



Dave Yost • Auditor of State

**COUNCIL TO PROTECT OHIO'S COMMUNITIES
CUYAHOGA COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Council to Protect Ohio's Communities
Cuyahoga County
3400 Lee Road
Shaker Heights, Ohio 44120

To the members of the Board:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of the Council to Protect Ohio's Communities, Cuyahoga County, (the CPOC) for the period March 3, 2011 through December 31, 2012.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the CPOC's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the CPOC's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

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

As described in Note 1 of the financial statements, the CPOC prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03, which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the CPOC for the period March 3, 2011 through December 31, 2012, thereof for the period then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balance of the Council to Protect Ohio's Communities, Cuyahoga County, for the period March 3, 2011 through December 31, 2012, and its combined cash receipts and disbursements for the period then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permits, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 23, 2013, on our consideration of the CPOC'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 internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CPOC's internal control over financial reporting and compliance.



Dave Yost
Auditor of State

Columbus, Ohio

July 23, 2013

**COUNCIL TO PROTECT OHIO'S COMMUNITIES
CUYAHOGA COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
FIDUCIARY FUND TYPE
FOR THE PERIOD MARCH 3, 2011 THROUGH DECEMBER 31, 2012**

	Fiduciary Fund Type	
	Agency	
	2012	2011
Operating Cash Receipts		
Miscellaneous	\$0	\$140,000
<i>Total Operating Cash Receipts</i>	0	140,000
Operating Cash Disbursements		
Purchased and Contracted Services	0	140,000
<i>Total Operating Cash Disbursements</i>	0	140,000
<i>Net Change in Fund Cash Balances</i>	0	0
<i>Fund Cash Balances, January 1</i>	0	0
<i>Fund Cash Balances, December 31</i>	\$0	\$0

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

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**COUNCIL TO PROTECT OHIO'S COMMUNITIES
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD MARCH 3, 2011 THROUGH DECEMBER 31, 2012
(Continued)**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The Council to Protect Ohio's Communities (the CPOC) 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. The CPOC is a council of governments formed under Chapter 167 of the Ohio Revised Code.

The CPOC was formed for the purpose of preserving Ohio's communities by maintaining revenue sources and amounts that support services and expenditures that benefit citizens and local communities throughout Ohio and particularly the preservation of the Ohio estate tax. Six communities formed the council itself. Twelve communities made contributions to the CPOC, composing its entire revenue base for 2011 and 2012.

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

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The CPOC 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 Auditor of State prescribes or permits.

C. Fund Accounting

The CPOC classifies its fund into the following type:

Fiduciary Fund

Fiduciary funds include agency funds. Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The CPOC's agency fund accounts for its financial activity.

D. Property, Plant, and Equipment

Acquisitions of property, plant, and equipment are recorded as disbursements when paid. The accompanying financial statements do not report these items as assets.

2. Cash Deposits

The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits was zero at December 31, 2012 and 2011, respectively.

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

**COUNCIL TO PROTECT OHIO'S COMMUNITIES
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD MARCH 3, 2011 THROUGH DECEMBER 31, 2012
(Continued)**

3. Management Plan

On May 5, 2011, the Ohio House of Representatives voted to repeal estate tax in the state of Ohio, thereby eliminating the purpose of the CPOC. The Council elected to preserve the CPOC in the event of a future issue requiring similar attention. However, since that time, the CPOC has not and continues to have no operations or financial activity.



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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

Council to Protect Ohio's Communities
Cuyahoga County
3400 Lee Road
Shaker Heights, Ohio 44120

To the members of the Board:

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 Council to Protect Ohio's Communities, Cuyahoga County, (the CPOC) for the period March 3, 2011 through December 31, 2012, and the related notes to the financial statements, and have issued our report thereon dated July 23, 2013, wherein we noted the CPOC followed the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permit, described in Note 1.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the CPOC's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the CPOC's internal control. Accordingly, we have not opined on it.

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 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 CPOC'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.

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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the CPOC'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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "Y" and "O".

Dave Yost
Auditor of State

Columbus, Ohio

July 23, 2013



Dave Yost • Auditor of State

COUNCIL TO PROTECT OHIO'S COMMUNITIES

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
AUGUST 15, 2013**