



OHIO AUDITOR OF STATE
KEITH FABER



**SOUTHWESTERN OHIO COUNCIL OF GOVERNMENTS
WARREN COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Southwestern Ohio Council of Governments
Warren County
412 S. East Street
Lebanon, Ohio 45036

To the Board of Directors:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Southwestern Ohio Council of Governments, Warren County, Ohio (the Council), which comprises the cash balances, receipts and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Council, as of December 31, 2024 and 2023, or the changes in financial position thereof for the years then ended.

Basis for Opinions

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

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the financial statements are prepared by the Council on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

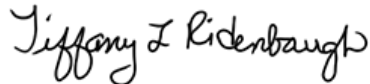
- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining,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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 13, 2025, on our consideration of the Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State



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

August 13, 2025

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Southwestern Ohio Council of Governments
Warren County
Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
General Fund
For the Year Ended December 31, 2024

Cash Receipts

Member Contributions	\$3,000
Member Contributions for Financial Services	1,827,462
Non-Agency Programs	663,048
Earnings on Investments	<u>96,940</u>

<i>Total Cash Receipts</i>	<u>2,590,450</u>
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Cash Disbursements

General Government	2,264,247
Contracts DODD	<u>12,255</u>

<i>Total Cash Disbursements</i>	<u>2,276,502</u>
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<i>Net Change in Fund Cash Balances</i>	313,948
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<i>Fund Cash Balances, January 1</i>	<u>1,483,418</u>
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<i>Fund Cash Balances, December 31</i>	<u><u>\$1,797,366</u></u>
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See accompanying notes to the basic financial statements

Southwestern Ohio Council of Governments

Warren County

Statement of Additions, Deductions

and Changes in Fund Balances (Regulatory Cash Basis)

Custodial Fund

For the Year Ended December 31, 2024

Additions

Member Contributions for Waiver TCM-MAC	\$71,707,066
Program Receipts	10,847,837
Investment Income	2,248,076

<i>Total Additions</i>	<u>84,802,979</u>
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Deductions

Contracts-DODD	72,169,168
Services to Families	8,372,579
Other	<u>413,144</u>

<i>Total Deductions</i>	<u>80,954,891</u>
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<i>Net Change in Fund Balances</i>	3,848,088
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<i>Fund Cash Balances, January 1</i>	<u>20,528,188</u>
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<i>Fund Cash Balances, December 31</i>	<u><u>\$24,376,276</u></u>
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See accompanying notes to the basic financial statements

*Southwestern Ohio Council of Governments
Warren County
Notes to the Financial Statements
For the Year Ended December 31, 2024*

Note 1 - Reporting Entity Summary of Significant Accounting Policies

The constitution and laws of the State of Ohio establish the rights and privileges of the Southwestern Ohio Regional Council of Governments, Warren County, (the Council) as a body corporate and politic under Chapter 167 of the Ohio Revised Code. The Council commenced operations on July 1, 2009. The Council is governed by a 6 member board consisting of the Superintendents of the member County Boards of Developmental Disabilities. The participating subdivisions are: Butler, Clermont, Greene, Hamilton, Montgomery and Warren counties.

The Council provides a financial function for its members to provide the best possible services to the persons with developmental disabilities. The Council receives obligated financial support from its members which funds are deposited and are eligible to accrue interest. The Council pays for member county obligations and other related services to and for persons with developmental disabilities enrolled in its member boards.

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 Accounting Basis

A. Accounting Basis

The Council uses the cash basis method of accounting. The Council recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

B. Deposits and Investments

The Council deposits funds in interest bearing checking accounts.

The Council began investing with Star Ohio and has an approved investment policy from the Ohio Treasurer of State. Counties participating in Star Ohio include: Butler, Greene, Hamilton, Montgomery, Clermont, and Warren. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

C. Fund Accounting

The Council uses fund accounting to segregate cash and investments that are restricted as to the use. The Council classifies its funds into the following types:

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

2. Fiduciary Funds

Fiduciary funds include custodial funds.

*Southwestern Ohio Council of Governments
Warren County
Notes to the Financial Statements
For the Year Ended December 31, 2024*

i. Custodial Funds

Custodial funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Council disburses these funds as directed by the individual, organization or other government. The Council's custodial funds at the end of 2024 consisted of a percentage of county board of developmental disabilities waiver match funds, state reconciliation funds, state subsidy payments paid to the Council on behalf of member county boards and program funds used for services to families and residual funds from the above mentioned types from previous years. The member contributions were used to make State Medicaid match payments, other state required payments and services to families on behalf of the county boards indicated by approved invoices forwarded to the Council by the member county boards and families enrolled on member county programs.

D. Fund Balance

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

1. Nonspendable

The Council classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. The Council has no nonspendable fund balances.

2. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions. The Council has no restricted fund balances.

3. Committed

Council can *commit* amounts via formal action (resolution). The Council must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements. The Council has no committed fund balances.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. The Council has no assigned fund balances.

*Southwestern Ohio Council of Governments
Warren County
Notes to the Financial Statements
For the Year Ended December 31, 2024*

5. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in any other classification.

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

Note 3 - Budgetary Process

The Council is not subject to the budgetary requirements of Chapter 5705 of the Ohio Revised Code.

Note 4 - Property, Plant, Equipment

The council records disbursements for acquisitions of property, plant and equipment when paid. The accompanying financial statements do not report this items as assets.

Note 5 - Accumulated Leave

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

Note 6 - Employer Contributions to Cost-Sharing Pension Plans

All employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Council contributed an amount equaling 14 percent of participants' gross salaries. The Council has paid all contributions required through December 31, 2024.

Note 7 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2024, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2024, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

*Southwestern Ohio Council of Governments
Warren County
Notes to the Financial Statements
For the Year Ended December 31, 2024*

Note 8 - Deposits and Investments

Deposits are insured by the Federal Depository Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. The Council maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31st was as follows:

Demand Deposits:	\$ 3,042,724
Star Ohio:	\$ 23,130,918
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Total carrying amount on deposits and investments:	\$ 26,173,642

The Council does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2024, the Council is holding \$1,129 in unremitted employee payroll withholdings.

Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

Note 9 - Council and County Member Cash Balances

The Council Fund Cash Balance as of December 31 is \$ 1,797,366

Fund integrity of the Council accounting records reflects a custodial fund to each County member. The fund cash balances of the County members as reflected in custodial funds were as follows:

Participating Members (Counties)

Butler	\$ 3,948,115
Clermont	\$ 200,665
Greene	\$ 565,122
Hamilton	\$ 5,328,081
Montgomery	\$ 834,309
Warren	\$ 13,499,984
Total	<hr/> \$ 24,376,276

Note 10 - Risk Management

The Council has obtained general liability and cyber insurance. The Council has no property or vehicles.

Southwestern Ohio Council of Governments
Warren County
Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
General Fund
For the Year Ended December 31, 2023

Cash Receipts

Member Contributions	\$3,000
Member Contributions for Financial Services	1,801,361
Non-Agency Programs	429,361
Earnings on Investments	<u>82,348</u>

<i>Total Cash Receipts</i>	<u>2,316,070</u>
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Cash Disbursements

General Government	1,860,655
Contracts DODD	<u>157,482</u>

<i>Total Cash Disbursements</i>	<u>2,018,137</u>
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<i>Net Change in Fund Cash Balances</i>	297,933
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<i>Fund Cash Balances, January 1</i>	<u>1,185,485</u>
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<i>Fund Cash Balances, December 31</i>	<u><u>\$1,483,418</u></u>
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See accompanying notes to the basic financial statements

Southwestern Ohio Council of Governments

Warren County

Statement of Additions, Deductions

and Changes in Fund Balances (Regulatory Cash Basis)

Custodial Fund

For the Year Ended December 31, 2023

Additions	
Member Contributions for Waiver TCM-MAC	\$58,271,978
Program Receipts	14,240,627
Investment Income	1,823,104
<i>Total Additions</i>	<u>74,335,709</u>
Deductions	
Contracts-DODD	63,747,863
Services to Families	8,196,992
Other	<u>749,631</u>
<i>Total Deductions</i>	<u>72,694,486</u>
<i>Net Change in Fund Balances</i>	1,641,223
<i>Fund Cash Balances, January 1</i>	<u>18,886,965</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$20,528,188</u></u>

See accompanying notes to the basic financial statements

*Southwestern Ohio Council of Governments
Warren County
Notes to the Financial Statements
For the Year Ended December 31, 2023*

Note 1 - Reporting Entity Summary of Significant Accounting Policies

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The Council provides a financial function for its members to provide the best possible services to the persons with developmental disabilities. The Council receives obligated financial support from its members which funds are deposited and are eligible to accrue interest. The Council pays for member county obligations and other related services to and for persons with developmental disabilities enrolled in its member boards.

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 Accounting Basis

A. Accounting Basis

The Council uses the cash basis method of accounting. The Council recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

B. Deposits and Investments

The Council deposits funds in interest bearing checking accounts.

The Council began investing with Star Ohio and has an approved investment policy from the Ohio Treasurer of State. Counties participating in Star Ohio include: Butler, Greene, Hamilton, Montgomery, Clermont, and Warren. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

C. Fund Accounting

The Council uses fund accounting to segregate cash and investments that are restricted as to the use. The Council classifies its funds into the following types:

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

2. Fiduciary Funds

Fiduciary funds include custodial funds.

Southwestern Ohio Council of Governments
Warren County
Notes to the Financial Statements
For the Year Ended December 31, 2023

i. Custodial Funds

Custodial funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Council disburses these funds as directed by the individual, organization or other government. The Council's custodial funds at the end of 2023 consisted of a percentage of county board of developmental disabilities waiver match funds, state reconciliation funds, state subsidy payments paid to the Council on behalf of member county boards and program funds used for services to families and residual funds from the above mentioned types from previous years. The member contributions were used to make State Medicaid match payments, other state required payments and services to families on behalf of the county boards indicated by approved invoices forwarded to the Council by the member county boards and families enrolled on member county programs.

D. Fund Balance

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

1. Nonspendable

The Council classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. The Council has no nonspendable fund balances.

2. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions. The Council has no restricted fund balances.

3. Committed

Council can *commit* amounts via formal action (resolution). The Council must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements. The Council has no committed fund balances.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. The Council has no assigned fund balances.

*Southwestern Ohio Council of Governments
Warren County
Notes to the Financial Statements
For the Year Ended December 31, 2023*

5. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in any other classification.

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

Note 3 - Budgetary Process

The Council is not subject to the budgetary requirements of Chapter 5705 of the Ohio Revised Code.

Note 4 - Property, Plant, Equipment

The council records disbursements for acquisitions of property, plant and equipment when paid. The accompanying financial statements do not report this items as assets.

Note 5 - Accumulated Leave

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

Note 6 - Employer Contributions to Cost-Sharing Pension Plans

All employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Council contributed an amount equaling 14 percent of participants' gross salaries. The Council has paid all contributions required through December 31, 2023.

Note 7 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

*Southwestern Ohio Council of Governments
Warren County
Notes to the Financial Statements
For the Year Ended December 31, 2023*

Note 8 - Deposits and Investments

Deposits are insured by the Federal Depository Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. The Council maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31st was as follows:

Demand Deposits:	\$ 1,569,034
Star Ohio:	\$ 20,442,572
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Total carrying amount on deposits and investments:	\$ 22,011,606

The Council does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2023, the Council is holding \$12,647 in unremitted employee payroll withholdings.

Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

Note 9 - Council and County Member Cash Balances

The Council Fund Cash Balance as of December 31 is \$ 1,483,418

Fund integrity of the Council accounting records reflects a custodial fund to each County member. The fund cash balances of the County members as reflected in custodial funds were as follows:

Participating Members (Counties)

Butler	\$ 3,227,573
Clermont	\$ 69,381
Greene	\$ 769,721
Hamilton	\$ 3,711,947
Montgomery	\$ 316,657
Warren	\$ 12,432,909
Total	\$ 20,528,188

Note 10 - Risk Management

The Council has obtained general liability and cyber insurance. The Council has no property or vehicles.

OHIO AUDITOR OF STATE KEITH FABER

65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Southwestern Ohio Council of Governments
Warren County
412 S. East Street
Lebanon, Ohio 45036

To the Board of Directors:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2024 and 2023 and the related notes to the financial statements of the Southwestern Ohio Council of Governments, Warren County, Ohio (the Council) and have issued our report thereon dated August 13, 2025, wherein we noted the Council followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting (internal control) as a basis for designing 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 Council's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed 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.

KEITH FABER
Ohio Auditor of State



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

August 13, 2025

OHIO AUDITOR OF STATE KEITH FABER



SOUTHWESTERN OHIO COUNCIL OF GOVERNMENTS

WARREN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 8/28/2025

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

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