



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

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2004



**Auditor of State
Betty Montgomery**

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

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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 Council:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Tri-City Consortium on Aging, Cuyahoga County, Ohio, (the Consortium) as of and for the year ended December 31, 2004, which collectively comprise the Consortium's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Consortium's management. Our responsibility is to express opinions 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit 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 audit provides a reasonable basis for our opinions.

As discussed in Note 1, the accompanying financial statements and notes follow the modified cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Tri-City Consortium on Aging, Cuyahoga County, Ohio, as of December 31, 2004, and the respective changes in modified cash financial position for the year then ended in conformity with the basis of accounting Note 1 describes.

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 grant agreements and other matters. That report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. It does not opine on the internal control over financial reporting or on compliance. 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 audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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
Management's Discussion and Analysis
For the Year Ended December 31, 2004
UNAUDITED

This discussion and analysis of the Tri-City Consortium on Aging's financial performance provides an overall review of the Consortium's financial activities for the year ended December 31, 2004, within the limitations of the Consortium's modified cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Consortium's financial performance.

Highlights

Key highlights for 2004 are as follows:

Net assets of governmental activities decreased \$17,714, or 6.52 percent in 2004. This was mainly due to a decrease in cash and cash equivalents in the Title IIIB fund.

The Consortium's general receipts are primarily grants. These receipts represent 70.03 percent of the total cash received for governmental activities during 2004.

Using the Basic Financial Statements

This report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Consortium's modified cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Consortium as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Consortium as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund.

The notes to the basic financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Consortium has elected to present its financial statements on a modified cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Consortium's modified cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the modified cash basis of accounting.

Tri-City Consortium on Aging
Management's Discussion and Analysis
For the Year Ended December 31, 2004
UNAUDITED

Reporting the Government as a Whole

The statement of net assets and the statement of activities reflect how the Consortium did financially during 2004, within the limitations of modified cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Consortium at December 31, 2004. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Consortium's general receipts.

These statements report the Consortium's cash position and the changes in cash position. Keeping in mind the limitations of the modified cash basis of accounting, you can think of these changes as one way to measure the Consortium's financial health. Over time, increases or decreases in the Consortium's cash position is one indicator of whether the Consortium's financial health is improving or deteriorating.

In the statement of net assets and the statement of activities, we express the Consortium's activities as Governmental activities. The Consortium's basic services are reported here. State and federal grants finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Consortium's Most Significant Funds

Fund financial statements provide detailed information about the Consortium's major funds – not the Consortium as a whole. The Consortium establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Consortium are split into two categories: governmental and fiduciary.

Governmental Funds - Most of the Consortium's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Consortium's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Consortium's programs. The Consortium's significant governmental funds are presented on the financial statements in separate columns. The Consortium's major governmental funds are the Title IIIB fund, the Title IIIC fund and the Special Programs fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.

Fiduciary Fund – The fiduciary fund is used to account for resources held for the benefit of parties outside the Consortium. The fiduciary fund is not reflected on the government-wide financial statements because the resources of these funds are not available to support the Consortium's programs.

The Consortium as a Whole

Table 1 provides a summary of the Consortium's net assets for 2004 on a modified cash basis.

Since the Consortium did not prepare financial statements in this format for 2003, a comparative analysis of government-wide data has not been presented. In future years, when prior year information is available, a comparative analysis will be presented.

Tri-City Consortium on Aging
Management's Discussion and Analysis
For the Year Ended December 31, 2004
UNAUDITED

Net Assets (Table 1)

	Governmental Activities
	2004
Assets	
Cash and Cash Equivalents	\$254,048
Total Assets	\$254,048
Net Assets	
Restricted for:	
Title IIIB	\$94,616
Title IIIC	62,761
Other Purposes	26,709
Unrestricted	69,962
Total Net Assets	\$254,048

Table 2 reflects the changes in net assets in 2004. Since the Consortium did not prepare financial statements in this format for 2003, a comparative analysis of government-wide data has not been presented. In future years, when prior year information is available, a comparative analysis will be presented.

Changes in Net Assets (Table 2)

	Governmental Activities 2004
Receipts:	
Program Receipts:	
Charges for Services and Sales	\$44,789
Operating Grants and Contributions	91,131
Total Program Receipts	135,920
General Receipts:	
Grants and Entitlements Not Restricted to Specific Programs	391,603
Interest	1,775
Miscellaneous	29,860
Total General Receipts	423,238
Total Receipts	559,158
Disbursements:	
General Government	576,872
Total Disbursements	576,872
Increase (Decrease) in Net Assets	(17,714)
Net Assets, January 1, 2004	271,762
Net Assets, December 31, 2004	\$254,048

Tri-City Consortium on Aging
 Management's Discussion and Analysis
 For the Year Ended December 31, 2004
 UNAUDITED

Program receipts represent only 24.31 percent of total receipts in 2004 and are primarily comprised of restricted intergovernmental grant receipts.

In 2004, general receipts represent 75.69 percent of the Consortium's total receipts. State and federal grants and entitlements make up 92.53 percent of the Consortium's general receipts. Other receipts are insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Consortium and the services provided for Consortium activities. These include internal services such as payroll and purchasing and the costs of operating the various services and programs provided to the area seniors.

Governmental Activities

If you look at the Statement of Activities on page 8, you will see that the first column lists the categories of services provided by the Consortium. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for general government, which is described above. The next two columns of the Statement, entitled Program Cash Receipts, identify amounts paid by people to whom the services are directly provided and grants received by the Consortium that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by the three participating cities. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

Governmental Activities (Table 3)

	2004	
	Total Cost Of Services	Net Cost of Services
	2004	2004
General Government	<u>(\$576,872)</u>	<u>(\$440,952)</u>
Total Expenses	<u>(\$576,872)</u>	<u>(\$440,952)</u>

The dependence upon the three participating cities is apparent, as over 88 percent of governmental activities were supported through these general receipts in 2004.

The Consortium's Funds

In 2004, total governmental funds had receipts of \$559,158 and disbursements of \$576,872. The total governmental funds balance decreased by \$17,714. The greatest change within governmental funds occurred within the Title IIIB fund. The fund balance of the Title IIIB fund decreased \$23,289 due to a decrease in Title IIIB grants received. Despite the decrease in the fund balance in the Title IIIB fund, the fund maintains a fund balance of \$94,616 at December 31, 2004.

Contacting the Consortium's Financial Management

This financial report is designed to provide readers with a general overview of the Consortium's finances and to reflect the Consortium's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Bernice Harel, Director at 1370 Victory Drive, South Euclid, Ohio, 44121.

Tri-City Consortium on Aging
Statement of Net Assets - Modified Cash Basis
December 31, 2004

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$254,048</u>
<i>Total Assets</i>	<u><u>\$254,048</u></u>
Net Assets	
Restricted for:	
Title III B	\$94,616
Title III C	62,761
Other Purposes	26,709
Unrestricted	<u>69,962</u>
<i>Total Net Assets</i>	<u><u>\$254,048</u></u>

See accompanying notes to the basic financial statements

Tri-City Consortium on Aging
Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2004

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Government	\$576,872	\$44,789	\$91,131	(\$440,952)
<i>Total Governmental Activities</i>	\$576,872	\$44,789	\$91,131	(\$440,952)
		General Receipts		
		Grants and Entitlements not Restricted to Specific Programs		391,603
		Interest		1,775
		Miscellaneous		29,860
		<i>Total General Receipts</i>		423,238
		Change in Net Assets		(17,714)
		<i>Net Assets Beginning of Year</i>		271,762
		<i>Net Assets End of Year</i>		\$254,048

See accompanying notes to the basic financial statements

Tri-City Consortium on Aging
Statement of Modified Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2004

	<u>Title IIIB</u>	<u>Title IIIC</u>	<u>Special Programs</u>	<u>Total Governmental Funds</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$94,616	\$62,761	\$96,671	\$254,048
<i>Total Assets</i>	<u>94,616</u>	<u>62,761</u>	<u>96,671</u>	<u>254,048</u>
Fund Balances				
Unreserved:				
Undesignated (Deficit), Reported in:				
Special Revenue Funds	94,616	62,761	96,671	254,048
<i>Total Fund Balances</i>	<u>\$94,616</u>	<u>\$62,761</u>	<u>\$96,671</u>	<u>\$254,048</u>

See accompanying notes to the basic financial statements

Tri-City Consortium on Aging
*Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
December 31, 2004*

Total Governmental Fund Balances	<u>\$254,048</u>
<i>Net Assets of Governmental Activities</i>	<u><u>\$254,048</u></u>

See accompanying notes to the basic financial statements

Tri-City Consortium on Aging
Statement of Cash Receipts, Disbursements and Changes in Modified-Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2004

	Title IIIB	Title IIIC	Special Programs	Total Governmental Funds
Receipts				
Charges for Services	\$13,944	\$16,854	\$13,991	\$44,789
Intergovernmental	433,740	48,994	0	482,734
Interest	1,331	444	0	1,775
Miscellaneous	6,703	71	23,086	29,860
<i>Total Receipts</i>	<u>455,718</u>	<u>66,363</u>	<u>37,077</u>	<u>559,158</u>
Disbursements				
Current:				
General Government	473,756	60,946	36,919	571,621
Basic Utility Services	5,251	0	0	5,251
<i>Total Disbursements</i>	<u>479,007</u>	<u>60,946</u>	<u>36,919</u>	<u>576,872</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(23,289)</u>	<u>5,417</u>	<u>158</u>	<u>(17,714)</u>
<i>Fund Balances Beginning of Year</i>	<u>117,905</u>	<u>57,344</u>	<u>96,513</u>	<u>271,762</u>
<i>Fund Balances End of Year</i>	<u><u>\$94,616</u></u>	<u><u>\$62,761</u></u>	<u><u>\$96,671</u></u>	<u><u>\$254,048</u></u>

See accompanying notes to the basic financial statements

Tri-City Consortium on Aging
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended December 31, 2004*

Net Change in Fund Balances - Total Governmental Funds	<u>(\$17,714)</u>
<i>Change in Net Assets of Governmental Activities</i>	<u><u>(\$17,714)</u></u>

See accompanying notes to the basic financial statements

Tri-City Consortium on Aging
Statement of Fiduciary Net Assets - Modified Cash Basis
Fiduciary Fund
December 31, 2004

	<u>Agency</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$11,122</u>
<i>Total Assets</i>	<u><u>\$11,122</u></u>
Net Assets	
Unrestricted	<u><u>\$11,122</u></u>

See accompanying notes to the basic financial statements

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2004**

NOTE 1 – 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 Consortium Council. 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

These financial statements follow a modified cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. This basis recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements adequately disclose material matters the Auditor of State prescribes.

B. Fund Accounting

The Consortium uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain functions or activities. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The Consortium's funds are classified as either governmental or fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. The following are the Consortium's major governmental 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. 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 ON AGING
CUYAHOGA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2004
(Continued)**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

Special Program Fund – This fund includes money received as donations and funds derived from fund raisers to benefit the general operation of the Consortium's programs to benefit senior adults.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the Consortium under a trust agreement for individuals, private organizations or other governmental entities and are therefore not available to support the Consortium's own programs. The Consortium has no trust funds. Agency funds are custodial in nature, where the Consortium deposits and pays cash as directed by another entity or individual. The Consortium's agency fund accounts for funds held for senior adult trips.

C. Basis of Presentation

The Consortium's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the Consortium as a whole. These statements include the financial activities of the Consortium, except for fiduciary funds.

The statement of net assets presents the financial condition of the governmental activities of the Consortium at December 31, 2004. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Consortium's governmental activities. Program Cash Receipts include monies provided by the recipient of the services offered by the program, grants and contributions that are restricted to meeting the operations or capital requirements of particular program. Revenues which are not classified as program revenues are presented as general revenues of the Consortium, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which the governmental programs are self-financing or draw from the general revenues of the Consortium.

Fund Financial Statements The Consortium segregates transactions related to certain Consortium functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Consortium at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Fiduciary funds are reported by type.

D. Cash and Investments

The Consortium deposits and invests cash in a common pool. The financial statements present each fund's share of interest in the pool as equity in pooled cash and cash equivalents.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2004
(Continued)**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Cash and Investments (Continued)

Certificates of deposits are valued at cost.

E. Inventory

On the modified cash basis of accounting, inventories of supplies are reported as disbursements when purchased.

F. Property, Plant, and Equipment

Acquisitions of property, plant, and equipment are recorded as disbursements when paid. The accompanying financial statements do not report these items as assets.

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 Consortium's modified cash basis of accounting.

H. Net Assets

The financial statements report restricted net assets when contributors, grantors, or other external factors impose limitations in their use.

NOTE 3 – EQUITY IN POOLED CASH AND INVESTMENTS

The Consortium maintains a cash and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31, 2004 was as follows:

	<u>2004</u>
Demand deposits	<u>\$195,208</u>
Certificates of deposit	<u>69,962</u>
Total deposits	<u><u>\$265,170</u></u>

Deposits: Deposits are 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2004
(Continued)**

NOTE 4 – RETIREMENT SYSTEMS

The Consortium's employees belong to the Ohio 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 prescribed by the Ohio Revised Code.

Ohio Revised Code also prescribes contribution rates. For 2004, OPERS members contributed 8.5 percent of their wages. The Consortium contributed an amount equal to 13.55 percent of participants' gross salaries. The Consortium has paid all contributions required through December 31, 2004.

NOTE 5 – 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.



**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 governmental activities, each major fund, and the aggregate remaining fund information of the Tri-City Consortium on Aging (the Consortium) as of and for the year ended December 31, 2004, which collectively comprise the Consortium's basic financial statements 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 opinions 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
JULY 7, 2005**