

MAHONING AND COLUMBIANA TRAINING ASSOCIATION  
SERVICE DELIVERY AREA NUMBER 30

AUDIT REPORT

FOR THE PERIOD JULY 1, 1998 THROUGH JUNE 30, 1999

SMITH AND COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS  
ASHTABULA, OHIO 44004

**MAHONING AND COLUMBIANA TRAINING ASSOCIATION**

**SERVICE DELIVERY AREA NUMBER 30**

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TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1 - 2
Combined Balance Sheet	3
Combined Statement of Support, Revenue and Expenses And Changes in Fund Balance	4
Notes to the General Purpose Financial Statements	5 - 18
Schedule of Federal Financial Assistance	19
Notes to Schedule of Expenditures of Federal Awards	20
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of General Purpose Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	21 - 22
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	23 - 24
Status of Prior Audit's Citations and Recommendations	25
General Comments	26
Schedule of Findings and Questioned Costs	27 - 28
Supplemental Schedules:	
Combining Balance Sheet - All Special Revenue	29
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - All Special Revenue	30
Analysis of Cost Limitations	31 - 39
Schedule of Variances	40
Data Collection Form	41 - 43



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Mahoning and Columbiana Training Association  
Boardman, Ohio

We have reviewed the Independent Auditor's Report of the Mahoning and Columbiana Training Association, Mahoning County, prepared by Smith and Company, for the audit period July 1, 1998 through June 30, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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



JIM PETRO  
Auditor of State

June 15, 2000

**SMITH AND COMPANY**

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INDEPENDENT AUDITOR'S REPORT

To the Mahoning and Columbiana  
Training Association  
Boardman, Ohio

We have audited the accompanying general purpose financial statements of the Mahoning and Columbiana Training Association (MCTA), Service Delivery Area 30 (SDA#30) as of and for the year then ended June 30, 1999, as listed in the accompanying Table of Contents. These general purpose financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion of these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Mahoning and Columbiana Training Association as of June 30, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

The accompanying financial statements have been prepared assuming that the Mahoning and Columbiana Training Association will continue as a going concern. As discussed in Note 10 to the financial statements, MCTA has received notification that legislation has been passed terminating the Ohio Bureau of

Mahoning and Columbiana  
Training Association  
Page Two

Employment Services and consequently all grant funds will be subsequently transferred to the Ohio Department of Jobs and Family Services. The financial statements do not include any adjustments that might result from the outcome of this legislation.

In accordance with Government Auditing Standards, we have also issued our report dated March 30, 2000 on the consideration of the Mahoning and Columbiana Training Association internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements 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 general purpose financial statements. The supplemental data on pages 29 through 44 (as listed in the Table of Contents) are presented for purposes of additional analysis and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Sincerely,

  
SMITH AND COMPANY  
Certified Public Accountants

March 30, 2000

MAHONING AND COLUMBIANA TRAINING ASSOCIATION  
 COMBINED BALANCE SHEET - ALL FUNDS TYPE AND ACCOUNT GROUP  
 AS OF JUNE 30, 1999

	<u>Governmental</u> <u>Fund Type</u> <u>Special</u> <u>Revenue</u>	<u>Account</u> <u>Group</u> <u>General</u> <u>Fixed Assets</u>	<u>Totals</u> <u>(Memorandum</u> <u>Only)</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 408,745	\$ 0	\$ 408,745
Accounts Receivable	29,900		29,900
Fixed Assets:			
Furniture, Fixtures and Equipment	0	114,039	114,039
Less: Accumulated Depreciation	<u>0</u>	<u>( 51,896)</u>	<u>( 51,896)</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>438,645</u></b>	<b>\$ <u>62,143</u></b>	<b>\$ <u>500,788</u></b>
<u>LIABILITIES</u>			
Accounts Payable	\$ 121,561	\$ 0	\$ 121,561
Accrued Wages & Benefits	41,108	0	41,108
Compensated Absence Payable	125,367	0	125,367
Deferred Revenue	114,828	0	114,828
Unclaimed Funds Payable	<u>25,331</u>	<u>0</u>	<u>25,331</u>
<b>Total Liabilities</b>	<b>428,195</b>	<b>0</b>	<b>428,195</b>
<u>FUND EQUITY</u>			
Investment in General Fixed Assets	0	62,143	62,143
Fund Balance:			
Unreserved/Undesignated	<u>10,450</u>	<u>0</u>	<u>10,450</u>
<b>Total Fund Equity</b>	<b>\$ <u>10,450</u></b>	<b>\$ <u>62,143</u></b>	<b>\$ <u>72,593</u></b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ <u>438,645</u></b>	<b>\$ <u>62,143</u></b>	<b>\$ <u>500,788</u></b>

The notes to the general purpose financial statements are an integral part of these statements.

MAHONING AND COLUMBIANA TRAINING ASSOCIATION  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - ALL SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 1999

	<u>Governmental Fund Type Special Revenue</u>	<u>Total (Memorandum Only)</u>
<u>REVENUES</u>		
Intergovernmental	\$ 2,111,072	\$ 2,111,072
Interest	4,997	4,997
Program Income	<u>187,875</u>	<u>187,875</u>
Total Revenues	2,303,944	2,303,944
<u>EXPENDITURES</u>		
Human Services:		
Administration	254,290	254,290
Direct Training	1,354,627	1,354,627
Retraining Services	306,986	306,986
Training Related/Support Services	118,163	118,163
Basic Readjustment Services	64,489	64,489
One-Stop Expenses	12,517	12,517
Program Income Expended	4,997	4,997
Interest Income Expended	<u>187,875</u>	<u>187,875</u>
Total Expenditures	<u>2,303,944</u>	<u>2,303,944</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0
Fund Balance at Beginning of Year	<u>10,450</u>	<u>10,450</u>
Fund Balance at End of Year	\$ <u>10,450</u>	\$ <u>10,450</u>

The notes to the general purpose financial statements are an integral part of these statements.

MAHONING AND COLUMBIANA TRAINING ASSOCIATION  
SERVICE DELIVERY AREA NUMBER 30  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD JULY 1, 1998 THROUGH JUNE 30, 1999

NOTE 1: DESCRIPTION OF ENTITY

Mahoning and Columbiana Training Association (MCTA), Service Delivery Area Number 30 (SDA#30), was established in 1983 by the State of Ohio Bureau of Employment Services as a Service Delivery Area, eligible to receive and administer funds granted to the SDA by the State, which has received federal grants under the Job Training Partnership Act (JTPA) of 1982. Mahoning and Columbiana Training Association was established to administer all program funds awarded to SDA# 30.

MCTA carried out the purpose of the Act by providing residents of the area with a variety of services authorized. The purpose of the Act is to establish programs to prepare youth and unskilled adults for entry into the labor force and to afford job training to those economically disadvantaged individuals facing serious barriers to employment, who are in special need of such training to obtain productive employment.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The financial reporting practices of MCTA conform to generally accepted accounting principles as applicable to local governments.

The accounts of MCTA are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Individual funds and account groups which are used by MCTA and are summarized in the accompanying combined general purpose financial statements are classified as follows:

MAHONING AND COLUMBIANA TRAINING ASSOCIATION  
SERVICE DELIVERY AREA NUMBER 30  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD JULY 1, 1998 THROUGH JUNE 30, 1999  
(CONTINUED)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation (Continued)

*Governmental Funds*

Special Revenue Funds - To account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

*Account Groups*

General Fixed Assets Account Group - To account for all fixed assets of MCTA.

General Long-Term Debt Account Group - To account for long-term debt and other long-term liabilities of MCTA

B. Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to the timing of when revenues and expenditures are recognized in the accounts and reported in the financial statements.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is followed for the governmental funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable"

MAHONING AND COLUMBIANA TRAINING ASSOCIATION  
SERVICE DELIVERY AREA NUMBER 30  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD JULY 1, 1998 THROUGH JUNE 30, 1999  
(CONTINUED)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

means the amount of the transaction can be determined and "available" means collectible within the current year or soon enough thereafter to be used to pay liabilities of the current year.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: investment earnings and intergovernmental revenue. Reimbursements due for federally funded projects are accrued as revenue at the time the expenditures are made.

B. Basis of Accounting

The measurement focus of governmental fund accounting is based on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related liability is incurred.

MCTA reports deferred revenue on its combined balance sheet. Deferred revenue arises when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current year or soon enough thereafter to be used to pay liabilities of the current year.

C. Fixed Assets

Fixed Assets include furniture, fixtures, and equipment purchased by MCTA. At the time of purchase, such assets are recorded as expenditures in the Governmental funds and are accounted for in the General Fixed Assets Account Group.

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

MAHONING AND COLUMBIANA TRAINING ASSOCIATION  
SERVICE DELIVERY AREA NUMBER 30  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD JULY 1, 1998 THROUGH JUNE 30, 1999  
(CONTINUED)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

JTP-Ohio Property Management Standards require that depreciation be computed on all non-expendable personal property having a useful life of more than two years and purchase price of \$1,000 or more. The Mahoning and Columbiana Training Association's capitalization policy is \$1,000. The amount of depreciation is to be computed over 10 years or 10% of cost, which varies from generally accepted accounting principles. Depreciation is only recorded in the general fixed assets account group.

D. Budgetary Process

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

MCTA's primary funding source is federal and state grants which have grant periods that may or may not coincide with the Agency's fiscal year. These grants normally are for a twelve-month period, ending June 30. However, they can be awarded for periods longer than twelve months and IIB grants are on a fiscal year ending September 30.

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

- 1) the uncertain nature of grant awards from other entities
- 2) conversion of grant budgets to a fiscal year basis

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

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

MAHONING AND COLUMBIANA TRAINING ASSOCIATION  
SERVICE DELIVERY AREA NUMBER 30  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD JULY 1, 1998 THROUGH JUNE 30, 1999  
(CONTINUED)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)

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

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

E. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by MCTA.

F. Total Column on Combined Financial Statements

Total columns on the combined statements are captioned "Totals-(memorandum only)" to indicate that they are presented only to facilitate financial analysis. This data is not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 3: EQUITY IN POOLED CASH AND INVESTMENTS

State statutes classify monies held by MCTA into three categories.

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

MAHONING AND COLUMBIANA TRAINING ASSOCIATION  
SERVICE DELIVERY AREA NUMBER 30  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD JULY 1, 1998 THROUGH JUNE 30, 1999  
(CONTINUED)

NOTE 3: EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

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

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

Protection of MCTA's deposits is proved by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution a security for repayment, by surety company bonds deposited with the Treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Legislation now permits interim monies to be deposited or invested in the following securities:

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. all federal agency securities shall be directly issuances of federal government agencies or instrumentalities;

MAHONING AND COLUMBIANA TRAINING ASSOCIATION  
SERVICE DELIVERY AREA NUMBER 30  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD JULY 1, 1998 THROUGH JUNE 30, 1999  
(CONTINUED)

NOTE 3: EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be market to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds or other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAR Ohio).
7. Certain banker's acceptance and commercial paper notes for the period not to exceed one hundred eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purchase of arbitrage, the use of leverage, and short selling are prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of MCTA, and must be purchased with the expectation that it will be held until maturity.

MAHONING AND COLUMBIANA TRAINING ASSOCIATION  
 SERVICE DELIVERY AREA NUMBER 30  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE PERIOD JULY 1, 1998 THROUGH JUNE 30, 1999  
 (CONTINUED)

NOTE 3: EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classified deposits and investments by categories or risk as defined in GASB Statement No. 3, *Deposits with Financial Institutions, Investments, and Repurchase Agreements*.

Deposits

The Governmental Accounting Standards Board has established risk categories for deposits as follows:

Category 1 - Insured or collateralized with securities held by MCTA or its agent in MCTA's name.

Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agency in MCTA's name.

Category 3 - Uncollateralized. (This included any bank balance that is collateralized with securities held by the pledging institution or its trust department or agent but not in MCTA's name).

		Book <u>Balance</u>	Bank <u>Balance</u>
Category 1	National City Bank	\$ 100,000	\$ 100,000
Category 2	National City Bank	<u>308,645</u>	<u>342,044</u>
Total Deposits		\$ <u>408,645</u>	\$ <u>442,144</u>

All deposits are carried at cost. At year end, cash on hand was \$100 and the carrying amount of MCTA's deposits was \$408,645, and the bank balance was \$442,044. Of the bank balance, \$100,000 was insured and \$342,044 was classified as Risk Category 3.

MAHONING AND COLUMBIANA TRAINING ASSOCIATION  
 SERVICE DELIVERY AREA NUMBER 30  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE PERIOD JULY 1, 1998 THROUGH JUNE 30, 1999  
 (CONTINUED)

NOTE 3: EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

Investments

The Governmental Accounting Standards Board has established risk categories for investments as follows:

Category 1 - Investments that are insured or registered or for which the securities are held by MCTA or its agent in MCTA's name.

Category 2 - Uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agency in MCTA's name.

Category 3 - Uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agency, but not in MCTA's name.

MCTA had no investments as of June 30, 1999.

NOTE 4: FIXED ASSETS

General Fixed Assets Account Group - A summary of the changes in general fixed assets during the year ended June 30, 1999 follows:

	Balance 6/30/98	Additions	Deletions	Balance 6/30/99
Equipment, Furniture & Fixtures	\$167,514	\$11,693	\$(65,168)	\$114,039
Accum. Depreciation	(105,660)	(11,404)	(65,168)	(182,232)
Total	\$ 61,854	\$ 289	\$ -0-	\$ 62,143

NOTE 5: DEFINED PENSION BENEFIT PLAN

Public Employees Retirement System (the "PERS of Ohio")

The following information was provided by the PERS of Ohio to assist MCTA in complying with GASB Statement No. 27, *Accounting for Pensions for State and Local Government Employers*.

MAHONING AND COLUMBIANA TRAINING ASSOCIATION  
SERVICE DELIVERY AREA NUMBER 30  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD JULY 1, 1998 THROUGH JUNE 30, 1999  
(CONTINUED)

NOTE 5: DEFINED PENSION BENEFIT PLAN

Public Employees Retirement System (the "PERS of Ohio")

1. Pension Benefit Obligations

All full-time employees of MCTA participate in the PERS of Ohio, a cost-sharing multiple employer defined benefit pension plan. The PERS of Ohio provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The PERS of Ohio issued a stand-alone financial report that includes general purpose financial statements and required supplementary information for the PERS of Ohio. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employees and employer contributions. The employee contribution rate for employees is 8.5%. The 1998 employer rate for local government employer units was 13.55% of covered payroll, 9.35% to fund the pension benefit obligation and 4.20% to fund health care. The contribution requirements of plan members and MCTA are established and may be amended by the Public Employees Retirement Board. MCTA's contributions to the PERS of Ohio for the years 1999, 1998 and 1997 were \$84,625, \$72,833 and \$67,404 respectively, which was equal to the required contributions for each year.

2. Other Postemployment Benefits

In addition to the pension benefit obligation described above, the PERS of Ohio provides postemployment health care benefits to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is also available. A portion of each employer's contribution to the PERS of Ohio is set aside for the funding of post retirement health care. The Ohio Revised Code

MAHONING AND COLUMBIANA TRAINING ASSOCIATION  
SERVICE DELIVERY AREA NUMBER 30  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD JULY 1, 1998 THROUGH JUNE 30, 1999  
(CONTINUED)

NOTE 5: DEFINED PENSION BENEFIT PLAN

Public Employees Retirement System (the "PERS of Ohio")

2. Other Postemployment Benefits (Continued)

provides statutory authority for employer contributions and requires employers to fund postemployment health care through their contributions to the PERS of Ohio. The portion of the employer contribution rate (identified above) that was used to fund health care for the year ended June 30, 1999 was 4.20%, which amounted to \$26,231 of covered payroll.

Other postemployment benefits are financed through employer contributions and investment earnings thereon. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions, are expected to be sufficient to sustain the program indefinitely.

Expenditures for other postemployment benefits during 1998 were \$440,596,663. As of December 31, 1998, the unaudited estimated net assets available for future other postemployment benefits payments were \$9,447,325,318. The number of benefit recipients eligible for other postemployment benefits as December 31, 1998 was \$115,579.

During 1997, the Retirement Board adopted a new calculation method for determining employer contributions applied to other postemployment benefits. Under the new method, effective January 1, 1998, employer contributions, equal to 4.2% of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal cost rates were determined for retiree health care coverage.

MAHONING AND COLUMBIANA TRAINING ASSOCIATION  
 SERVICE DELIVERY AREA NUMBER 30  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE PERIOD JULY 1, 1998 THROUGH JUNE 30, 1999  
 (CONTINUED)

NOTE 6: COMPENSATED ABSENCES

Full-time employees are eligible for paid vacation leave according to the following eligibility guidelines:

<u>Years of Service</u>	<u>Vacation</u>	<u>Hours Accrued Per 80 Hour Pay Period</u>
Less than 1 year	None	None**
1 year up to 8 years	70 hours	2.69
8 years up to 15 years	105 hours	4.04
15 years up to 25 years	140 hours	5.38
25 years or more	175 hours	6.73

\*\* No employee is eligible to take vacation leave until one year after their initial employment.

The liability for accumulated vacations of \$27,742 at June 30, 1999 for governmental fund types, which represents normal accumulations, has been recorded in the Special Revenue Fund. MCTA's sick leave policy permits the accumulation of 15 sick days per year, with no limits set on the amount accumulated. Full-time employees are paid for unused sick days upon termination of employment according to the following conditions:

1. The employee is in good standing at time of termination, and
2. Shall be converted as follows:

<u>Years of Service</u>	<u>Amount Paid</u>	<u>Maximum Payable</u>
Less than five	None	None
Five but less than eight	50%	30 days
Eight or more years	50%	180 days

In the case of death of an employee, payment of cash conversion of sick leave benefit will be made to the estate of the employee in accordance with the above paragraph, exclusive of years of service.

The liability for accumulated sick leave of \$97,625 at June 30, 1999 for governmental fund types has also been recorded in the Special Revenue Fund.

MAHONING AND COLUMBIANA TRAINING ASSOCIATION  
SERVICE DELIVERY AREA NUMBER 30  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD JULY 1, 1998 THROUGH JUNE 30, 1999  
(CONTINUED)

NOTE 7: CONTINGENT LIABILITIES

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

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

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

NOTE 8: INSURANCE AND RISK MANAGEMENT

MCTA is exposed to various risks of loss related to torts, thefts of, damages to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. During 1998, MCTA contracted with several companies for various types of insurance as follows:

<u>Company</u>	<u>Type of Coverage</u>	<u>Deductible</u>
Cincinnati Insurance Co.	General Liability	\$ 250
Cincinnati Insurance Co.	Blanket Employee Bond	\$ 0

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

MCTA continued to carry commercial insurance for other risks of loss, including employee health and life insurance. Settled claims resulting from the above noted risks have not exceeded commercial insurance coverage in any of the past three years.

MAHONING AND COLUMBIANA TRAINING ASSOCIATION  
SERVICE DELIVERY AREA NUMBER 30  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD JULY 1, 1998 THROUGH JUNE 30, 1999  
(CONTINUED)

NOTE 9: OPERATING LEASES

MCTA has entered into two operating leases for office space which contain cancellation provisions and are subject to annual appropriations. Rental expense under both operating lease agreements was approximately \$52,381 in the year ended June 30, 1999.

NOTE 10: GRANT FUNDING

As of June 30, 2000, the Bureau of Employment Services will be terminated and core services will be transferred to the Ohio Department of Jobs and Family Services. On July 1, 2000, JTPA participants will be transferred and serviced through the Ohio Department of Jobs and Family Services. The County Commissioner will be the grant recipient and will be custodian of financial information and equipment. At this time, it is expected that MCTA will be the subrecipient of the grant funds.

MAHONING AND COLUMBIANA TRAINING ASSOCIATION  
 SERVICE DELIVERY AREA NUMBER 30  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDING JUNE 30, 1999

Federal Grantor/ Pass Through Grantor/ Program Titles	Grant Period	CFDA Number	Allocation	Transfers	Revenue	Expenditures	Unexpended Allocation
<b>United States Department of Labor</b>							
<b>Ohio Bureau of Employment Services</b>							
<b>Title II</b>							
0-98-30-00-01	7/1/98 - 6/30/00	17.250	\$635,732		\$502,909	\$502,909	\$132,823
0-97-30-00-01	7/1/97 - 6/30/00	17.250	154,568		154,568	154,568	0
1-98-30-00-01	7/1/98 - 6/30/00	17.250	44,510		0	0	44,510
1-97-30-00-01	7/1/97 - 6/30/00	17.250	41,184		41,184	41,184	0
1-96-30-00-01	7/1/96 - 6/30/99	17.250	3,736		3,736	3,736	0
4-98-30-00-01	7/1/98 - 6/30/00	17.250	59,708		56,835	56,835	2,873
4-97-30-00-01	7/1/97 - 6/30/00	17.250	2,873		2,873	2,873	0
Y-98-30-00-01	7/1/97 - 6/30/00	17.250	86,526	138,480	172,839	172,839	52,167
Y-97-30-00-01	7/1/97 - 6/30/00	17.250	36,166		36,166	36,166	0
5-99-30-00-01	10/1/97 - 9/30/00	17.250	417,376		68,411	68,411	348,965
5-98-30-00-01	10/1/95 - 9/30/98	17.250	607,059	(138,480)	468,579	468,579	0
3-97-30-00-01	7/1/97 - 6/30/99	17.250	45,025		0	0	45,025
3-96-30-00-01	4/1/97 - 6/30/98	17.250	40,258		29,373	29,373	10,885
<b>Total CFDA #17.250</b>			<b>\$2,174,721</b>	<b>\$0</b>	<b>\$1,537,473</b>	<b>\$1,537,473</b>	<b>\$637,248</b>
<b>Title III</b>							
A-98-30-00-01	7/1/98 - 6/30/99	17.246	\$574,635		\$490,039	\$490,039	\$84,596
A-97-30-00-01	7/1/97 - 6/30/99	17.246	71,043		71,043	71,043	0
B-98-30-00-00	7/1/98 - 6/30/99	17.246	39,804		0	0	39,804
B-97-30-00-00	7/1/97 - 6/30/99	17.246	20,727		0	0	20,727
<b>Total CFDA #17.246</b>			<b>\$706,209</b>	<b>\$0</b>	<b>\$561,082</b>	<b>\$561,082</b>	<b>\$145,127</b>
<b>Ohio One-Stop Career Center</b>							
Northeast Ohio One-Stop	1/1/97 - 12/31/98	17.207	213,916		12,517	12,517	201,399
<b>Community Action Agency of Columbiana County</b>							
Welfare to Work	2/12/99 - 6/30/00	17.253	260,355		11,944	11,944	248,411
<b>TOTAL FEDERAL AWARDS</b>			<b>\$3,355,201</b>	<b>\$0</b>	<b>\$2,123,016</b>	<b>\$2,123,016</b>	<b>\$1,232,185</b>

Grant period - Period of Subgrant.  
 Allocations - Amounts allocated in current and unexpended amounts allocated in prior years respectively.  
 Transfers - Allowable transfers as defined by the JTPA Regulations.  
 Revenue and Expenditures - Should be reported net of program income.  
 Unexpended Allocations - Amount left to carry forward to following fiscal year.

MAHONING AND COLUMBIANA TRAINING ASSOCIATION  
SERVICE DELIVERY AREA NUMBER 30  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 1999

NOTE A: **SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Expenditures of Federal Awards is a summary of the activity of Mahoning and Columbiana Training Association's federal award programs. The schedule has been prepared on the GAAP (accrual) basis of accounting.

**SMITH AND COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS  
4817 STATE ROAD, SUITE 200  
ASHTABULA, OHIO 44004  
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INDEPENDENT AUDITOR'S REPORT  
ON COMPLIANCE AND ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

To the Board of Trustees of  
Mahoning and Columbiana  
Training Association

We have audited the general purpose financial statements of the Mahoning and Columbiana Training Association (MCTA) as of and for the year ended June 30, 1999, and have issued our report thereon dated March 30, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether MCTA's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of general purpose 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 that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of noncompliance that we reported to management of MCTA in a separate letter dated March 30, 2000.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered MCTA's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal

Mahoning and Columbiana  
Training Association  
Page Two

course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

However, we noted other matters involving the internal control over financial reporting that we have reported to the management of MCTA in a separate letter dated March 30, 2000.

This report is intended for the information of the Board of Trustees, management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Sincerely,

  
SMITH AND COMPANY  
Certified Public Accountants

March 30, 2000

**SMITH AND COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS  
4617 STATE ROAD, SUITE 200  
ASHTABULA, OHIO 44004  
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INDEPENDENT AUDITOR'S REPORT  
ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO  
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Trustees of  
Mahoning and Columbiana  
Training Association

**Compliance**

We have audited the compliance of the Mahoning and Columbiana Training Association (MCTA) 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, 1999. MCTA's major federal programs are identified in the Summary 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 MCTA's management. Our responsibility is to express an opinion on MCTA's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; 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, *Audit of State, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the MCTA'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 of MCTA's compliance with those requirements.

In our opinion, MCTA 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, 1999.

Internal Control Over Compliance

The management of MCTA 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 MCTA'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 and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants what would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

However, we noted other matters involving the internal control over financial reporting that we have reported to the management of MCTA in a separate letter dated March 30, 2000.

This report is intended for the information of the Board of Trustees, management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

  
SMITH AND COMPANY  
Certified Public Accountants

March 30, 2000

MAHONING AND COLUMBIANA TRAINING ASSOCIATION  
SERVICE DELIVERY AREA NUMBER 30  
STATUS OF PRIOR AUDIT CITATIONS AND RECOMMENDATIONS  
JULY 1, 1998 THROUGH JUNE 30, 1999

The prior audit report as of June 30, 1998 included no citations. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

MAHONING AND COLUMBIANA TRAINING ASSOCIATION  
SERVICE DELIVERY AREA NUMBER 30  
GENERAL COMMENTS

The accompanying general purpose financial statements reflect activity and balances as of June 30, 1999.

The Mahoning and Columbiana Training Association was cooperative and available for questions and assistance during regular working hours.

MAHONING AND COLUMBIANA TRAINING ASSOCIATION  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 OMB CIRCULAR A-133 SECTION .505  
 JUNE 30, 1999

1. SUMMARY OF AUDITOR'S RESULTS

1999(I)	Type of Financial Statement Opinion	Unqualified
1999(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
1999(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
1999(iii)	Was there any reported noncompliance at the financial statement level (GAGAS)?	No
1999(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
1999(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
1999(v)	Type of Major Programs' Compliance Opinion	Unqualified
1999(vi)	Are there any reportable findings under Section.510?	No
1999(vii)	Major Programs (list):	Job Training Partnership Act (JTPA) Title II and Title III Dislocated Worker
1999(viii)	Dollar Threshold: Type A/B Programs	Type A:\$300,000 Type B: NONE
1999(ix)	Low Risk Auditee?	Yes

MAHONING AND COLUMBIANA TRAINING ASSOCIATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A-133 SECTION .505  
(CONTINUED)  
JUNE 30, 1999

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED  
IN ACCORDANCE WITH GAGAS

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

MAHONING AND COLUMBIANA TRAINING ASSOCIATION  
 COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS  
 AS OF JUNE 30, 1999

	<u>JTPA</u>	<u>JTPA Program Income</u>	<u>Non Federal</u>	<u>Total</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 272,928	\$ 10,450	\$ 125,367	\$ 408,745
Accounts Receivable	<u>29,900</u>	<u>0</u>	<u>0</u>	<u>29,900</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>302,828</u></b>	<b>\$ <u>10,450</u></b>	<b>\$ <u>125,367</u></b>	<b>\$ <u>438,645</u></b>
<u>LIABILITIES</u>				
Accounts Payable	\$ 121,561	\$ 0	\$ 0	\$ 121,561
Accrued Wages and Benefits	41,108	0	0	41,108
Compensated Absences Payable	0	0	125,367	125,367
Deferred Revenue	114,828	0	0	114,828
Unclaimed Funds Payable	<u>25,331</u>	<u>0</u>	<u>0</u>	<u>25,331</u>
<b>Total Liabilities</b>	<b>302,828</b>	<b>0</b>	<b>125,367</b>	<b>428,195</b>
<u>FUND EQUITY</u>				
Fund Balance:				
Unreserved/Undesignated	<u>0</u>	<u>10,450</u>	<u>0</u>	<u>10,450</u>
<b>Total Fund Equity</b>	<b>\$ <u>0</u></b>	<b>\$ <u>10,450</u></b>	<b>\$ <u>0</u></b>	<b>\$ <u>10,450</u></b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ <u>302,828</u></b>	<b>\$ <u>10,450</u></b>	<b>\$ <u>125,367</u></b>	<b>\$ <u>438,645</u></b>

MAHONING AND COLUMBIANA TRAINING ASSOCIATION  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - ALL SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 1999

	JTPA	JTPA Program Income	Non Federal	Total
<b>REVENUES</b>				
Intergovernmental	\$2,111,072	\$0	\$0	\$2,111,072
Interest	0	0	4,997	4,997
Program Income	0	187,875	0	187,875
<b>Total Revenues</b>	<b>2,111,072</b>	<b>187,875</b>	<b>4,997</b>	<b>2,303,944</b>
<b>EXPENDITURES</b>				
Human Services:				
Administration	254,290	0	0	254,290
Direct Training	1,354,627	0	0	1,354,627
Retraining Services	306,986	0	0	306,986
Training Rel./Supp. Serv.	118,163	0	0	118,163
Basic Readjustment Serv.	64,489	0	0	64,489
One-Stop Expenses	12,517	0	0	12,517
Program Income Expenses	0	187,875	0	187,875
Interest Income Expended	0	0	4,997	4,997
<b>Total Expenditures</b>	<b>2,111,072</b>	<b>187,875</b>	<b>4,997</b>	<b>2,303,944</b>
Excess (Deficiency) of Revenues				
Over Expenditures	0	0	0	0
Fund Balance Beginning of Year	0	10,450	0	10,450
<b>Fund Balance End of Year</b>	<b>\$0</b>	<b>\$10,450</b>	<b>\$0</b>	<b>\$10,450</b>

Attachment B

**Mahoning and Columbiana Training Association**  
**Analysis of Cost Limitations and Budget to Actual, Title IIA 77%**  
**For the Period Ending June 30, 1999**

0-96-30-00-01	Totals	Administration Maximum 20%	Direct Training Minimum 50%	Training Related & Support Serv. Maximum 30%
<b>ALLOCATION</b>				
Allocation Amount	\$573,096	\$114,619	\$286,548	\$171,929
Transfer From IIC	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Allocation</b>	<b>573,096</b>	<b>114,619</b>	<b>286,548</b>	<b>171,929</b>
<b>EXPENDITURES</b>				
Expenditures 7/01/96-6/30/97	462,462	0	462,462	0
Expenditures 7/01/97-6/30/98	110,634	20,693	89,941	0
Expenditures 7/01/98-6/30/99	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Expenditure</b>	<b>573,096</b>	<b>20,693</b>	<b>552,403</b>	<b>0</b>
Unexpended Funds	0	93,926	(265,855)	171,929
Percentage of Allocation	100.00%	3.61%	98.39%	0.00%
<b>BUDGET</b>				
PY'98 Budget	0	0	0	0
Percentage Achieved	0.00%	0.00%	0.00%	0.00%

0-97-30-00-01	Totals	Administration Maximum 20%	Direct Training Minimum 50%	Training Related & Support Serv. Maximum 30%
<b>ALLOCATION</b>				
Allocation Amount	\$584,286	\$116,857	\$467,429	
Transfer From IIC	<u>(35,000)</u>	<u>(7,000)</u>	<u>(28,000)</u>	
<b>Total Allocation</b>	<b>549,286</b>	<b>109,857</b>	<b>439,429</b>	
<b>EXPENDITURES</b>				
Expenditures 7/01/97-6/30/98	394,718	46,642	348,076	
Expenditures 7/01/98-6/30/99	<u>154,568</u>	<u>34,652</u>	<u>119,916</u>	
<b>Total Expenditure</b>	<b>549,286</b>	<b>81,294</b>	<b>467,992</b>	
Unexpended Funds	0	28,563	(28,563)	
Percentage of Allocation	100.00%	14.80%	85.20%	
<b>BUDGET</b>				
PY'98 Budget	154,568	63,215	91,353	
Percentage Achieved	100.00%	54.82%	0.00%	

0-98-30-00-01	Totals	Administration Maximum 20%	Direct Training Minimum 50%	Training Related & Support Serv. Maximum 30%
<b>ALLOCATION</b>				
Allocation Amount	\$635,732	\$127,146	\$508,586	
<b>Total Allocation</b>	<b>635,732</b>	<b>127,146</b>	<b>508,586</b>	
<b>EXPENDITURES</b>				
Expenditures 7/01/98-6/30/99	<u>502,909</u>	<u>63,491</u>	<u>439,418</u>	
<b>Total Expenditure</b>	<b>502,909</b>	<b>63,491</b>	<b>439,418</b>	
Unexpended Funds	132,823	63,655	69,168	
Percentage of Allocation	79.11%	9.99%	69.12%	
<b>BUDGET</b>				
PY'98 Budget	635,732	127,146	508,586	
Percentage Achieved	79.11%	49.94%	86.40%	

**85% Analysis**

Expenditures	502,909
Obligations	132,823
<b>Total</b>	<u><b>635,732</b></u>
Percentage Achieved	100.00%

Mahoning and Columbiana Training Association  
 Analysis of Cost Limitations and Budget to Actual, Title IIA 5% Older Worker  
 For the Period Ending June 30, 1999

1-96-30-00-01	Totals	Administration Maximum 20%	Direct Training Minimum 50%	Training Related & Support Serv. Maximum 30%
<b>ALLOCATION</b>				
Allocation Amount	\$39,885	\$7,977	\$19,943	\$11,965
Total Allocation	39,885	7,977	19,943	11,965
<b>EXPENDITURES</b>				
Expenditures 07/01/96-06/30/97	0	0	0	0
Expenditures 07/01/97-06/30/98	36,149	4,286	31,863	0
Expenditures 07/01/98-06/30/99	3,736	670	3,066	0
Total Expenditure	39,885	4,956	34,929	0
Unexpended Funds	0	3,021	(14,986)	11,965
Percentage of Allocation	100.00%	12.43%	87.57%	0.00%
<b>BUDGET</b>				
PY'98 Budget	3,736	670	3,066	
Percentage Achieved	100.00%	100.00%	100.00%	

1-97-30-00-01	Totals	Administration Maximum 20%	Direct Training Minimum 50%	Training Related & Support Serv. Maximum 30%
<b>ALLOCATION</b>				
Allocation Amount	\$41,184	\$8,237	\$32,947	
Total Allocation	41,184	8,237	32,947	
<b>EXPENDITURES</b>				
Expenditures 07/01/97-06/30/98	0	0	0	
Expenditures 07/01/98-06/30/99	41,184	6,747	34,437	
Total Expenditure	41,184	6,747	34,437	
Unexpended Funds	0	1,490	(1,490)	
Percentage of Allocation	100.00%	16.38%	83.62%	
<b>BUDGET</b>				
PY'98 Budget	41,184	8,237	32,947	
Percentage Achieved	100.00%	100.00%	104.52%	

1-98-30-00-01	Totals	Administration Maximum 20%	Direct Training Minimum 50%	Training Related & Support Serv. Maximum 30%
<b>ALLOCATION</b>				
Allocation Amount	\$44,510	\$8,902	\$35,608	
Total Allocation	44,510	8,902	35,608	
<b>EXPENDITURES</b>				
Expenditures 07/01/98-06/30/99	0	0	0	
Total Expenditure	0	0	0	
Unexpended Funds	44,510	8,902	35,608	
Percentage of Allocation	0.00%	0.00%	0.00%	
<b>BUDGET</b>				
PY'98 Budget	44,510	8,902	35,608	
Percentage Achieved	0.00%	0.00%	0.00%	

85% Analysis

Expenditures	0
Obligations	0
Total	0
Percentage Achieved	0.00%

**Mahoning and Columbiana Training Association**  
**Analysis of Cost Limitations and Budget to Actual, Title IIA 8% Dept. of Educ.**  
**For the Period Ending June 30, 1999**

4-PY96-30-00-01	Totals	Administration Maximum 20%	Direct Training Minimum 50%	Training Related & Support Serv. Maximum 30%
<b>ALLOCATION</b>				
Allocation Amount	\$54,400	\$10,880	\$35,360	\$8,160
Total Allocation	54,400	10,880	35,360	8,160
<b>EXPENDITURES</b>				
Expenditures 07/01/96-06/30/97	54,400	6,176	48,224	0
Expenditures 07/01/97-06/30/98	0	0	0	0
Expenditures 07/01/98-06/30/99	0	0	0	0
Total Expenditure	54,400	6,176	48,224	0
Unexpended Funds	0	4,704	(12,864)	8,160
Percentage of Allocation	100.00%	11.35%	88.65%	0.00%
<b>BUDGET</b>				
PY'98 Budget	0	0	0	0
Percentage Achieved	0.00%	0.00%	0.00%	0.00%
<b>4-PY97-30-00-01</b>				
<b>ALLOCATION</b>				
Allocation Amount	\$55,120	\$11,024	\$44,096	
Total Allocation	55,120	11,024	44,096	
<b>EXPENDITURES</b>				
Expenditures 07/01/97-06/30/98	52,247	2,695	49,552	
Expenditures 07/01/98-06/30/99	2,873	952	1,921	
Total Expenditure	55,120	3,647	1,921	
Unexpended Funds	0	7,377	42,175	
Percentage of Allocation	100.00%	6.62%	3.49%	
<b>BUDGET</b>				
PY'98 Budget	2,875	952	1,921	
Percentage Achieved	99.93%	100.00%	100.00%	
<b>4-PY98-30-00-01</b>				
<b>ALLOCATION</b>				
Allocation Amount	\$59,708	\$11,942	\$47,766	
Total Allocation	59,708	11,942	47,766	
<b>EXPENDITURES</b>				
Expenditures 07/01/98-06/30/99	56,835	5,054	51,781	
Total Expenditure	56,835	5,054	51,781	
Unexpended Funds	2,873	6,888	(4,015)	
Percentage of Allocation	95.19%	8.46%	86.72%	
<b>BUDGET</b>				
PY'98 Budget	59,710	11,942	47,766	
Percentage Achieved	95.19%	42.32%	108.41%	
Expenditures	56,835			
Obligations	0			
Total	56,835			
Percentage Achieved	95.19%			

Attachment B

Mahoning and Columbiana Training Association  
 Analysis of Cost Limitations and Budget to Actual, Title IIC  
 For the Period Ending June 30, 1999

Y-96-30-00-01	Totals	Administration Maximum 20%	Direct Training Minimum 50%	Training Related & Support Serv. Maximum 30%
<b>ALLOCATION</b>				
Allocation Amount	\$85,005	\$17,001	\$42,503	\$25,501
Transfer From IIB	143,200	12,200	129,000	2,000
<b>Total Allocation</b>	<b>228,205</b>	<b>29,201</b>	<b>171,503</b>	<b>27,501</b>
<b>EXPENDITURES</b>				
Expenditures 07/01/96-06/30/97	228,205	32,102	161,075	35,028
<b>Total Expenditure</b>	<b>228,205</b>	<b>32,102</b>	<b>161,075</b>	<b>35,028</b>
Unexpended Funds	0	(2,901)	10,428	(7,527)
Percentage of Allocation	100.00%	14.07%	70.58%	15.35%
<b>BUDGET</b>				
PY'98 Budget	0	0	0	0
Percentage Achieved	0.00%	0.00%	0.00%	0.00%

Y-97-30-00-01	Totals	Administration Maximum 20%	Direct Training Minimum 50%	Training Related & Support Serv. Maximum 30%
<b>ALLOCATION</b>				
Allocation Amount	\$83,020	\$18,604	\$66,416	
Transfer From IIA	35,000	7,000	28,000	
Transfer From IIB	177,328	35,466	141,862	
<b>Total Allocation</b>	<b>295,348</b>	<b>59,070</b>	<b>236,278</b>	
<b>EXPENDITURES</b>				
Expenditures 07/01/97-06/30/98	259,182	16,531	242,651	
Expenditures 07/01/98-06/30/99	36,166	11,995	24,171	
<b>Total Expenditure</b>	<b>295,348</b>	<b>28,526</b>	<b>266,822</b>	
Unexpended Funds	0	30,544	(30,544)	
Percentage Achieved	100.00%	9.66%	90.34%	
<b>BUDGET</b>				
PY'98 Budget	36,166	11,995	24,171	
Percentage Achieved	100.00%	100.00%	100.00%	

Y-98-30-00-01	Totals	Administration Maximum 20%	Direct Training Minimum 50%	Training Related & Support Serv. Maximum 30%
<b>ALLOCATION</b>				
Allocation Amount	86,526	17,305	69,221	
Transfer From IIB	138,480	22,500	115,980	
<b>Total Allocation</b>	<b>225,006</b>	<b>39,805</b>	<b>185,201</b>	
<b>EXPENDITURES</b>				
Expenditures 07/01/98-06/30/99	172,839	15,049	157,790	
<b>Total Expenditure</b>	<b>172,839</b>	<b>15,049</b>	<b>157,790</b>	
Unexpended Funds	52,167	24,756	27,411	
Percentage Achieved	76.82%	37.81%	85.20%	
<b>BUDGET</b>				
PY'98 Budget	225,006	39,805	185,201	
Percentage Achieved	76.82%	37.81%	85.20%	

**85% Analysis**

Expenditures	172,839
Obligations	50,000
<b>Total</b>	<b>222,839</b>
Percentage Achieved	99.04%

**Mahoning and Columbiana Training Association**  
**Analysis of Cost Limitations and Budget to Actual, Title IIA, 5% Inc.**  
**For the Period Ending June 30, 1999**

3-96-30-00-01	Totals	Administration Maximum 20%	Direct Training Minimum 50%	Training Related & Support Serv. Maximum 30%
<b>ALLOCATION</b>				
Allocation Amount	\$40,258	\$40,258	\$0	\$0
Total Allocation	40,258	40,258	0	0
<b>EXPENDITURES</b>				
Expenditures 7/01/96-6/30/97	0	0	0	0
Expenditures 7/01/97-6/30/98	0	0	0	0
Expenditures 7/01/98-6/30/99	29,373	29,373	0	0
Total Expenditure	29,373	29,373	0	0
Unexpended Funds	10,885	10,885	0	0
Percentage of Allocation	72.96%	72.96%	0.00%	0.00%
<b>BUDGET</b>				
PY'98 Budget	40,258	40,258	0	0
Percentage Achieved	72.96%	100.00%	0.00%	0.00%
<b>3-97-30-00-01</b>				
<b>ALLOCATION</b>				
Allocation Amount	\$45,025	\$45,025	\$0	\$0
Total Allocation	45,025	45,025	0	0
<b>EXPENDITURES</b>				
Expenditures 7/01/97-6/30/98	0	0	0	0
Expenditures 7/01/98-6/30/99	0	0	0	0
Total Expenditure	0	0	0	0
Unexpended Funds	45,025	45,025	0	0
Percentage of Allocation	0.00%	0.00%	0.00%	0.00%

**Mahoning and Columbiana Training Association**  
**Analysis of Cost Limitations and Budget to Actual, Title III, Formula Funds**  
**For the Period Ending June 30, 1999**

A-96-30-00-01	Totals	Administration Maximum 15%	Retraining Minimum 50%	Basic Readjustment	Training Related & Support Serv. Maximum 25%
<b>ALLOCATION</b>					
Allocation Amount	\$328,373	\$32,837	\$213,442	\$49,256	\$32,838
Total Allocation	328,373	32,837	213,442	49,256	32,838
<b>EXPENDITURES</b>					
Expenditures 07/01/96-06/30/97	280,405	28,134	211,486	19,405	21,380
Expenditures 07/01/97-06/30/98	47,968	11,714	77,039	(19,405)	(21,380)
Expenditures 07/01/98-06/30/99	0	0	0	0	0
Total Expenditure	328,373	39,848	288,525	0	0
Unexpended Funds	0	(7,011)	(75,083)	49,256	32,838
Percentage of Allocation	100.00%	12.13%	87.87%	0.00%	0.00%
<b>BUDGET</b>					
PY'98 Budget	0	0	0	0	0
Percentage Achieved	0.00%	0.00%	0.00%	0.00%	0.00%

## A-97-30-00-01

## ALLOCATION

Allocation Amount	\$408,799	\$61,320	\$347,479
Total Allocation	408,799	61,320	347,479
<b>EXPENDITURES</b>			
Expenditures 07/01/97-06/30/98	408,799	57,299	280,457
Expenditures 07/01/98-06/30/99	71,043	19,095	51,948
Total Expenditure	479,842	76,394	332,405
Unexpended Funds	(71,043)	(15,074)	15,074
Percentage of Allocation	117.38%	18.69%	81.31%
<b>BUDGET</b>			
PY'98 Budget	71,049	4,021	67,022
Percentage Achieved	99.99%	474.88%	77.51%

## A-98-30-00-01

## ALLOCATION

Allocation Amount	\$1,149,270	\$86,184	\$488,451
Total Allocation	1,149,270	86,184	488,451
<b>EXPENDITURES</b>			
Expenditures 07/01/98-06/30/99	980,078	58,572	431,467
Total Expenditure	980,078	58,572	431,467
Unexpended Funds	169,192	27,612	56,984
Percentage of Allocation	85.28%	5.10%	37.54%
<b>BUDGET</b>			
PY'98 Budget	574,558	86,184	488,372
Percentage Achieved	170.58%	67.96%	88.35%

## 85% Analysis

Expenditures	980,078
Obligations	0
Total	980,078
Percentage Achieved	170.58%

**Mahoning and Columbiana Training Association**  
**Analysis of Cost Limitations and Budget to Actual, Title III, Governor's Reserve**  
**For the Period Ending June 30, 1999**

B-96-30-00-01	Totals	Administration Maximum 15%	Retraining Minimum 50%	Basic Readjustment	Training Related & Support Serv. Maximum 25%
<b>ALLOCATION</b>					
Allocation Amount	\$100,440	\$10,044	\$70,308	\$10,044	\$10,044
Total Allocation	100,440	10,044	70,308	10,044	10,044
<b>EXPENDITURES</b>					
Expenditures 07/01/96-06/30/97	100,440	5,680	68,007	24,751	2,002
Expenditures 07/01/97-06/30/98	0	0	0	0	0
Expenditures 07/01/98-06/30/99	0	0	0	0	0
Total Expenditure	100,440	5,680	68,007	24,751	2,002
Unexpended Funds	0	4,364	2,301	(14,707)	8,042
Percentage of Allocation	100.00%	5.66%	67.71%	24.64%	1.99%
<b>BUDGET</b>					
PY'98 Budget	0	0	0		
Percentage Achieved	0.00%	0.00%	0.00%		
<b>B-97-30-00-01</b>					
<b>ALLOCATION</b>					
Allocation Amount	\$154,665	\$22,000	\$132,665		
Total Allocation	154,665	22,000	132,665		
<b>EXPENDITURES</b>					
Expenditures 07/01/97-06/30/98	133,938	19,216	114,722		
Expenditures 07/01/98-06/30/99	0	0	0		
Total Expenditure	133,938	19,216	114,722		
Unexpended Funds	20,727	2,784	17,943		
Percentage of Allocation	86.60%	12.42%	74.17%		
<b>BUDGET</b>					
PY'98 Budget	20,727	2,784	17,943		
Percentage Achieved	0.00%	0.00%	0.00%		
<b>B-98-30-00-01</b>					
<b>ALLOCATION</b>					
Allocation Amount	\$39,804	\$5,971	\$33,833		
Total Allocation	39,804	5,971	33,833		
<b>EXPENDITURES</b>					
Expenditures 07/01/98-06/30/99	0	0	0		
Total Expenditure	0	0	0		
Unexpended Funds	39,804	5,971	33,833		
Percentage of Allocation	0.00%	0.00%	0.00%		
<b>BUDGET</b>					
PY'98 Budget	39,804	5,971	33,833		
Percentage Achieved	0.00%	0.00%	0.00%		
<b>85% Analysis</b>					
Expenditures	0				
Obligations	0				
Total	0				

Attachment B

**Mahoning and Columbiana Training Association  
Analysis of Cost Limitations and Budget to Actual, Title IIB  
For the Period Ending June 30, 1999**

5-97-30-00-01	Totals	Administration Maximum 20%	Direct Training Minimum 50%	Training Related & Support Serv. Maximum 30%
<b>ALLOCATION</b>				
Allocation Amount Transfer From IIB	\$511,329 0	\$67,833 0	\$420,029 0	\$23,467 0
<b>Total Allocation</b>	<b>511,329</b>	<b>67,833</b>	<b>420,029</b>	<b>23,467</b>
<b>EXPENDITURES</b>				
Expenditures 7/01/96-6/30/97	56,255	28,072	28,183	0
Expenditures 7/01/97-6/30/98	455,074	28,710	426,364	0
Expenditures 7/01/98-6/30/99	0	0	0	0
<b>Total Expenditure</b>	<b>511,329</b>	<b>56,782</b>	<b>454,547</b>	<b>0</b>
Unexpended Funds	0	11,051	(34,518)	23,467
Percentage of Allocation	100.00%	11.10%	88.90%	0.00%
<b>BUDGET</b>				
PY'98 Budget	0	0	0	
Percentage Achieved	0.00%	0.00%	0.00%	

5-98-30-00-01	Totals	Administration Maximum 20%	Direct Training Minimum 50%	Training Related & Support Serv. Maximum 30%
<b>ALLOCATION</b>				
Allocation Amount Transfer To IIC	\$702,665 (138,480)	\$105,400 (22,500)	\$597,265 (115,980)	
<b>Total Allocation</b>	<b>564,185</b>	<b>82,900</b>	<b>481,285</b>	
<b>EXPENDITURES</b>				
Expenditures 7/01/97-06/30/98	95,606	35,984	59,622	
Expenditures 7/01/98-06/30/99	468,579	8,640	459,939	
<b>Total Expenditure</b>	<b>564,185</b>	<b>44,624</b>	<b>519,561</b>	
Unexpended Funds	0	38,276	(38,276)	
Percentage of Allocation	100.00%	7.91%	92.09%	
<b>BUDGET</b>				
PY'98 Budget	468,579	8,640	459,939	
Percentage Achieved	100.00%	100.00%	100.00%	

5-99-30-00-01	Totals	Administration Maximum 20%	Direct Training Minimum 50%	Training Related & Support Serv. Maximum 30%
<b>ALLOCATION</b>				
Allocation Amount Transfer From IIB	\$628,101 (208,725)	\$93,915 (75,053)	\$532,186 (133,672)	
<b>Total Allocation</b>	<b>417,376</b>	<b>18,862</b>	<b>398,514</b>	
<b>EXPENDITURES</b>				
Expenditures 7/01/98-06/30/99	68,411	0	68,411	
<b>Total Expenditure</b>	<b>68,411</b>	<b>0</b>	<b>68,411</b>	
Unexpended Funds	348,965	18,862	330,103	
Percentage Achieved	16.39%	0.00%	17.17%	
<b>BUDGET</b>				
PY'99 Budget	417,376	18,862	398,514	
Percentage Achieved	16.39%	0.00%	17.17%	

**85% Analysis**

Expenditures	68,411
Obligations	0
<b>Total</b>	<b>68,411</b>
Percentage Achieved	16.39%

**Mahoning and Columbiana Training Association**  
**Analysis of Cost Limitations and Budget to Actual, Northeast Ohio One-Stop**  
**For the Period Ending June 30, 1999**

<b>NORTHEAST OHIO ONE-STOP</b>	<b>Totals</b>	<b>Administration</b>
<b>ALLOCATION</b>		
<b>Allocation Amount</b>	<b>\$390,000</b>	<b>\$390,000</b>
<b>Total Allocation</b>	<b>390,000</b>	<b>390,000</b>
<b>EXPENDITURES</b>		
<b>Expenditures 7/01/96-6/30/97</b>	<b>16,398</b>	<b>16,398</b>
<b>Expenditures 7/01/97-6/30/98</b>	<b>159,686</b>	<b>159,686</b>
<b>Expenditures 7/01/98-6/30/99</b>	<b>12,517</b>	<b>12,517</b>
<b>Total Expenditure</b>	<b>188,601</b>	<b>188,601</b>
<b>Unexpended Funds</b>	<b>201,399</b>	<b>201,399</b>
<b>Percentage of Allocation</b>	<b>48.36%</b>	<b>48.36%</b>

**MAHONING AND COLUMBIANA TRAINING ASSOCIATION  
SERVICE DELIVERY AREA NUMBER 30  
SCHEDULE OF VARIANCES  
FOR THE PERIOD ENDING JUNE 30, 1999**

<u>TITLE II PROGRAM</u>	<u>JTP OHIO</u>	<u>AUDIT REPORT</u>	<u>VARIANCE</u>
TITLE IIA 77%			
0-97-30-00-01	154,568	154,568	0
0-98-30-00-01	502,909	502,909	0
TITLE IIA 5% O.W.			
1-96-30-00-01	3,736	3,736	0
1-97-30-00-01	41,184	41,184	0
1-98-30-00-01	0	0	0
TITLE IIC			
Y-97-30-00-01	36,166	36,166	0
Y-98-30-00-01	172,839	172,839	0
TITLE IIA 8%			
4-97-30-00-01	2,873	2,873	0
4-98-30-00-01	56,835	56,835	0
TITLE IIA 5% INCENTIVE			
3-96-30-00-01	40,258	29,373	10,885 1
3-97-30-00-01	0	0	0
TITLE IIB			
5-98-30-00-01	431,690	468,579	(36,889) 2
5-99-30-00-01	68,411	68,411	0
<b>TOTAL CFDA #17.250</b>	<b>1,511,469</b>	<b>1,537,473</b>	<b>(26,004)</b>
<u>TITLE III PROGRAM</u>			
TITLE III FORMULA			
A-97-30-00-01	71,043	71,043	0
A-98-30-00-01	490,039	490,039	0
GOVERNOR'S RESERVE			
B-97-30-00-00	0	0	0
B-98-30-00-00	0	0	0
<b>TOTAL CFDA #17.246</b>	<b>561,082</b>	<b>561,082</b>	<b>0</b>

1 Expenses were overstated when transferring information to Power Ohio. However, this variance was corrected in the final closeout of this grant.

2 This variance corrects a reported overstatement of expenses in the prior year audit report.



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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MAHONING AND COLUMBIANA TRAINING ASSOCIATION

MAHONING COUNTY

CLERK'S CERTIFICATION

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

By: Susan Babbitt

Date: JUNE 29, 2000