

SERVICE DELIVERY AREA NO. 11
TECUMSEH WORKFORCE DEVELOPMENT BOARD
AUDITORS' REPORT AND GENERAL PURPOSE FINANCIAL
STATEMENTS AND OTHER REQUIRED REPORTS
JULY 1, 1999 THROUGH JUNE 30, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490
www.auditor.state.oh.us

The Board of the Tecumseh Consortium
Tecumseh Workforce Development Board
1345 Lagonda Avenue
Springfield, Ohio 45503-4051

We have reviewed the independent auditor's report of the Tecumseh Workforce Development Board, Clark County, prepared by Roth & Company, Certified public Accountants, for the audit period July 1, 1999 through June 30, 2000. 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 Tecumseh Consortium / Tecumseh Workforce Development Board are responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

December 14, 2000

SERVICE DELIVERY AREA NO. 11
TECUMSEH WORKFORCE DEVELOPMENT BOARD
TABLE OF CONTENTS

	<u>PAGE</u>
GOVERNING BOARD MEMBERS	3
ADMINISTRATIVE PERSONNEL	3
INDEPENDENT AUDITORS' REPORT	4-5
GENERAL PURPOSE FINANCIAL STATEMENTS	
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP	6-7
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES	8-9
NOTES TO FINANCIAL STATEMENTS	10-27
SUPPLEMENTAL INFORMATION	
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	30-32
SUPPORTING SCHEDULES	
SCHEDULE OF PROGRAM INCOME	36
SCHEDULE OF STAND-IN-COST	38
POWER-OHIO SCHEDULE OF VARIANCES	39
OTHER AUDITORS REPORT	
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>	42-43
REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	44-45
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	46-48
CORRECTIVE ACTION PLAN	49
SCHEDULE OF PRIOR AUDIT FINDINGS	50
CONCLUSION STATEMENT	51

Service Delivery Area No. 11
Tecumseh Workforce Development Board
1345 Lagonda Avenue
Springfield, Ohio 45503-4051

APPOINTED OFFICIALS
For the Year Ended June 30, 2000

<u>Governing Board Members</u>	<u>Title</u>	<u>Term of Office</u>
Marilyn Foulk	President 1997/ Champaign County Commissioner	12/1/92-12/31/02
Roger Tackett	Vice President 1997/ Clark County Commissioner	1/1/93-12/31/03
David Dhume	Secretary 1997/ Madison County Commissioner	1/1/97-12/31/03
Kay Hagler	Greene County Commissioner	1/1/98-12/31/02
James Mitchell	Union County Commissioner	1/1/97-12/31/02
F. Leonard Holihan	Workforce Development Board President	1/1/90-06/30/00
Robert Bare	Workforce Development Board Vice President	7/1/93-06/30/00

ADMINISTRATIVE PERSONNEL

Ernest Davis Executive Director	F. John Wedig Fiscal Director/ Deputy Director
------------------------------------	--

LEGAL ADVISOR

Mr. Stephen J. McCready, Attorney
Martin, Browne, Hall & Harper P.L.L.
P.O. Box 1488
Springfield, Ohio 45501

Independent Auditors' Report

The Board of Tecumseh Consortium
Tecumseh Workforce Development Board
1345 Lagonda Avenue
Springfield, Ohio 45503-4051

We have audited the accompanying general purpose financial statements of the Tecumseh Workforce Development Board, as of and for the year ended June 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of Tecumseh Workforce Development Board's management. Our responsibility is to express an opinion on these 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 Tecumseh Workforce Development Board as of June 30, 2000, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note O, the Tecumseh Workforce Development Board ceased to serve as the administrator of funds received through the Job Training Partnership Act as of June 30, 2000 due to legislative changes at the federal, state and local level.

In accordance with Government Auditing Standards, we have also issued our report dated October 5, 2000 on our consideration of the Tecumseh Workforce Development Board'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.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of Tecumseh Workforce Development Board, 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 information listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of Tecumseh Workforce Development Board. 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 presented in all material respects in relation to the financial statements taken as a whole.

Roth & Company
Englewood, Ohio
October 5, 2000

Service Delivery Area No. 11

Tecumseh Workforce Development Board

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP

June 30, 2000

	<u>GOVERNMENTAL FUND TYPES-</u>	
	<u>General</u>	<u>Special</u>
	<u>Fund</u>	<u>Revenue Funds</u>
ASSETS AND OTHER DEBITS		
Assets		
Equity in pooled cash	\$ -	\$ 201,472
Intergovernmental receivables	-	61,630
Amounts due from other governments	-	114,841
Prepaids	-	30,925
Fixed assets	-	-
	<u>-</u>	<u>-</u>
Total assets and other debits	\$ <u>-</u>	\$ <u>408,868</u>
LIABILITIES		
Accounts payable	\$ -	\$ 126,646
Accrued wages	-	111,879
Compensated absences payable	-	26,112
Accrued and withheld expenditures	-	35,374
Unearned revenue	-	85,335
	<u>-</u>	<u>85,335</u>
Total liabilities	-	385,346
FUND EQUITY AND OTHER CREDITS		
Investments in general fixed assets	-	-
Obligation balance	-	18,800
Unreserved fund balance	-	4,722
	<u>-</u>	<u>4,722</u>
Total fund equity and other credits	-	23,522
Total liabilities and fund equity	\$ <u>-</u>	\$ <u>408,868</u>

The accompanying notes are an integral part of this statement.

<u>ACCOUNT GROUP</u>	<u>Total (Memorandum Only) -</u>
<u>GFAAG -</u>	
\$ -	\$ 201,472
-	61,630
-	114,841
-	30,925
-	-
<u>\$ 95,176</u>	<u>\$ 504,044</u>
\$ -	\$ 126,646
-	111,879
-	26,112
-	35,374
-	85,335
-	385,346
95,176	95,176
-	18,800
-	4,722
<u>95,176</u>	<u>118,698</u>
<u>\$ 95,176</u>	<u>\$ 504,044</u>

Service Delivery Area No. 11
Tecumseh Workforce Development Board

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - ALL GOVERNMENTAL FUND TYPES

Year Ended June 30, 2000

	GOVERNMENTAL FUND TYPES		Total
	General	Special	(Memorandum
	Fund	Revenue Funds	Only) -
REVENUES			
Intergovernmental	\$ <u>165</u>	\$ <u>2,227,313</u>	\$ <u>2,227,478</u>
Total revenues	165	2,227,313	2,227,478
EXPENDITURES			
Staff salaries	-	799,142	799,142
Classroom training	-	452,378	452,378
Work experience	-	181,748	181,748
Contractor expenses	-	179,190	179,190
Staff fringes	-	266,630	266,630
Rent	-	50,558	50,558
Stipends	-	65,452	65,452
Office expense	-	35,427	35,427
Utilities	-	45,020	45,020
Contracted/consulting	-	19,677	19,677
Equipment maintenance	-	14,524	14,524
Other classroom testing	-	12,729	12,729
Capital outlay	-	6,057	6,057
Tools	-	3,484	3,484
Accounting & Legal	-	23,601	23,601
Try-out wages	-	25	25
Meetings	-	4,081	4,081
Staff travel	-	9,694	9,694
Uniforms	-	7,514	7,514
Staff training	-	10,015	10,015
Support other	-	12,628	12,628
Advertising	-	1,353	1,353
Dues & subscriptions	-	1,818	1,818
Miscellaneous	-	13,668	13,668
Insurance	-	<u>8,369</u>	<u>8,369</u>
Total expense	\$ <u><u>-</u></u>	\$ <u><u>2,224,782</u></u>	\$ <u><u>2,224,782</u></u>

Service Delivery Area No. 11
Tecumseh Workforce Development Board

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - ALL GOVERNMENTAL FUND TYPES (CONTINUED)

Year Ended June 30, 2000

	GOVERNMENTAL FUND TYPES		Total (Memorandum Only) -
	General Fund	Special Revenue Funds	
Excess of revenues and other financing sources over expenditures and other uses	\$ 165	\$ 2,531	\$ 2,696
Intergovernmental transfer in (out)	<8,410>	8,410	-
Fund balance, July 1, 1999	8,245	12,581	20,826
Fund balance, June 30, 2000	-	23,522	23,522

The accompanying notes are an integral part of this statement.

Service Delivery Area No. 11
Tecumseh Workforce Development Board

NOTES TO THE FINANCIAL STATEMENTS

As of June 30, 2000

NOTE A - DESCRIPTION OF JOB TRAINING PARTNERSHIP ACT, (JTPA)
TECUMSEH WORKFORCE DEVELOPMENT BOARD

Tecumseh Workforce Development Board (SDA #11) is a Regional Council of Governments, formed under Section 167 of the Ohio Revised Code, to serve as the administrator of funds received through the Job Training Partnership Act (JTPA). Its primary sources of revenue are JTPA grants from the Ohio Department of Job and Family Services-Power Ohio. It is governed by a seven member Board of Directors. Five of the members are appointed by the counties that SDA #11 serves and two members are appointed by the Workforce Development Board.

Tecumseh Workforce Development Board receives and disburses funds as directed by the management of SDA #11 which is under control of the Private Industry Council. The accompanying financial statements are prepared from the transactions of the funds to satisfy Ohio Job Training Partnership and Federal Regulations.

The purpose of the Job Training Partnership Act is to provide funding to establish programs which 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.

Tecumseh Workforce Development Board carries out the purposes of the Act by providing residents of the area with a variety of services provided by the Act. Title II and III funds provide services and training for the participants through such activities as supportive services, work experience, on-the-job training, classroom training, upgrading and retraining.

Tecumseh Workforce Development Board is economically dependent on federal funding from the Job Training Partnership Act, and the State of Ohio Department of Job and Family Services-Power Ohio.

Service Delivery Area No. 11
Tecumseh Workforce Development Board

NOTES TO THE FINANCIAL STATEMENTS

As of June 30, 2000

NOTE A - DESCRIPTION OF JOB TRAINING PARTNERSHIP ACT, (JTPA)
TECUMSEH WORKFORCE DEVELOPMENT BOARD (CONTINUED)

All personnel at Tecumseh Workforce Development Board are considered employees of Clark County for payroll purposes. All costs incurred by Clark County related to the employment of these individuals, as well as an annual administrative fee, are paid by Tecumseh Workforce Development Board. Clark County, in turn, enrolls all of the employees in their payroll system and benefit packages. For financial statement purposes, these personnel are referred to as employees, and the related costs are classified as wages.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to the format prescribed by Power Ohio and other recognized authoritative sources.

1. Financial Reporting Entity

The Workforce Development Board's combined financial statements include the accounts of all Workforce Development Board operations. The criteria for including organizations as component units within the Workforce Development Board's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- * the organization is legally separate (can sue and be sued in their own name)
- * the Workforce Development Board holds the corporate powers of the organization
- * the Workforce Development Board appoints a voting majority of the organization's board
- * the Workforce Development Board is able to impose its will on the organization
- * the organization has the potential to impose a financial benefit/burden on the Workforce Development Board
- * there is fiscal dependency by the organization on the Workforce Development Board

Service Delivery Area No. 11
Tecumseh Workforce Development Board

NOTES TO THE FINANCIAL STATEMENTS

As of June 30, 2000

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Financial Reporting Entity (Continued)

Based on the aforementioned criteria, the Tecumseh Workforce Development Board has no component units.

2. Basis of Presentation - Fund Accounting

The accounts of Tecumseh Workforce Development Board are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions or limitations.

Separate funds are established to segregate money and other resources whose use is limited to a particular purpose either by state statute or by the resource provider. This separation facilitates the demonstration of compliance with these external restrictions and the satisfaction of external reporting requirements. Separate funds are also used to split government activities which are similar to those of profit oriented organizations from those for which there is no correlation between the amount of revenues received and the services provided.

Grants, entitlements, or shared revenues recorded in governmental funds are recognized as revenue in the accounting period when they become susceptible to accrual. In applying this definition, legal and contractual requirements are carefully reviewed for guidance. Some such resources, usually entitlements or shared revenues, are restricted more in form than in substance. Only a failure on the part of the recipient to comply with prescribed regulations will cause a forfeiture of the resources. Such resources are recorded as revenue at the time of receipt or earlier if

Service Delivery Area No. 11
Tecumseh Workforce Development Board

NOTES TO THE FINANCIAL STATEMENTS

As of June 30, 2000

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Basis of Presentation - Fund Accounting (Continued)

the susceptible to accrual criteria are met. For other such resources, usually grants, expenditure is the prime factor for determining eligibility, and revenue is recognized when the expenditure is made. Similarly, if cost sharing or matching requirements exist, revenue recognition depends upon compliance with these requirements. Cash pass-through grants received by the Tecumseh Workforce Development Board are recognized as revenues and expenditures in a Governmental Fund, in accordance with GASB Statement No. 24.

Governmental funds are those through which most governmental functions of the Tecumseh Workforce Development Board are financed. The acquisition, use and balances of the Tecumseh Workforce Development Board's expendable financial resources and the related current liabilities are accounted for through governmental funds. The following are the Tecumseh Workforce Development Board's governmental fund types:

General Fund - This is used to account for all financial resources except those required to be accounted for in another fund and sub-recipient financial information.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue services that are restricted by law or to account for administrative action to expend funds for specific purposes.

Account Groups

Account groups are used to establish accounting control and accountability for the Workforce Development Board's general fixed assets and general long-term debt obligations. The two account groups are not "funds."

Service Delivery Area No. 11
Tecumseh Workforce Development Board

NOTES TO THE FINANCIAL STATEMENTS

As of June 30, 2000

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Basis of Presentation - Fund Accounting (Continued)

Account Groups (Continued)

They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

General Fixed Assets Account Group - This account group is established to account for all fixed assets of the Workforce Development Board. Capital outlays are recorded as expenditures of those funds at the time of purchase and are subsequently recorded for control purposes in the General Fixed Assets Account Group.

3. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The Governmental Fund Types (General, Special Revenue) use a current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include cost reimbursement contracts and accrued vacation and sick leave which is recorded when payable from current available financial resources.

Service Delivery Area No. 11
Tecumseh Workforce Development Board

NOTES TO THE FINANCIAL STATEMENTS

As of June 30, 2000

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Measurement Focus/Basis of Accounting (Continued)

The accompanying financial statements have been presented in accordance with generally accepted accounting principles as applicable to governments as is required by Power Ohio regulations. Under generally accepted governmental accounting principles, revenue is recognized when earned by the terms of the contracts between the SDA and Ohio Department of Job and Family Services-Power Ohio.

4. Cost Allocation

Joint costs are allocated to benefiting programs using various allocation methods, depending on the type of joint cost being allocated. Joint costs are those costs incurred for the common benefit of all agency programs, but which cannot be readily identified with a final cost objective. Cost allocation methods are as follows:

a. Building

Space costs (maintenance costs, utilities, rent, etc.) are allocated based on the number of square feet of space each program occupies.

b. Copy Cost

Copy costs are charged to each program based on the number of copies made.

c. Insurance

Insurance is allocated to benefiting programs depending on the equipment, space or people covered by the insurance.

Service Delivery Area No. 11
Tecumseh Workforce Development Board

NOTES TO THE FINANCIAL STATEMENTS

As of June 30, 2000

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Cost Allocation (Continued)

d. Other Joint Costs

Other joint costs are allocated to agency programs based on the amounts used by each program.

5. Equipment

Equipment is recorded at cost in the General Fixed Asset Account Group.

The equipment acquired with grant funds is owned by Tecumseh Workforce Development Board while used in the programs for which it was purchased or in other future authorized programs. The funding sources, however, retain a reversionary interest in the equipment purchased with grant funds; therefore, its disposition, as well as the ownership of any sale proceeds, is subject to funding source regulations.

6. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

7. Budgetary Data

The Ohio Department of Job and Family Services-Power Ohio provides the Tecumseh Workforce Development Board with budget amounts by individual programs.

Service Delivery Area No. 11
Tecumseh Workforce Development Board

NOTES TO THE FINANCIAL STATEMENTS

As of June 30, 2000

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

7. Budgetary Data (Continued)

The budget is used for planning purposes and serves as the actual spending plan. The budgetary process does not include annual budgeting for Job Training Partnership Act grants which operate on a 3-year budget. Appropriations in these funds are made on a multi-year basis and the free balances do not lapse at year-end. Budgetary control is on this multi-year basis and, therefore, comparisons with annually appropriated funds do not provide meaningful data and are not presented. The entity is not required to have a legally adopted budget. Accordingly, formal budgetary integration is not employed and comparison of actual results of operations to budgetary data has not been presented in the accompanying financial statements.

8. Cash and Cash Equivalents

Legal Requirements: Part 205.4, Chapter II (Treasury Department Circular No. 1075 (Fourth Revision)), states cash advances to a recipient organization shall be limited to the minimum amounts needed and shall be timed to be in accord only with the actual, immediate cash requirements of the recipient organization in carrying out the purpose of the approved program or project. The timing and amount of cash advances shall be as close as is administratively feasible to the actual disbursements by the recipient organization of direct program costs and the proportionate share of any allowable indirect costs. The cash management review conducted by Power Ohio determines this to be three (3) days of cash on hand.

Service Delivery Area No. 11
Tecumseh Workforce Development Board

NOTES TO THE FINANCIAL STATEMENTS

As of June 30, 2000

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9. Prepaid Items

Prepaid balances are for payments made by the Workforce Development Board in the current year to provide services occurring in the subsequent fiscal year, and the reserve for prepaid items has been recognized to signify that a portion of fund balance is not available for other subsequent expenditures.

10. Amounts Due From Other Governments

Tecumseh Workforce Development Board deposits funds with the Clark County auditor's office in order to facilitate the processing of payroll. The amount outstanding at June 30, 2000 was \$114,841.

11. Accounts Receivable/Unearned Revenue

Grant revenue is recognized when Tecumseh Workforce Development Board has incurred expenditures for program purposes. The Tecumseh Workforce Development Board is permitted to request cash drawdowns before or after expenditures are incurred by the terms of certain contracts with Power Ohio. If expenditures are greater than the drawdowns requested, the appropriate unbilled accounts receivable and grant revenue is reported. Conversely, if Tecumseh Workforce Development Board has been advanced monies in excess of expenditures incurred, this amount is reported as unearned revenue on the accompanying statement.

12. Fixed Assets and Depreciation

The accounting and reporting treatment applied to fixed assets associated with a fund are determined by its measurement focus. All Governmental funds are accounted for on a spending or "financial flow" measurement focus. This means only current assets and current liabilities are generally included on their balance sheets. General fixed assets are those long-lived assets used in Governmental fund operations. When purchased, general fixed assets are recorded as expenditures and are capitalized (recorded and accounted for) in the General Fixed Assets account group.

Service Delivery Area No. 11
Tecumseh Workforce Development Board

NOTES TO THE FINANCIAL STATEMENTS

As of June 30, 2000

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

12. Fixed Assets and Depreciation (Continued)

Fixed assets are valued at estimated historical cost if the actual historical cost is not available. Donated fixed assets are valued at their estimated fair market value at the date donated.

Depreciation of all fixed assets is computed using the straight-line method over the estimated useful life of the fixed assets.

The estimated useful lives of the various classes of fixed assets range as follows:

<u>Class</u>	<u>Estimated Useful Life</u>
Equipment	3 to 5 years

The dollar criteria for capitalizing fixed assets is \$500 or more. The Tecumseh Workforce Development Board does not possess any infrastructure.

The costs of normal maintenance and repairs that do not add value to the assets or materially extend the asset's life are not capitalized.

Assets in the General Fixed Assets account group are depreciated by increasing the "accumulated depreciation" account and decreasing the "investment in general fixed assets" account.

Service Delivery Area No. 11
Tecumseh Workforce Development Board

NOTES TO THE FINANCIAL STATEMENTS

As of June 30, 2000

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

13. Compensated Absences

Tecumseh Workforce Development Board accrues:

- a. The employer's obligation relating to employees' rights to receive compensation for future absences which is attributed to employees' services already rendered.
- b. The obligation related to rights that vest or accumulate.
- c. Payment of the compensation is probable.
- d. The amount can be reasonably estimated.

For program funds, the Tecumseh Workforce Development Board records a liability for accumulated unused vacation time when earned for all employees eligible for vacation.

14. Fund Balance Reserves

The Tecumseh Workforce Development Board records reservations for portions of program equity which are legally segregated for specific future use of which do not represent available spendable resources and therefore are not available for appropriations for expenditures.

Unreserved fund balance indicates that portion of fund equity that is available for appropriation in future periods. Program equity reserves are established for encumbrances and inventories of supplies and materials.

Obligations represent commitments related to unperformed contracts for goods or services. Obligation accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation,

Service Delivery Area No. 11
Tecumseh Workforce Development Board

NOTES TO THE FINANCIAL STATEMENTS

As of June 30, 2000

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

14. Fund Balance Reserves (Continued)

is utilized in the Governmental Fund Types. For budgetary purposes appropriations lapse at fiscal year-end except for that portion related to obligated amounts. Obligations outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

15. Total Columns on General Purpose Financial Statements

Total columns on the financial statements are captioned (Memorandum Only) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position and results of operations in conformity with generally accepted accounting principles. Such data is not comparable to a consolidation, because interfund and intrafund eliminations have not been made in the aggregation of this data.

16. Basis of Presentation - Financial Statement Format

The format of the financial statements is in accordance with JTPA policy letter no. 2-97.

NOTE C - DEPOSITS AND INVESTMENTS

State statutes require all banks within which JTPA funds are deposited to provide financial security specified in the Uniform Depository Act, Ohio Revised Code (OCR) Section 135.18; to enter into a depository agreement in the sum equal to the minimum amount of security required by Section 135.18 of the ORC; a collateral agreement that has an upward limit equal to or greater than the maximum amount of total JTPA funds on deposit any 24-hour period the past 24 months.

Service Delivery Area No. 11
Tecumseh Workforce Development Board

NOTES TO THE FINANCIAL STATEMENTS

As of June 30, 2000

NOTE C - DEPOSITS AND INVESTMENTS (CONTINUED)

Protection of the Tecumseh Workforce Development Board's cash and investments is provided by the above mentioned depository agreement with the bank in which they deposit JTPA funds.

Deposits: At year-end, the carrying amount of the Tecumseh Workforce Development Board's deposits was \$201,472 and the bank balance was \$220,267. Of the bank balance, (with two banks), \$121,286 was covered by federal depository insurance.

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. Cash and cash equivalents are defined to include investments with maturities of three month or less at the time of their purchase by the Tecumseh Workforce Development Board. Tecumseh Workforce Development Board has no investments that meet the criteria set forth in GASB Statement No. 9.

NOTE D - FIXED ASSETS

A summary of the changes in general fixed assets during program year 1999 follows:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Cost	\$250,675	\$ 6,057	\$ -	\$256,732
Accumulated Depreciation- cost	<u>123,524</u>	<u>38,032</u>	<u>-</u>	<u>161,556</u>
Net Book Value	<u>\$127,151</u>	<u>\$ 31,975</u>	<u>\$ -</u>	<u>\$ 95,176</u>

Service Delivery Area No. 11
Tecumseh Workforce Development Board

NOTES TO THE FINANCIAL STATEMENTS

As of June 30, 2000

NOTE E - RISK MANAGEMENT

The Tecumseh Workforce Development Board 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 fiscal year 1999 (July 1, 1999 - June 30, 2000), Tecumseh Workforce Development Board contracted with Public Entities Pool of Ohio for municipal property, liability, and automobile insurance. The policies have various limits and deductibles, with a general liability limit of \$1,000,000.

Employee dishonesty coverage (Bonding) is purchased through Montgomery Insurance & Investments Agency, Inc. which carries a \$500 deductible and a \$100,000 limit on any occurrence.

NOTE F - DEFINED BENEFIT PENSION PLANS

1. Social Security and Medicare

Some Tecumseh Workforce Development Board's employees and all paid participants pay into social security and medicare as required by law. The employer portion of social security and medicare are also paid as required.

2. Public Employees Retirement System (PERS)

The SDA personnel are covered by a cost-sharing multiple-employer defined benefit pension plan, namely, the Public Employees Retirement System of Ohio (PERS). PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries.

Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. The Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the fund.

Service Delivery Area No. 11
Tecumseh Workforce Development Board

NOTES TO THE FINANCIAL STATEMENTS

As of June 30, 2000

NOTE F - DEFINED BENEFIT PENSION PLANS (CONTINUED)

2. Public Employees Retirement System (PERS) (Continued)

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. Plan members are required to contribute 8.5% of their annual covered salary and Tecumseh is required to contribute 13.55%. Tecumseh's contributions to the plan for the years ending June 30, 1998, 1999, and 2000 were \$104,185, \$110,296 and \$112,843.

NOTE G - DEFERRED COMPENSATION PLANS

Tecumseh Workforce Development Board's personnel (NOTE A) may participate in a statewide deferred compensation plan. This plan was created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years.

NOTE H - POSTEMPLOYMENT BENEFITS

The Public Employees Retirement System of Ohio provides postretirement health care coverage 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 available. A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care based on authority granted by State statute.

Service Delivery Area No. 11
Tecumseh Workforce Development Board

NOTES TO THE FINANCIAL STATEMENTS

As of June 30, 2000

NOTE I - COMPENSATED ABSENCES AND SEVERENCE PACKAGE

Sick leave benefits are calculated based on the employee's base pay rate at the time earned and do not include any special forms of compensation, such as incentives, commissions, bonuses, or shift differentials. Unused sick leave benefits are allowed to accumulate indefinitely. Unused sick leave benefits will be paid to employees at retirement at the employees current rate of pay up to a maximum 360 hours.

Vacation benefits will be calculated based on the vacation earning schedule as described in the Tecumseh Workforce Development Board employee handbook. Vacation time off with pay is available to regular full-time employees with the length of employment as described in the employee handbook. Vacation time must be used each year and cannot be carried forward without the Director's approval. With the Director's approval, and if funding warrants, pay will be given each year, through and including June 30, for any unused, accrued vacation time in excess of one regular work week for the employee. Upon termination of employment, employees will be paid for unused vacation time that has been earned through the last day of work.

A severance package was approved on January 21, 2000 for Tecumseh employees to consist of the following: two months salary (40 days) to those employed on June 30, 2000 and an additional two months salary (40 days) as an incentive for those staff identified as mission essential for close-out efforts to remain employed by the Tecumseh Workforce Development Board through September 30, 2000. Those Tecumseh Workforce Development Board employees who are entitled to receive the severance package will be required to sign a form releasing the county commissioners of Champaign, Clark, Greene, Madison and Union counties from liability from employment related claims, administrative proceedings and/or lawsuits which may have arisen as a result of their employment and/or subsequent layoff from employment with the Tecumseh Workforce Development Board.

NOTE J - OBLIGATIONS

The obligation amounts apply to the PY2000 Program Year.

Service Delivery Area No. 11
Tecumseh Workforce Development Board

NOTES TO THE FINANCIAL STATEMENTS

As of June 30, 2000

NOTE K - CONTINGENCIES

1. GRANTS

The Tecumseh Workforce Development Board received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies.

2. LITIGATION

There are no current matters in litigation with Tecumseh Workforce Development Board as defendant.

NOTE L - LEASE COMMITMENTS

The Workforce Development Board conducts its operations at various locations under noncancelable operating leases expiring at various dates through August 2002. Most leases provide for cancellation or lease modification for reduction of rent if the Consortiums' funds are reduced. Rental expense for the year ending June 30, 2000 was \$50,588.

The minimum rental commitments, under operating leases are as follows:

Period ended September 30,

2000 \$ 2,300

\$ 2,300

NOTE M - ECONOMIC DEPENDENCY

The Workforce Development Board received 95% of its revenues for the year ended June 30, 2000 from the Ohio Department of Job and Family Services-Power Ohio

Service Delivery Area No. 11
Tecumseh Workforce Development Board

NOTES TO THE FINANCIAL STATEMENTS

As of June 30, 2000

NOTE N - STATUTORY COMPLIANCE

Certain tests of compliance with various provisions of local, state and federal laws were performed, as deemed appropriate. The auditors' findings and citations are included on pages 7 and 8 of the other auditors' reports dated October 5, 2000.

NOTE O - CESSATION OF SDA #11

The Tecumseh Workforce Development Board (TWDB) ceased to serve as the administrator of funds received through the Job Training Partnership Act as of June 30, 2000 due to legislative changes under the Workforce Investment Act (WIA) at the federal, state and local level.

As of June 30, 2000, all program participants and training programs were transferred to the Department of Job and Family Services of Clark County to administer and carry out the provisions of the Workforce Investment Act. TWDB will continue in existence until September 30, 2000, which during the period of July 2000 through September 2000, the only activities will be of an administrative nature in that all outstanding matters that existed at June 30, 2000 will be finalized. This period of July 2000 through September 2000 is referred to as the "close-out periods."

SUPPLEMENTAL INFORMATION

This page left blank intentionally

Service Delivery Area No. 11
Tecumseh Workforce Development Board

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Period Ending June 30, 2000

Federal Grantor/ Pass Through Grantor Program Titles	Grant Period	Federal CFDA Number	Allocation	Transfers	Revenues	Expenditures	Unexpended Allocation
United States Department of Labor Pass Through Program From: Ohio Bureau of Employment Services							
Title II							
0-98-11-00-01	07/01/98-06/30/00	17.250	\$ 247,679	\$ 0	\$ 252,759	\$ 247,679	\$ 0
0-99-11-00-01	07/01/99-06/30/00	17.250	651,894	0	389,000	287,260	364,634
1-97-11-00-01	07/01/97-06/30/00	17.250	0	0	8,893	0	0
1-98-11-00-01	07/01/98-06/30/00	17.250	33,496	0	36,107	33,496	0
1-99-11-00-01	07/01/99-06/30/00	17.250	38,477	0	0	2,149	36,328
Y-98-11-00-01	07/01/98-06/30/00	17.250	62,078	0	60,779	62,078	0
Y-99-11-00-01	07/01/99-06/30/00	17.250	88,598	90,000	109,000	159,331	19,267
5-99-11-00-01	10/01/98-06/30/00	17.250	590,413	(90,000)	299,495	315,875	184,538
3-98-00-00-01	07/01/99-06/30/00	17.250	<u>88,630</u>	<u>0</u>	<u>27,000</u>	<u>88,630</u>	<u>0</u>
Total CFDA #17.250			<u>\$1,801,265</u>	<u>\$ 0</u>	<u>\$1,183,033</u>	<u>\$1,196,498</u>	<u>\$ 604,767</u>
Title III							
A-98-11-00-01	07/01/98-06/30/00	17.246	941	0	0	941	0
A-99-11-00-01	07/01/99-06/30/00	17.246	670,091	0	641,000	666,845	3,246
B-98-11-00-01	07/01/98-06/30/00	17.246	10,757	0	103,312	10,757	0
B-99-11-00-03	07/01/99-06/30/00	17.246	<u>256,914</u>	<u>0</u>	<u>170,000</u>	<u>227,980</u>	<u>28,934</u>
Total CFDA #17.246			<u>\$ 938,703</u>	<u>\$ 0</u>	<u>\$ 914,312</u>	<u>\$ 906,523</u>	<u>\$ 32,180</u>
Total Pass Through From: Ohio Bureau of Employment Services			\$2,739,968	\$ 0	\$2,097,345	\$2,103,021	\$ 636,947

Service Delivery Area No. 11
Tecumseh Workforce Development Board

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Period Ending June 30, 2000

Federal Grantor/ Pass Through Grantor Program Titles	Grant Period	Federal CFDA Number	Allocation	Transfers	Revenues	Federal Expenditures	Unexpended Allocation
Pass Through Program From: Ohio Department of Education							
Title II							
4-98-11-00-01	07/01/98-06/30/00	17.250	\$ 5,271	\$ 0	\$ 0	\$ 5,271	\$ 0
4-99-11-00-01	07/01/99-06/30/00		<u>60,882</u>	<u>0</u>	<u>60,882</u>	<u>60,882</u>	<u>0</u>
Total Pass Through Program From: Ohio Department of Education			\$ 66,153	\$ 0	\$ 60,882	\$ 66,153	\$ 0
Pass Through Program From: Department of Housing							
SMHA-Title (not Determinable)							
OH-16-DEP-02-101-9	10/01/98-09/30/99	14.854	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
OH-16-DEP-02-101-9	10/01/99-09/30/00	14.854	<u>44,168</u>	<u>0</u>	<u>43,989</u>	<u>37,239</u>	<u>6,929</u>
Total CFDA #14.854			<u>\$ 44,168</u>	<u>\$ 0</u>	<u>\$ 43,989</u>	<u>\$ 37,239</u>	<u>\$ 6,929</u>
Total Federal Awards			<u>\$2,850,289</u>	<u>\$ 0</u>	<u>\$2,202,216</u>	<u>\$2,206,413</u>	<u>\$ 643,876</u>

Service Delivery Area No. 11
Tecumseh Workforce Development Board

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

For the Year Ended June 30, 1999

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A - PROGRAM INCOME

In accordance with the terms of the grant, program income totaling \$6,688 was used to reduce the amount of federal expenditures reported on the Schedule of Expenditures of Federal Award.

NOTE B - ACCOUNTING BASIS

The accompanying schedule of expenditures of federal awards is prepared on the modified accrual basis of accounting. Revenues are recorded on the cash basis of accounting and expenditures are recorded on the accrual basis of accounting.

This page left blank intentionally

SUPPORTING SCHEDULES

This page left blank intentionally

Service Delivery Area No. 11
Tecumseh Workforce Development Board
Schedule of Program Income
For the period ending June 30, 2000

	Earned				Expended				Balance	
	Administration	Direct Training	Support	Total	Administration	Training	Support	Total		
Title II										
0-98-11-00-01	0	0	0	0	0	0	0	0	0	0
0-99-11-00-01	700	0	0	700	1,000	0	0	1,000	(300)	
1-98-11-00-01	0	0	0	0	0	0	0	0	0	0
1-99-11-00-01	0	0	0	0	0	0	0	0	0	0
Y-98-11-00-01	0	0	0	0	0	0	0	0	0	0
Y-99-11-00-01	0	0	0	0	0	0	0	0	0	0
5-99-11-00-01	0	0	0	0	0	0	0	0	0	0
3-98-11-00-01	0	0	0	0	0	0	0	0	0	0
4-98-11-00-01	0	0	0	0	0	0	0	0	0	0
4-99-11-00-01	0	0	0	0	0	0	0	0	0	0
Title III										
A-98-11-00-01	0	0	0	0	0	0	0	0	0	0
A-99-11-00-01	5,988	0	0	5,988	5,988	0	0	5,988	0	
B-98-11-00-01	0	0	0	0	0	0	0	0	0	0
B-99-11-00-03	0	0	0	0	0	0	0	0	0	0

This page left blank intentionally

Service Delivery Area No. 11
Tecumseh Workforce Development Board
Schedule of Stand-in-Cost
For the period ending June 30, 2000

Title II	Administration	Direct Training	Support	Total
0-98-11-00-01	0	0	0	0
0-99-11-00-01	0	0	0	0
1-98-11-00-01	0	0	0	0
1-99-11-00-01	0	0	0	0
Y-98-11-00-01	0	13,000	0	13,000
Y-99-11-00-01	1,200	11,300	0	12,500
5-99-11-00-01	42,501	21,450	0	63,951
3-98-11-00-01	0	0	0	0
4-98-11-00-01	0	0	0	0
4-99-11-00-01	0	0	0	0
Total CFDA#17.250	<u>\$43,701</u>	<u>\$45,750</u>	<u>\$0</u>	<u>\$89,451</u>

Title III	Administration	Direct Training	Support	Total
A-98-11-00-01	0	0	0	0
A-99-11-00-01	0	0	0	0
B-98-11-00-01	0	0	0	0
B-99-11-00-03	0	0	0	0
Total CFDA#17.246	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Service Delivery Area No. 11
 Tecumseh Workforce Development Board
 Power-Ohio Schedule of Variances
 For the period ending June 30, 2000

	JTP Ohio Expenditures	Audit Reports Expenditures		Variance
Title II				
0-98-11-00-01	244,939	247,679	(1)	(2,740)
0-99-11-00-01	287,260	287,260		0
1-98-11-00-01	36,024	33,496	(3)	2,525
1-99-11-00-01	2,149	2,149		0
Y-98-11-00-01	58,184	62,078	(1)	(3,894)
Y-99-11-00-01	159,331	159,331		0
5-99-11-00-01	297,282	315,875	(1)	(18,593)
3-98-11-00-01	88,630	88,630		0
4-98-11-00-01	5,271	5,271		0
4-99-11-00-01	60,882	60,882		0
Total CFDA#17.250	<u>\$1,239,952</u>	<u>\$1,262,651</u>		<u>(\$22,699)</u>

Title III				
A-98-11-00-01	0	941	(1)	(941)
A-99-11-00-01	666,845	666,845		0
B-98-11-00-01	11,373	10,757	(2)	616
B-99-11-00-03	227,980	227,980		0
Total CFDA#17.246	<u>\$906,198</u>	<u>\$906,523</u>		<u>(\$325)</u>

- (1)Over estimated accruals, corrected in 7/31/00 reports to JTPA.
 (2)Under estimated accruals, corrected in 7/31/00 reports to JTPA.
 (3)Error in data input, corrected in 7/31/00 reports to JTPA.

This page left blank intentionally

TECUMSEH WORKFORCE DEVELOPMENT BOARD

OTHER AUDITORS' REPORTS

JULY 1, 1999 THROUGH JUNE 30, 2000

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Governing Board
Tecumseh Workforce Development Board
1345 Lagonda Avenue
Springfield, Ohio 45503

We have audited the general purpose financial statements of Tecumseh Workforce Development Board as of and for the year ended June 30, 2000, and have issued our report thereon dated October 5, 2000. Our report on the financial statements included an explanatory paragraph describing conditions, discussed in Note P to the financial statements, that raised substantial doubt about continued existence as a going concern. 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 Tecumseh Workforce Development Board'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 financial statements 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 Tecumseh Workforce Development Board'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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions.

Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Tecumseh Workforce Development Board's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements. A reportable condition is described in the accompanying schedule of findings and questioned costs as item 00-1.

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 course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is not a material weakness.

This report is intended for the information of the governing board, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specific parties.

Roth & Company
Englewood, Ohio
October 5, 2000

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

Governing Board
Tecumseh Workforce Development Board
1345 Lagonda Avenue
Springfield, Ohio 45503

Compliance

We have audited the compliance of Tecumseh Workforce Development Board 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, 2000. Tecumseh Workforce Development Board'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 Tecumseh Workforce Development Board's management. Our responsibility is to express an opinion on Tecumseh Workforce Development Board'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, Audits of States, 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 Tecumseh Workforce Development Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Tecumseh Workforce Development Board's compliance with those requirements.

In our opinion, Tecumseh Workforce Development Board 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, 2000. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 00-1.

Internal Control Over Compliance

The management of Tecumseh Workforce Development Board 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 Tecumseh Workforce Development Board'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 that 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.

This report is intended for the information of the governing board, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specific parties.

Roth & Company
Englewood, Ohio
October 5, 2000

Tecumseh Workforce Development Board
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended June 30, 2000

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? _____yes X no

Reportable condition(s) identified that are not considered to be material weaknesses? X yes _____no

Noncompliance material to financial statements noted? _____yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____yes X no

Reportable condition(s) identified that are not considered to be material weakness(es)? _____yes X none

reported

Type of auditor's report issued on compliance for major programs? Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? X yes _____no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
17.250	Title II
17.246	Title III

Dollar threshold used to distinguish between Type A and Type B programs? \$300,000

Auditee qualified as low-risk auditee? _____yes X no

Tecumseh Workforce Development Board
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2000

SECTION II - FINANCIAL STATEMENT FINDINGS

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of Government Auditing Standards.

See finding 2000-00-1.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

This section identifies the audit finding 2000-00-1 required to be reported by Circular A-133, Section .510(a).

- * Information on the federal program: Title II CFDA# 17.250
Title III CFDA# 17.246
- * Criteria or specific requirement (including statutory, regulatory, JTPA policy or other citation) Letter 2-97.
- * Condition: Variance in reporting between audited financial statements and expense reports submitted to Power-Ohio.
- * Questioned costs: None.
- * Context: Expense reports submitted to Power Ohio did not agree with the actual amounts as contained in the SDA's books and records and the audited financial statements.
- * Effect: Reports submitted to Power Ohio will not agree with the audited financial statements.
- * Cause: Correction of prior period adjustments, timing differences and inclusion of obligations as expenditures.
- * Recommendation: The reports submitted to Power Ohio be amended to reflect the actual amounts as indicated in the SDA's books and records.
- * Management's response: All reports submitted to Power Ohio for PY99 were adjusted to reflect actual amounts and prior period adjustments.

Tecumseh Workforce Development Board
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2000

- * We have corrected all variances with our July 31, 2000 reports to POWER*Ohio. We have taken steps, as proposed by our auditors, to ensure future accruals and June 30 reports will accurately reflect revenues and expenditures.
- * As noted, all of the variances were due to prior year adjustments. This year's variances were less due to following our auditor's advice.

Tecumseh Workforce Development Board

CORRECTIVE ACTION PLAN

For the Year Ended June 30, 2000

Finding Number
2000-00-1

Planned Corrective Action

All future obligations will be correctly reported to the state as obligations.

Anticipated Completion Date
July 31, 2000

Responsible Contact Person
Ernest Davis, Executive Director

Tecumseh Workforce Development Board

SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2000

FINDING

1999-99-1 JTPA expenditure reporting variances

STATUS

JTPA reports were amended or corrected for June 30, 1999 reporting period. However, current year reports included variances. See finding 00-1 in current year report.

Tecumseh Workforce Development Board

CONCLUSION STATEMENT

June 30, 2000

These Auditors' Reports were reviewed with and acknowledged by the following officials on November 30, 2000:

Ernest Davis - Executive Director
Linda Turner - Contract Administrator
Mark Miller - Chief Fiscal Officer, Clark County
Department of Job & Family Services

These officials were informed that they had five days from the date of the post audit conference to respond to, or contest in writing, anything in these reports.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

TECUMSEH CONSORTIUM

CLARK 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
JANUARY 09, 2001**