of the Organization.

Temporarily restricted net assets represent net assets whose use is limited by donor-imposed stipulations that expire either by the passage of time or are removed by actions of the Organization.

Permanently restricted net assets comprise funds that are subject to restrictions that the principal be maintained in perpetuity and invested for the purposes of producing present and future income that may be expended by the Organization. No permanently restricted assets existed as of September 30, 2010.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are stated at unpaid balances. An allowance for bad debts has not been established since there is no history of bad debts.

ENTERPRISEWORKS  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

The Organization capitalizes all expenditures for property and equipment in excess of \$500. Purchased property and equipment are carried at cost. Donated property and equipment are carried at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method. When assets are retired or otherwise disposed of, the cost and any accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in income for the period. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized.

Revenues

Grant Revenue

The Organization recognizes grant income as revenue when expenditures have been incurred against these grants. If a grant has been awarded but not yet received and expenditures have been made against this grant, the amounts of these expenditures are recorded as a receivable against the grant. If grant funds have been received but have not yet been spent, the unspent portions are recorded as refundable grant advances. The calculated unused amount which is to be refunded immediately is recorded as a payable identified as Due to Grant Agencies.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the Statement of Activities as net assets released from restrictions.

Interest Income

Interest income is recognized in the accounting period when it is earned. EnterpriseWorks maintains funds received from various sources in interest -bearing accounts. The portion of interest earned on advances of federal funds is remitted to the federal funding sources in accordance with OMB Circular A-110, Attachment D, Uniform Administrative Requirements of Grants and Agreements with Nonprofit Organizations as codified in 45 CFR Part 74. The interest earned on other funds is used to support EnterpriseWorks" programs at the discretion of management.

ENTERPRISEWORKS  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other Income

Other income is recognized in the accounting period when it is earned.

Income Taxes

The Organization is exempt from federal income tax under Section 501 (c) (3) of the Internal Revenue Service. The Organization qualifies for the charitable contribution deduction under Section 170(b) (1) (A) and has been classified as an organization other than a private foundation under Section 509(a) (2).

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. There are four functions carried on by EnterpriseWorks. There are two program functions identified as Business Planning for Disabled and Youth Career Goals Training. In addition, there are the Management and General and Fund Raising functions.

NOTE 2 - CASH AND CASH EQUIVALENTS

There are five checking accounts which total \$85,377. Part of the funds are interest bearing.

NOTE 3 - ACCOUNTS RECEIVABLE

Amounts reported as of September 30, 2010 consisted of the following:

Rehabilitation Services Commission-	
American Recovery and Reinvestment Act	\$36,157
City of Columbus	1,398
United Way	11,250
Refund due from vendor	<u>55</u>
Total	<u>\$48,860</u>

The amount due from United Way is the amount which will be paid in October, November, and December 2010. It is the policy of United Way to record the amount due to an agency at the time that the allocation is decided upon.

ENTERPRISEWORKS  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2010

NOTE 4 - FURNITURE AND EQUIPMENT

The Board of Trustees has adopted a policy statement that capital purchases costing \$500 or more are to be capitalized and depreciated over their useful life. The life of the computer equipment is three years and the life of the copier is five years. Depreciation expense for the year ended September 30, 2010 was 12,837. Following is a schedule of the fixed assets:

Office equipment	\$ 61,346
Accumulated depreciation	( <u>58,172</u> )
	\$ <u>3,174</u>

NOTE 5 - ACCRUED PAYROLL

The accrued payroll includes the severance pay of an employee who was terminated as of September 30, 2010 since the ARRA grant was not renewed.

NOTE 6 - ACCRUED VACATION

The Organization adopted a vacation policy in 2009; therefore, the unused vacation has been accrued as of September 30, 2010 in the amount of \$12,092

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS

Restrictions/Limitations on Net Assets

Temporarily restricted net assets are available for the following purpose:

	Year Ended <u>September 30, 2010</u>
Restricted United Way Funds	<u>\$11,250</u>

In 2010, United Way made an allocation to the Organization in the amount of \$47,500 of which \$25,000 was made in the first six months of the year. The remaining \$22,500 is to be paid in the second half of the 2010 calendar year. The amount is paid in monthly installments. It is the policy of United Way to book the liability when it informs the Organization of its allocation. The remaining three months of the 2010 allocation is reflected as a temporarily restricted net asset.

In 2010, the temporarily restricted funds of \$12,711 from the HP grant were transferred to unrestricted funds since the grant had been closed out.

ENTERPRISEWORKS  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2010

NOTE 8 - GOVERNMENT FEES

Rehabilitation Services Commission-American Recovery and Reinvestment Act

EnterpriseWorks entered into an agreement with the Rehabilitation Services Commission for funds from the American Recovery and Reinvestment Act for the 13-month period of September 1, 2009 through September 30, 2010 in the amount of \$470,023. The purpose of the contract was to provide self-employment assessment, training and technical assistance to consumers. The activities under this agreement should be in compliance with the Rehabilitation Act of 1973 and the American Recovery and Reinvestment Act of 2009. EnterpriseWorks is considered to be the independent contractor to fulfill the term of this Agreement. The amount earned in the 2010 fiscal year was \$433,867.

Franklin County Department of Job and Family Services

The Franklin County Department of Job and Family Services entered into a subaward agreement with EnterpriseWorks on October 20, 2009 for the period of October 20, 2009 through May 31, 2010 for the purchase of TANF (Temporary Assistance for Needy Families) services in the amount of \$84,360. The services rendered were in the area of the youth career enhancement services. EnterpriseWorks was an independent contractor in the performance of this subaward. The amount earned in the 2010 fiscal year was \$82,108.

Fairfield County Board of Developmental Disabilities

EnterpriseWorks entered into an agreement with the Fairfield County Board of Developmental Disabilities to develop a comprehensive business plan for the Art & Clay on Main, a ceramics studio and gallery that the Organization purchased in 2010. The timeline for this project was March 23, 2010 through June 14, 2010. The amount earned for this project was \$9,500.

Rehabilitation Services Commission

EnterpriseWorks provided self-employment assessment training and technical assistance to consumers of the Rehabilitation Services Commission. The amount earned in the 2010 fiscal year was \$1,380.

NOTE 9 - GOVERNMENTAL GRANT

City of Columbus

The City of Columbus entered into a grant agreement with EnterpriseWorks on May 10, 2010 for a summer program to involve at-risk children in the life skills and career exploration summer program. The agreement was for a period of twelve months, commencing not sooner than February 1, 2010 and ending no later than January 31, 2011. The amount of the grant was not to exceed \$21,053. The amount earned in 2010 fiscal year was \$21,053; however there was an adjustment of the 2009 grant in the amount of \$864, leaving a balance paid of \$20,189.

ENTERPRISEWORKS  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2010

NOTE 10 - GRANT INCOME - PRIVATE

The Organization had received a grant from Hewlett Packard in 2007, part of which was the value of computer equipment. It also had received \$20,000 in cash. The grant period expired in 2009. The funds were transferred to unrestricted from temporarily restricted.

NOTE 11 - FACILITIES LEASES

EnterpriseWork had entered into a lease with their landlord, Ibel Agency on August 1, 2009 and ending July 31, 2010 for 687 square feet of space including common space. This lease was renewed for a one year period of August 1, 2010 and ending July 31, 2011. The monthly rent is \$250. The lessee is also responsible for a pro-rate share of operating expenses which are paid by the lessor. This lease can be terminated with a thirty day notice to the lessor. If EnterpriseWork loses its funding, the lessor at its discretion may amend the contract to allow EnterpriseWork to lease premises on a month to month basis with a thirty day notice of termination. The rent paid in the 2010 fiscal year was \$3,000.

NOTE 12 - OTHER RENTALS

The Organization rents storage space at a self-service storage facility, Mini Storage Depot, Columbus, Ohio at the rate of \$134 per month. The contract is on a month-to-month basis. The agreement can be terminated with a thirty day notice.

NOTE 13 - CONTRACT SERVICES

The Organization had contracts with its independent contractors who performed duties in the area of business planning for the self-employed who are disabled. Of the \$238,106 spent in the 2010 fiscal year, \$233,606 were spent from ARRA funds.

NOTE 14 - LINE OF CREDIT

EnterpriseWorks had a line of credit note with the Huntington National Bank in the amount of \$50,000. This note was paid off in September 2010 with the proceeds from a certificate of deposit which matured and other funds that the Organization had. A new line of credit has not been established.

NOTE 15 - RELATED PARTIES

The certified public accountant who performs accounting and some check writing functions is also the treasurer of the Board of Trustees. She receives compensation for the accounting services she performs. She is a non-voting member of the Board.

ENTERPRISEWORKS  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2010

NOTE 16 - CONCENTRATION OF REVENUE

EnterpriseWorks receives 92 percent of its support from the federal, state and local governments. In addition, it received eight percent from United Way. A significant reduction in the level of this support could have a material effect on its programs and activities. For the 2011 fiscal year, there is no contract with the Rehabilitation Services Commission and the ARRA funds have been given to another state agency.

NOTE 17 - SUBSEQUENT EVENTS

Management has evaluated events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements considered events through December 15, 2010, the date on which the financial statements were available to be issued. There were no unusual transactions or events to be reported.

ENTERPRISEWORKS  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended September 30, 2010

<u>Federal Grantor/Pass-Through Program or Title</u>	<u>Pass-Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
DEPARTMENT OF EDUCATION-			
AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009			
Passed through State of Ohio			
Rehabilitation Services Commission			
Rehabilitation Services-Vocational			
Rehabilitation Grants to State	66-1004	84.390	\$433,866
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Franklin County Department			
of Jobs and Family Services			
Temporary Assistance For Needy			
Families (TANF)	25-10-6002	93.558	<u>82,104</u>
Total expenditures of federal award			<u>\$515,970</u>

See accompanying notes to schedule of expenditures of federal awards.

ENTERPRISEWORKS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended September 30, 2010

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of EnterpriseWorks under programs of the federal government for the year ended September 30, 2010. 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*. Because the Schedule presents only a selected portion of the operations of EnterpriseWorks, it is not intended to and does not present the financial position, changes in net assets, functional expenses, or cash flows of EnterpriseWorks.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited to reimbursement.

ENTERPRISEWORKS  
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS  
For the Year Ended September 30, 2010

No uncorrected or unresolved findings exist from the prior audit's  
Schedule of Findings and Questioned Costs.

MEMBER  
Ohio Society of  
Certified Public Accountants

**MARY M. ULBRICH, CPA**

CERTIFIED PUBLIC ACCOUNTANT  
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**Report on Internal Control Over Financial Reporting and  
On Compliance and Other Matters Based on  
An Audit of Financial Statements Performed in Accordance  
with *Government Auditing Standards***

To the Trustees of  
EnterpriseWorks  
Columbus, Ohio

I have audited the financial statements of EnterpriseWorks (a nonprofit organization) as of and for the year ended September 30, 2010, and have issued my report thereon dated December 15, 2010. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

**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***  
(Continued)

My 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 or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether EnterpriseWorks' financial statements are free of material misstatement, I 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 statements amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express an opinion. The results of my test 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 audit committee, management, others within the entity, the Board of Trustees, 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.

Mary M. Ulbrich, CPA

New Albany, OH  
December 15, 2010

MEMBER  
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**Report on Compliance with Requirements Applicable to Each Major  
Program and Internal Control over Compliance in Accordance With  
OMB Circular A-133**

To the Trustees of  
EnterpriseWorks  
Columbus, Ohio

**Compliance**

I have audited the compliance of EnterpriseWorks (a nonprofit organization) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Supplement that are applicable to each of its major federal programs for the year ended September 30, 2010. EnterpriseWorks' major federal programs are identified in the summary of auditor's results section for the year of auditor's 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 programs is the responsibility of EnterpriseWorks' management. My responsibility is to express an opinion on EnterpriseWorks' compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about EnterpriseWorks' compliance with those requirements and performing such other procedures as we consider necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of EnterpriseWorks' compliance with those requirements.

In my opinion, EnterpriseWorks 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 September 30, 2010.

**Report on Compliance with Requirements Applicable to Each Major  
Program and Internal Control over Compliance in Accordance With  
OMB Circular A-133  
(Continued)**

**Internal Control Over Compliance**

The management of EnterpriseWorks is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered EnterpriseWorks' internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, 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 EnterpriseWorks' internal control over compliance.

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 combination of control deficiencies, that adversely affects the entity's ability to administer a federal compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

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.

My consideration of the 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 or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

**Report on Compliance with Requirements Applicable to Each Major  
Program and Internal Control over Compliance in Accordance With  
OMB Circular A-133  
(Continued)**

This report is intended solely for the information and use of management, the Board of Trustees, others within the entity 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.

New Albany, Ohio  
December 15, 2010

ENTERPRISEWORKS  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 For the Year Ended September 30, 2010

**SUMMARY OF AUDITOR'S RESULTS**

Type of financial statement opinion	Unqualified
Material control weaknesses reported at the financial statement level	None
Reportable control weakness conditions reported at the financial statement	None
Reported noncompliance at the financial statement level	None
Material internal control weakness conditions reported for major Federal program	None
Reportable internal control weakness conditions reported for major Federal programs	None
Type of major programs compliance opinion	Unqualified
Reportable findings	None
Major programs	ARRA-Rehabilitation Services-Vocational Rehabilitation Grants to States (CFDA 84.390)
Dollar threshold for Type A/B programs	Type A: Over \$300,000 Type B: All Others
Low risk auditee	Yes
<b>Finding Related to the Financial Statements</b>	<b>None</b>
<b>Finding and Questioned Costs for Federal Awards</b>	<b>None</b>

ENTERPRISEWORKS  
AUDITEE'S CORRECTIVE ACTION PLAN  
For the Year Ended September 30, 2010

**AUDITEE'S CORRECTIVE ACTION PLAN**

**None**