



**WESTSHORE COUNCIL OF GOVERNMENTS  
CUYAHOGA COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2001 & 2000**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**WESTSHORE COUNCIL OF GOVERNMENTS  
CUYAHOGA COUNTY**

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STATE OF OHIO  
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## REPORT OF INDEPENDENT ACCOUNTANTS

Board of Directors  
Westshore Council of Governments  
Cuyahoga County  
350 Dover Center Road  
Bay Village, Ohio 44140

We have audited the accompanying financial statements of the Westshore Council of Governments, Cuyahoga County, Ohio, (the Council) as of and for the years ended December 31, 2001 and December 31, 2000. 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 audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 audits provide a reasonable basis for our opinion.

As discussed in Note 1, the Council prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Westshore Council of Governments, Cuyahoga County, Ohio, as of December 31, 2001 and December 31, 2000, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 9, 2002 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

This report is intended solely for the information and use of management, the Board of Directors and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

April 9, 2002

**WESTSHORE COUNCIL OF GOVERNMENTS  
 CUYAHOGA COUNTY  
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES  
 IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES -  
 FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Dues	\$285,115		\$285,115
Other Government Grants-In-Aid		\$13,418	13,418
Interest Earnings	5,901		5,901
Fines and Forfeitures	2,514		2,514
All other income	28,317		28,317
	<u>321,847</u>	<u>13,418</u>	<u>335,265</u>
<b>Total Cash Receipts</b>			
	<u>321,847</u>	<u>13,418</u>	<u>335,265</u>
<b>Cash Disbursements:</b>			
Current:			
Security of Persons and Property	323,139	13,418	336,557
	<u>323,139</u>	<u>13,418</u>	<u>336,557</u>
<b>Total Disbursements</b>			
	<u>323,139</u>	<u>13,418</u>	<u>336,557</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>(1,292)</u>	<u>0</u>	<u>(1,292)</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>(1,292)</u>	<u>0</u>	<u>(1,292)</u>
<b>Fund Cash Balances January 1</b>	<u>213,531</u>	<u>1</u>	<u>213,532</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$212,239</b></u>	<u><b>\$1</b></u>	<u><b>\$212,240</b></u>
<b>Reserves for Encumbrances, December 31</b>	<u><b>\$51,152</b></u>	<u><b>\$0</b></u>	<u><b>\$51,152</b></u>

*The notes to the financial statements are an integral part of this statement.*

**WESTSHORE COUNCIL OF GOVERNMENTS  
 CUYAHOGA COUNTY  
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES  
 IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES -  
 FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Dues	\$284,602		\$284,602
Other Government Grants-In-Aid		\$13,418	13,418
Interest Earnings	7,381		7,381
Fines and Forfeitures	2,443		2,443
All Other Revenue	18,717		18,717
	<u>313,143</u>	<u>13,418</u>	<u>326,561</u>
<b>Total Cash Receipts</b>			
	<u>313,143</u>	<u>13,418</u>	<u>326,561</u>
<b>Cash Disbursements:</b>			
Current:			
Security of Persons and Property	279,703	13,418	293,121
	<u>279,703</u>	<u>13,418</u>	<u>293,121</u>
<b>Total Disbursements</b>			
	<u>279,703</u>	<u>13,418</u>	<u>293,121</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>33,440</u>	<u>0</u>	<u>33,440</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>33,440</u>	<u>0</u>	<u>33,440</u>
<b>Fund Cash Balances January 1</b>	<u>180,091</u>	<u>1</u>	<u>180,092</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$213,531</b></u>	<u><b>\$1</b></u>	<u><b>\$213,532</b></u>
<b>Reserves for Encumbrances, December 31</b>	<u><b>\$20,616</b></u>	<u><b>\$0</b></u>	<u><b>\$20,616</b></u>

*The notes to the financial statements are an integral part of this statement.*



**WESTSHORE COUNCIL OF GOVERNMENTS  
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Westshore Council of Governments, Cuyahoga County, Ohio, (the Council) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Council operates under the direction of a six-member Council of Mayors and a six-member Council of Police Chiefs. The Council of Police Chiefs provides its member communities with the enforcement against illegal drug activity in the western part of Cuyahoga County.

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

**C. Cash and Investments**

The National City Bank Money Market Account is valued at amounts reported by the bank.

**D. Fund Accounting**

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

**General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Fund**

This fund is used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The Council had the following Special Revenue Fund:

Special Revenue Fund - used to account for receipts that are restricted for the enforcement of the Anti-Drug Abuse Act.

**WESTSHORE COUNCIL OF GOVERNMENTS  
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process**

The Council adopted an internal budgetary process whereby the annual budget is based upon revenue projections from annual membership dues. A summary of the 2001 and 2000 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

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

**G. Accumulated Leave**

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

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

The Council maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	<u>2001</u>	<u>2000</u>
Demand deposits	\$ 208,740	\$ 210,032
Petty Cash	<u>3,500</u>	<u>3,500</u>
Total	<u>\$ 212,240</u>	<u>\$ 213,532</u>

**Deposits:** Deposits are either insured by the Federal Depository Insurance Corporation, or collateralized by the financial institution's public entity deposit pool.

**WESTSHORE COUNCIL OF GOVERNMENTS  
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2001 and December 31, 2000 follows:

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 285,115	\$ 321,847	\$ 36,732
Special Revenue	13,418	13,418	0
Total	<u>\$ 298,533</u>	<u>\$ 335,265</u>	<u>\$ 36,732</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 497,491	\$ 374,291	\$ 123,200
Special Revenue	13,418	13,418	0
Total	<u>\$ 510,909</u>	<u>\$ 387,709</u>	<u>\$ 123,200</u>

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 284,602	\$ 313,143	\$ 28,541
Special Revenue	13,418	13,418	0
Total	<u>\$ 298,020</u>	<u>\$ 326,561</u>	<u>\$ 28,541</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 455,414	\$ 300,319	\$ 155,095
Special Revenue	13,418	13,418	0
Total	<u>\$ 468,832</u>	<u>\$ 313,737</u>	<u>\$ 155,095</u>

**WESTSHORE COUNCIL OF GOVERNMENTS  
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**4. OTHER GOVERNMENT GRANTS-IN-AID**

The Westshore Council of Governments received federal monies for local drug enforcement from a federal grant called the WEB Narco Control Unit passed through the Board of Cuyahoga County Commissioners. This revenue is reflected in the accompanying financial statements as Other Government Grants-In-Aid.

**5. RETIREMENT SYSTEMS**

The Council's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. The plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are prescribed by the Ohio Revised Code. The Council's PERS members contributed 8.5% of their gross salary. The Council contributed an amount equal to 13.55% of the participants' gross salary through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13% effective July 1, 2000. The employer contribution rate returned to 13.55% beginning on January 1, 2001. The Council has paid all contributions required through December 31, 2001.

**6. RISK MANAGEMENT**

The Council has obtained commercial insurance for the following risks:

- Property and Commercial General Liability
- Inland Marine
- Automobile

The Council also provides health insurance to full-time employees through a private carrier. The Council's liability for health care is limited to the premiums paid.



**STATE OF OHIO  
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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Westshore Council of Governments  
Cuyahoga County  
350 Dover Center Road  
Bay Village, Ohio 44140

We have audited the accompanying financial statements of the Westshore Council of Governments, Cuyahoga County, Ohio, (the Council) as of and for the years ended December 31, 2001 and December 1, 2000, and have issued our report thereon dated April 9, 2002. We conducted our audits 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.

**Compliance**

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 grants, 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*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the Council in a separate letter dated April 9, 2002.

**Internal Control Over Financial Reporting**

In planning and performing our audits, we considered the Council's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance 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 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. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Council in a separate letter dated April 9, 2002.

Westshore Council of Governments  
Cuyahoga County  
Report on Compliance and on Internal Control Required by  
*Government Auditing Standards*  
Page 2

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

**Jim Petro**  
Auditor of State

April 9, 2002



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**WESTSHORE COUNCIL OF GOVERNMENTS**

**CUYAHOGA 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  
MAY 9, 2002**