

***ASHTABULA COUNTY SCHOOLS COUNCIL OF
GOVERNMENTS***

ASHTABULA COUNTY

Regular Audit

For the Year Ended June 30, 2024





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Columbus, Ohio 43215
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800-282-0370

Council Members
Ashtabula County Schools Council of Governments
1565 State Route 57
P.O. Box 206
Jefferson, OH 44047

We have reviewed the *Independent Auditor's Report* of the Ashtabula County Schools Council of Governments, prepared by Charles E. Harris & Associates, Inc., for the audit period July 1, 2023 through June 30, 2024. 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 Ashtabula County Schools Council of Governments is responsible for compliance with these laws and regulations.

KEITH FABER
Ohio Auditor of State

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

January 06, 2026

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Ashtabula County Schools Council of Governments

Ashtabula County

For the Year Ended June 30, 2024

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INDEPENDENT AUDITOR'S REPORT

Ashtabula County Schools Council of Governments
Ashtabula County
1565 State Route 57
P.O. Box 206
Jefferson, OH 44047

To the Council Members:

Report on the Audit of the Financial Statements

Adverse Opinion

We have audited the financial statements of the cash balances, receipts and disbursements of the Ashtabula County Schools Council of Governments, Ashtabula County, Ohio (the Council), as of and for the year ended June 30, 2024 and related notes to the financial statements.

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on the Financial Statements as a Whole* section of our report, the accompanying financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Council, as of June 30, 2024, or the changes in financial position thereof for the year then ended.

Basis for Adverse Opinion on the Financial Statements as a Whole

As described in Note 2 of the financial statements, the financial statements are prepared by the Council on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. However, Ohio Administrative Code Section 117-2-03(B) requires these statements to follow accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumably material and pervasive.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Council, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2- 03(C) permit; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

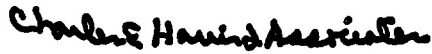
In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2025, on our consideration of the Council'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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's 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 Council's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.
July 30, 2025

Ashtabula County Schools Council of Governments
Ashtabula County
Statement of Receipts, Disbursements, and
Changes in Fund Balance
For the Year Ended June 30, 2024

Cash Receipts:

Receipts from Member Districts	\$ 27,152,998
Checking Interest	3,512
Huntington Interest & Dividends	605,840
Realized Gains	8,088
Stop Loss Insurance Reimbursement	70,200
Voids / Refunds	29,423
COBRA Payments	40,220

<i>Total Cash Receipts</i>	27,910,281
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Cash Disbursements:

Payments to Third Party Administrators	27,213,369
Purchased Services	14,020
Materials and Supplies	1,629
Insurance	350
Liability Expenses	23,679
Actuarial Report	1,000
Miscellaneous	41,265
Service Fees	173,343
Carnegie Fees	33,453
Executive Physicals	5,877
Health Action Council Annual Access Fee	3,972

<i>Total Cash Disbursements</i>	27,511,957
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<i>Total Receipts Over / (Under) Disbursements</i>	398,324
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<i>Cash Balances, July 1</i>	24,781,367
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<i>Cash Balances, June 30</i>	\$ 25,179,691
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See accompanying notes to the financial statements

**ASHTABULA COUNTY SCHOOLS COUNCIL OF GOVERNMENTS
ASHTABULA COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 – DESCRIPTION OF THE ENTITY

The Ashtabula County Schools Council of Governments, Ashtabula County, (the “Council”) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio as defined by Chapter 167 of the Ohio Revised Code.

The Council is a shared risk pool as defined by Government Accounting Standards Board (GASB) Statement No. 10 as amended by GASB Statement No. 30. It was formed to carry out a cooperative program for the provisions and administration of health care benefits for member employees in accordance with the Council by-laws.

The Council is directed by a Governing Board, consisting of the Superintendents or designee of the participating school districts. As of June 30, 2024 there were eight participating members of the Council. Members pay monthly premiums (program costs) that are placed in a common fund from which eligible claims are paid for member employees and their covered dependents. Claims are paid for all participants regardless of claims flow, resulting in a transfer of all risk. The Board of Directors annually estimate and set the amount of funds necessary in order to have funds available to pay all claims which could be made under the Health Benefits Plan by covered persons which would not be paid aggregate and specific stop-loss insurance coverage, and said amounts will be placed in a reserve fund.

The Council’s management believes these financial statements present all activities for which the Council is financially accountable.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

Although required by Ohio Administrative Code 117-02-03(B) to prepare its financial report in accordance with accounting principles generally accepted in the United States of America, the Council has chosen to prepare its financial statements on a basis of accounting not in accordance with generally accepted accounting principles. The basis of accounting is similar to the cash receipts and cash disbursements basis of accounting. Receipts are recognized when received rather than when they are earned, and disbursements are recognized when paid rather than when the liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e. when an encumbrance is approved).

B. Fund Accounting

The Council maintains its accounting records in accordance with the principles of “fund” accounting. Fund accounting is a concept developed to meet the needs of government entities in which legal or other restraints require the recording of specific receipts and disbursements. The Council maintains a general fund to account for its expendable financial resources and related current expenses.

**ASHTABULA COUNTY SCHOOLS COUNCIL OF GOVERNMENTS
ASHTABULA COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

C. Budgetary Process

The Council is not required to follow the budgetary process but has adopted a formal budget annually as part of their by-laws.

Appropriations

Budgetary Expenditures (disbursements) may not exceed appropriations at the line-item level by more than 10 percent. Appropriations may not exceed income on an annual basis from any fund without prior approval of the Council. The Council annually approves appropriations.

Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of July 1.

D. Cash and Investments

Investments are reported as assets and are carried at cost, which approximates fair value. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses are recorded as receipts or disbursements when a sale occurs.

E. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Council must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. Non-spendable

The Council classifies assets as *non-spendable* when legally or contractually required to maintain the amounts intact.

2. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

3. Committed

The Board can *commit* amounts via formal action (resolution). The Council must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**ASHTABULA COUNTY SCHOOLS COUNCIL OF GOVERNMENTS
ASHTABULA COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

4. Assigned

Assigned fund balances are intended for specific purpose but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* amounts represent intended uses established by Council or a Council official delegated that authority by resolution, or by State Statute.

5. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Council applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classification could be used.

NOTE 3 - EQUITY IN POOLED CASH AND INVESTMENTS

The Council maintains a cash pool used by all funds. The Council has adopted an investment policy following the deposits and investments as prescribed by the Ohio Revised Code. The carrying amount of the deposits at June 30 was as follows:

	<u>2024</u>
STAR Ohio	\$2,271,192
Demand Deposits	\$2,123,838
CD's	\$5,000,000
Federal Notes	\$10,996,697
US Treasury N/B	\$4,787,964

Custodial credit risk for deposits is the risk that in the event of bank failure, the Council will not be able to recover deposits or collateral securities that are in the possession of an outside party. Deposits are either insured by the Federal Depositary Insurance Corporation, collateralized by the financial institution specifically in the name of the Council, or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The investment policy restricts the Council from investing in any securities other than those identified in the Ohio Revised Code and that all investments must mature within five years from the date of investment unless they are matched to a specific obligation.

**ASHTABULA COUNTY SCHOOLS COUNCIL OF GOVERNMENTS
ASHTABULA COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 – BUDGETARY ACTIVITY

Budgetary activity for the year ending June 30, 2024 follows:

2024 Budgeted vs. Actual Receipts		
<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
\$ 36,823,330	\$ 27,910,281	\$ 8,913,049

2024 Budgeted vs. Actual Disbursements		
<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
\$ 31,310,336	\$ 27,511,957	\$ (3,798,379)

NOTE 5 - RISK MANAGEMENT

The Council contracted with a third-party administrator, Anthem Benefit Administrators, Inc. for the year ended June 30, 2024, to process and pay health benefit claims incurred by its members. Payments are made by members to the Council for monthly health insurance premiums, monthly stop-loss premiums, and administrative charges. The Fiscal Officer approves monthly payments to the third-party administrators for actual insurance claims processed, stop-loss premiums and administrative charges incurred on behalf of the Council members. Member school districts, whose claims exceed premiums paid, will carry a negative fund balance for which interest is assessed on. When the balance is no longer negative, interest will no longer be assessed. There have been no significant changes in coverage from the prior year.

The Council employs stop-loss coverage to reduce its risk that large losses may be incurred on medical claims. This allows the Council to recover a portion of losses on claims from reinsurers, although it does not discharge their primary liability.

NOTE 6 - EXPECTED LOSS AND ALLOCATED LOSS ADJUSTMENT EXPENSE

The Council receives an annual actuarial report that estimates an amount for the runoff liability (expected loss and allocated loss adjustment expense) for claims incurred but not reported (IBNR claims) based on an analysis of historic claims data using generally accepted actuarial principles. The actuarial reports reflected that the minimum requirement of the Ohio Revised Code Section 9.833 had been satisfied for the year ended June 30, 2024. The reported reserve fund available to pay the IBNR claims and the IBNR claim liability per the actuarial report at June 30, 2024 is as follows:

	<u>2024</u>
Cash Balance	\$25,179,691
IBNR Actuarial Liabilities	\$ 2,737,000
Excess Funds	<u>\$22,442,691</u>

**ASHTABULA COUNTY SCHOOLS COUNCIL OF GOVERNMENTS
ASHTABULA COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 7 – COMPLIANCE

Ohio Administrative Code, Section 117-2-03(B), requires the Council to file annual financial reports, which are prepared using generally accepted accounting principles (GAAP). For the fiscal year 2024, the Council prepared financial statements that report on the basis of cash receipts and cash disbursements, rather than GAAP. The accompanying financial statements and notes omit assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balances, and disclosures that, while material, cannot be determined at this time. Pursuant to Ohio Rev. Code, Section 117.35, the Council may be fined and subject to various other administrative remedies for its failure to file the required financial report.

NOTE 8 – JOINTLY GOVERNED ORGANIZATION

The Council is a legally separate entity. The Council is a jointly governed organization with member school districts. The governing board consists of the superintendent or other designee appointed by each of the members of the Council. The Council does not have an ongoing financial interest in or ongoing financial responsibility for the member school districts other than the claims paid on behalf of the member school district employees.

The Council utilizes the Ashtabula County Technical and Career Center (the Fiscal Agent) as its fiscal agent.

NOTE 9 – DEFINED BENEFIT PENSION PLANS

The Council's employees belong to the School Employees Retirement System (SERS). SERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. SERS members contributed 10% of their gross salaries, and the Council contributed an amount equaling 14% of participants' gross salaries. The Council has paid all contributions required through June 30, 2024.

NOTE 10 – POSTEMPLOYMENT BENEFITS

SERS offers a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and, therefore, enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. For calendar year 2024, the portion of employer contributions allocated to health care for SERS members was 0 percent, for the period from July 1, 2023 through June 30, 2024.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Ashtabula County Schools Council of Governments
Ashtabula County
1565 State Route 57
P.O. Box 206
Jefferson, OH 44047

To the Council Members:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Ashtabula County Schools Council of Governments, Ashtabula County, Ohio (the Council), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated July 30, 2025, wherein we issued an adverse opinion on the Council's accompanying financial statements because the Council did not follow accounting principles generally accepted in the United States as required by Ohio Administrative Code Section 117-2-03 (B).

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Council's financial statements will not be prevented, or detected and corrected on a timely basis. 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. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings that we consider a material weakness. We consider finding 2024-001 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying Schedule of Findings as item 2024-002.

Council's Responses to the Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Council's responses to the findings identified in our audit and described in the accompanying Corrective Action Plan. The Council's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control or on compliance. This report is an integral part of an audit performed in accordance with *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.
July 30, 2025

**ASHTABULA COUNTY SCHOOLS COUNCIL OF GOVERNMENTS
ASHTABULA COUNTY**

**SCHEDULE OF FINDINGS
June 30, 2024**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number 2024-001 - Material Weakness

Financial Reporting

Bank Reconciliations

Sound accounting practices require that when designing the public office's system of internal control and specific control activities, management should ensure adequate security and records, and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records. The reconciliation of cash (bank) balances to accounting system records (books) is the most basic and primary control process performed. Lack of completing an accurate and timely reconciliation may allow for accounting errors, theft, and fraud to occur without timely detection. The Fiscal Officer is responsible for reconciling the book (fund) balance to the total bank balance on a monthly basis. The Board is responsible for reviewing the reconciliation and related support and approval of the bank reconciliations.

In fiscal year 2024, the Ashtabula County Schools Council of Governments (COG) had a difference in the cash balance of \$2,245,115. The annual report for the year ended June 30, 2024 was filed with the Auditor of State with these unresolved differences. As a result of the bank reconciliation and subsequent analysis of fiscal year 2024 activity, additional adjustments were made to the financial statements. The additional adjustments made unrecorded interest and dividends received on the COG's investments and the reporting of their investments at fair value instead of cost basis.

Failure to reconcile book balances monthly increases the possibility that the COG will not be able to identify, assemble, analyze, classify, and record its transactions correctly or to document compliance with finance related legal and contractual requirements. Further, the lack of accurate monthly reconciliations, including support for adjustments, increases the risk of theft/fraud over the cash cycle and could lead to inaccurate reporting in the annual financial statements.

The Fiscal Officer should ensure all transactions are recorded and prepare monthly bank to book cash reconciliations, which include all bank accounts and all fund balances. Variances should be timely investigated, documented and corrected. In addition, the Board should review the monthly cash reconciliations including the related support (such as reconciling items).

Management Response:

See Corrective Action Plan

**ASHTABULA COUNTY SCHOOLS COUNCIL OF GOVERNMENTS
ASHTABULA COUNTY**

**SCHEDULE OF FINDINGS
June 30, 2024**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (continued)
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Finding Number 2024-002: Noncompliance

Ohio Rev. Code Section 117.38 provides that each public office shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report to the form utilized by the public office. Ohio Administrative Code Section 117-2-03(B) further clarifies the requirements of Ohio Rev. Code 117.38.

Ohio Admin. Code Section 117-2-03(B) requires the Council to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America (GAAP). The Council prepared its financial statements in accordance with the cash basis of accounting in a report format similar to the requirements of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. This presentation differs from GAAP. There would be variances on the financial statements between this accounting practice and GAAP that, while presumably material, cannot be reasonably determined at this time. Failure to prepare proper GAAP financial statements may result in the Council being fined or other administrative remedies.

The Council did not prepare its financial statements in accordance with Ohio Rev. Code Section 117.38 and Ohio Admin. Code Section 117-2-03(B). Pursuant to Ohio Rev. Code Section 117.38, the Council may be fined and subject to various other administrative remedies for its failure to file the required financial report.

We recommend the Council review the applicable codes and ensure preparation of its financial statements in accordance with Ohio Administrative Code and Ohio Revised Code.

Management Response:

See Corrective Action Plan

**ASHTABULA COUNTY SCHOOLS COUNCIL OF GOVERNMENTS
ASHTABULA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2024**

Prepared by Management

Finding Number	Finding Summary	Status	Additional Information
2023-001	Material Weakness – Bank reconciliations	Not Corrected	None
2023-002	Material Non-Compliance – Not Filing GAAP Statements	Not Corrected	None

**ASHTABULA COUNTY SCHOOLS COUNCIL OF GOVERNMENTS
ASHTABULA COUNTY**

**CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2024
Prepared by Management**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2024-001	<p>We acknowledge the identified issues and have taken immediate steps to correct any errors that were improperly recorded in the financial report. To ensure the accuracy and integrity of our financial statements moving forward, we will implement the following corrective actions:</p> <ul style="list-style-type: none"> • Establish and enforce stricter financial controls to improve reporting accuracy. • Develop standardized procedures for recording financial transactions to prevent discrepancies. • Ensure that interest and dividend income from investments and bank accounts are properly recorded in financial statements. • Conduct a thorough analysis of stop-loss postings to verify their accuracy and appropriate classification. • Perform monthly bank reconciliations to ensure cash balances align with financial statements. • Implement a review process where reconciliations are verified and approved by a designated financial officer or auditor. <p>By implementing these measures, we aim to enhance financial accuracy, maintain compliance, and strengthen overall financial reporting practices.</p>	Immediately	R. Scott Wludyga, Fiscal Officer
2024-002	Management believes the cost savings far outweighs reporting on GAAP.	N/A	R. Scott Wludyga, Fiscal Officer

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OHIO AUDITOR OF STATE KEITH FABER



ASHTABULA COUNTY SCHOOLS COUNCIL OF GOVERNMENTS

ASHTABULA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 1/20/2026

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov