



**Auditor of State  
Betty Montgomery**



TRI-CITY COUNCIL OF GOVERNMENTS  
CUYAHOGA COUNTY

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Tri-City Council of Governments  
Cuyahoga County  
27700 Hilliard Boulevard  
Westlake, Ohio 44145

We have audited the accompanying financial statements of the Tri-City Council of Governments, Cuyahoga County, Ohio, (the Council) as of and for the years ended December 31, 2002 and December 31, 2001. 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 audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 audit 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 audit provides a reasonable basis for our opinion.

As described in Note 1, the Council 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 fund cash balances of the Tri-City Council of Governments, Cuyahoga County, Ohio, as of December 31, 2002 and December 31, 2001, 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 June 13, 2003 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the audit committee, management, Council, and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery".

**Betty Montgomery**  
Auditor of State

June 13, 2003

Lausche Building / 615 Superior Ave., NW / Twelfth Floor / Cleveland, OH 44113-1801  
Telephone: (216) 787-3665 (800) 626-2297 Fax: (216) 787-3361  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

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

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES - THE GOVERNMENTAL FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2002

	<b>General Fund</b>
Cash receipts:	
Contributions	\$3,000
Total cash receipts	3,000
Cash disbursements:	
Current:	
Operation and Maintenance	503
Utilities	3,836
Total program disbursements	4,339
Total receipts over/(under) program disbursements	(1,339)
Other financing receipts/(disbursements):	
Sale of fixed assets	0
Transfers-in	0
Advances-in	0
Transfers-out	0
Advances-out	0
	0
Total other financing receipts/(disbursements)	0
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	(1,339)
Fund cash balance January 1, 2002	2,183
Fund cash balance December 31, 2002	<b>\$844</b>

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

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

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES - THE GOVERNMENTAL FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2001

	<b>General Fund</b>
Cash receipts:	
Contributions	\$3,000
Total cash receipts	3,000
Cash disbursements:	
Current:	
Operation and Maintenance	973
Utilities	1,384
Total program disbursements	2,357
Total receipts over/(under) program disbursements	643
Other financing receipts/(disbursements):	
Sale of fixed assets	0
Transfers-in	0
Advances-in	0
Transfers-out	0
Advances-out	0
Total other financing receipts/(disbursements)	0
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	643
Fund cash balance January 1, 2001	1,540
Fund cash balance December 31, 2001	<b>\$2,183</b>

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



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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Description of the Entity

The Tri-City 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 operates under the direction of a three-member Board of Trustees, comprised of the three Mayors from the cities of Rocky River, Fairview Park, and Westlake. The Council provides the communities with operation and maintenance of the Tri-City Park.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Ohio 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 the liability is incurred.

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

C. Cash and Investments

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

D. Fund Accounting

The Council uses fund accounting to segregate cash. The Council only has one fund, which is the General Fund. It is used to account for all financial resources.

E. Budgetary Process

The Council is not bound by budgetary laws prescribed by the Ohio Revised Code, but appropriates based on the consistency of expenditures.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

The Council's fund balance is expressed in cash equivalents. The Ohio Revised Code prescribes allowable deposits. The carrying amount of the cash equivalents at December 31 were as follows:

	<u>2002</u>	<u>2001</u>
Bank Deposits	<u>\$844</u>	<u>\$2,183</u>

Deposits:

Deposits are insured by the Federal Depository Insurance Corporation.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2002 and 2001 was as follows:

2002 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ <u>0</u>	<u>\$3,000</u>	<u>\$3,000</u>
Total	<u>\$ 0</u>	<u>\$3,000</u>	<u>\$3,000</u>

2002 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	<u>\$4,339</u>	<u>\$4,339</u>	<u>\$ 0</u>
Total	<u>\$4,339</u>	<u>\$4,339</u>	<u>\$ 0</u>

2001 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ <u>0</u>	<u>\$3,000</u>	<u>\$3,000</u>
Total	<u>\$ 0</u>	<u>\$3,000</u>	<u>\$3,000</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	<u>\$2,357</u>	<u>\$2,357</u>	<u>\$ 0</u>
Total	<u>\$2,357</u>	<u>\$2,357</u>	<u>\$ 0</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**4. RISK MANAGEMENT**

The Council does not obtain commercial insurance for the Tri-City Park. The City of Rocky River has obtained commercial insurance which includes the Tri-City Park for comprehensive property and general liability.

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## **Auditor of State Betty Montgomery**

### **INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Tri-City Council of Governments  
Cuyahoga County  
27700 Hilliard Boulevard  
Westlake, Ohio 44145

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, 2002, and December 31, 2001, and have issued our report thereon dated June 13, 2003. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### **Compliance**

As part of obtaining reasonable assurance about whether the Council'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 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 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 audit, we considered the Council'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 operations that we consider to be material weaknesses.

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

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

**Betty Montgomery**  
Auditor of State

June 13, 2003



**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**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  
JUNE 26, 2003**