



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

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2002 & 2001**



**Auditor of State  
Betty Montgomery**



TRI-CITY CONSORTIUM ON AGING  
CUYAHOGA COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - Governmental and Fiduciary Fund Types - For the Year Ended December 31, 2002.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - Governmental and Fiduciary Fund Types - For the Year Ended December 31, 2001.....	4
Notes to the Financial Statements.....	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	9

**This page intentionally left blank.**



**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

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, 2002 and December 31, 2001. 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 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 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, 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 and reserves for encumbrances of the Tri-City Consortium on Aging, 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 March 4, 2003 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.

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)

This report is intended solely for the information and use of management, Consortium 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

March 4, 2003

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

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

	Governmental Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)
	Special Revenue	Agency Fund	
<b>Cash Receipts:</b>			
Intergovernmental Receipts	\$454,197	\$0	\$454,197
Program Income	35,204	103,173	138,377
Earnings on Investments	4,166	0	4,166
Miscellaneous	15,579	0	15,579
<b>Total Cash Receipts</b>	<b>509,146</b>	<b>103,173</b>	<b>612,319</b>
<b>Cash Disbursements:</b>			
Salaries and Fringe Benefits	434,729	0	434,729
Rent and Janitorial	18,091	0	18,091
Materials and Supplies	5,400	0	5,400
Utilities	4,768	0	4,768
Transportation	10,761	0	10,761
Technical Services	13,260	0	13,260
Miscellaneous	42,388	99,834	142,222
<b>Total Disbursements</b>	<b>529,397</b>	<b>99,834</b>	<b>629,231</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>(20,251)</b>	<b>3,339</b>	<b>(16,912)</b>
Fund Cash Balances, January 1, 2002	293,425	8,866	302,291
<b>Fund Cash Balances, December 31, 2002</b>	<b>\$273,174</b>	<b>\$12,205</b>	<b>\$285,379</b>

*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 AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Special Revenue</u>	<u>Agency Fund</u>	
<b>Cash Receipts:</b>			
Intergovernmental Receipts	\$453,289	\$0	\$453,289
Program Income	34,614	96,890	131,504
Earnings on Investments	6,385	0	6,385
Miscellaneous	21,732	0	21,732
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	516,020	96,890	612,910
	<hr/>	<hr/>	<hr/>
<b>Cash Disbursements:</b>			
Salaries and Fringe Benefits	383,487	0	383,487
Rent and Janitorial	7,988	0	7,988
Materials and Supplies	6,791	0	6,791
Utilities	4,738	0	4,738
Transportation	14,948	0	14,948
Technical Services	12,774	0	12,774
Miscellaneous	29,427	100,363	129,790
	<hr/>	<hr/>	<hr/>
Total Disbursements	460,153	100,363	560,516
	<hr/>	<hr/>	<hr/>
Total Receipts Over/(Under) Disbursements	55,867	(3,473)	52,394
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1, 2001	237,558	12,339	249,897
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31, 2001</b>	<b><u><u>\$293,425</u></u></b>	<b><u><u>\$8,866</u></u></b>	<b><u><u>\$302,291</u></u></b>

*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, 2002 AND 2001**

**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. A total of nine representatives from the member cities are appointed 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 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**

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 Consortium classifies its funds into the following types:

**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 IIIB 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 assessment, 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.

*Title IIIC Fund* - This fund provides congregate meals for groups of senior adults served at nutrition sites.

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**Special Revenue Funds (Continued)**

*Special Accounts Fund* - This fund includes money received as donations and funds derived from fund raisers to benefit senior adults.

**Fiduciary Fund**

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. 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 Consortium's basis of accounting.

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

The Consortium 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 was as follows:

	2002	2001
Demand deposits	\$211,015	\$230,206
Certificates of deposit	74,364	72,085
Total deposits	285,379	302,291

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

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

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

**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 wages. The Consortium contributed an amount equal to 13.55% of participants' gross salaries for 2001 and 2002. The Consortium has paid all contributions required through December 31, 2002.

**4. RISK MANAGEMENT**

The Consortium has obtained commercial insurance for the following risks:

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

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

**This page intentionally left blank.**



## **Auditor of State Betty Montgomery**

### **INDEPENDENT ACCOUNTANTS' 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, 2002 and December 31, 2001, and have issued our report thereon dated March 4, 2003. 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.

#### **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 4, 2003.

#### **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. 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 Consortium in a separate letter dated March 4, 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)

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

March 4, 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 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  
MAY 8, 2003**