



**Auditor of State  
Betty Montgomery**



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

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**Auditor of State  
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**INDEPENDENT ACCOUNTANTS' REPORT**

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

To the Consortium Council:

We have audited the accompanying financial statements of the Tri-City Consortium on Aging, Cuyahoga County, Ohio, (the Consortium) as of and for the year ended December 31, 2003. 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 audit.

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. 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 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, 2003, 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 May 13, 2005 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 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". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

May 13, 2005

**TRI-CITY CONSORTIUM ON AGING  
CUYAHOGA COUNTY  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES -  
GOVERNMENTAL FUND TYPES AND SIMILAR FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<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	\$507,348	\$0	\$507,348
Program Income	45,245	82,390	127,635
Earnings on Investments	3,246	0	3,246
Miscellaneous	27,559	0	27,559
	<u>583,398</u>	<u>82,390</u>	<u>665,788</u>
<b>Total Cash Receipts</b>			
<b>Cash Disbursements:</b>			
Salaries and Fringe Benefits	450,567	0	450,567
Rent and Janitorial	21,845	0	21,845
Materials and Supplies	4,770	0	4,770
Utilities	4,807	0	4,807
Transportation	12,229	0	12,229
Technical Services	14,107	0	14,107
Miscellaneous	76,485	78,666	155,151
	<u>584,810</u>	<u>78,666</u>	<u>663,476</u>
<b>Total Disbursements</b>			
Total Receipts Over/(Under) Disbursements	<u>(1,412)</u>	<u>3,724</u>	<u>2,312</u>
Fund Cash Balances, January 1, 2003	<u>273,174</u>	<u>12,205</u>	<u>285,379</u>
<b>Fund Cash Balances, December 31, 2003</b>	<u><b>\$271,762</b></u>	<u><b>\$15,929</b></u>	<u><b>\$287,691</b></u>

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003**

**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 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 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 funding, 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, 2003  
(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:

	2003
Demand deposits	\$212,133
Certificates of deposit	75,558
Total deposits	<u>\$287,691</u>

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

Although the securities were held by the pledging financial institution's trust department or agent in the financial institution's name and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the Consortium to a successful claim by the FDIC.

**3. RETIREMENT SYSTEMS**

The Consortium's employees belong to the Public Employees Retirement System (OPERS) of Ohio. OPERS 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.

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003  
(Continued)**

**3. RETIREMENT SYSTEMS (Continued)**

Ohio Revised Code also prescribes contribution rates. For 2003, OPERS members contributed 8.5% of their wages. The Consortium contributed an amount equal to 13.55% of participants' gross salaries for 2003. The Consortium has paid all contributions required through December 31, 2003.

**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.

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**Auditor of State  
Betty Montgomery**

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

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

To the Consortium Council:

We have audited the financial statements of the Tri-City Consortium on Aging (the Consortium) as of and for the year ended December 31, 2003, and have issued our report thereon dated May 13, 2005. 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 the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Consortium's internal control over financial reporting to determine our auditing procedures in order to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses.

**Compliance and Other Matters**

As part of reasonably assuring whether the Consortium'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 audit 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 intend this report solely for the information and use of the management and Consortium Council. It is not intended for 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

May 13, 2005



**Auditor of State  
Betty Montgomery**

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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  
JUNE 21, 2005**