



Mary Taylor, CPA
Auditor of State

**WESTSHORE COUNCIL OF GOVERNMENTS
CUYAHOGA COUNTY**

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Mary Taylor, CPA
Auditor of State

Westshore Council of Governments
Cuyahoga County
350 Dover Center Road
Bay Village, Ohio 44140

To the Members of 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.

Mary Taylor

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September 29, 2008

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Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Westshore Council of Governments
Cuyahoga County
350 Dover Center Road
Bay Village, Ohio 44140

To the Members of the Council:

We have audited the accompanying financial statements of the Westshore Council of Governments, Cuyahoga County, (the Council) as of and for the years ended December 31, 2007 and December 31, 2006. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audits 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 audits provide a reasonable basis for our opinions.

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.

Revisions to GAAP would require the Council to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2007 and December 31, 2006. 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 the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Council has elected not to reformat its statements. Since the Council does not use GAAP to measure financial statement amounts, 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.

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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, 2007 and December 31, 2006 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, 2007 and December 31, 2006, 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 combined fund cash balances and reserves for encumbrances of the Westshore Council of Governments, Cuyahoga County, as of December 31, 2007 and December 31, 2006, and its combined 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 29, 2008, 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 audits.



Mary Taylor, CPA
Auditor of State

September 29, 2008

**WESTSHORE COUNCIL OF GOVERNMENTS
CUYAHOGA COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GENERAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2007 AND DECEMBER 31, 2006**

	2007	2006
Cash Receipts:		
Dues	\$354,410	\$365,066
Other Government Grants-In-Aid	295,433	235
Interest Earnings	1,895	2,067
Fines and Forfeitures	29,774	8,307
All Other Income	14,652	4,378
Total Cash Receipts	696,164	380,053
 Cash Disbursements:		
Current:		
Security of Persons and Property	653,267	527,707
Total Cash Disbursements	653,267	527,707
 Excess of Cash Receipts Over/(Under) Cash Disbursements	42,897	(147,654)
 Fund Cash Balances, January 1	202,034	349,688
 Fund Cash Balances, December 31	\$244,931	\$202,034
 Reserves for Encumbrances, December 31	\$19,287	\$4,241

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

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**WESTSHORE COUNCIL OF GOVERNEMENTS
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Westshore Council of Governments, Cuyahoga County, Ohio, (the Council) is a body politic and corporate established for the purpose of exercising 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 six-member Council of Mayors and a six-member Council of Police Chiefs. The Council of Police Chiefs provides its member communities with the enforcement against illegal drug activity in the western part of Cuyahoga County.

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 Huntington Bank Money Market Account is valued at amounts reported by the bank.

D. Fund Accounting

The Council uses fund accounting to segregate cash and investments that are restricted to use. The Council classifies its fund into the following type:

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

E. Budgetary Process

The Council adopted an internal budgetary process whereby the annual budget is based upon revenue projections from annual membership dues. A summary of the 2007 and 2006 budgetary activity appears in Note 3.

**WESTSHORE COUNCIL OF GOVERNEMENTS
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property Plant and Equipment

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Council's basis of accounting.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Council maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 follows:

	2007	2006
Demand Deposits	\$241,431	\$198,534
Petty Cash	3,500	3,500
Total	\$244,931	\$202,034

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2007 and December 31, 2006 follows:

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 739,741	\$ 672,554	\$ 67,186
Total	\$ 739,741	\$ 672,554	\$ 67,186

**WESTSHORE COUNCIL OF GOVERNEMENTS
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 587,697	\$ 531,948	\$ 55,749
Total	\$ 587,697	\$ 531,948	\$ 55,749

4. OTHER GOVERNMENT GRANTS-IN-AID

The Westshore Council of Governments received federal monies for local drug enforcement from a federal grant passed through the Board of Cuyahoga County Commissioners referred to as the Byrne Grant. This revenue is reflected in the accompanying financial statements as Other Government Grants-In-Aid.

5. RETIREMENT SYSTEM

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>PERS – Local</i>	<i>2006</i>	<i>9%</i>	<i>13%</i>
<i>PERS – Local</i>	<i>2007</i>	<i>9.5%</i>	<i>13.5%</i>

The Council employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes the plan's benefits, which includes postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2006 and 2007, OPERS members contributed 9 and 9.5%, respectively, of their gross salaries and the Council contributed an amount equaling 13 and 13.5%, respectively, of participants' gross salaries. The Council has paid all contributions required through December 31, 2007.

6. RISK MANAGEMENT

Commercial Insurance

The Council has obtained commercial insurance for the following risks:

- Property and Commercial General Liability;
- Inland Marine; and
- Automobile

The Council also provides health insurance to full-time employees through a private carrier. The Council's liability for health care is limited to the premiums paid.

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Auditor of State

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

Westshore Council of Governments
Cuyahoga County
350 Dover Center Road
Bay Village, Ohio 44140

To the Members of the Council

We have audited the financial statements of the Westshore Council of Governments, Cuyahoga County, (the Council) as of and for the years ended December 31, 2007 and December 31, 2006, and have issued our report thereon dated September 29, 2008, 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 audits 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 audits, 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.

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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.

We noted certain matters that we reported to the Council's management in a separate letter dated September 29, 2008.

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 audits 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 September 29, 2008.

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



Mary Taylor, CPA
Auditor of State

September 29, 2008



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WESTSHORE 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 6, 2008**