

Stark County Schools Council of Governments

Stark County, Ohio

Regular Audit

For the Year Ended June 30, 2005

BALESTRA, HARR & SCHERER, CPAs, INC.

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Piketon, Ohio 45661

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**Auditor of State
Betty Montgomery**

Board of Directors
Stark County Schools Council of Governments
2100 38th Street NW
Canton, Ohio 44709

We have reviewed the *Independent Auditors' Report* of the Stark County Schools Council of Governments, Stark County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period July 1, 2004 through June 30, 2005. 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 Stark County Schools Council of Governments is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

June 20, 2006

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Stark County Schools Council of Governments
Stark County, Ohio
For the Year Ended June 30, 2005
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Ohio Society of Certified Public Accountants

Independent Auditors' Report

Stark County Schools Council of Governments
Stark County, Ohio
2100 38th Street NW
Canton, OH 44709

To the Board of Directors:

We have audited the accompanying financial statements of the business-type activities of the Stark County Schools Council of Governments, Stark County, Ohio, (the Council) as of and for the year ended June 30, 2005 which comprises the Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Council's management. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinions.

As discussed in Note 1, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the business-type activities of the Stark County Schools Council of Governments, Stark County, Ohio as of June 30, 2005, and the respective changes in cash basis financial position in conformity with the accounting basis Note 1 describes..

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2006, 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. That report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. It does not opine on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in considering the results of the audit.

Stark County Schools Council of Governments
Independent Auditor's Report
Page 2

The Management's Discussion and Analysis at pages 3-5 is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

As discussed further in Note 1, for the year ended June 30, 2005, the Council revised its financial presentation comparable to the requirements of Governmental Accounting Standard (GASB) No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments and GASB Statement Number 40, *Deposit and Investment Risk Disclosures – An amendment of GASB statement No. 3*. The Council also implemented Governmental Accounting Standards Board Statement No. 38 – *Certain Additional Note Disclosures*.



Balestra, Harr & Scherer, CPAs, Inc.

May 30, 2006

STARK COUNTY COUNCIL OF GOVERNMENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2005 UNAUDITED

The discussion and analysis of the Stark County Schools Council of Governments (the "Council") financial performance provides an overall review of the Council's financial activities for the fiscal year ended June 30, 2005, within the limitations of the Council's cash basis of accounting. The intent of this discussion and analysis is to look at the Council's financial performance as a whole; readers should also review the cash-basis financial statements and notes to the basic financial statements to enhance their understanding of the Council's financial performance.

Financial Highlights

Key financial highlights for 2005 are as follows:

- ✓ In total, net cash assets were \$13,838,361 at June 30, 2005.
- ✓ The Council had cash operating receipts of \$85,902,258 and cash operating disbursements of \$84,076,140 for fiscal year 2005. The Council also received \$431,079 in interest receipts during the year. Total change in net cash assets for fiscal year 2005 was an increase of \$2,257,197.

Using these Basic Financial Statements

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 a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Council's financial activities. The *Statement of Net Assets – Cash Basis*, the *Statement of Cash Receipts, Cash Disbursements, and Changes in Net Assets*, and the *Statement of Cash Flows* provide information about the activities of the Council.

Reporting the Council's Financial Activities

Statement of Net Cash Assets, Statement of Cash Receipts, Cash Disbursements, and Changes in Net Cash Assets

These documents look at all financial transactions and ask the question, "How did we do financially during 2005?" The *Statement of Net Cash Assets – Cash Basis* and the *Statement of Cash Receipts, Cash Disbursements, and Changes in Net Cash Assets* answers this question. These statements include *only net assets* 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 current year's receipts and disbursements if the cash is actually received or paid.

These two statements report the Council's net assets and changes in those assets on a cash basis. This change in net cash assets 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.

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and liabilities and their related expenses (such as claims payable) are not recorded in these 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 *Statement of Net Cash Assets – Cash Basis* can be found on page 6 of this report and the *Statement of Cash Receipts, Cash Disbursements, and Changes in Net Cash Assets* can be found on page 7 of this report.

STARK COUNTY COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
UNAUDITED

The table below provides a summary of the Council's cash net assets at June 30, 2005 and June 30, 2004.

Net Cash Assets		
	2005	2004
Assets		
Cash and investments with fiscal agent	\$13,838,361	\$11,581,164
Total assets	\$13,838,361	\$11,581,164
Net Cash Assets		
Unrestricted	\$13,838,361	\$11,581,164
Total net cash assets	\$ 13,838,361	\$11,581,164

Net cash assets can serve as a useful indicator of a government's financial position. At June 30, 2005, the Council's net cash assets totaled \$13,838,361, and increase of \$2,257,197 over fiscal year 2004.

The table below shows the changes in net cash assets for fiscal years 2005 and 2004.

Change in Net Assets				
	2005	2004	Increase (Decrease)	Percentage Change
Operating cash receipts				
Health benefit premium deposits	\$ 82,548,526	\$ 65,249,665	\$ 17,298,861	26.5 1%
COBRA deposits	338,816	248,338	90,478	36.43%
Flex Pro plan deposits	1,345,754	1,213,757	131,997	10.88%
Stop loss reimbursements	1,665,231	619,784	1,045,447	168.68%
Other	3,931	-	3,931	100.00%
Total operating cash receipts	85,902,258	67,331,544	18,570,714	27.58%
Operating cash disbursements:				
Medical claims	75,897,243	65,276,546	10,620,697	16.27%
Life insurance	1,344,017	1,051,565	292,452	27.8 1%
Purchased services	6,796,278	5,891,134	905,144	15.36%
Supplies	1,645	1,688	(43)	-2.55%
Other	36,957	254,756	(217,799)	-85.49%
Total operating cash disbursements	84,076,140	72,475,689	11,600,451	16.01%
Non-operating cash receipts:				
Interest	431,079	420,051	11,028	2.63%
Total non-operating cash receipts	431,079	420,051	11,028	2.63%
Change in net cash assets	\$ 2,257,197	\$ (4,724,094)	\$ 6,981,291	-147.78%

STARK COUNTY COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
UNAUDITED

The increase in operating cash receipts increased primarily due to three reasons. First, outstanding premiums from fiscal 2004 were collected in fiscal 2005. The Council had approximately \$6.0 million in outstanding premiums due at June 30, 2004. Second, new members in fiscal 2005 resulted in approximately \$1.2 million in additional cash receipts. Third, the Council authorized a 10% increase in funding for fiscal 2005 based on previous year claims and insurance trends.

Operating cash disbursements increased due to increased membership during fiscal 2005.

Current Financial Related Activities

The Council is a shared risk pool, formed to carry out a cooperative program for the provision and administration of health care benefits for members. The Council is constantly assessing insurance needs of its members and acting to provide these services cost-effectively.

The Council receives an actuarial opinion statement annually assessing the claims liability of the Council.

Contacting the Council's Financial Management

This financial report is designed to provide our clients and creditors 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. Clifford Pocock, Treasurer, Stark County ESC, 2100 38th Street NW, Canton, Ohio 44709-2300 or by calling (330) 492-8136.

Stark County Schools Council of Governments
Stark County

STATEMENT OF NET ASSETS - CASH BASIS

June 30, 2005

	<u>2005</u>
Assets:	
Current Assets:	
Cash and Investment with Fiscal Agent.....	<u>\$ 13,838,361</u>
Total Assets.....	<u><u>\$ 13,838,361</u></u>
Net Cash Assets:	
Unrestricted.....	<u>\$ 13,838,361</u>
Total Net Assets.....	<u><u>\$ 13,838,361</u></u>

The accompanying notes are an integral part of these financial statements.

Stark County Schools Council of Governments

Stark County

STATEMENT OF CASH RECEIPT, CASH DISBURSEMENTS, AND CHANGES
IN NET CASH ASSETS
For the Year Ended June 30, 2005

	<u>2005</u>
Operating Cash Receipts	
Health benefit premium deposits	\$ 82,548,526
COBRA deposits	338,816
Flex Pro plan deptsits	1,345,754
Stop loss Reimbursments	1,665,231
Other	3,931
Total operating cash receipts.....	<u>85,902,258</u>
Operating Cash Disbursements:	
Medical Claims	75,897,243
Life Insurance	1,344,017
Purchased Services	6,796,278
Supplies	1,645
Other	36,957
Total Operating Cash Disbursement	<u>84,076,140</u>
Excess of Operating Cash Receipts over Operating cash disbursements.....	<u>1,826,118</u>
Non-operating cash receipts:	
Interest.....	431,079
Total non-operating cash receipts.....	<u>431,079</u>
Change in Net Cash Assets.....	2,257,197
Net Cash Assets at beginning of year.....	11,581,164
Net Cash Assets at end of year.....	<u>\$ 13,838,361</u>
Reserve for encumbrances	<u>\$ 119,712</u>

The accompanying notes are an integral part of these financial statements.

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

**NOTES TO THE CASH-BASIS FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Stark County Schools Council of Governments, Stark County, Ohio (the "Council") is a body corporate and politic established to exercise 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 Statement No. 10. It was formed to carry out a cooperative program for the provision and administration of health care benefits for member employees and to promote other cooperative programs (such as the group rating for Workers' Compensation) which may be approved in accordance with the Council by-laws.

The Council Assembly is the legislative decision-making body of the Council and is comprised of the superintendent or executive officer from each member. As of June 30, 2005, there were 42 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 flows, resulting in a transfer of all risk. Members with less than 3 years experience are required to maintain a "reserve balance" equal to 30% of their prior fiscal year claims.

The Board of Directors is the advisory body of the Council and is comprised of five individuals, including the Superintendent of Stark County Educational Service Center who serves as the Chairman. Among other responsibilities, the Board reviews the applications of potential new Council members, reviews health insurance policies, and selects carriers for insurance coverage. The Board also reviews contracts for the purpose of selecting third-party administrators and makes recommendations to the Council Assembly related to member program costs and adjustments.

The Council Agreement can be terminated by two-thirds vote of the participating members. Upon such termination, the net reserve balance will be transferred to the members in proportion to their fiscal year premium deposits divided by the total deposits of all members.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include of material adequate disclosure matters, as prescribed or permitted by the Auditor of State.

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

NOTES TO THE CASH-BASIS FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. Basis of Presentation

For fiscal year 2005 the Council has implemented the provisions of GASB 34 for financial reporting on a cash basis, which is a basis of accounting other than accounting principles generally accepted in the United States of America and GASB 38, for certain financial statement note disclosures and GASB Statement Number 40, *Deposit and Investment Risk Disclosures – An amendment of GASB statement No.3*. However, there are no adjustments to beginning fund balances since the basis of accounting has not changed. The Council's basic financial statements consist of government-wide statements, including a statement of net cash assets and statement of cash receipts, cash disbursements, and changes in net cash assets that provide a more detailed level of financial information.

D. Cash and Investments with Fiscal Agent

The Stark County Educational Service Center (the "Service Center") serves as fiscal agent for the Council. The Service Center maintains the Council financial activity on the Service Center's books under a specific fund designed for Council activity. The Treasurer of the Service Center, acting as custodian of Council funds, invests monies on behalf of the Council. Investments maintained by the Service Center as fiscal agent include a money market sweep and federal agency securities. These investments are valued at cost.

An analysis of the Council's cash and investments with its fiscal agent at fiscal year-end is provided on Note 2.

E. 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 the government entities in which legal or other restraints require the recording of specific receipts and disbursements. 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 revenues earned, expenses incurred, and/or net income in appropriate for capital maintenance, public policy, management control, accountability or other purposes.

F. Budgetary Process

The Council is not required to follow the budgetary process, but has decided to adopt a formal budget annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level and appropriations may not exceed estimated resources. The Board annually approves appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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

NOTES TO THE CASH-BASIS FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

2. Estimated Resources

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

3. Encumbrances

The Council reserves (encumbers) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be re-appropriated.

A summary of 2005 budgetary activity appears in Note 3.

NOTE 2 - CASH AND INVESTMENTS WITH FISCAL AGENT

The Service Center serves as the fiscal agent for the Council. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at June 30, 2005 was as follows:

	Average Maturity (years)	Market Value
Demand deposits		\$ (1,042,257)
Money Market Sweep	Less than 1	3,617,392
Federal National Mortgage Association	1 to 5	8,762,115
Federal Home Loan Bank	1 to 5	<u>2,501,111</u>
Total Deposits and Investments		<u>\$ 13,838,361</u>

Demand deposits are exposed to custodial risk or were covered by Federal Deposit Insurance Corporation. Custodial credit risk is the risk that, in the event of bank failure, the Service's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Service Center.

Federal National Mortgage Association and Federal Home Loan Bank investments are held in book-entry form by the Federal Reserve, in the name of the Service Center's financial institution. The financial institution maintains records identifying the Service Center as the owner of these securities. Disclosures regarding investments of the Service Center are as follows:

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to state law, the Service Center's investment policy limits investment portfolio maturities to five years or less.

Credit Risk: The Service Center's federal agency securities were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively.

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

NOTES TO THE CASH-BASIS FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 3 - BUDGETARY ACTIVITY

Budgetary activity for the year ended June 30, 2005 is as follows:

2005 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
Enterprise	\$ 89,075,000	\$ 86,333,337	\$ (2,741,663)

2005 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Budgeted Expenditures	Actual Expenditures	Variance
Enterprise	\$ 89,130,235	\$ 84,195,852	\$ 4,934,383

NOTE 4 - RELATED PARTY TRANSACTIONS

In consideration for its services, the Educational Service Center, as fiscal agent, may receive a fee from the Council in such an amount as approved by the Council Assembly. During the fiscal year ended June 30, 2005, \$140,505 of such fees was paid to the Educational Service Center by the Council.

NOTE 5 - RISK MANAGEMENT

The Council contracts with two third party administrators, Medical Mutual of Ohio and Aultcare, 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 premium and administrative charges. During fiscal year 2005, the Council purchased specific stop-loss coverage of \$250,000 per individual and a maximum aggregate stop-loss coverage liability of \$79,479,239. The Council Treasurer makes monthly payments to the third party administrators for stop-loss premiums and administrative charges incurred on behalf of Council members. Any rate increases/decreases from the stop-loss insurance carrier are passed on to Council participants through their individual participation rates negotiated with the stop-loss insurance carrier. All new members of the Council are required to maintain a 30% reserve balance within three years of joining.

The Council reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities at June 30:

	2005	2004
Cash and Investments	\$ 13,544,585	\$ 11,306,366
Actuarial Liabilities	\$ 7,554,000	\$ 6,841,000

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

**NOTES TO THE CASH-BASIS FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

NOTE 5 - RISK MANAGEMENT – (Continued)

The Council also contracts with Caremark, Inc. (Caremark) for prescription drug services. The Council pays Caremark for administrative services. Caremark then forwards all prescription drug claim activity to the respective benefit plan provider who, in turn, credits individual policies for claims processed.

The Council also contracts with Comp Management, Inc. to provide workers' compensation benefits at a reduced pool rate for its members. The experience rating of each participating member is calculated as one experience rate and applied to all participants in the program.

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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*

Stark County Schools Council of Governments
Stark County, Ohio
2100 38th Street NW
Canton, OH 44709

We have audited the accompanying financial statements of the Stark County Schools Council of Governments, Stark County, Ohio (the Council), as of and for the year ended June 30, 2005, and have issued our report thereon dated May 30, 2006, wherein we noted that the Council revised its presentation to that comparable to the requirements of Governmental Accounting Standard No. 34. The Council also implemented Governmental Accounting Standards Board Statements No. 38 and 40. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Council's internal control over financial reporting in order to determine auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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 audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management and the Board of Directors, and is not intended to be and should not be used by anyone other than these specified parties.



Balestra, Harr & Scherer, CPAs, Inc.

May 30, 2006



**Auditor of State
Betty Montgomery**

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STARK COUNTY SCHOOLS COUNCIL OF GOVERNMENTS

STARK COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 06, 2006**