



Dave Yost • Auditor of State

**ASHTABULA COUNTY
FINANCIAL CONDITION**

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ASHTABULA COUNTY
FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2014

Federal Grantor / Pass Through Grantor / Program Title	Project / Grant Number	CFDA Number	Expenditures	Non-Cash Expenditures
<u>U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES</u>				
<i>Passed Through Ohio Department of Jobs & Family Services and the Ohio Department of Developmental Disabilities:</i>				
Medical Assistance Programs:				
Medicaid Assistance Claiming (MAC) - Title XIX	FY 14	93.778	\$157,479	
Social Services Block Grant - Title XX	MR-04 (13-14)	93.667	68,658	
Subtotal - Ohio Department of Developmental Disabilities			226,137	
<i>Passed Through Ohio Department of Jobs & Family Services and the Ohio Department of Mental Health & Addiction Services:</i>				
Social Services Block Grant - Title XX	FY 14	93.667	43,632	
	FY 15		11,326	
Subtotal Social Services Block Grant - Title XX			54,958	
Community Mental Health Block Grant	FY 14	93.958	35,099	
	FY 15		42,548	
Subtotal Community Mental Health Grant			77,647	
Prevention and Treatment of Substance Abuse:				
ADA Women's set aside	04-1012-Women-T-13-9028	93.959	140,410	
ADA Women's set aside	04-1012-Women-T-14-9028		105,070	
Federal per capita	FY14		22,235	
Federal per capita	FY15		76,498	
Subtotal - Prevention and Treatment of Substance Abuse			344,213	
Subtotal - Ohio Department of Mental Health & Addiction Services			476,818	
<u>U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES</u>				
<i>Passed Through Ohio Department of Jobs & Family Services:</i>				
Child Welfare Services	G-1011-11-5008	93.645	95,936	
Temporary Assistance for Needy Families	CSB FTF 14	93.558	25,964	
	JFS FTF 14		2,247,770	
	JFS CTF 15		375,899	
Subtotal - Temporary Assistance for Needy Families			2,649,633	

(Continued)

The accompanying notes to this schedule are an integral part of this schedule.

ASHTABULA COUNTY
FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2014

Federal Grantor / Pass Through Grantor / Program Title	Project / Grant Number	CFDA Number	Expenditures	Non-Cash Expenditures
<u>U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES (Continued)</u>				
Title IV E Foster Care	G-1011-14-5008	93.658	1,342,245	
Title IV E Adoption Assistance	G-1011-14-5008	93.659	689,995	
Promoting Safe and Stable Families	G-1011-14-5008	93.556	123,996	
Chafee Foster Care Independence Program	G-1011-11-5008	93.674	35,616	
Child Abuse And Neglect	G-1011-14-5008	93.590	2,885	
Child Care and Development Block Grant	JFS FCD 14 JFS FCD 15	93.575	113,627 75,150	
Subtotal - Child Care and Development Block Grant			188,777	
Child Support Enforcement	JFS FCS 14 JFS FCS 15	93.563	787,417 246,760	
Subtotal - Child Support Enforcement			1,034,177	
Medicaid - Title XIX	CSB FMT 14 JFS FMT 14 JFS FMT 15	93.778	51,413 1,042,192 313,958	
Subtotal - Medicaid - Title XIX			1,407,563	
<i>Supplemental Food Assistance Program Cluster</i>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	JFS FFS 14 JFS FFB 14 JFS FFP 14 JFS CFB 15 JFS SCF 15	10.561	9,123 220,320 1,116 77,819 180	
Subtotal - Supplemental Food Assistance Cluster			308,558	
Social Services Block Grant - Title XX	JFS FSS 13 JFS FSS 14 JFS CSS 15	93.667	111,594 70,000 4,565	
Subtotal - Social Services Block Grant - Title XX			186,159	
Subtotal - Ohio Department of Jobs and Family Services			8,065,540	
<i>Passed Through the Ohio Department of Aging; Passed through District XI Area Agency on Aging:</i>				
<i>Aging Cluster:</i>				
Special Programs for the Aging - Title III - B	2014	93.044	38,296	
<i>Passed Through the Ohio Secretary of State:</i>				
Voting Access for Individuals with Disabilities	2014	93.617	24,834	
Total U.S. Department of Health & Human Services			\$8,831,625	

The accompanying notes to this schedule are an integral part of this schedule.

(Continued)

ASHTABULA COUNTY
FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2014

Federal Grantor / Pass Through Grantor / Program Title	Project / Grant Number	CFDA Number	Expenditures	Non-Cash Expenditures
<u>U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT</u>				
<i>Direct Funding:</i>				
Shelter Care Plus (SPC) Program	OH16C30-7014 FY 14	14.238	\$74,520	
	OH16C30-7014 FY 15		135,333	
Subtotal - Shelter Care Plus Program			209,853	
<i>Passed Through Ohio Department of Development - Office of Local Governmental Services:</i>				
Community Development Block Grant - Small Cities	B-F-12-1AD-1	14.228	66,255	
	B-F-13-1AD-1		378,252	
CDBG - Community Housing Improvement:	B-C-13-1-AD-1		14,476	
Subtotal - CDBG Small Cities			458,983	
CDBG - Appalachian Regional Commission (ARC):	B-C-13-1AD-1	14.228	160,000	
Community Housing Improvement Program	B-C-B 1AD-2	14.239	24,455	
Total U.S. Department of Housing & Urban Development			853,291	
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
<i>Passed Through the Ohio Department of Education:</i>				
<i>Nutrition Cluster:</i>				
School Breakfast Program		10.553	21,595	
National School Lunch Program		10.555	101,349	8,953
Subtotal - Nutrition Cluster			122,944	8,953
Total U.S. Department of Agriculture			122,944	8,953
<u>U.S. DEPARTMENT OF LABOR:</u>				
<i>Passed Through Workforce Investment Act - Area 19 Northeast Ohio Consortium Council of Governments</i>				
<i>Workforce Investment Act Cluster:</i>				
Workforce Investment Act -- Adult Programs	S1904	17.258	300,251	
Workforce Investment Act -- Youth Activities	S1904	17.259	279,899	
Workforce Investment Act -- Dislocated Workers	S1904	17.278	237,749	
Subtotal -- Workforce Investment Act Cluster			817,899	
Workforce Investment Act -- National Emergency Grant	S1904	17.277	8,551	
Total - Workforce Investment Act			826,450	
Total U.S. Department of Labor			\$826,450	

The accompanying notes to this schedule are an integral part of this schedule.

(Continued)

ASHTABULA COUNTY
FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2014

Federal Grantor / Pass Through Grantor / Program Title	Project / Grant Number	CFDA Number	Expenditures	Non-Cash Expenditures
<u>U.S. DEPARTMENT OF TRANSPORTATION:</u>				
<i>Passed Through the Ohio Department of Transportation Urban Mass Transportation Administration - Public Transportation Non-Urbanized Areas</i>				
Urban Transit Grant - Operating	ODOT Section 18	20.509	\$495,113	
National Priority Safety Programs	IPED-2015 -4-00-00376	20.616	5,182	
State and Community Highway Safety	STEP-2015-4-00-00521	20.600	3,144	
<i>Highway Planning and Construction:</i>				
Highway Planning and Construction	PID 79516	20.205	1,733,724	
	PID 84559		705,033	
	PID 91786		207,720	
	PID 96035		1,019	
Subtotal - Highway Planning and Construction			2,647,496	
Total U. S. Department of Transportation			3,150,935	
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
<i>Passed Through the Ohio Department of Public Safety's Emergency Management Agency: Homeland Security Cluster</i>				
Homeland Security Program (SHSP)	2013-SST1-0012	97.067	22,650	
Emergency Management Performance Grant	2013-EP-E9-0061 2013-EP-00003-S01	97.042	62,750 45,802	
Sub Total EMA Performance Grant			108,552	
Total U. S. Department of Homeland Security			131,202	
<u>U.S. DEPARTMENT OF EDUCATION</u>				
<i>Passed through the Ohio Department of Health:</i>				
Help Me Grow (Part C)		84.181A	98,973	
<i>Passed through the Ohio Department of Education Special Education Cluster:</i>				
Special Education Grants to States Part-B IDEA	0692296B-SF-14P 0692296B-SF-15P	84.027	50,863 15,954	
Subtotal - IDEA B			66,817	
Special Education - Early Childhood Grant IDEA	069229-PG-S1-14P 069229-PG-S1-15P	84.173	12,354 3,987	
Subtotal - Special Education, Early Childhood Grant			16,341	
Total U.S. Department of Education			182,131	
<u>U.S. DEPARTMENT OF JUSTICE:</u>				
<i>Passed Through the Ohio Attorney General's Crime Victims Assistance Office:</i>				
Crime Victims Assistance Program (VOCA)	2014-VAGENE-015 2015-VAGENE-015	16.575	70,292 13,122	
Subtotal - Crime Victims Assistance Program			83,414	
<i>Passed Through the Office of Criminal Justice Services:</i>				
RSAT Grant	2012-RS_SAT-192 -14 2011-RS_SAT-192-15	16.593	27,998 15,021	
Subtotal - RSAT Grant			43,019	
COPS Grant: Public Safety Partnership and Community Policing Methamphetamine Initiative	2011UMWX0144 2011CKWX0271	16.710	122,106 44,083	
Subtotal - COPS Grant			166,189	
Total U.S. Department of Justice			292,622	
Totals			\$ 14,391,201	\$ 8,953

The accompanying notes to this schedule are an integral part of this schedule.

**ASHTABULA COUNTY
FINANCIAL CONDITION**

FISCAL YEAR ENDED DECEMBER 31, 2014

NOTES TO FEDERAL AWARDS EXPENDITURES SCHEDULE

NOTE A - BASIS OF ACCOUNTING

The accompanying Schedule is presented using the cash basis of accounting in which revenues are recognized when received and expenditures are recognized when paid. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Amounts reported may also differ from other federal award reports the County submits directly to federal granting agencies or pass-through entities because the award reports may be presented for a different fiscal period, and/or may include cumulative (from prior years) data rather than data for the current year only.

NOTE B – SUBRECIPIENTS

The County passes-through certain Federal assistance received from the U.S. Department of Health and Human Services through the Ohio Department of Alcohol and Drug Addiction Services and the Ohio Department of Mental Health; the U.S. Department of Housing and Urban Development through the Ohio Department of Development; and the U.S. Department of Justice through the Ohio Office of Criminal Justice Services to other governments or not-for-profit agencies (subrecipients). As described in Note A, the County records expenditures of Federal awards to subrecipients when paid in cash.

The subrecipient agencies have certain compliance responsibilities related to administering these Federal Programs. Under Federal Circular A-133, the County is responsible for monitoring subrecipients to help assure that Federal awards are used for authorized purposes in compliance with laws, regulations and the provisions of contracts or grant agreements, and that performance goals are achieved.

NOTE C - FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the entitlement value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At December 31, 2014 the County had no significant food commodities in inventory.

NOTE D - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAM

The County has established loan program to provide low-interest loans to businesses to create jobs for persons from low-moderate income households and to eligible persons. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the County, passed through the Ohio Department of Development. The initial loan of this money is recorded as a disbursement on the accompanying Schedule of Federal Awards Expenditures (the Schedule). Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Schedule. These loans are collateralized by mortgages on real estate and equipment liens through the 503 Corporation (a 501c3).

Activity in the CDBG revolving loan fund during 2014 is as follows:

Beginning loans receivable balance as of January 1, 2014	\$2,101,151
Loans made	500,000
Loan principal repaid	73,704
Ending loans receivable balance as of December 31, 2014	\$2,527,447
Cash balance on hand in the revolving loan fund as of December 31, 2014	\$52,693
Administrative costs expended during 2014	\$28,462

**ASHTABULA COUNTY
FINANCIAL CONDITION**

FISCAL YEAR ENDED DECEMBER 31, 2014

NOTES TO FEDERAL AWARDS EXPENDITURES SCHEDULE

NOTE E - HOME REVOLVING LOAN PROGRAM

For the HOME loan program, the initial loan of this money is recorded as a disbursement on the accompanying Schedule of Federal Awards Expenditures (the Schedule). Loans have a 0% interest rate and are made to persons of low-moderate income households, most loans are 80% forgiven over a five to ten years period, and will be repaid upon transfer of the real estate to a new owner. Loans repaid, are used to make additional loans or for other eligible HOME expense. Such subsequent loans are subject to certain compliance requirements imposed by HUD and would not be included in this Schedule. The program has outstanding loans of \$223,589 as of December 31, 2014.

NOTE F - MATCHING REQUIREMENTS

Certain Federal programs require that the County contribute non-Federal funds (matching funds) to support the Federally-funded programs. The County has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

NOTE G – WORKFORCE INVESTMENT ACT

The Northeastern Ohio Consortium Council of Governments (NOCCOG) provides for implementation of a local workforce investment system for Area 19 to comply with the Workforce Investment Act. The NOCCOG board consists of thirty three members, eleven from each participating county. The operation of the council is controlled by an advisory committee, which consists of a representative from each of the three counties. Federal Funding that comes from the State is made by NOCCOG on behalf of each county. NOCCOG, is a private not for profit entity with status as a 501 (c) (3) organization and also functions as the participating counties fiscal agent. The Board of Trustees for NOCCOG, Inc. is appointed by the Board of Commissioners of each county.



Dave Yost • Auditor of State

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

Board of Commissioners
Ashtabula County
25 West Jefferson Street
Jefferson, Ohio 44047

To the Board of Commissioners:

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 governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Ashtabula County, (the County) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated August 13, 2015. Our report refers to other auditors who audited the financial statements of The Northeast Ohio Regional Airport Authority, Ash Craft Industries Inc. and the Ashtabula County 503 Corporation as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that those auditors separately reported. The financial statements of Ash Craft Industries Inc. were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the County'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 County's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings, we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

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 a 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 County'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. We consider finding 2014-002 described in the accompanying schedule of findings to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the County'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 an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2014-001.

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 County's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dave Yost
Auditor of State
Columbus, Ohio

August 13, 2015



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND THE FEDERAL AWARDS EXPENDITURES SCHEDULE

Board of Commissioners
Ashtabula County
25 West Jefferson Street
Jefferson, Ohio 44047

To the Board of Commissioners:

Report on Compliance for Each Major Federal Program

We have audited the Ashtabula County's (the County) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the Ashtabula County's major federal programs for the year ended December 31, 2014. The *Summary of Auditor's Results* in the accompanying schedule of finding identifies the County's major federal programs.

Management's Responsibility

The County's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the County's compliance for each of the County's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the County's major programs. However, our audit does not provide a legal determination of the County's compliance.

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The County's basic financial statements include the operations of the Ashtabula County Port Authority and the 503 Corporation which expended \$1,229,999 and \$2,700,986 respectively in federal awards which is not included in the County's Schedule of Federal Awards Expenditures for the year ended December 31, 2014. Our audit of Federal awards, described below, did not include the operations of Ashtabula County Port Authority because the component unit is legally separate from the primary government which this report addresses. The 503 Corporation is also legally separate from the primary government which this report addresses and engaged another auditor to audit its Federal award programs in accordance with OMB Circular A-133.

Opinion on Each Major Federal Program

In our opinion, the Ashtabula County complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2014.

Report on Internal Control Over Compliance

The County's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the County's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

Report on Federal Awards Expenditures Schedule Required by OMB Circular A-133

We have also audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely-presented component units, each major fund and the aggregate remaining fund information of Ashtabula County (the County) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our unmodified report thereon dated August 13, 2015, wherein we noted that the Northeast Ohio Regional Airport Authority, Ash Craft Industries Inc., and the Ashtabula County 503 Corporation component unit's financial statements were audited by other auditors. The accompanying federal awards expenditures schedule presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Dave Yost
Auditor of State
Columbus, Ohio

August 13, 2015

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ASHTABULA COUNTY
SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2014

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under § .510(a)?	No
(d)(1)(vii)	Major Programs (list):	Title / CFDA Numbers: WIA Cluster 17.258, 17.259, 17.278 Highway Planning & Construction 20.205 IV E – Foster Care 93.658 IV E – Adoption Assistance 93.659 Medicaid 93.778
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 432,005 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

ASHTABULA COUNTY
SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2014

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2014-001

Finding for Recovery - Sheriff's Office Commissary Fund

NONCOMPLIANCE

Deputy Barbara Burgoon, Correction's Officer, was solely responsible for collecting inmate and commissary money received each day. She then prepared and made the deposit into the commissary account. In addition, Corporal Mark Gillespie and Deputy Barbara Burgoon were responsible for removing cash from the phone card kiosk at the county jail and Deputy Burgoon prepared and made the deposit into the commissary account.

Through an examination of the Sheriff's Office commissary bank statements and deposit slips for the Audit Period January 1, 2014 through December 31, 2014 we identified \$83,852 in cash and money orders deposited. Of the \$83,852, \$11,481 was deposited at the beginning of 2014 but related to 2013 receipts. Due to a lack of records maintained by the Sheriff's Office, we were not able to determine whether cash (currency) deposited at the beginning of 2014 related to 2013 receipts. Therefore, we found only \$72,371 to have been deposited into the Sheriff's Office commissary bank accounts for revenue collected during 2014. The following is a breakdown of the bank statements:

Bank Statement	Money Orders	Cash	Deposit Total
Andover	\$570	\$8,170	\$8,740
Huntington Inmate	71,226	2,803	74,029
Huntington Commissary	-	-	-
Huntington Pay to Stay	956	127	1,083
Total	72,752	11,100	83,852
Less 2013 MOs	11,481	-	11,481
Total	\$61,271	\$11,100	\$72,371

We examined inmate log sheets for each 2014 calendar day. The 2014 inmate log sheets totaled \$64,227, including \$46,577 in money orders and \$17,650 in cash. We also received an Inmate Computer accounting system activity report of all inmate accounts for 2014 and identified \$60,361 in total money orders. There were more money orders than recorded in the receipt log, by \$13,784. We will include this amount in total revenue received for 2014. We also identified \$49,460 in phone cards sold during 2014. The following is a breakdown of the total revenue identified as being received by the Sheriff's Office during 2014:

Commissary Account	Total Revenue
Inmate Log Sheets	\$64,227
Inmate Account Diff	13,784
Phone Cards	49,460
Total	\$127,471

ASHTABULA COUNTY
SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2014

FINDING NUMBER 2014-001
(Continued)

Finding for Recovery - Sheriff's Office Commissary Fund (Continued)

We identified \$127,471 in revenue received by Sheriff's Office for the commissary account during the Period. Based on our examination of bank statement and deposits we identified \$72,371 attributable to 2014 receipts. We found a shortage between 2014 revenue received and deposited, totaling \$55,100.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a proposed Finding for Recovery for public monies collected but unaccounted for in the amount of \$5,640 is hereby issued against Barbara Burgoon and the Ashtabula County's employee dishonesty bond through the County Risk Sharing Authority (CORSA) jointly and severally liable in favor of the Ashtabula County Sheriff's Office commissary fund.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a proposed Finding for Recovery for public monies collected but unaccounted for in the amount of \$49,460 is hereby issued against Barbara Burgoon, Mark Gillespie, and the Ashtabula County's employee dishonesty bond through the County Risk Sharing Authority (CORSA) jointly and severally liable in favor of the Ashtabula County Sheriff's Office commissary fund.

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is strictly liable for the amount of the expenditure. Seward v. National Surety Corp. (1929), 120 Ohio St. 47; 1980 Op. Att'y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex. Rel. Village of Linndale v. Masten (1985), 18 Ohio St.3d 228. Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen.

FINDING NUMBER 2014-002

Sheriff's Office Inmate Commissary Fees and Deposits

MATERIAL WEAKNESS

Sound financial reporting is the responsibility of the Correction Officer in charge of the Commissary and the Sheriff and is essential to ensure the commissary revenue reports are complete and accurate. We identified \$127,471 in revenue received by Sheriff's Office for the commissary account during 2014. Based on our examination of bank statement and deposits we identified \$72,371 attributable to 2014 receipts. We found a shortage between 2014 revenue received and deposited, totaling \$55,100 as noted in Finding 2014-001.

There appears to be a considerable lack of controls over the commissary accounts, including segregation of duties, lack of management oversight, and monthly reconciliations not completed and reviewed by a supervisor. In addition, documentation supporting revenue receipts were not consistently maintained and deposit information did not detail the source of funds. We consider the commissary's lack of controls over the collection of revenue to be a material weakness.

ASHTABULA COUNTY
SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2014

FINDING NUMBER 2014-002
(Continued)

Sheriff's Office Inmate Commissary Fees and Deposits

We recommend the Sheriff's Office maintain a system of controls and financial records which exhibit the financial position of the Sheriff's Office, and at a minimum, consist of the following:

- Revenue ledgers which record all sources of monies received, purpose of the receipt, and from whom received;
- Sequentially numbered duplicate receipts prepared for all monies received;
- Copies of all deposit transactions to the bank;
- Reconciliations of bank deposits to duplicate receipts and revenue ledgers;
- Development of a system to document approvals for expenditures made;
- Expenditure ledgers which record all expenditures of monies and the purpose of the expenditure;
- Files which consist of the original invoices received for all expenditures made which cross reference to the checks prepared for the payment of the invoices (if invoices are not filed with the canceled checks);
- Files of all canceled checks returned from the bank;
- Complete and accurate listings of all outstanding checks at the end of each month;
- Complete and accurate monthly bank to book reconciliations;
- Preparation of monthly financial statements;
- Development of policies which enumerate and describe the financial records to be maintained by the Sheriff's Office;
- Development by management of a complete system of controls to help ensure the completeness, accuracy, and validity of the Sheriff's Office financial transactions; and,
- Evidence of review of the financial statements and supporting documentation by management.

Additional guidance may be found in Auditor of State Bulletin 97-011.

Officials' Response: We did not receive a response from Officials to these findings.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None