

**Wooster-Ashland Regional Council of Governments
Wayne County, Ohio**

Basic Financial Statements – Cash Basis

December 31, 2015

with Independent Auditors' Report



Dave Yost • Auditor of State

Board of Directors
Wooster-Ashland Regional Council of Governments
538 North Market Street
Wooster, Ohio 44691

We have reviewed the Independent Auditor's Report of the Wooster-Ashland Regional Council of Governments, Wayne County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2015 through December 31, 2015. 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 Wooster-Ashland Regional Council of Governments is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

October 4, 2016

This page intentionally left blank.

TABLE OF CONTENTS

Independent Auditors' Report	1-2
Management's Discussion and Analysis.....	3-5
Statement of Net Position – Cash Basis	6
Statement of Receipts, Disbursements and Changes in Net Position – Cash Basis	7
Notes to the Financial Statements	8-13
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	14-15

INDEPENDENT AUDITORS' REPORT

Board of Directors
Wooster-Ashland Regional Council of Governments
538 North Market Street
Wooster, Ohio 44691

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the Wooster-Ashland Regional Council of Governments (the Council) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Council'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 the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash financial position of the Wooster-Ashland Regional Council of Governments as of December 31, 2015, and the change in cash financial position for the year then ended in accordance with the accounting basis described in Note 2.

14 east main street, ste. 500
springfield, oh 45502

www.cshco.com
p. 937.399.2000
f. 937.399.5433

Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the cash basis of accounting, which differs from accounting principles generally accepted in the United States of America. We did not modify our opinion regarding this matter.

Other Matters*Other Information*

Our audit was conducted for the purpose of forming our opinion on the financial statements that collectively comprise the Council's basic financial statements. The Management's Discussion and Analysis (pages 3-5) are presented for purposes of additional analysis and is not a required part of the basic financial statements. The Management's Discussion and Analysis has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 1, 2016, on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
August 1, 2016

Wooster-Ashland Regional Council of Governments
Wayne County, Ohio
Management's Discussion and Analysis
For the Year Ended December 30, 2015

The following report reflects on the financial condition of the Wooster-Ashland Regional Council of Governments (the Council) for the fiscal year ended December 31, 2015. Within the limitations of the Council's cash basis of accounting, this information is provided to enhance the information in the financial statements and the corresponding notes and should be reviewed in concert with the report. As the Council had no financial activity prior to August 2015, no comparable information is available, but will be available in the future.

Financial Highlights

Key financial highlights for fiscal year 2015 are as follows:

- Total operating receipts were \$600,120, representing contributions from two Founding members during the period from August 24, 2015 through December 31, 2015.
- Total operating disbursements were \$59,578, with salaries representing \$31,799, or 53 percent, contract services representing \$19,328, or 32 percent.

Using this Annual Report

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the Council's cash basis of accounting. This annual report consists of financial statements and notes to those statements. These statements are organized so the reader can understand the Council's activities. The *Statement of Net Position – Cash Basis* and the *Statement of Receipts, Disbursements, and Change in Net Position – Cash Basis* provide information about the activities of the Council.

Reporting the Council's Financial Activities

Statement of Net Position – Cash Basis and Statement of Receipts, Disbursements, and Change in Net Position – Cash Basis

These statements look at all financial transactions and ask the question, "How did we do financially during fiscal year 2015?" The *Statement of Net Position – Cash Basis* and the *Statement of Receipts, Disbursements, and Change in Net Position – Cash Basis* answer these questions.

These statements include only net position using the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This basis of accounting takes into account only the cash actually received or paid within the current year. These statements report the Council's net position and changes in that position on a cash basis. This change in net position is important because it tells the reader that, for the Council as a whole, the cash basis financial position of the Council has improved or diminished.

Wooster-Ashland Regional Council of Governments
Wayne County, Ohio
Management's Discussion and Analysis
For the Year Ended December 30, 2015

As a result of the use of the cash basis of accounting, certain assets and deferred outflows of resources and their related receipts (such as accounts receivable) and liabilities and deferred inflows of resources and their related disbursements (such as claims payable) are not recorded in these cash basis financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

The table below provides a summary of the Council's net position at December 31, 2015.

Table 1
Net Position - Cash Basis

	2015
Assets	
Equity in Pooled Cash & Cash Equivalents	\$ 540,542
Total Assets	540,542
Net Position	
Unrestricted	540,542
Total Net Position	\$ 540,542

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2015, the Council's net position totaled \$540,542.

The table below shows the change in net position for the fiscal year ending December 31, 2015. This will enable the reader to draw further conclusions about the Council's financial status.

Table 2
Changes in Net Position - Cash Basis

	2015
Total Operating Receipts	\$ 600,120
Total Operating Disbursements	59,578
Increase (Decrease) in Net Position	\$ 540,542

No comparable information available as Council had no financial activity until August 2015.

Wooster-Ashland Regional Council of Governments
Wayne County, Ohio
Management's Discussion and Analysis
For the Year Ended December 30, 2015

Current Financial Related Activities

The Council charges the costs of operations to the City of Wooster, City of Orrville, and the City of Ashland. The Council relies on these charges to continue operations of a joint dispatching system for police, fire, emergency medical services and other related public safety services within the Council Area. It is the intent of the Council to apply for federal, State and local funds that are made available to finance its operations.

Contacting the Council's Financial Management

This financial report is designed to provide our member districts and citizens with a general overview of the Council's finances and to show the Council's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mr. Andrei Dordea, Fiscal Officer, 538 North Market Street, Wooster, Ohio 44691.

Wooster-Ashland Regional Council of Governments
Wayne County, Ohio
Statement of Net Position - Cash Basis
December 31, 2015

Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 540,542
<i>Total Assets</i>	<u>540,542</u>
Net Position	
Unrestricted	<u>540,542</u>
<i>Total Net Position</i>	<u>\$ 540,542</u>

See accompanying notes.

Wooster-Ashland Regional Council of Governments
Wayne County, Ohio
Statement of Receipts, Disbursements and Changes in Net Position - Cash Basis
For the Year Ended December 31, 2015

Operating Receipts:

Charges for Services	\$ 600,000
Other	<u>120</u>

<i>Total Operating Receipts</i>	<u>600,120</u>
---------------------------------	----------------

Operating Disbursements:

Salaries	31,799
Employee Benefits	6,154
Purchased Services	19,328
Materials and Supplies	<u>2,297</u>

<i>Total Operating Disbursements</i>	<u>59,578</u>
--------------------------------------	---------------

<i>Operating Income (Loss)</i>	540,542
--------------------------------	---------

<i>Net Position Beginning of Year</i>	<u>0</u>
---------------------------------------	----------

<i>Total Net Position End of Year</i>	<u><u>\$ 540,542</u></u>
---------------------------------------	--------------------------

See accompanying notes.

Wooster-Ashland Regional Council of Governments

Wayne County, Ohio

Notes to the Financial Statements

For the Year Ended December 31, 2015

Note 1 – Description of Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Wooster-Ashland Regional Council of Governments, Wayne County, Ohio (the Council) as a body corporate and politic. The Council operates in accordance with a written agreement establishing the Council pursuant to Ohio Revised Code Chapter 167. A 13 member Board of Directors governs the Council. 1 public official from each founding member (3 members); 3 additional appointed by each founding member (9 members); 1 additional rotated between the founding members (1 member). Those subdivisions are the City of Wooster, City of Orrville, and City of Ashland. The Council provides police and fire dispatch service within the Council region.

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

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. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Council uses an enterprise fund to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of receipts and/or disbursements paid are appropriate for public policy, management control, accountability or other purposes.

Basis of Presentation

The Council's basic financial statements consist of a Statement of Net Position - Cash Basis and a Statement of Receipts, Disbursements and Changes in Net Position – Cash Basis.

Basis of Accounting

These financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting.

Budgetary Process

The Ohio Revised Code does not require the Council to budget annually. However, the Articles of Agreement require an annual budget be approved by the Board of Directors and shall determine the charges to be assessed against the members for each budget year.

Wooster-Ashland Regional Council of Governments
Wayne County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2015

Cash and Cash Equivalents

Cash balances for the Council are held by the City of Wooster, which serves as fiscal agent. Equity in Pooled Cash and Cash Equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Investments held at December 31, 2015, with original maturities greater than one year are stated at cost. The Council has no investments.

Inventory and Prepaid Items

The Council reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements

Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Council's basis of accounting.

Net Position

Equity is classified as net position and is displayed in separate components. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Council or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Council applies restricted resources first when a cash disbursement is incurred for purposes for which both restricted and unrestricted net position are available.

Pensions

For purposes of measuring the net pension asset/liability, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value. Net pension asset/liability is not reported under the Council's basis of accounting.

Wooster-Ashland Regional Council of Governments

Wayne County, Ohio

Notes to the Financial Statements

For the Year Ended December 31, 2015

Operating Receipts and Disbursements

The Council distinguishes operating receipts and disbursements from non-operating items. Operating receipts generally result from charges assessed to member cities. Operating expenses for the Council include the cost of providing these services, including administrative expenses. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements.

Note 3 – Deposits and Investments

The City of Wooster maintains a cash pool used by all of the City's funds, including the agency fund used to account for the Council's financial activity. At year-end, the carrying amount of the Council's deposits with the City of Wooster was \$540,542. The City is responsible for maintaining adequate depository collateral for all bank deposits within the cash pool.

Note 4 – Defined Benefit Pension Plans

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - Council employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Council employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional and combined plans; therefore, the following disclosure focuses on these two plans.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS' CAFR referenced above for additional information):

Wooster-Ashland Regional Council of Governments
Wayne County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2015

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>State and Local</u>
2015 Statutory Maximum Contribution Rates	
Employer	14.00 %
Employee	10.00 %
2015 Actual Contribution Rates	
Employer:	
Pension	12.00 %
Post-employment Health Care Benefits	2.00
Total Employer	<u>14.00 %</u>
Employee	<u>10.00 %</u>

Wooster-Ashland Regional Council of Governments
Wayne County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2015

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Council's contractually required contribution was \$3,769 for 2015.

Note 5 - Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan – a cost sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan – a defined contribution plan; and the Combined Plan – a cost sharing, multiple employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains two cost-sharing multiple-employer defined benefit post-employment health care trusts, which fund multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Postemployment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2014 CAFR details.

The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible benefit recipients. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, 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 the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2015, State and Local employers contributed at a rate of 14.0 percent of earnable salary and Public Safety and Law Enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Wooster-Ashland Regional Council of Governments

Wayne County, Ohio

Notes to the Financial Statements

For the Year Ended December 31, 2015

OPERS maintains three health care trusts. The two cost-sharing, multiple-employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0 percent during calendar year 2015. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0 percent for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the VEBA for participants in the Member-Directed Plan for 2015 was 4.5 percent.

The Council's contributions allocated to fund post-employment health care benefits for the year ended December 31, 2015 was \$0.

Note 6 - 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. For the year ended December 31, 2015, the Council obtained commercial insurance to address these risks.

Note 7 – Fiscal Agent

The City of Wooster will perform financial management services, including the establishment of one or more agency accounts, at no cost to the Council. The Director of Finance for the City is the Treasurer of the Council as elected by the Council's Board of Trustees.

Note 8 - Contingent Liabilities

The Council is not party to any claims or lawsuits that would, in the Council's opinion, have a material effect on the financial statements.

Note 9 – Commitments

The following construction commitments at December 31, 2015 are:

	Contract Amount	Expenditures as of 12/31/2015	Amount Remaining On Contract
Build out of dispatch area	\$ 354,640	\$ 13,640	\$ 341,000
Dispatch equipment (consoles)	407,119	0	407,119
Dispatch software	146,756	0	146,756
	<u>\$ 908,515</u>	<u>\$ 13,640</u>	<u>\$ 894,875</u>

**INDEPENDENT AUDITORS' 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***

Board of Directors
Wooster-Ashland Regional Council of Governments
538 North Market Street
Wooster, Ohio 44691

We have audited, in accordance with 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 Wooster-Ashland Regional Council of Governments (the Council), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements and have issued our report thereon dated August 1, 2016, wherein we noted the Council prepared its financial statements on a cash accounting basis, which is a basis other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council's internal control of financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 entity'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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

14 east main street, ste. 500
springfield, oh 45502

www.cshco.com
p. 937.399.2000
f. 937.399.5433

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
August 1, 2016



At Clark Schaefer Hackett, we believe there's a difference between providing accounting services and actually serving you. One is about numbers, the other is about relationships. We strive to create remarkable relationships The CSH Way: by building trust, offering guidance, delivering desired outcomes, and providing vision to help you achieve your goals.

This page intentionally left blank.



Dave Yost • Auditor of State

WOOSTER – ASHLAND REGIONAL COUNCIL OF GOVERNMENTS

WAYNE 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
OCTOBER 18, 2016**