



**EASTERN SUBURBAN REGIONAL COUNCIL OF GOVERNMENTS
CUYAHOGA COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Governmental Fund Type – For the Year Ended December 31, 1999	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Governmental Fund Type – For the Year Ended December 31, 1998	4
Notes to the Financial Statements	5
Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	7

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REPORT OF INDEPENDENT ACCOUNTANTS

Eastern Suburban Regional Council of Governments
Cuyahoga County
6154 Mayfield Road
Mayfield Heights, Ohio 44124

Members of Council:

We have audited the accompanying financial statements of Eastern Suburban Regional Council of Governments, Cuyahoga County, Ohio, (ESRCOG) as of and for the years ended December 31, 1999 and December 31, 1998. These financial statements are the responsibility of the ESRCOG's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards 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 described in Note 1, ESRCOG 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 of ESRCOG as of December 31, 1999 and December 31, 1998, 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 February 4, 2000 on our consideration of ESRCOG's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

This report is intended solely for the information and use of management and the members of Council, 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

February 4, 2000

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**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GOVERNMENTAL FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1999**

	General
Cash Receipts:	
Member Contributions	\$75,000
Earnings on Investments	2,723
Miscellaneous	100
Total Cash Receipts	77,823
Cash Disbursements:	
Current:	
Legal Advisor and Fiscal Agent	6,000
Insurance	5,769
Vehicles	185
Training	5,417
Tactical Unit	6,764
Bomb Squad Unit	2,432
Communications	12,766
Office Supplies	792
Miscellaneous	218
Total Cash Disbursements	40,343
Total Receipts Over/(Under) Disbursements	37,480
Fund Cash Balances, January 1, 1999	33,320
Fund Cash Balances, December 31, 1999	\$70,800

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	General
Cash Receipts:	
Member Contributions	\$54,000
Earnings on Investments	3,320
	57,320
Cash Disbursements:	
Current:	
Legal Advisor and Fiscal Agent	6,000
Insurance	5,230
Vehicles	1,112
Training	5,422
Tactical Unit	10,272
Bomb Squad Unit	668
Communications	71,379
Office Supplies	351
Miscellaneous	2,250
	102,684
Total Cash Disbursements	102,684
Total Receipts Over/(Under) Disbursements	(45,364)
Fund Cash Balances, January 1, 1998	78,684
Fund Cash Balances, December 31, 1998	\$33,320

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Eastern Suburban Regional Council of Governments, Cuyahoga County, (ESRCOG) 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 governing body of ESRCOG is comprised of a Council of six Police Chiefs and Mayors of member cities/villages. The Council operates in accordance with a written agreement establishing ESRCOG pursuant to Ohio Revised Code Chapter 167.

The Council established one subsidiary organization, the Suburban Police Anti-Crime Network (SPAN) which provides for the mutual interchange and sharing of police personnel and police equipment to be utilized by all participating members.

ESRCOG's management believes these financial statements present all activities for which ESRCOG 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.

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

C. Cash and Investments

The investment in Certificates of Deposit is valued at cost.

D. Fund Accounting

ESRCOG 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 ESRCOG's financial activity.

E. 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. CASH DEPOSITS

The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31 was as follows:

	1999	1998
Demand deposit	\$ 2,800	\$ 3,320
Certificates of Deposit	68,000	30,000
Total deposits	70,800	33,320

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

2. CASH DEPOSITS (Continued)

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

3. RISK MANAGEMENT

ESRCOG has obtained commercial insurance for the following risks:

- Commercial Inland Marine
- Automobile



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

Eastern Suburban Regional Council of Governments
Cuyahoga County
6154 Mayfield Road
Mayfield Heights, Ohio 44124

Members of Council:

We have audited the financial statements of Eastern Suburban Regional Council of Governments, Cuyahoga County, Ohio, (ESRCOG) as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated February 4, 2000. We conducted our audits in accordance with generally accepted auditing standards 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 ESRCOG'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 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*.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered ESRCOG'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.

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

Jim Petro
Auditor of State

February 4, 2000



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EASTERN SUBURBAN REGIONAL 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
FEBRUARY 19, 2000**