



Dave Yost • Auditor of State



**COMMUNITY PARTNERSHIP ON AGING  
CUYAHOGA COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Community Partnership on Aging  
(formerly Tri-City Consortium on Aging)  
Cuyahoga County  
1370 Victory Drive  
South Euclid, Ohio 44121

To the Council of Governments:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements and related notes of the Community Partnership on Aging, Cuyahoga County, (the Partnership) as of and for the years ended December 31, 2013 and 2012.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Partnership's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Partnership's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statements, the Partnership prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy these requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Partnership as of December 31, 2013 and 2012, thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Community Partnership on Aging, Cuyahoga County, as of December 31, 2013 and 2012, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2014, on our consideration of the Partnership'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 internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Partnership's internal control over financial reporting and compliance.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

August 28, 2014

**COMMUNITY PARTNERSHIP ON AGING  
CUYAHOGA COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
GOVERNMENTAL FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Special Revenue
<b>Cash Receipts</b>	
Intergovernmental	\$795,518
Program Revenue	55,442
Donor/Grant Income	30,000
Earnings on Investments	1,075
Miscellaneous	2,920
<i>Total Cash Receipts</i>	884,955
<b>Cash Disbursements</b>	
Wages and Benefits	548,934
Rent and Janitorial	7,596
Materials and Supplies	36,765
Utilities	9,283
Transportation	174,698
Technical Services	13,413
Liability Services	9,452
Other	21,174
<i>Total Cash Disbursements</i>	821,315
<i>Excess of Receipts Over (Under) Disbursements</i>	63,640
<i>Fund Cash Balances, January 1</i>	604,212
<b>Fund Cash Balances, December 31</b>	
Restricted	20,875
Committed	646,977
<i>Fund Cash Balances, December 31</i>	\$667,852

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

COMMUNITY PARTNERSHIP ON AGING  
CUYAHOGA COUNTY

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Agency</u>
<b>Operating Cash Receipts</b>	
Program Revenue	<u>\$84,024</u>
<i>Total Operating Cash Receipts</i>	<u>84,024</u>
<b>Operating Cash Disbursements</b>	
Materials and Supplies	<u>76,324</u>
<i>Total Operating Cash Disbursements</i>	<u>76,324</u>
<i>Operating Income (Loss)</i>	<u>7,700</u>
<i>Fund Cash Balances, January 1</i>	<u>32,569</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$40,269</u></u>

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

**COMMUNITY PARTNERSHIP ON AGING  
CUYAHOGA COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
GOVERNMENTAL FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Special Revenue
<b>Cash Receipts</b>	
Intergovernmental	\$807,962
Program Revenue	71,394
Donor/Grant Income	9,799
Earnings on Investments	885
Miscellaneous	900
<i>Total Cash Receipts</i>	890,940
<b>Cash Disbursements</b>	
Wages and Benefits	521,478
Rent and Janitorial	7,307
Materials and Supplies	29,897
Utilities	8,194
Transportation	171,006
Technical Services	11,625
Liability Services	8,311
Other	24,785
<i>Total Cash Disbursements</i>	782,603
<i>Excess of Receipts Over (Under) Disbursements</i>	108,337
<i>Fund Cash Balances, January 1</i>	495,875
<b>Fund Cash Balances, December 31</b>	
Restricted	11,759
Committed	592,453
<i>Fund Cash Balances, December 31</i>	\$604,212

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

COMMUNITY PARTNERSHIP ON AGING  
CUYAHOGA COUNTY

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Agency</u>
<b>Operating Cash Receipts</b>	
Program Revenue	<u>\$101,244</u>
<i>Total Operating Cash Receipts</i>	<u>101,244</u>
<b>Operating Cash Disbursements</b>	
Materials and Supplies	<u>104,470</u>
<i>Total Operating Cash Disbursements</i>	<u>104,470</u>
<i>Operating Income (Loss)</i>	<u>(3,226)</u>
<i>Fund Cash Balances, January 1</i>	<u>35,795</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$32,569</u></u>

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

**COMMUNITY PARTNERSHIP ON AGING  
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012**

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

The Community Partnership on Aging, formerly the Tri-City Consortium on Aging, Cuyahoga County, (the Partnership) is a Council of Governments established under Ohio Revised Code Chapter 167. The Partnership consists of five member communities: Mayfield Village and the cities of Highland Heights, Lyndhurst, Mayfield Heights and South Euclid.

The mayors of each of these five communities comprise the Partnership's Board of Directors. Each mayor appoints a certain number of city commissioners to serve as representatives to the Partnership. The Partnership'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 Partnership's management believes these financial statements present all activities for which the Partnership is financially accountable.

**B. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Partnership recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**C. Deposits**

The Partnership's certificates of deposit are valued at cost.

**D. Fund Accounting**

The Partnership uses fund accounting to segregate cash and investments that are restricted as to use. The Partnership classifies its funds into the following types:

**1. Special Revenue Funds**

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Partnership had the following significant Special Revenue Funds:

*Title IIIB/IIIC Fund* - This fund accounts for social services which inform the local population of available services and/or assist potential participants in accessing services. Grant services include congregate meals, supportive services, and transportation.

*Cuyahoga County Division of Senior & Adult Services Fund* – This fund accounts for social services that are intended to strengthen and maintain the well-being of seniors and at-risk adults. Grant services include congregate meals and transportation.

**COMMUNITY PARTNERSHIP ON AGING  
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**D. Fund Accounting (Continued)**

**1. Special Revenue Funds (Continued)**

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

**2. Fiduciary Fund**

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Partnership disburses these funds as directed by the individual, organization or other government. The Partnership's agency fund is used to account for funds held for senior adult trips.

**E. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the Partnership must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**1. Nonspendable**

The Partnership classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**2. Restricted**

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**3. Committed**

The Board can *commit* amounts via formal action (resolution). The Partnership must adhere to these commitments unless the Board amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**4. Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Partnership Council or a Partnership official delegated that authority by resolution, or by State Statute.

**COMMUNITY PARTNERSHIP ON AGING  
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**E. Fund Balance (Continued)**

**5. Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Partnership applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**F. Property, Plant, and Equipment**

The Partnership records disbursements for acquisitions of property, plant, and equipment 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. The financial statements do not include a liability for unpaid leave.

**2. Equity in Pooled Deposits**

The Partnership maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits at December 31 was as follows:

	2013	2012
Demand deposits	\$83,726	\$103,200
Certificates of deposit	50,431	50,200
Money market accounts	573,964	483,381
Total deposits	\$708,121	\$636,781

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

**3. Retirement Systems**

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

The Ohio Revised Code also prescribes contribution rates. For 2013 and 2012, OPERS members contributed 10% of their gross salaries and the Partnership contributed an amount equaling 14% of participants' gross salaries. The Partnership has paid all contributions required through December 31, 2013.

**COMMUNITY PARTNERSHIP ON AGING  
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**4. Risk Management**

**Commercial Insurance**

The Partnership has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Abuse act liability;
- Employment practices liability;
- Professional liability;
- Stop gap liability; and
- Non-profit directors and officers coverage.

The Partnership also offers health insurance to employees who work at least 25 hours a week. The Partnership pays 75% of the health insurance program.

**5. Related Party Transactions**

A Partnership Council member is also a Board member of the Senior Transportation Connection, from which the Partnership acquired senior transportation services during both years. The Partnership paid \$174,651 and \$170,959 for these services in 2013 and 2012, respectively.



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Community Partnership on Aging  
(formerly Tri-City Consortium on Aging)  
Cuyahoga County  
1370 Victory Drive  
South Euclid, Ohio 44121

To the Council of Governments:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Community Partnership on Aging, Cuyahoga County, (the Partnership) as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements and have issued our report thereon dated August 28, 2014 wherein we noted the Partnership followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Partnership's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Partnership's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Partnership's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***Compliance and Other Matters***

As part of reasonably assuring whether the Partnership'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, opining 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*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Partnership's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Partnership's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

August 28, 2014

COMMUNITY PARTNERSHIP ON AGING  
CUYAHOGA COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2013 AND 2012

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2011-001	Conflict of Interest	Yes	Corrected

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# Dave Yost • Auditor of State

## COMMUNITY PARTNERSHIP 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  
SEPTEMBER 16, 2014