JOINT TRAINING PARTNERSHIP OF SOUTHEAST OHIO
GUERNSEY COUNTY

FINAL AUDIT

FOR THE PERIOD JULY 1, 2000 - SEPTEMBER 30, 2000

JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

JOINT TRAINING PARTNERSHIP OF SOUTHEAST OHIO
GUERNSEY COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Joint Training Partnership of Southeast Ohio
Noble County
212 Cumberland Street
Caldwell, Ohio 43724

To the Governing Board:

We have audited the accompanying general purpose financial statements of the Joint Training Partnership of Southeast Ohio, Guernsey County, Ohio (the Partnership), as of and for the three-month period ended September 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Joint Training Partnership of Southeast Ohio, Guernsey County, as of September 30, 2000, and the results of its operations for the three-month period then ended in conformity with generally accepted accounting principles.

As discussed in Note 11 to the financial statements, due to changes in funding, the Partnership dissolved effective September 30, 2000. Five of the seven member counties have continued similar operations as a Workforce Investment Area. The other two counties have elected to join other Workforce Investment Areas. Assets and liabilities of the Partnership's counties became assets and liabilities of their respective Workforce Investment Areas. The period from July 1, 2000 through September 30, 2000 was designated as a period to closeout the Joint Training Partnership Act programs. The financial statements included in this audit report are for that closeout period.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 14, 2001, on our consideration of the Partnership's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Jim Petro
Auditor of State

February 14, 2001

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JOINT TRAINING PARTNERSHIP OF SOUTHEAST OHIO
GUERNSEY COUNTY

COMBINED BALANCE SHEET
GOVERNMENTAL FUND TYPE
SEPTEMBER 30, 2000

	Governmental Fund Type
	Special Revenue Fund
Assets:	
Cash and Cash Equivalents	$38,324
Due from Other Governments	19,785
Total Assets	$58,109
Liabilities:	
Due to Other Governments	$58,109
Total Liabilities	58,109
Total Fund Equity and Other Credits	0
Total Liabilities, Fund Equity and Other Credits	**$58,109**

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

JOINT TRAINING PARTNERSHIP OF SOUTHEAST OHIO
GUERNSEY COUNTY

COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND TYPE
FOR THE PERIOD ENDED SEPTEMBER 30, 2000

	Governmental Fund Type
	Special Revenue Fund
Revenues:	
Intergovernmental	$168,260
Interest/Program Income Earnings	1,759
Total Revenues	170,019
Expenditures:	
Human Services:	
Administration	137,527
Program	28,350
Rapid Response	2,383
Interest/Program Income Expensed	1,759
Old Interest Expenditures	10,100
Total Expenditures	180,119
Excess of Revenues Over/(Under) Expenditures	(10,100)
Fund Balance, July 1	10,100
Fund Balance, September 30	**$0**

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

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2000

1. REPORTING ENTITY

Service Delivery Area (SDA) Number 31 was designed in 1983 as a service delivery area, eligible to receive and administer funds allocated under the Job Training Partnership Act (JTPA). The SDA geographic area to be served includes Belmont County, Guernsey County, Harrison County, Jefferson County, Monroe County, Noble County and Washington County, Ohio.

The Joint Training Partnership of Southeast Ohio (the "Partnership") was formed on June 18, 1983 by the chief elected officials of all seven counties. The Counties formed a Regional Council of Governments pursuant to Ohio Revised Code, Chapter 167 and therefore were referred to as the JTP-SO, for the sole purpose of implementing the Job Training Partnership Act, P.L.97-300.

The Counties have established a Governing Board to exercise the powers and carry out the responsibilities of the Partnership under the Act and have established a Private Industry Council (PIC).

Reporting Entity:

The reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements of the Partnership are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the Partnership. For the Partnership, this includes general operations of the Partnership.

Component units are legally separate organizations for which the Partnership is financially accountable. The Partnership is financially accountable for an organization if the Partnership appoints a voting majority of the organization's governing board and (1) the Partnership is able to significantly influence the programs or services performed or provided by the organization; or (2) the Partnership is legally entitled to or can otherwise access the organization's resources; the Partnership is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Partnership is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Partnership in that the Partnership approves the budget, the issuance of debt, or the levying of taxes. The Partnership's reporting entity includes no component units.

The partnership is a jointly governed organization whereby a county commissioner from each county within the Partnership's geographic area serves on the Governing Board.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist the reader in understanding and evaluating the financial statements of the Partnership.

A. Basis of Presentation

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

The accounts of the Partnership 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/expenses. Individual funds and account groups which are used by the Partnership are summarized in the accompanying combined financial statements and are classified as follows:

Governmental Funds

Special Revenue Funds - To account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

B. Measurement Focus and Basis of Accounting

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses 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.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

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” 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: interest earnings and intergovernmental revenue.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fixed Assets

The Job Training Partnership Act (JTPA) program closeout package included provisions to transfer JTPA equipment to the Workforce Investment Act (WIA) program. The Partnership's closeout package contained Final Property Inventory Certification and inventory schedules documenting the transfer of JTPA equipment to a WIA entity.

D. Total Columns on General Purpose Financial Statements

Total columns on the general purpose financial statements are captioned "Totals (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

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

The Partnership's primary funding source is federal and state grants which have grant periods that may or may not coincide with the Partnership'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 Title IIB grants are on a fiscal year ending September 30.

Because of the Partnership's dependency on federal and state budgetary decisions, revenue estimates are based upon the best available information as to potential sources of funding. The Partnership's annual budget differs from that of a local government in two respects: (1) the uncertain nature of grant awards from other entities and (2) conversion of grant budgets to a fiscal year basis.

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

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

The Governing Board formally approves 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.

4. EQUITY IN POOLED CASH AND INVESTMENTS

Deposits with Financial Institutions and Investments

The Partnership maintains a cash pool that is available for use by all funds and accounts. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and Cash Equivalents." The Ohio Revised Code prescribes allowable deposits and investments.

Ohio law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the Partnership places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC).

The securities pledged as collateral are pledged to a pool for each individual financial institution in an amount equal to at least 110% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation, or other legally constituted authority of any other state or any instrumentality of such county, municipal corporation, or other authority.

Deposits

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

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

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

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

All deposits are carried at cost. At September 30, 2000, the carrying amount of the Partnership's deposits was $38,324, and the bank balance was $144,397. Of the bank balance, $100,000 was covered by FDIC. The remainder was covered by pooled collateral pledged to secure all public funds on deposit. Although all Ohio Statutory requirements for the collateralization of deposits had been followed, non-compliance with the Financial Institutions Reform, Recovery and Enforcement Act of 1989 could potentially prevent the Partnership from exercising a successful claim as a secured creditor against the FDIC and render them a general creditor for the uncollateralized amount.

5. DUE FROM OTHER GOVERNMENTS

Due from Other Governments represents amounts owed to the Partnership from the JTPA County Agencies for the amount of grant funds that are to be returned to the Ohio Department of Job and Family Services due to the closeout process. As of September 30, 2000, the balance of Due from Other Governments in the governmental funds is $19,785.

6. DEFINED BENEFIT PENSION PLAN

Public Employees Retirement System (the PERS of Ohio)

All full-time employees of the Partnership 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 Public Employees Retirement System of Ohio issues a stand-alone financial report that includes 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.

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.5% for employees other than law enforcement. For the three month period ended September 30, 2000, the employer rate for local government employer units was 8.13% of covered payroll. The contribution requirements of plan members and the Partnership are established, and may be amended, by the Public Employees Retirement Board. The Partnership's contributions to the PERS of Ohio for the years ended June 30, 1998, 1999 and 2000 were $26,538, $32,615, and $34,113 respectively, which were equal to the required contributions for the years.

Other Postemployment Benefits (OPEB)

In addition to the pension benefit obligation described above, the PERS of Ohio provides postemployment health care benefits to age and service retirants 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 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, 2000 was 4.2% which amounted to $10,574 of covered payroll.

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

For 1999, benefits were funded on a pay-as-you-go basis. Prior to 1997, benefits were advance funded using the entry age normal cost method. OPEB are financed through employer contributions and investment earnings. 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. During 1999, OPEB expenditures made by PERS were $523,599,349. As of December 31, 1999, the unaudited estimated net assets available for future OPEB payments were $9,870,285,641. At December 31, 1999 the total number of benefit recipients eligible for OPEB through PERS was 118,062.

7. COMPENSATED ABSENCES

All full-time employees of the Partnership earn annual leave at varying rates depending on length of service. All accumulated, unused annual vacation leave time is paid upon separation if the employee has at least 6 months of service with the Partnership. The following schedule details earned annual leave based on length of service.

Years of Employment	Vacation Leave
1 - 3 years	10 days
4 - 9 years	15 days
9 + years	20 days

Full-time employees earned 4.62 hours per pay period of sick leave. In accordance with GASB Statement No. 16, "Accounting for Compensated Absences", vacation is accrued as a liability when an employee's right to receive compensation is attributable to services already rendered and it is probable that the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Leave time that has been earned but is unavailable for use as paid time off or as some other form of compensation because an employee has not met the minimum service time requirement, is accrued to the extent that it is considered to be probable that the conditions for compensation will be met in the future.

8. INSURANCE AND RISK MANAGEMENT

The Partnership is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During Program Year 1999, the Partnership contracted with several companies for various types of insurance as follows:

Company	Type of Coverage	Deductible
Old Republic Surety Company	Bond-Public Employees	$ 0
Motorist Insurance Company	Common Property	$ 250.00
Cincinnati Insurance Company	Non-Profit Director & Off. Liability/Errors & Omissions	$ 0
	Employment Practices	$1,000.00

The Partnership 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.

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

9. CONTINGENT LIABILITIES

A. Grants

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. The Partnership's management believes disallowances, if any, will be immaterial.

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.

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.

B. Litigation

There is no pending litigation outstanding against the Partnership.

10. SUBGRANT INFORMATION FOR SPECIAL REVENUE FUNDS

The Partnership's Special Revenue Funds account for the financial activity of various Job Training Partnership Act subgrants. The table below reflects the expenses for each of these subgrants during the July 1, 2000 through September 30, 2000 period:

Subgrant Number	Subgrant Expenses	Program Income Expenses
0-99-31-00-02	$39,520	$801
1-99-31-00-02	8,533	14
5-99-31-00-02	30,998	485
Y-99-31-00-02	43,243	216
A-99-31-00-02	32,257	177
B-99-31-00-02	8,772	0
4-99-31-00-01	4,937	66
Total	$168,260	$1,759

11. SUBSEQUENT CHANGE IN REPORTING ENTITY

The Partnership received and administered funds allocated under the Job Training Partnership Act (JTPA). The geographic area served by the partnership includes Belmont County, Guernsey County, Harrison County, Jefferson County, Monroe County, Noble County and Washington County, Ohio. The Partnership received notification that funding for the Job Training Partnership Act ended on June 30, 2000 and the close-out period was from July 1, 2000 to September 30, 2000. The Partnership ceased operations at September 30, 2000 and this final audit report is being issued for the July 1, 2000 through September 30, 2000 period.

Beginning July 1, 2000, Workforce Investment Act funding will be available to provide employment services to the Partnership's geographic area. Belmont County, Jefferson County, Monroe County, Noble County and Washington County have formed a Workforce Investment Area which is called Ohio Valley Employment Resource. Guernsey County and Harrison County have elected to join other Workforce Investment Areas. This subsequent change will effect the future operation of the Partnership's Central Administrative Office, the Partnership's subsequent financial statements, and the makeup of the Governing Board members. Ohio Valley Employment Resource will issue its first annual financial statements for the July 1, 2000 through June 30, 2001 period.

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REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Joint Training Partnership of Southeast Ohio
Noble County
212 Cumberland Street
Caldwell, Ohio 43724

To the Governing Board:

We have audited the general purpose financial statements of the Joint Training Partnership of Southeast Ohio, Guernsey County, Ohio (the Partnership), as of and for the three-month period ended September 30, 2000, and have issued our report thereon dated February 14, 2001, wherein we noted the Partnership ceased operating as a Job Training Partnership Act Service Delivery Area on September 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 the Partnership's 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 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*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Partnership's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the 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 financial statements 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 financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the audit committee, management, the Governing Board, 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.

Jim Petro
Auditor of State

February 14, 2001

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JOINT TRAINING PARTNERSHIP OF SOUTHEAST OHIO

GUERNSEY 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.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
MARCH 27, 2001