



**Mary Taylor, CPA**  
Auditor of State



**TRI-CITY COUNCIL OF GOVERNMENTS  
CUYAHOGA COUNTY**

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Mary Taylor, CPA  
Auditor of State

Tri City Council of Governments  
Cuyahoga County  
21012 Hilliard Blvd.  
Rocky River, Ohio 44116

To the Executive 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

June 1, 2009

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Tri City Council of Governments  
Cuyahoga County  
21012 Hilliard Blvd.  
Rocky River, Ohio 44116

To the Executive Council:

We have audited the accompanying financial statements of the Tri-City Council of Governments, Cuyahoga County, (the Council) as of and for the years ended December 31, 2008 and 2007. 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 governments 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, 2008 and 2007 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, 2008 and December 31, 2007, 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 cash balances and reserves for encumbrances of the Tri-City Council of Governments, Cuyahoga County, Ohio as of December 31, 2008 and 2007, 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 June 1, 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.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

**Mary Taylor, CPA**  
Auditor of State

June 1, 2009



**TRI-CITY COUNCIL OF GOVERNMENTS  
CUYAHOGA COUNTY, OHIO**

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STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUND TYPE  
FOR YEAR ENDED DECEMBER 31, 2008

Receipts:	
Intergovernmental	<u>\$0</u>
Disbursements:	
Current:	
Leisure Time Activites:	
Operation and Maintenance	1,163
Utilities	<u>1,621</u>
Total Disbursements	<u>2,784</u>
Receipts over/(under) disbursements	(2,784)
Fund balance, January 1, 2008	<u>9,363</u>
Fund balance, December 31, 2008	<u><u>\$6,579</u></u>
Encumbrances	<u><u>\$30</u></u>

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

**TRI-CITY COUNCIL OF GOVERNMENTS  
CUYAHOGA COUNTY, OHIO**

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STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUND TYPE  
FOR YEAR ENDED DECEMBER 31, 2007

Receipts:	
Intergovernmental	<u>\$0</u>
Disbursements:	
Current:	
Leisure Time Activites:	
Operation and Maintenance	1,439
Utilities	<u>2,247</u>
Total Disbursements	<u>3,686</u>
Receipts over/(under) disbursements	(3,686)
Fund balance, January 1, 2007	<u>13,049</u>
Fund balance, December 31, 2007	<u><u>\$9,363</u></u>
Encumbrances	<u><u>\$140</u></u>

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

**TRI - CITY COUNCIL OF GOVERNMENTS  
CUYAHOGA COUNTY, OHIO**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND DECEMBER 31, 2007**

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

The Tri-City Park Council of Governments (the Council) was organized pursuant to Ohio Revised Code Section 167.01 by the Ohio cities of Rocky River, Fairview Park and Westlake. The Council was formed to jointly construct, operate, maintain and manage a park for indoor and outdoor recreational facilities permitted under the rules, regulations and guidelines established under Ohio Revised Code Section 715.02 and 755.16.

The outdoor recreational facility is Tri-City Park consisting of approximately 15.88 acres accessible from Westwood or Delmar Drives in the City of Rocky River. Improvements to the property include tennis courts; baseball diamonds; soccer fields; playground equipment; modern restrooms and paved parking.

The property, also known as Launcher Area of Nike Site CL-69-C GSA Control Number: D-OH-676A, was conveyed for park purposes in November 1972 after being declared surplus by the Secretary of the Interior of the United States.

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

As prescribed by the *Agreement for the Establishment of a Tri-City Council of Governments*, dated May 31, 1972, the Council appointed as fiscal officer, the Director of Finance of the City of Rocky River.

The Council board and management believe 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 the State of Ohio 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. 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 the Auditor of the State of Ohio prescribes or permits.

**C. Cash and Investments**

The Council's cash was held for operations only. The Council does not make any investments.

**D. Fund Accounting**

The Council has one fund, which is the General Fund. It is used to account for all Council financial resources. The fund is separately maintained on the books and records of the City of Rocky River Council to segregate cash.

**TRI - CITY COUNCIL OF GOVERNMENTS  
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND DECEMBER 31, 2007**

**E. 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 City of Rocky River, Codified Ordinances, and the Ohio Revised Code.

**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.

**2. Equity in Pooled Deposits**

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. The carrying amount of the Council's equity in the pooled deposits at December 31 was as follows:

	2008	2007
Bank Deposits	\$6,579	\$9,363

Deposits are insured by the Federal Depository Insurance Corporation.

**3. Budgetary Activity**

Budgetary activity for the year ending December 31, 2008 follows:

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$3,000	\$0	(\$3,000)

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$7,000	\$2,814	\$4,186

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$3,000	\$0	(\$3,000)

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$7,000	\$3,826	\$3,174

**TRI - CITY COUNCIL OF GOVERNMENTS  
CUYAHOGA COUNTY, OHIO**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND DECEMBER 31, 2007**

**4. Risk Management**

On behalf of the Council, the City of Rocky River includes the Council on the comprehensive property and general liability policy coverage of the City.

**5. Compliance**

In lieu of biennial Stewardship Reports, of the Federal Lands to Parks Program, the Council makes a compliance report to the National Park Service of the U. S. Department of the Interior every five years. The next compliance report, covering the period January 1, 2006 through December 31, 2010 is due January 31, 2011.

**6. Related Party Transactions**

Since the continued existence of the Council is dependent upon the participation of each member city, all transactions between the Council and each member city are considered related party transactions. There were no transactions between the Council and any member city during 2007 and 2008.

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# 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*

Tri City Council of Governments  
Cuyahoga County  
21012 Hilliard Blvd.  
Rocky River, Ohio 44116

To the Executive Council:

We have audited the financial statements of the Tri-City Council of Governments, Cuyahoga County, Ohio, (the Council) as of and for the years ended December 31, 2008 and December 31, 2007, and have issued our report thereon dated June 1, 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 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 did note certain noncompliance or other matters that we reported to the Council's management in a separate letter dated June 1, 2009.

We intend this report solely for the information and use of the Executive Council. We intend it for no one other than this specified party.

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

**Mary Taylor, CPA**  
Auditor of State

June 1, 2009





**Mary Taylor, CPA**  
Auditor of State

**TRI-CITY 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  
JULY 14, 2009**