



**TRI-CITY CONSORTIUM ON AGING
CUYAHOGA COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 & 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**TRI-CITY CONSORTIUM ON AGING
CUYAHOGA COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Tri-City Consortium on Aging
Cuyahoga County
1370 Victory Drive
South Euclid, Ohio 44121

To the Consortium Board:

We have audited the accompanying financial statements of the Tri-City Consortium on Aging, Cuyahoga County, Ohio, (the Consortium) as of and for the years ended December 31, 2000 and December 31, 1999. These financial statements are the responsibility of the Consortium'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 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 audits provide a reasonable basis for our opinion.

As described in Note 1, the Consortium 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 Tri-City Consortium on Aging, Cuyahoga County, Ohio as of December 31, 2000 and December 31, 1999, and its combined cash receipts and disbursements for the year 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 9, 2001 on our consideration of the Consortium'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 audits.

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

March 9, 2001

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**TRI-CITY CONSORTIUM ON AGING
 CUYAHOGA COUNTY
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCES
 GOVERNMENTAL FUND TYPE AND FIDUCIARY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Type</u>	<u>Similar Fiduciary Fund</u>	<u>Totals (Memorandum Only)</u>
	<u>Special Revenue</u>	<u>Agency Fund</u>	
Cash Receipts:			
Intergovernmental Receipts	\$377,915	\$0	\$377,915
Program Income	38,570	85,158	123,728
Earnings on Investments	5,708	0	5,708
Miscellaneous	10,984	0	10,984
	<u>433,177</u>	<u>85,158</u>	<u>518,335</u>
Total Cash Receipts			
Cash Disbursements:			
Salaries and Fringe Benefits	341,040	0	341,040
Rent and Janitorial	27,035	0	27,035
Materials and Supplies	6,582	0	6,582
Utilities	4,972	0	4,972
Transportation	21,919	0	21,919
Technical Services	13,700	0	13,700
Miscellaneous	37,393	83,707	121,100
	<u>452,641</u>	<u>83,707</u>	<u>536,348</u>
Total Disbursements			
Total Receipts Over/(Under) Disbursements	<u>(19,464)</u>	<u>1,451</u>	<u>(18,013)</u>
Fund Cash Balances January 1, 2000	<u>257,022</u>	<u>10,888</u>	<u>267,910</u>
Fund Cash Balances, December 31, 2000	<u>\$237,558</u>	<u>\$12,339</u>	<u>\$249,897</u>

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

**TRI-CITY CONSORTIUM ON AGING
 CUYAHOGA COUNTY
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCES
 GOVERNMENTAL FUND TYPE AND FIDUCIARY FUND
 FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Type</u>	<u>Similar Fiduciary Fund</u>	<u>Totals (Memorandum Only)</u>
	<u>Special Revenue</u>	<u>Agency Fund</u>	
Cash Receipts:			
Intergovernmental Receipts	\$383,129	\$0	\$383,129
Program Income	40,041	65,005	105,046
Earnings on Investments	5,086	0	5,086
Miscellaneous	1,904	0	1,904
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	430,160	65,005	495,165
Cash Disbursements:			
Salaries and Fringe Benefits	324,130	0	324,130
Rent and Janitorial	7,597	0	7,597
Materials and Supplies	4,796	0	4,796
Utilities	4,732	0	4,732
Transportation	10,838	0	10,838
Technical Services	16,749	0	16,749
Miscellaneous	33,021	60,779	93,800
	<hr/>	<hr/>	<hr/>
Total Disbursements	401,863	60,779	462,642
Total Receipts Over/(Under) Disbursements	<hr/>	<hr/>	<hr/>
	28,297	4,226	32,523
Fund Cash Balances January 1, 1999	<hr/>	<hr/>	<hr/>
	228,725	6,662	235,387
Fund Cash Balances, December 31, 1999	<u>\$257,022</u>	<u>\$10,888</u>	<u>\$267,910</u>

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

**TRI-CITY CONSORTIUM ON AGING
CUYAHOGA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND DECEMBER 31, 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Tri-City Consortium on Aging, Cuyahoga County, Ohio (the Consortium), was established under Ohio Revised Code Chapter 167, as a Council of Governments. The Consortium consists of three member cities: South Euclid, Lyndhurst, and Highland Heights.

The mayors from each of these cities comprise the board. Each mayor appoints five representatives as commissioners. The Consortium's function is to help older persons maintain independence and dignity in a home environment, remove barriers to independence for older persons, and provide a continuum for the vulnerable elderly.

The Consortium's management believes these financial statements present all activities for which the Consortium 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 disbursement 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 Ohio Auditor of State.

C. Cash

Certificates of deposits are valued at cost.

D. Fund Accounting

The Consortium uses fund accounting to segregate cash and investments that are restricted as to use. The restrictions associated with each class of funds are as follows:

Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Consortium had the following significant Special Revenue Funds:

Title III-B Fund

This fund accounts for social services which include access services, services which inform the local population of available services and/or assist potential participants in receiving services. The grants covered under these services are the following: client finding, mass outreach, and escort and transportation. The Consortium also receives funding for in-home services which help to maintain the client in his/her home, this includes housekeeping. The Consortium receives funds for other community based services, including, counseling and socialization.

**TRI-CITY CONSORTIUM ON AGING
CUYAHOGA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND DECEMBER 31, 1999
(CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

Special Revenue Funds (Continued)

Title III-C Fund

This fund provides congregate meals for groups of senior adults served at nutrition sites.

Special Accounts Fund

This fund includes money received as donations and funds derived from fund raisers to benefit senior adults.

Fiduciary Funds

Funds for which the Consortium is acting in an agency capacity are classified as agency funds. The Consortium had the following significant Agency Fund:

Travel Fund

This fund is used to account for funds held for senior adult trips.

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.

F. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Consortium.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Consortium maintains a separate bank account for each class of fund. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	<u>2000</u>	<u>1999</u>
Demand deposits	\$181,554	\$203,762
Certificates of deposit	68,343	64,148
	<hr/>	<hr/>
Total deposits	<u>\$249,897</u>	<u>\$267,910</u>

**TRI-CITY CONSORTIUM ON AGING
CUYAHOGA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND DECEMBER 31, 1999
(CONTINUED)**

2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

Deposits:

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

3. RETIREMENT SYSTEMS

The Consortium's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement 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. PERS members contributed 8.5% of their gross salaries. The Consortium contributed an amount equal to 13.55% of participants' gross salaries in 1999 and 10.84% in 2000. The Consortium has paid all contributions required through December 31, 2000.

4. RISK MANAGEMENT

The Consortium has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

The Consortium also provides health insurance and dental coverage to full-time employees through a private carrier.

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

Tri-City Consortium on Aging
Cuyahoga County
1370 Victory Drive
South Euclid, Ohio 44121

To the Consortium Board:

We have audited the financial statements of the Tri-City Consortium on Aging, Cuyahoga County, Ohio, (the Consortium) as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated March 9, 2001. 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 Consortium'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*.

However, we noted a certain immaterial instance of noncompliance that we have reported to the management of the Consortium in a separate letter dated March 9, 2001.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the Consortium'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.

Tri-City Consortium on Aging
Cuyahoga County
Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
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This report is intended for the information and use of management and the Consortium Board, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

March 9, 2001



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TRI-CITY CONSORTIUM ON AGING

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
APRIL 17, 2001**