

***ASHLAND AREA COUNCIL FOR ECONOMIC
DEVELOPMENT***

ASHLAND COUNTY

Audit Report

For the Years Ended December 31, 2013 and 2012



Dave Yost • Auditor of State

Board of Trustees
Ashland Area Council for Economic Development
211 Claremont Avenue
Ashland, Ohio 44805

We have reviewed the *Independent Auditor's Report* of the Ashland Area Council for Economic Development, Ashland County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2012 through December 31, 2013. 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 Ashland Area Council for Economic Development is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

July 2, 2014

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ASHLAND AREA COUNCIL FOR ECONOMIC DEVELOPMENT
ASHLAND COUNTY
AUDIT REPORT
For the Years Ending December 31, 2013 and 2012

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Ashland Area Council for Economic Development
Ashland County
211 Claremont Avenue
Ashland, Ohio 44805

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the Ashland Area Council for Economic Development, Ashland County, Ohio (the Council), as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Board's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Board's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Ashland Area Council for Economic Development, Ashland County, Ohio, as of December 31, 2013 and 2012, and the changes in financial position and cash flows for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

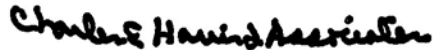
Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2014, on our consideration of the Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.
June 20, 2014

**ASHLAND AREA COUNCIL FOR ECONOMIC DEVELOPMENT
ASHLAND COUNTY**

**MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(UNAUDITED)**

The Ashland Area Council for Economic Development (AACED) became a Council of Governments (COG) as organized under ORC §167 in late 2005 with the first fiscal year and operations beginning on January 1, 2006. The City of Ashland and Ashland County serve as its founding partners with permanent Board seats. The Mohican Area Growth Foundation (MAGF) is the third primary funder and also holds a permanent Board seat; however, from its inception AACED has been challenged to raise private sector funds to supplement the major investments of local governments and MAGF.

The City of Ashland's funding was \$38,315 in 2011, \$50,159 in 2012, and \$45,000 in 2013. The contribution from Ashland County was \$49,982 in 2012 and \$45,000 in 2013. The Council operated at a slight profit for 2012 at \$23,173; however, there was a loss in 2013 of \$9,576. The Council is projected to operate at a slight loss for 2014 as the Mohican Area Growth Foundation (MAGF) has lowered their contribution from \$40,000 to \$25,000. In September 2013, Ashland County moved the Planning Department, which had been contracted to the Council in 2012 for \$11,250 and in 2013 for \$15,000, to the Soil & Water Department. As the office has become busier with leads and projects, it was necessary to transfer the duties to another county division. While the MAGF has lowered its funding from \$40,000 to \$25,000, the Council is confident that the contribution level will increase over the next few years.

At the end of 2012, AACED had 25 private investors with annual investments ranging from \$200 to \$5,000. At the end of 2013, AACED had 16 private investors with annual investments ranging from \$200 to \$5,000. These generous companies have become much more than providers of valuable financial resources; they also serve as advisors and volunteers within the organization. In addition to meeting with the staff and the Board on a semi-annual basis, investors are often called upon for ideas and advice and to assist with BR&E (Business Retention & Expansion) visits.

AACED utilizes internal accounting controls to safeguard assets and to properly record transactions according to the Board's authorization and approval. An independent accounting firm (local CPA) reviews the internal accounting on a quarterly basis. Payroll was handled by the independent CPA's office until June of 2013 when it was determined that there was a cost savings to moving the payroll in-house. The current Executive Director is a QuickBooks ProAdvisor.

**ASHLAND AREA COUNCIL FOR ECONOMIC DEVELOPMENT
ASHLAND COUNTY**

**MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(UNAUDITED)**

Financial Highlights

Statement of Net Position and Statement of Activities

The Statement of Net Position and Statement of Activities provide information about the activities of the Organization. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. The basis for the accounting takes into account all of the current year's revenues and expenses regardless of when the cash was paid or received.

These two statements report the Organization's net position and changes in the net position. This change in net position is important because it shows how the financial position has improved or diminished.

Table 1 provides a summary of the Organization's net position for 2013 compared to 2012:

Table 1
Net Position

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Assets			
Current assets:			
Cash and accrued interest	\$129,589	\$126,471	\$118,853
Accounts Receivable	<u>7,189</u>	<u>13,592</u>	<u>1,370</u>
 Total assets	 <u>\$136,778</u>	 <u>\$140,063</u>	 <u>\$120,223</u>
Liabilities			
Current liabilities	<u>\$12,314</u>	<u>\$6,023</u>	<u>\$9,356</u>
Net Position:			
Unrestricted	<u>\$124,464</u>	<u>\$134,040</u>	<u>\$110,867</u>
Total liabilities and net position	<u>\$136,778</u>	<u>\$140,063</u>	<u>\$120,223</u>

**ASHLAND AREA COUNCIL FOR ECONOMIC DEVELOPMENT
ASHLAND COUNTY**

**MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(UNAUDITED)**

Total assets decreased by \$3,285 from 2012 to 2013. The decrease was mostly due to the lack of accounts receivable. Total liabilities increased by \$6,291. The majority of the increase was a result of the hiring of a new employee.

Table 2 shows changes in net position for the year 2012 and 2013. This table will compare three successive reporting years. This will enable the reader to draw further conclusion about the Organization's financial status and possibly project future problems.

Table 2
Changes in Net Position

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Revenues:	\$174,082	\$198,143	\$169,863
Expenses:			
Compensation	117,685	106,803	105,263
Payroll taxes and benefits	27,428	30,433	40,426
Professional fees	7,415	9,754	1,135
Travel and meetings	8,809	5,830	2,883
Office	9,518	13,206	7,120
Utilities	3,490	2,517	2,057
Training	1,949	0	310
Insurance	2,028	1,943	1,809
Advertising and promotional	2,425	3,776	5,723
Maintenance	515	0	0
Dues and subscriptions	909	708	0
Bad debt write-off	<u>1,487</u>	<u>0</u>	<u>0</u>
TOTAL EXPENSES	<u>\$183,658</u>	<u>\$174,970</u>	<u>\$166,726</u>
Increase/decrease in net position	(\$9,576)	\$23,173	\$3,137

**ASHLAND AREA COUNCIL FOR ECONOMIC DEVELOPMENT
ASHLAND COUNTY**

**MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(UNAUDITED)**

The funding comes from several different sources, the most significant being investor contributions. Fees, sponsorships, interest and in-kind contributions are other prominent sources of income.

Compensation is the largest of the expenses and represents 61% - 64% of the total expenses.

Contacting the Ashland Area Council for Economic Development

This financial report is designed to provide a general overview of the Council's finances and to show the Organization's accountability for the money that it receives. If you have questions about this report or need additional financial information, contact Kathryn A. Goon of the Ashland Area Council for Economic Development, 211 Claremont Avenue, Ashland, Ohio 44805; (419) 289-3200; kathygoon@ashlandec.com.

ASHLAND AREA COUNCIL FOR ECONOMIC DEVELOPMENT
Statements of Net Position
December 31,

	<u>2013</u>	<u>2012</u>
Assets		
Current assets:		
Cash	\$ 129,589	\$ 126,471
Accounts receivable	7,189	13,592
Total current assets	<u>136,778</u>	<u>140,063</u>
Total assets	<u>\$ 136,778</u>	<u>\$ 140,063</u>
Liabilities and net position		
Current liabilities:		
Accounts Payable	\$ 5,215	\$ 2,274
Payroll taxes	7,099	3,749
Total current liabilities	<u>12,314</u>	<u>6,023</u>
Net position:		
Unrestricted	124,464	134,040
Total net position	<u>124,464</u>	<u>134,040</u>
Total liabilities and net position	<u>\$ 136,778</u>	<u>\$ 140,063</u>

See notes to financial statements

ASHLAND AREA COUNCIL FOR ECONOMIC DEVELOPMENT
Statements of Activities
Years ended December 31,

	<u>2013</u>	<u>2012</u>
Revenues:		
Investor contributions	\$ 151,377	\$ 162,300
Fees	7,040	6,800
Sponsorships	2,250	2,500
Interest income	284	93
In Kind Contributions	11,398	18,350
Miscellaneous income	1,733	8,100
	174,082	198,143
 Expenses:		
Compensation	117,685	106,803
Payrol taxes and benefits	27,428	30,433
Professional fees	7,415	9,754
Travel and meetings	8,809	5,830
Office	9,518	13,206
Utilities	3,490	2,517
Training	1,949	-
Insurance	2,028	1,943
Advertising and promotional	2,425	3,776
Maintenance	515	-
Dues and Subscriptions	909	708
Write Off Bad Debts	1,487	-
	183,658	174,970
 Change in net position	 (9,576)	 23,173
 Net position - beginning of year	 <u>134,040</u>	 <u>110,867</u>
 Net position - end of year	 <u><u>\$ 124,464</u></u>	 <u><u>\$ 134,040</u></u>

See notes to financial statements

ASHLAND AREA COUNCIL FOR ECONOMIC DEVELOPMENT
Statements of Cash Flows
Years ended December 31,

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Cash received from investors	\$ 157,780	\$ 150,078
Cash received from fees	7,040	6,800
Cash received from sponsorships	2,250	2,500
Cash received from interest earned	284	93
Cash received from other income	1,733	8,100
Cash paid to suppliers for goods and services	(35,604)	(35,644)
Cash payments to employees	(130,365)	(124,309)
	3,118	7,618
Net cash provided by operating activities	3,118	7,618
Cash and cash equivalents - beginning of year	126,471	118,853
	126,471	118,853
Cash and cash equivalents - end of year	\$ 129,589	\$ 126,471
	\$ 129,589	\$ 126,471
Reconciliation of operating income to net cash flows used by operating activities:		
Operating income	\$ (9,576)	\$ 23,173
Adjustments to assets and liabilities:		
Accounts receivable	6,403	(12,222)
Accounts payable	2,941	2,090
Payroll taxes	3,350	(5,423)
	3,350	(5,423)
Net cash provided by operating activities	\$ 3,118	\$ 7,618
	\$ 3,118	\$ 7,618

See notes to financial statements

ASHLAND AREA COUNCIL FOR ECONOMIC DEVELOPMENT
ASHLAND COUNTY
Notes to Financial Statements
For the Years Ended December 31, 2013 and 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Nature of activities – The Council is an area-wide entity whose purpose is to enhance the industrial base of the area, create the opportunity for new industry and employment, and to assist in the success of existing businesses.

Advertising costs – Advertising costs are charged to operations as incurred.

NOTE 2 – DESCRIPTION OF FUNDS

The Council has only one enterprise fund that receives and disburses all activity. Money received is used for economic development.

NOTE 3 – CASH FLOWS

For purposes of reporting cash flows, cash includes petty cash, cash in checking accounts, money market accounts, and savings accounts.

NOTE 4 – DEPOSITS WITH FINANCIAL INSTITUTIONS

Custodial credit risk is the risk that, in the event of bank failure, the Council's deposits may not be returned. All deposits, by law, are to be collateralized with eligible securities in amounts equal to at least 105 percent of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve banks or at member banks of the federal reserve system in the name of the respective depository bank and pledged as collateral against all of the uninsured public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Council.

At year-end, the carrying amount of the Council's deposits was \$129,589 for 2013 and \$126,471 for 2012. Based on the criteria described in GASB Statement No. 40 "Deposits and Investment Risk Disclosures," as of December 31, 2013 and December 31, 2012, none of the Council's bank balance of \$129,589 and \$126,471 was exposed to custodial risk as discussed above, as the entire amount was covered by Federal Deposit Insurance Corporation.

**ASHLAND AREA COUNCIL FOR ECONOMIC DEVELOPMENT
 ASHLAND COUNTY
 Notes to Financial Statements
 For the Years Ended December 31, 2013 and 2012**

NOTE 5 – RISK MANAGEMENT

The Council 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 2012 and 2013, the Council contracted with private carriers for property and fleet insurance, liability insurance, and inland marine coverage. Coverage provided is as follows:

<u>Company</u>	<u>Type of Coverage</u>	<u>Period</u>
The Cincinnati Insurance Companies/Spreng-Smith Agency, Inc.	D&O Commercial General Liability Employee Dishonesty Employment Practices Fiduciary Employee Benefits Admin Coverage	1/1/12-12/31/13

Settlement claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from last year.

The Council pays the State Workers' Compensation System a premium based on a rate per \$1 of salaries. This rate is calculated based on accident history and administrative costs and is paid on an annual basis.

NOTE 6 – OTHER EMPLOYEE BENEFITS

A. Compensated absences

Council employees generally earn vacation ranging from two to five weeks per year based on length of service. Accumulated vacation leave cannot be carried over from one year to another without express written authorization of the Executive Director. Sick leave is earned at the rate of 4.6 hours for every 80 hours worked, and employees may accumulate on a continuing basis. Sick leave is fully vested when earned. 25 percent of unused sick leave, up to the following maximums for employees who complete ten years of service plus any accumulated vacation leave, is paid at retirement or death. Sick leave accumulates up to a maximum of 688 hours.

ASHLAND AREA COUNCIL FOR ECONOMIC DEVELOPMENT
ASHLAND COUNTY
Notes to Financial Statements
For the Years Ended December 31, 2013 and 2012

NOTE 6 – OTHER EMPLOYEE BENEFITS – (Continued)

B. Additional insurance

The City of Ashland provides council employees with Medical Mutual of Ohio as the primary health insurance carrier with Morgan-White as the secondary payer to keep the deductible at \$500/1000. Council employees pay for 20% of the premium. The monthly premiums are \$115.00 for a single employee, \$239.20 for an employee and spouse, \$189.87 for an employee and child, and \$314.08 for an employee and family. Co-pays are paid by the employee. Office visits are \$15, emergency care clinics are \$50, and emergency rooms are \$150.

The City of Ashland provides \$20,000 life insurance for each council employee through the Hartford. Employees may increase the life insurance and pay the additional premium. Delta Dental is also available to employees wishing to pay for coverage.

NOTE 7 – DEFINED BENEFIT PENSION PLAN

Plan Description - The Council participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by OPERS to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2013, member and contribution rates were consistent across all three plans. The 2013 member contribution rates were 10.00% for members in State and local classifications. The Council's contribution rate for 2013 was 14.00%.

ASHLAND AREA COUNCIL FOR ECONOMIC DEVELOPMENT
ASHLAND COUNTY
Notes to Financial Statements
For the Years Ended December 31, 2013 and 2012

NOTE 7 – DEFINED BENEFIT PENSION PLAN – (Continued)

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2012, member and contribution rates were consistent across all three plans. The 2012 member contribution rates were 10.00% for members in State and local classifications. The Council's contribution rate for 2012 was 14.00%.

The Village's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2013, 2012, and 2011 were \$15,842, \$11,574, and \$14,757, respectively. The full amount has been contributed for 2013, 2012 and 2011.

NOTE 8 – POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2012 and 2013, local government employers contributed 14.00% of covered payroll. Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan for 2013 and 2012 was 1.00% and 4.00%, respectively. The portion of employer contributions allocated to fund post-employment healthcare for members in the Combined Plan for 2013 and 2012 was 1.0% and 6.05%, respectively.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment healthcare plan.

The Council's contributions allocated to fund postemployment healthcare benefits for the years ended December 31, 2013, 2012, and 2011 were \$1,131, \$3,307, and \$4,229, respectively. 100 percent has been contributed for 2013, 2012 and 2011.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and approved health care changes, OPERS expects to be able to consistently allocated 4 percent of the employer contributions toward the health care fund after the end of the transition period.

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS

Ashland Area Council for Economic Development
Ashland County
211 Claremont Avenue
Ashland, Ohio 44805

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Ashland Area Council for Economic Development, Ashland County, (the Council) as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, and have issued our report thereon dated June 20, 2014.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Council's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Council's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Council's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

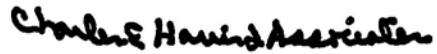
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Council's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Council's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Charles E. Harris & Associates, Inc.
June 20, 2014

**ASHLAND AREA COUNCIL FOR ECONOMIC DEVELOPMENT
ASHLAND COUNTY
DECEMBER 31, 2013 AND 2012**

SCHEDULE OF PRIOR AUDIT FINDINGS

The prior audit report, for the years ending December 31, 2011 and 2010, reported no material citations or recommendations.

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Dave Yost • Auditor of State

ASHLAND AREA COUNCIL FOR ECONOMIC DEVELOPMENT

ASHLAND 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
JULY 15, 2014**