



**SOUTHWEST SUBURBAN AIRPORT COUNCIL OF GOVERNMENTS  
CUYAHOGA COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2007 & 2006**



**Mary Taylor, CPA**  
Auditor of State



**SOUTHWEST SUBURBAN AIRPORT COUNCIL OF GOVERNMENTS  
CUYAHOGA COUNTY**

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Mary Taylor, CPA  
Auditor of State

Southwest Suburban Airport Council of Governments  
Cuyahoga County  
15700 Bagley Road  
Middleburg Heights, Ohio 44130

To the Council:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

*Mary Taylor*

**Mary Taylor, CPA**  
Auditor of State

September 24, 2009

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Southwest Suburban Airport Council of Governments  
Cuyahoga County  
15700 Bagley Road  
Middleburg Heights, Ohio 44130

To the Council:

We have audited the accompanying financial statements of the Southwest Suburban Airport Council of Governments, Cuyahoga County, Ohio (the Council) as of and for the years ended December 31, 2007 and 2006. 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 reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Council has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

While the Council does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Councils of Government to reformat their statements. The Council has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2007 and 2006 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Council as of December 31, 2007, and December 31, 2006, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of the Southwest Suburban Airport Council of Governments, Cuyahoga County, Ohio, as of December 31, 2007 and 2006, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As discussed in Note 5 to the financial statements, the Council was dissolved at their last meeting of the Board on November 29, 2007.

The Council has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2009, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. 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 assessing the results of our audit.



**Mary Taylor, CPA**  
Auditor of State

September 24, 2009



**SOUTHWEST SUBURBAN AIRPORT COUNCIL OF GOVERNMENTS  
CUYAHOGA COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
GOVERNMENTAL FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>General</u>
<b>Cash Disbursements:</b>	
Current:	
Accounting and Auditing	<u>239</u>
Total Cash Disbursements	<u>239</u>
Total Receipts Over/(Under) Disbursements	<u>(239)</u>
Fund Cash Balances, January 1	<u>8,295</u>
<b>Fund Cash Balances, December 31</b>	<b><u><u>\$8,056</u></u></b>

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

**SOUTHWEST SUBURBAN AIRPORT COUNCIL OF GOVERNMENTS  
CUYAHOGA COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
GOVERNMENTAL FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>General</u>
<b>Cash Disbursements:</b>	
Current:	
Accounting and Auditing	<u>323</u>
Total Cash Disbursements	<u>323</u>
Total Receipts Over/(Under) Disbursements	<u>(323)</u>
Fund Cash Balances, January 1	<u>8,618</u>
<b>Fund Cash Balances, December 31</b>	<b><u><u>\$8,295</u></u></b>

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

**SOUTHWEST SUBURBAN AIRPORT COUNCIL OF GOVERNMENTS  
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006**

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

Southwest Suburban Airport Council of Governments, Cuyahoga 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. The Council was formed to protect the environment and quality of life within the southwest suburban area from the impact of expansion at Cleveland Hopkins International Airport. The Council included the cities of Middleburg Heights and Berea, and operated in accordance with the Ohio Revised Code Chapter 167.

The governing body of the Council is comprised of one member from each of the participating communities. The Board oversees and manages the operation of the Council. The degree of control exercised by each City is limited to its representation on the Board.

A meeting of the Board was called for November 29, 2007 for the purpose of dissolving the Southwest Suburban Airport Council of Governments. Although the City of Berea chose not to attend the meeting, it was decided that the Council be dissolved.

The Council's management believes these financial statements present all activities for which the Council 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 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 Auditor of State prescribes or permits.

**C. Fund Accounting**

The Council classifies its fund as the following governmental fund type:

**General Fund**

The General Fund is the general operating fund. It is used to account for all the Council's financial activity.

**SOUTHWEST SUBURBAN AIRPORT COUNCIL OF GOVERNMENTS  
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**2. Equity in Pooled Deposits and Investments**

The Ohio Revised Code prescribes allowable deposits and investments. At December 31, 2006, the carrying amount of the Council's deposits and the bank balance was \$8,295. At December 31, 2007, the carrying amount of the Council's deposits and the bank balance was \$8,056. Deposits are insured by the Federal Depository Insurance Corporation.

**3. Contributions**

**A. West Foundation**

The WEST Foundation was formed to protect the environment from the impact of Cleveland Hopkins International Airport on the southwest suburban area and which had been primarily financially supported by the cities of Middleburg Heights, Berea and Strongsville. The WEST foundation closed its books and transferred the balance of its funds to the Council. On February 5, 2002, the Council received a deposit of \$90,382 from the West Foundation.

**B. Member Cities**

From the inception of the Council to its dissolution, the City of Middleburg Heights contributed \$66,000 and the City of Berea contributed \$12,000 to the Council.

**4. Contractual Commitments**

Starting in 2005, the City of Middleburg Heights took over all contracts that were previously established with the Council. All expenditures of the Council during the years 2006 and 2007 were related to audit costs. All liabilities except for the current audit costs have been paid.

**5. Closure Note**

The Council was dissolved at their last meeting of the Board on November 29, 2007. At the conclusion of this audit of the Council the outstanding balance, \$8,056 as of December 31, 2007 less current audit costs, will be transferred to the City of Middleburg Heights.



# Mary Taylor, CPA

Auditor of State

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

Southwest Suburban Airport Council of Governments  
Cuyahoga County  
15700 Bagley Road  
Middleburg Heights, Ohio 44130

To the Council:

We have audited the financial statements of the Southwest Suburban Airport Council of Governments, Cuyahoga County, (the Council) as of and for the years ended December 31, 2007, and December 31, 2006, and have issued our report thereon dated September 24, 2009, wherein we noted the Council followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted the Council was dissolved at their last meeting of the Board on November 29, 2007. 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*.

### **Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Council's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Council's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Council's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Council's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Council's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Council's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of reasonably assuring whether the Council'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, providing an opinion 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*.

We intend this report solely for the information and use of management and the Council. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

September 24, 2009

**SOUTHWEST SUBURBAN AIRPORT COUNCIL OF GOVERNMENTS**  
**CUYAHOGA COUNTY**  
**SCHEDULE OF PRIOR AUDIT FINDINGS**  
**DECEMBER 31, 2007 & DECEMBER 31, 2006**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2005-001	Consulting Contract Approval	Yes	
2005-002	Supporting Documentation	Yes	







**Mary Taylor, CPA**  
Auditor of State

**SOUTHWEST SUBURBAN AIRPORT 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  
DECEMBER 15, 2009**