



**LAKE COUNTY COUNCIL OF GOVERNMENTS
LAKE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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REPORT OF INDEPENDENT ACCOUNTANTS

Lake County Council of Governments
Lake County
8026 Chillicothe Road
Willoughby Hills, Ohio 44092

To the Members of the Council:

We have audited the accompanying financial statements of the Lake County Council of Governments, Lake County, Ohio, (the Council) as of and for the years ended December 31, 1999 and December 31, 1998. 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 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 discussed 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 combined fund cash balances of the Lake County Council of Governments, Lake County, Ohio, 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 March 31, 2000 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.

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

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

March 31, 2000

**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 | \$1,800 |
| Seminar Donations | 650 |
| Seminar Deposits | 75 |
| Total Cash Receipts | 2,525 |
| Cash Disbursements: | |
| Salaries | 1,441 |
| Postage | 165 |
| Supplies | 270 |
| Seminar | 2,098 |
| PERS | 347 |
| Bank Charges | 51 |
| Miscellaneous | 77 |
| Total Cash Disbursements | 4,449 |
| Total Receipts Over/(Under) Disbursements | (1,924) |
| Fund Cash Balances, January 1, 1999 | 3,298 |
| Fund Cash Balances, December 31, 1999 | \$1,374 |

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 TYPE
FOR THE YEAR ENDED DECEMBER 31, 1998**

| | General |
|--|----------------|
| Cash Receipts: | |
| Member Contributions | \$4,800 |
| Workshop Donations | 1,500 |
| Seminar Donations | 550 |
| Total Cash Receipts | 6,850 |
| Cash Disbursements: | |
| Salaries | 1,761 |
| Postage | 160 |
| Supplies | 254 |
| Audit Fees | 95 |
| Seminar Expenses | 2,022 |
| Workshop Expenses | 2,950 |
| Bank Services Charges | 53 |
| PERS Payments | 425 |
| Miscellaneous | 125 |
| Total Cash Disbursements | 7,845 |
| Total Receipts Over/(Under) Disbursements | (995) |
| Fund Cash Balances, January 1, 1998 | 4,293 |
| Fund Cash Balances, December 31, 1998 | \$3,298 |

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

The Lake County Council of Governments, Lake 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 in accordance with a written agreement establishing the Council pursuant to Ohio Revised Code Chapter 167. The governing body of the Council is comprised of a Council of nineteen representatives from governmental entities in Lake County. Each member must pay dues in order to become a member and may appoint an elected official to the Board of Trustees. The Council serves as a forum to discuss area-wide problems and solutions.

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 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 deposits consisted of a non-interest bearing checking account.

D. Fund Accounting

The Council uses fund accounting to segregate cash that is restricted as to use. The Council classifies its funds into the following type:

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources.

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. EQUITY IN POOLED CASH

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

| | | |
|----------------|----------------|----------------|
| Demand deposit | <u>\$1,374</u> | <u>\$3,298</u> |
|----------------|----------------|----------------|

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

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

3. RETIREMENT SYSTEMS

The Public Employees Retirement System (PERS) of Ohio is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1998 and 1999, members of PERS contributed 8.5%. The Council contributed an amount equal to 13.55% of the regular participant gross salary. The Council has paid all contributions required through December 31, 1999.



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

Lake County Council of Governments
Lake County
8026 Chillicothe Road
Willoughby Hills, Ohio 44092

To the Members of the Council:

We have audited the financial statements of the Lake County Council of Governments, Lake County, Ohio, (the Council) as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated March 31, 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 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 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 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 operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Council in a separate letter dated March 31, 2000.

This report is intended for the information and use of management and members of the 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, appearing to read "Jim Petro", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

March 31, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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COUNCIL OF GOVERNMENTS

LAKE 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
MAY 18, 2000**