



**SAFE AIR FOR THE ENVIRONMENT COUNCIL OF GOVERNMENTS  
CUYAHOGA COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2010 & 2009**



**Dave Yost • Auditor of State**



**SAFE AIR FOR THE ENVIRONMENT COUNCIL OF GOVERNMENTS  
CUYAHOGA COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Cover Letter .....	1
Independent Accountants' Report.....	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - Governmental Fund Type - For the Year Ended December 31, 2010 .....	5
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - Governmental Fund Type - For the Year Ended December 31, 2009 .....	6
Notes to the Financial Statements .....	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	11

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# Dave Yost • Auditor of State

Safe Air for the Environment Council of Governments  
Cuyahoga County  
21012 Hilliard Blvd.  
Rocky River, Ohio 44116

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.

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**Dave Yost**  
Auditor of State

September 27, 2011

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Safe Air for the Environment Council of Governments  
Cuyahoga County  
21012 Hilliard Blvd.  
Rocky River, Ohio 44116

To the Council:

We have audited the accompanying financial statements of the Safe Air for the Environment Council of Governments, Cuyahoga County, Ohio (the Council) as of and for the years ended December 31, 2010 and 2009. 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 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, 2010 and 2009 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, 2010 and December 31, 2009, 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 and reserves for encumbrances of the Safe Air for the Environment Council of Government, Cuyahoga County, Ohio as of December 31, 2010 and 2009, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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 27, 2011, 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.

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

**Dave Yost**  
Auditor of State

September 27, 2011



SAFE AIR FOR THE ENVIRONMENT 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, 2010

	<u>General</u>
<b>Cash Receipts:</b>	
Interest	\$15
Total Cash Receipts	<u>15</u>
<b>Cash Disbursements:</b>	
Current:	
General Government	
Legal Services	7,936
Professional Services	476
Total Cash Disbursements	<u>8,412</u>
Total Receipts Over/(Under) Disbursements	<u>(8,397)</u>
Fund Cash Balances, January 1	<u>15,287</u>
Fund Cash Balances, December 31	<u><u>\$6,890</u></u>
Encumbrances	<u><u>\$0</u></u>

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

SAFE AIR FOR THE ENVIRONMENT 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, 2009

	<u>General</u>
<b>Cash Receipts:</b>	
Interest	\$646
Total Cash Receipts	<u>646</u>
<b>Cash Disbursements:</b>	
Current:	
General Government	
Professional Services	5,756
Total Cash Disbursements	<u>5,756</u>
Total Receipts Over/(Under) Disbursements	<u>(5,110)</u>
Fund Cash Balances, January 1	<u>20,397</u>
Fund Cash Balances, December 31	<u><u>\$15,287</u></u>
Encumbrances	<u><u>\$476</u></u>

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

**SAFE AIR FOR THE ENVIRONMENT COUNCIL OF GOVERNMENTS  
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 & DECEMBER 31, 2009**

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

The Safe Air for the Environment Council of Governments (SAFE) was organized in July 1972 pursuant to Ohio Revised Code Section 167.01 by the Ohio cities of Berea, Fairview Park and Rocky River. The organizing agreement states the purpose of SAFE to be "...to oppose the extension of the North-South runways of the Cleveland Hopkins International Airport."

In July 1984, an amended organizing agreement was signed by the cities of Bay Village, Berea, Fairview park, Middleburg Heights, Rocky River, Strongsville and Westlake. This amended organizing agreement states the purpose of SAFE to be "...to oppose the extension and expanded use of the North-South runways of the Cleveland Hopkins International Airport and to vigorously enforce environmental protection standards being violated by the Airport and Airlines."

In October 2006, a second amended organizing agreement was signed by the cities of Bay Village, Fairview Park, Rocky River and Westlake. This second amended organizing agreement states the purpose of SAFE to be "...to vigorously monitor and enforce noise and other environmental protection standards, including, but not limited to, a reduction of over flights and noise pollution over the member cities from the operation of Cleveland Hopkins International Airport."

The Council is governed by a board comprised of one member from each member city. The board exercises control over the operation of the Council including budgeting and administration. Each city's degree of control is limited to its representation on the board.

By the organizing agreement and each subsequent amendment SAFE has appointed as fiscal officer, the Director of Finance of the City of Rocky River.

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.

**SAFE AIR FOR THE ENVIRONMENT COUNCIL OF GOVERNMENTS  
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 & DECEMBER 31, 2009  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**C. Fund Accounting**

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

The General Fund is the general operating fund. It is used to account for all the Council's financial activity. The fund is separately maintained on the books and records of the City of Rocky River to segregate cash.

**D. Budgetary Process**

Since the Director of Finance of the City of Rocky River serves as the Council fiscal officer, an annual Council budget is appropriated by the City Council of the City of Rocky River in accordance with the City of Rocky River's Codified Ordinances and the Ohio Revised Code.

**E. Property, Plant, and Equipment**

The Council owns no property, furniture, fixtures, or equipment either purchased or donated.

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

The Ohio Revised Code prescribes allowable deposits and investments. Since a separate deposit account is not maintained by the fiscal officer for the Council's fund, the Council's equity in the pooled deposits of the City of Rocky River is identified by the separately maintained fund of the Council on the books and records of the City of Rocky River. At December 31, 2010, and December 31, 2009, the carrying amount of the Council's equity in pooled deposits was \$6,890 and \$15,287 respectively. Deposits are insured by the Federal Depository Insurance Corporation.

**3. Budgetary Activity**

Budgetary activity for the year ending December 31, 2010 and December 31, 2009 follows:

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$500	\$15	(\$485)

**SAFE AIR FOR THE ENVIRONMENT COUNCIL OF GOVERNMENTS  
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 & DECEMBER 31, 2009  
(Continued)**

**3. Budgetary Activity (Continued)**

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$6,476	\$8,412	(\$1,936)

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,000	\$646	(\$354)

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$6,500	\$6,232	\$268

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# Dave Yost • Auditor of State

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

Safe Air for the Environment Council of Governments  
Cuyahoga County  
21012 Hilliard Blvd.  
Rocky River, Ohio 44116

To the Council:

We have audited the financial statements of the Safe Air for the Environment Council of Governments, Cuyahoga County, Ohio (the Council) as of and for the year ended December 31, 2010, and December 31, 2009, and have issued our report thereon dated September 27, 2011. 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 the purpose of expressing our opinion on the financial statements, but not for the purpose of opining 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 *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 more than a reasonable possibility that a material misstatement of the Council's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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*.

Safe Air for the Environment Council of Governments  
Cuyahoga County  
Independent Accountants' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
Page 2

We did note a certain matter not requiring inclusion in this report that we reported to the Council's management in a separate letter dated September 27, 2011.

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

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

**Dave Yost**  
Auditor of State

September 27, 2011





# Dave Yost • Auditor of State

**SAFE AIR FOR THE ENVIRONMENT 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  
NOVEMBER 10, 2011**