COMMUNITY PARTNERSHIP ON AGING
CUYAHOGA COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

Dave Yost • Auditor of State

COMMUNITY PARTNERSHIP ON AGING
CUYAHOGA COUNTY
DECEMBER 31, 2016 AND 2015

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CUYAHOGA COUNTY
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INDEPENDENT AUDITOR'S REPORT

Community Partnership 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 of the governmental activities, each major fund, and the aggregate remaining fund information of the Community Partnership on Aging, Cuyahoga County, Ohio (the Partnership), as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the Partnership's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Community Partnership on Aging, Cuyahoga County, Ohio, as of December 31, 2016 and 2015, and the respective changes in financial position for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements for the year ended December 31, 2015, during 2015, the Partnership adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, and schedules of net pension liabilities and pension contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2017, 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

November 16, 2017

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The following discussion provides a summary overview of the financial activities of the Community Partnership on Aging (the "Partnership") for the year ended December 31, 2016. The intent of this discussion and analysis is to look at the Partnership's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Partnership's financial performance.

Financial Highlights

Key financial highlights for 2016 are as follows:

- Net position of governmental activities decreased by $26,532 from 2015. The Partnership has no business-type activities.

- The assets and deferred outflows of resources of the Partnership exceeded its liabilities and deferred inflows of resources at December 31, 2016 by $324,947.

- Total assets increased by $3,726 in 2016 which represents an increase of 0.48 % from 2015. The increase was primarily due to an increase in prepaid items and capital assets.

- Total liabilities increased by $190,590 in 2016, which represents an increase of 38.37 % from 2015. Current liabilities increased $374 due to an increase in accounts payable in the current year. Long-term liabilities increased $190,216, due to increases in the net pension liability.

- The deferred outflows of resources and deferred inflows of resources increased by $164,792 and $4,460, respectively, from 2015. These accounts are related to GASB Statement No. 68 reporting.

- The fund balance of the General fund, the Partnership's operating fund, decreased by $3,887 from 2015. The decrease was primarily due to internal transfers to other funds. The purpose of the transfers was to cover fund balance deficits in other funds.

- The Community Partnership Foundation (the "Foundation") became active in 2016 when it received its first monetary donation. The Foundation is a newly developed 501(C)(3), type I supporting organization under section 509(a)(3). The sole mission of the Foundation is to enhance and expand the service capabilities of the Partnership. The Partnership presented the Foundation with a $10,000 donation in 2016.

- During 2016 the Partnership adopted Governmental Accounting Standards Board (GASB) Statement 80, "Blending Requirements For Certain Component Units – An Amendment of GASB Statement 14". The Foundation's bylaws and articles of incorporation identify the Partnership as the sole member of the Foundation and, therefore, the Foundation is considered to be a component unit of the Partnership. Recognizing the Foundation to be a component unit of the Partnership, GASB Statement 80 requires the Partnership and the Foundation to present blended financial statements wherein the two organizations combine their financial information.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the Partnership’s basic financial statements. The Partnership’s financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements.

***Government-wide Financial Statements* -** The government-wide financial statements are designed to provide the reader with a broad overview of the Partnership’s finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Partnership’s assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Partnership is improving or deteriorating.

The *statement of activities* presents information showing how the Partnership’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected receivables and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Partnership that are principally supported by user fees and charges and the program expenses used to operate during the fiscal year.

The government-wide financial statements can be found on pages 13 and 14 of this report.

***Fund Financial Statements* -** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Partnership, like State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Partnership can be divided into two categories: governmental and fiduciary funds.

Governmental funds – The governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the government’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Partnership, including its blended component unit, Community Partnership Foundation, maintains six governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for which the general fund, special accounts fund, Cuyahoga County Division of Senior & Adult Services fund, Title IIIB & IIIC fund and Community Partnership Foundation fund are considered to be the major funds.

The basic fund financial statements can be found on pages 15-18 of this report.

Fiduciary Funds - The fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of these funds are not available to support the Partnership’s own programs. Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trusts funds and agency funds. Trust funds are used to account for assets held by the Partnership under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Partnership’s own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Partnership’s only fiduciary fund is an agency fund.

The basic fiduciary fund financial statement can be found on page 19 of this report.

Notes to the Basic Financial Statements - The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 18 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the Partnership’s financial position. In the case of the Partnership, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $324,947 at the close of the most recent fiscal year.

87.74% of the Partnership’s net position reflects its unrestricted net position. The Partnership uses unrestricted net position to maintain services provided to seniors and associated operating costs. The investments in capital assets (e.g., equipment and furniture) comprise 4.65% of the net position. The Partnership uses these capital assets to provide services to senior adults; consequently, these assets are not available for future spending.

At the end of the current fiscal year, the Partnership is able to report positive balances in both categories of net position in the governmental activities. The same situation held true for the prior fiscal year. The table below shows net position for the year 2016 compared to year 2015.

Table 1
Net Position

	2016	2015	Variance
Assets:			
Current Assets	$ 769,931	$ 769,072	$ 859
Capital Assets, Net	15,094	12,227	2,867
Total Assets	785,025	781,299	3,726
Deferred Outflows of Resources			
Pensions	238,820	74,028	164,792
Liabilities:			
Current Liabilities	47,290	46,916	374
Noncurrent Liabilities:			
Other	36,828	40,264	(3,436)
Pensions	603,126	409,474	193,652
Total Liabilities	687,244	496,654	190,590
Deferred Inflows of Resources			
Pensions	11,654	7,194	4,460
Net Position:			
Investment in Capital Assets	15,094	12,227	2,867
Restricted for:			
Support Services	24,740	25,812	(1,072)
Unrestricted	285,113	313,440	(28,327)
Total Net Position	$ 324,947	$ 351,479	$ (26,532)

As noted above, the Partnership's net position decreased by $26,532. This decrease is mainly due to an increase in wages and benefits attributable to GASB 68 related pension expense and increased staffing.

The Partnership's statements are presented in compliance with GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27". The net pension liability is the largest liability reported by the Partnership at December 31, 2016. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Partnership's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of

Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under GASB 68, the net pension liability equals the Partnership's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Partnership is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer.* State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the Partnership's statements, prepared on an accrual basis of accounting, include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

As a result of GASB 68, the Partnership is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting.

Table 2 reflects the changes in net position in 2016 and 2015 for governmental activities.

Table 2
Changes in Net Position

	2016	2015	Variance
Program Revenues:			
Charges for Services	$ 32,389	$ 33,359	$ (970)
Operating Grants and Contributions	120,518	119,988	530
Total Program Revenues	152,907	153,347	(440)
General Revenues:			
Intergovernmental	717,093	692,577	24,516
Earnings on Investments	1,704	1,044	660
Miscellaneous	201	204	(3)
Total General Revenues	718,998	693,825	25,173
Total Revenues	871,905	847,172	24,733
Program Expenses:			
Wages and Benefits	615,546	538,343	77,203
Building Rent and Maintenance	7,596	7,596	-
Materials and Supplies	23,752	25,993	(2,241)
Utilities	10,599	9,844	755
Transportation	177,645	182,361	(4,716)
Technical Services	8,104	7,484	620
Liability services	10,976	10,301	675
Other	44,219	52,542	(8,323)
Total Program Expenses	898,437	834,464	63,973
Change in Net Position	(26,532)	12,708	(39,240)
Net Position, Beginning of Year, Restated	351,479	338,771	12,708
Net Position, End of Year	$ 324,947	$ 351,479	$ (26,532)

Governmental Activities

Program revenues of governmental activities represent 17.54% in 2016 and 18.10% in 2015 of total revenues. They consisted of monies received from clients, Western Reserve Area Agency on Aging, Cuyahoga County Division of Senior & Adult Services, and the Partnership's member municipalities for services performed as defined by the Partnership Board and the contractual agreements with these agencies.

General revenues of governmental activities represent 82.46% in 2016 and 81.90% in 2015 of total revenues. Of the Partnership's 2016 total general revenues, 99.74% relates to unrestricted local grants and entitlements. Investment income and miscellaneous revenues constitute less than one percent of the Partnership's general revenues during 2016.

Expenses for governmental net position include program expenditures, which represent the overhead costs of running the Partnership and the support services provided for senior activities. These include the costs of internal services such as payroll and purchasing.

The first column of the statement on page 14 indicates that the major program expenses for governmental activities are for wages and benefits and transportation, which account for 68.51 and 19.77%, respectively, of all governmental expenses in 2016. The next two columns of the Statement entitled Program Revenues identify amounts paid by people who are directly charged for the service and grants or contributions received by the Partnership that must be used to provide a specific service. The Net Revenues (Expenses) column compares the program revenues to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from unrestricted funds within the Partnership. These net costs are paid from the general revenues which are presented at the bottom of the Statement.

Capital Assets

At the end of 2016, the Partnership had $15,094 invested in appliances, furniture, fixtures and equipment, and vehicles. Table 3 shows 2016 balances of capital assets as compared to 2015.

Table 3 – Capital Assets at December 31 (Net of Depreciation)

	Governmental Activities	
	2016	2015
Appliances	$ 5,746	$ 5,746
Furniture, Fixtures and Equipment	42,817	35,881
Vehicles	13,458	13,458
Accumulated Depreciation	(46,927)	(42,858)
Total capital assets, net	$ 15,094	$ 12,227

Capital assets increased by $2,867 in 2016. The main reason for this increase is due to an increase in capital asset purchases from the prior year. See Note 8 for further discussion on capital assets.

Long-Term Obligations

At December 31, 2016, the Partnership had $36,828 in compensated absences liability, which is considered a long-term obligation and $603,126 in net pension liability. Compensated absences decreased by $3,436 from the 2015 compensated absences liability balance of $40,264 and pension liability increased by $193,652 from the 2015 pension liability balance of $409,474. See Note 6 for further discussion on compensated absences, Note 7 for detailed information regarding long-term obligations, and Note 9 for further discussion on the net pension liability.

Current Issues Affecting Financial Condition

2016 was another year of significant activity for the Community Partnership on Aging. Over 9,800 one-way rides were provided through transportation services; over 9,000 meals were served through congregate meal and café lunch programs; social workers engaged in over 750 hours of face to face supportive service related home and office visits and provided countless hours of phone consultation; homemaker services made over 890 visits providing approximately 1,780 total hours of service; agency social, educational and health related programs/activities received over 10,245 episodes of participation; an average of 94 totes of fresh food were given out every month; over 300 40-pound boxes of nonperishable foods were distributed and 41 households received necessary durable medical equipment or safety updates through the Safe At Home program. Our goal for 2017 is to increase these numbers.

While we anticipate that the demand and the need for our services will increase in 2017, as will the expenses associated with providing these services, our outlook for 2017 is very positive. Our member communities of South Euclid, Lyndhurst, Highland Heights, Mayfield Heights and Mayfield Village remain dedicated to the older adults who reside in their communities. We believe that the funding we receive from our member communities, the Cuyahoga County Health and Human Service Levy, Western Reserve Area Agency on Aging, along with other various grants and donations received through other agencies, foundations and individuals will prove to be adequate to meet the needs of 2017.

Contacting the Agency's Financial Management

This financial report is designed to provide a general overview of the Partnership's finances for all interested parties. Questions and requests for additional information regarding this report should be addressed to the Chief Financial Officer, Community Partnership on Aging, 1370 Victory Drive, South Euclid, Ohio 44121.

Community Partnership on Aging

Statement of Net Position

December 31, 2016

Assets:		
Equity in Pooled Cash and Cash Equivalents	$	725,382
Accounts Receivable		31,073
Prepaid Items		13,476
Depreciable Capital Assets, Net		15,094
Total Assets		785,025
Deferred Outflows of Resources:		
Pension		238,820
Liabilities:		
Accounts Payable		45,756
Accrued Payables		296
Accrued Workers Compensation		551
Insurance Premiums Payable		687
Long-Term Liabilities:		
Due Within One Year		25,351
Due In More Than One Year:		
Net Pension Liability (See Note 9)		603,126
Other Amounts Due In More Than One Year		11,477
Total Liabilities		687,244
Deferred Inflows of Resources:		
Pension		11,654
Net Position:		
Investment In Capital Assets		15,094
Restricted For:		
Support Services		24,740
Unrestricted		285,113
Total Net Position	$	324,947

The accompanying notes are an integral part of these basic financial statements.

Community Partnership on Aging

Statement of Activities

For the Year Ended December 31, 2016

		Program Revenues		Net Revenue (Expense) and Changes in Net Position
				Primary Government
	Expenses	Charges For Services	Operating Grants and Contributions	Governmental Activities
Primary Government				
Governmental Activities:				
Wages and Benefits	$ 615,546	$ 16,714	$ 54,793	$ (544,039)
Building Rent and Maintenance	7,596	-	-	(7,596)
Materials and Supplies	23,752	6,011	13,922	(3,819)
Utilities	10,599	-	-	(10,599)
Transportation	177,645	-	23,729	(153,916)
Technical Services	8,104	-	-	(8,104)
Liability Services	10,976	-	-	(10,976)
Other	44,219	9,664	28,074	(6,481)
Total Program Expenses	$ 898,437	$ 32,389	$ 120,518	(745,530)

General Revenues	
Intergovernmental	717,093
Earnings on Investments	1,704
Miscellaneous	201
Total General Revenues	718,998
Change in Net Position	(26,532)
Net Position Beginning of Year	351,479
Net Position End of Year	$ 324,947

The accompanying notes are an integral part of these basic financial statements.

Community Partnership on Aging

Balance Sheet
Governmental Funds
December 31, 2016

	General Fund	Special Accounts Fund	Cuyahoga County Division of Senior & Adult Services Fund	Title 3B & 3C Funds	Community Partnership Foundation	Other Governmental Funds	Total Governmental Funds
Assets							
Equity in Pooled Cash and Cash Equivalents	$ 555,073	$ 160,309	$ -	$ -	$ 10,000	$ -	$ 725,382
Accounts Receivable	21,036	552	2,764	6,721	-	-	31,073
Prepaid Items	13,127	-	23	326	-	-	13,476
Total Assets	$ 589,236	$ 160,861	$ 2,787	$ 7,047	$ 10,000	$ -	$ 769,931
Liabilities							
Accounts Payable	$ 29,201	$ 734	$ 8,419	$ 6,567	$ -	$ 835	$ 45,756
Accrued Payables	199	68	-	19	-	10	296
Accrued Workers' Compensation	52	-	-	487	-	12	551
Insurance Premiums Payable	651	-	-	36	-	-	687
Total Liabilities	30,103	802	8,419	7,109	-	857	47,290
Fund Balances							
Restricted	-	24,740	-	-	-	-	24,740
Committed	559,133	135,319	-	-	10,000	-	704,452
Unassigned	-	-	(5,632)	(62)	-	(857)	(6,551)
Total Fund Balances (Deficits)	559,133	160,059	(5,632)	(62)	10,000	(857)	722,641
Total Liabilities & Fund Balances	$ 589,236	$ 160,861	$ 2,787	$ 7,047	$ 10,000	$ -	$ 769,931

The accompanying notes are an integral part of these basic financial statements.

Community Partnership on Aging

Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2016

Total Governmental Funds Balances	$ 722,641
Amounts reported for governmental activities in the statement of net position are different because:	
Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds	15,094
Long-term liabilities, such as compensated absences, are not due and payable in the current period and therefore are not reported in the funds	(36,828)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred outflows/inflows are not reported in the funds:	
Deferred Outflows - Pension	238,820
Deferred Inflows - Pension	(11,654)
Net Pension Liability	(603,126)
Net Position of Governmental Activities	$ 324,947

The accompanying notes are an integral part of these basic financial statements.

Community Partnership on Aging

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2016

	General Fund	Special Accounts Fund	Cuyahoga County Division of Senior & Adult Services Fund	Title IIIB & IIIC Fund	Community Partnership Foundation	Other Governmental Funds	Total Governmental Funds
Revenues							
Intergovernmental	$ 692,093	$ -	$ 26,633	$ 73,316	$ -	$ 25,000	$ 817,042
Charges For Services	21,046	11,343	-	-	-	-	32,389
Earnings on Investments	770	934	-	-	-	-	1,704
Contributions and Donations	537	12,207	-	7,825	-	-	20,569
Other	201	-	-	-	-	-	201
Total Revenue	714,647	24,484	26,633	81,141	-	25,000	871,905
Expenditures							
Current:							
Wages and Benefits	348,950	-	42,852	175,505	-	18,354	585,661
Building Rent and Maintenance	-	-	-	7,596	-	-	7,596
Materials and Supplies	5,712	8,569	4,243	4,643	-	585	23,752
Utilities	5,857	-	1,434	3,071	-	237	10,599
Transportation	67,135	-	97,405	13,104	-	-	177,644
Technical Services	4,146	-	1,467	2,492	-	-	8,105
Liability Services	6,208	-	1,713	3,056	-	-	10,977
Other	5,790	20,315	3,510	6,994	-	10,477	47,086
Total Expenditures	443,798	28,884	152,624	216,461	-	29,653	871,420
Excess of Revenues Over (Under) Expenses	270,849	(4,400)	(125,991)	(135,320)	-	(4,653)	485
Other Financial Sources (Uses)							
Transfers In	-	-	125,113	138,824	10,000	799	274,736
Tansfers Out	(274,736)	-	-	-	-	-	(274,736)
Total Other Financial Sources (Uses)	(274,736)	-	125,113	138,824	10,000	799	-
Net Change in Fund Balances	(3,887)	(4,400)	(878)	3,504	10,000	(3,854)	485
Fund Balances (Deficits) Beginning of Year	563,020	164,459	(4,754)	(3,566)	-	2,997	722,156
Fund Balances (Deficits) End of Year	$ 559,133	$ 160,059	$ (5,632)	$ (62)	$ 10,000	$ (857)	$ 722,641

The accompanying notes are an integral part of these basic financial statements.

Community Partnership on Aging

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2016

Net Change in Fund Balances - Total Government Funds	$ 485
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. The amount by which capital outlays exceeded depreciation in the current period.	2,867
Some expenses reported in the statement of activities do not require the use of current fiscal resources and therefore are not reported as expenditures in Governmental Funds.	
Compensated Absences	3,436
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	54,619
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.	(87,939)
Change in Net Position of Governmental Activities	$ (26,532)

The accompanying notes are an integral part of these basic financial statements.

Community Partnership on Aging
Statement of Fiduciary Net Position
December 31, 2016

		Agency
Assets		
Equity Pooled in Cash and Cash Equivalents	$	39,593
Prepaids		200
Total Assets	$	39,793
Liabilities		
Deposits Held and Due to Others	$	39,793
Total Liabilities	$	39,793

The accompanying notes are an integral part of these basic financial statements.

Community Partnership on Aging

Notes to Basic Financial Statements

For the Year Ended December 31, 2016

Note 1: Reporting Entity

The Community Partnership on Aging, Cuyahoga County, (the "Partnership"), is a Council of Governments. 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 commission board members 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 Community Partnership Foundation, (the "Foundation"), is a newly developed 501(c)(3), type I supporting organization under section 509(a)(3). The sole mission of the Foundation is to enhance and expand the service capabilities of the Partnership.

The Foundation's bylaws and articles of incorporation identify the Partnership as the sole member of the Foundation and, therefore, the Foundation is considered to be a component unit of the Partnership. Based on this relationship, GASB Statement No. 80 requires the Partnership and the Foundation to present blended financial statements wherein the two organizations combine their financial information.

Financial Information for the Foundation can be obtained by submitting a request to the Financial Administrator, Community Partnership Foundation, 1370 Victory Drive, South Euclid, Ohio 44121.

The Partnership's management believes these financial statements present all activities for which the Partnership is financially accountable.

Note 2: Summary of Significant Accounting Policies

The financial statements of the Partnership have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the Partnership's accounting policies are described below.

A. Basis of Presentation

The Partnership's basic financial statements consist of government-wide statements, including a statement of net position 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 position and the statement of activities display information about the Partnership as a whole. These statements include the financial activities of the primary government.

Note 2: Summary of Significant Accounting Policies (continued)

A. Basis of Presentation (continued)

The statement of net position presents the financial condition of the governmental activities of the Partnership at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Partnership's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues not classified as program revenues are presented as general revenues of the Partnership, with certain limited exceptions.

The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Partnership.

Fund Financial Statements

During the year, the Partnership segregates transactions related to certain Partnership 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 Partnership 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. Non-major funds are aggregated and presented in a single column.

B. Fund Accounting

The Partnership uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Partnership classifies its funds into two categories: governmental and fiduciary.

Governmental Funds – Governmental funds are those through which most governmental functions typically 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. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance. The following are the Partnership's major governmental funds:

> *General Fund* – The General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the Partnership for any purpose provided it is expended or transferred according to the general laws of Ohio.
>
> *Special Accounts Fund* – The special accounts fund includes money received from donations, special program income, and funds derived from fund raisers to benefit senior adults.

Note 2: Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

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.

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.

Community Partnership Foundation – This fund accounts for the financial activities of the Community Partnership Foundation, the new 501(c)(3). The sole mission of the Foundation is to enhance and expand the service capabilities of the Partnership and their future financial activities will reflect this purpose. As required by GASB 80, this fund is blended with the primary government.

Fiduciary Fund – Fiduciary fund reporting focuses on net position and changes in net position. 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 Partnership under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Partnership's own programs. The Partnership has no trust funds.

Agency funds are custodial in nature (assets equal liabilities) and thus do not involve measurement of results of operations. The Partnership's agency funds 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.

C. Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the Partnership are included on the statement of net position. The statement of activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. The governmental fund financial statements therefore, include a reconciliation with brief

Note 2: Summary of Significant Accounting Policies (continued)

C. Measurement Focus (continued)

explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting; proprietary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows/outflows of resources, and in the presentation of expenses versus expenditures.

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Available period for the Partnership is sixty days after year-end.

Non-exchange transactions, in which the Partnership receives value without directly giving equal value in return, include grants, contributions and donations.

Revenue from grants, contributions and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Partnership must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Partnership on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: contributions and donations, earnings on investments, grants and charges for services.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Note 2: Summary of Significant Accounting Policies (continued)

D. Basis of Accounting (continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the financial statements that report financial position may include a section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The Partnership has deferred outflows of resources for pension reported in the statement of net position.

In addition to liabilities, the financial statements that report financial position will report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Partnership, deferred inflows of resources include amounts for the pension. Deferred inflows of resources related to pension are reported in the statement of net position.

E. Cash and Cash Equivalents

Cash received by the Partnership is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the Partnership's records.

During fiscal year 2016, the Partnership’s investments were limited to certificates of deposit.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposit are reported at cost.

For presentation on the statement of net position, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the Partnership are considered to be cash equivalents. Instruments with an initial maturity of more than three months are reported as investments.

F. Budgetary Process

The Partnership is not bound by the budgetary laws prescribed by the Ohio Revised Code. The Board passes an annual budget prior to the beginning of the fiscal year.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2016, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

Note 2: Summary of Significant Accounting Policies (continued)

H. Capital Assets and Depreciation

All capital assets are recorded at historical cost and updated for additions and retirements during the year. The Partnership maintains a capitalization threshold of $100. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Appliances	5 years
Furniture, Fixtures and Equipment	5 – 15 years
Vehicles	5 years

I. Compensated Absences

The Partnership reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those that the Partnership has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at fiscal year-end taking into consideration any limits specified in the Partnership's termination policy. Additionally, certain salary related payments associated with the payment of compensated absences have been accrued. The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "accrued wages" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

J. Payables, Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year.

Note 2: Summary of Significant Accounting Policies (continued)

K. Net Position

Net position represents the difference between all other elements in a statement of financial position. Investment in capital assets consists of capital assets, net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Partnership or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Partnership applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

L. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Partnership and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2016.

M. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

N. 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 the resources in the governmental funds. The classifications are as follows:

Nonspendable: The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted: Fund balance is reported as 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.

Committed: The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Partnership’s Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Note 2: Summary of Significant Accounting Policies (continued)

N. Fund Balance (continued)

Assigned: Amounts in the assigned fund balance classification are intended to be used by the Partnership for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Partnership Board or a Partnership official delegated that authority by resolution, or by state statute.

Unassigned: Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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.

O. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net positon have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

P. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Note 3: Change in Accounting Principles

For the year ended December 31, 2016, the Partnership implemented GASB Statement No. 72, “Fair Value Measurement and Application,” GASB Statement No 73, “Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68,” GASB Statement No. 76, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments,” GASB Statement No. 77, “Tax Abatement Disclosures,” GASB Statement No. 79, “Certain External Investment Pools and Pool Participants,” GASB Statement No. 80, “Blending Requirements for

Note 3: Change in Accounting Principles (continued)

Certain Component Units – an amendment of GASB Statement No. 14," and GASB Statement No. 82, "Pension Issues – an Amendment of GASB Statements No. 67, No. 68 and No. 73."

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes for applying fair value to certain investments and disclosures related to all fair value measurements. The implementation of this GASB pronouncement did not result in any changes to the Partnership's financial statements.

GASB Statement No. 73 establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68. These changes were incorporated in the Partnership's financial statements; however, there was no effect on beginning net position.

GASB Statement No. 76 identifies in the context of the current governmental financial reporting environment - the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. The implementation of this GASB pronouncement did not result in any changes to the Partnership's financial statements.

GASB Statement No. 77 requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. The implementation of this GASB pronouncement did not result in any changes to the Partnership's financial statements.

GASB Statement No. 79 establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. This Statement provides accounting and financial reporting guidance and also establishes additional note disclosure requirements for governments that participate in those pools. The implementation of this GASB pronouncement did not result in any changes to the Partnership's financial statements.

GASB Statement No. 80 amends the blending requirements for financial statement presentation of component units by adding criterion requiring blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. These changes were incorporated in the Partnership's financial statements; however, there was no effect on beginning net position.

GASB Statement No. 82 improves consistency in the application of pension accounting. These changes were incorporated in the Partnership's financial statements; however, there was no effect on beginning net position.

Note 4: Deposits and Investments

The Partnership follows State statute and classifies held monies into three categories.

Active deposits are amounts necessary to meet current cash needs. Such monies are maintained either in commercial accounts payable or withdraw able on demand accounts, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Note 4: Deposits and Investments (continued)

Inactive deposits are monies identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are those monies that are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

Interim monies may be deposited or invested in the following securities:

1. Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest therein.
2. Bonds, notes, debentures or other obligations or securities issued by any federal government agency.
3. Deposits with financial institutions and savings and loan associations, collateralized, as required by law.
4. State Treasurer's investment pool (STAR Ohio).
5. Bonds and other obligations of the State of Ohio.
6. Repurchase agreements fully collateralized with securities listed in 1 and 2 above.

Deposits

Custodial credit risk is the risk that, in the event of bank failure, the Partnership's deposits may be lost. Protection of the Partnership's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution, by surety company bonds or by a single collateral pool established by the financial institution.

At December 31, 2016, the carrying amount of the Partnership's deposits was $764,856 and the bank balance was $766,781. Of the bank balance, $351,125 was covered by FDIC insurance and $415,656 was collateralized with securities held by the pledging institution's trust department, not in the Partnership's name. At year-end, the Partnership had $119 of un-deposited cash on hand.

The Partnership has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Partnership or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Note 5: Receivables

Accounts receivable included on the statement of net position at December 31, 2016 consists primarily of fees receivable and miscellaneous service receivables due from grantors, clients and member municipalities. Management considers all receivables fully collectible.

Note 6: Compensated Absences

Accumulated unpaid vacation is accrued when earned and is to be used within the subsequent calendar year. In accordance with the Partnership vacation leave policy, unused vacation pay cannot be carried over from year to year. Accordingly, all accrued vacation pay is considered to be due within one year.

Partnership employees are paid for any unused vacation, earned and accrued for from the prior year, plus one-twelfth of their current year's anticipated annual vacation for every month worked up to the time of termination.

Sick leave is earned for full and regular part-time employees at the rate of 3.75 hours for each completed 75 hours of normal service. Upon retirement or death, employees hired before October 1, 2007 with ten or more active years of service are to be paid one-fourth of their accumulated sick leave, not to exceed 960 hours. Sick leave in excess of the 960 hour maximum is not paid upon retirement or death. There is no sick leave lump-sum pay-out benefit available to those employees hired after October 1, 2007.

Note 7: Long-Term Obligations

The changes in the Partnership's long-term obligations during 2015 were as follows:

	Principal Outstanding 12/31/2015	Additions	Deductions	Principal Outstanding 12/31/2016	Amounts Due in One Year
Governmental Activities:					
Compensated Absences	$ 40,264	$ 26,168	$ 29,604	$ 36,828	$ 25,351
Net Pension Liability:					
OPERS	409,474	193,652	-	603,126	-
Total Governmental Activities	$ 449,738	$ 219,820	$ 29,604	$ 639,954	$ 25,351

The Partnership pays obligations related to employee compensation from the fund benefiting from their service.

Community Partnership on Aging

Notes to Basic Financial Statements (continued)

For the Year Ended December 31, 2016

Note 8: Capital Assets

Capital asset activity for the year ended December 31, 2016, was as follows:

	Balance 12/31/2015	Additions	Retirements	Balance 12/31/2016
Capital Assets being Depreciated:				
Appliances	$ 5,746	$ -	$ -	$ 5,746
Furniture, Fixtures and Equipment	35,881	6,937	-	42,818
Vehicles	13,458	-	-	13,458
Total Capital Assets being Depreciated	55,085	6,937	-	62,022
Less Accumulated Depreciation and Amortization for:				
Appliances	(5,609)	(126)	-	(5,735)
Furniture, Fixtures and Equipment	(23,791)	(3,944)	-	(27,735)
Vehicles	(13,458)	-	-	(13,458)
Total Accumulated Depreciation and Amortization	(42,858)	(4,070)	-	(46,928)
Total Capital Assets, Net	$ 12,227	$ 2,867	$ -	$ 15,094

Depreciation expense was fully charged to the other function.

Note 9: Defined Benefit Pension Plans

A. Net Pension Liability

The net pension liability reported on the Statement of Net Position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the Partnership's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the Partnership's obligation for this liability to annually required payments. The Partnership cannot control benefit terms or the manner in which pensions are financed; however, the Partnership does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the

Note 9: Defined Benefit Pension Plans (continued)

A. Net Pension Liability (continued)

State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in accrued wages and benefits on both the accrual and modified accrual bases of accounting.

B. Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – The Partnership's employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed plan is a defined contribution plan and the Combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Community Partnership on Aging employees) may elect the any plan, all employee members are in OPERS' Traditional plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting https://www.opers.org/financial/reports.shtml, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. Final average salary (FAS) represents the average of the three highest years of earnings over the member's career for Groups A and B. Group C is based on the average of the five highest years of earning over a member's career. Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

The Traditional plan is a defined benefit plan in which a member's retirement benefits are calculated on a formula that considers years of service and FAS. Pension benefits are funded by both member and employer contributions and investment earnings on those contributions.

The following table provides age and service requirements for retirement and the retirement formula applied to the FAS for the three member groups under the Traditional plan (see OPERS CAFR referenced above for additional information):

Note 9: Defined Benefit Pension Plans (continued)

B. Plan Description – Ohio Public Employees Retirement System (OPERS) (continued)

Group A	**Group B**	**Group C**
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Formula:** 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Formula:** 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

When a benefit recipient retiring under the Traditional plan has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3%. Additionally, a death benefit of $500-$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a decreased retiree or disability benefit recipient under the Traditional plan.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2016 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2016 Actual Contribution Rates	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0 %
Total Employer	14.0 %
Employee	10.0 %

In 2016, the Partnership's contractually required contribution, net of post-employment health care benefits, was $54,619. There is no accrued OPERS at December 31, 2016.

Note 9: Defined Benefit Pension Plans (continued)

C. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for OPERS was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Partnership's proportion of the net pension liability was based on the Partnership's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

		OPERS
		Traditional
Proportion of the net pension liability prior measurement date		0.003395%
Proportion of the net pension liability current measurement date		0.003482%
Change in Proportionate Share		(0.000087%)
Proportionate share of the net pension liability	$	603,126
Pension expense	$	87,939

At December 31, 2016, the Partnership reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

		OPERS
		Traditional
Deferred outflow of resources		
Community Partnership on Aging contributions subsequent to the measurement date	$	54,619
Differences in employer contributions and change in proportionate share		6,920
Net difference between projected and actual earnings on pension plan investments		177,281
Total deferred outflow of resources	$	238,820
Deferred inflow of resources		
Difference between expected and actual experience		11,654
Total deferred inflow of resources	$	11,654

Note 9: Defined Benefit Pension Plans (continued)

C. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

The $54,619 reported as deferred outflows of resources related to pension resulting from the Partnership's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional
Fiscal Year Ending December 31:	
2017	$ 41,966
2018	44,801
2019	45,663
2020	40,117
	$ 172,547

D. Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The active member population which consists of members in the Traditional and Combined plans is assumed to remain constant. For purposes of financing the unfunded actuarial accrued liabilities, total payroll is assumed to grow at the wage inflation rate indicated below.

The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	OPERS Traditional Plan
Experience Study	5-year period ended December 31, 2010
Actuarial Cost Method	Individual Entry Age
Actuarial Assumptions:	
Investment Rate of Return	8%
Wage Inflation	3.75%
Future Salary Increases, including 3.75% inflation	4.25 to 10.05%
COLA	3% Simple

Note 9: Defined Benefit Pension Plans (continued)

D. Actuarial Assumptions – OPERS (continued)

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105% of the combined healthy male mortality rates were used. For females, 100% of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120% of the disabled female mortality rates were used set forward two years. For females, 100% of the disabled female mortality rates were used.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in four investment portfolios: the defined benefits portfolio, the health care portfolio, the 115 health care trust portfolio and the defined contribution portfolio. The defined benefit portfolio includes the investment assets of the Traditional plan, the defined benefit component of the Combined plan, the annuitized accounts of the member-directed plan and the VEBA Trust. Within the defined benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return, net of investment expenses, is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the defined benefit portfolio is 0.40% for 2015.

The allocation of investment assets with the defined benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2015 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00%	2.31%
Domestic Equities	20.70	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	18.30	7.40
Other Investments	18.00	4.59
Total	100.00%	

Discount Rate The discount rate used to measure the total pension liability was 8%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates, as actuarially determined. Based on those

Note 9: Defined Benefit Pension Plans (continued)

D. Actuarial Assumptions – OPERS (continued)

assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of Community Partnership on Aging's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents Community Partnership on Aging's proportionate share of the net pension liability calculated using the current period discount rate assumption of 8%, as well as what Community Partnership on Aging's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7%) or one-percentage-point higher (9%) than the current rate:

	1% Decrease (7%)	Discount Rate (8%)	1% Increase (9%)
Community Partnership on Aging's proportionate share of the net pension liability – Traditional	$ 960,928	$ 603,126	$ 301,332

Note 10: Post-Employment Benefits

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed plan – a defined contribution plan; and the Combined plan – a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate all health care assets into the OPERS 115 Health Care Trust. Transition to the new health care trust structure was completed July 1, 2016. As of December 31, 2016, OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional and Combined plans. Members of the Member-Directed plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage. OPERS funds a Retiree Medical Account (RMA) for participants in the Member-Directed plan. At retirement or refund, participants can be reimbursed for qualified medical expenses from their vested RMA balance.

In order to qualify for health care coverage, age-and-service retirees under the Traditional and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2015 CAFR for details.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Note 10: Post-Employment Benefits (continued)

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting https://www.opers.org/financial/reports.shtml#CAFR, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

The Ohio Revised Code provides the statutory authority requiring public employers to fund health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2016, State and Local employers contributed at a rate of 14.0% of earnable salary. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Plan and Combined Plan was 2.0% during calendar year 2016. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2017 decreased to 1.0% for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed plan for 2016 was 4.0%.

The Partnership's contributions for health care for the years ended December 31, 2016, 2015, and 2014 were $9,403, $8,666, and $8,322, respectively. 100 percent has been contributed for 2015 and 2014, while 89 percent has been contributed for 2016.

Note 11: 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 85 percent of employee and 50 percent of employee dependent health insurance premiums.

Note 12: Related Party Transactions

The Partnership's Executive Director is also a Board member of the Senior Transportation Connection, from which the Partnership acquired senior transportation services during 2016. The Partnership paid $177,488 for these services in 2016.

Note 13: Fund Balance

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Board is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the general fund are presented below:

Fund Balances	General	Special Accounts	Cuyahoga County Division of Senior & Adult Services	Title IIIB & IIIC	Community Partnership Foundation	Other Governmental	Total Governmental
Restricted for:							
Senior support services	$ -	$ 24,740	$ -	$ -	$ -	$ -	$ 24,740
Total restricted	-	24,740	-	-	-	-	24,740
Committed to:							
Senior support services	559,133	135,319	-	-	10,000	-	704,452
Unassigned (deficit)	-	-	(5,632)	(62)	-	(857)	(6,551)
Total Fund Balance	$ 559,133	$ 160,059	$ (5,632)	$ (62)	$ 10,000	$ (857)	$ 722,641

Note 14: Interfund Activity

Interfund activity for the year ended December 31, 2016, consists of the following:

Transfers from:	Amount
General Fund	$ 264,736
Special Accounts Fund	10,000
Total Transfers out	$ 274,736

Transfers to:	Amount
Cuyahoga County Division of Senior & Adult Services Fund	$ 125,113
Title IIIB & IIIC Fund	138,824
Community Partnership Foundation	10,000
Nonmajor Funds	799
Total Transfers in	$ 274,736

The transfers were made to provide resources for current operations. The transfer to the Foundation was to provide funds to cover anticipated administrative costs incurred during the course of business.

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Community Partnership on Aging

Required Supplementary Information

Schedule of the Partnership's Proportionate Share of the Net Pension Liability

Ohio Public Employees Retirement System – Traditional Plan

Last Three Years

	2015	2014	2013
Partnership's Portion of the Net Pension Liability	0.0034820%	0.0033950%	0.0033950%
Partnerships Proportionate Share of the Net Pension Liability	$ 603,126	$ 409,474	$ 400,226
Partnership's Covered Payroll	$ 434,836	$ 418,707	$ 429,043
Partnership's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	138.70%	97.79%	93.28%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.08%	86.45%	86.36%

(1) Information prior to 2013 is not available

Amounts presented as of the Partnership's measurement date which is the prior fiscal year end.

Community Partnership on Aging
Required Supplementary Information
Schedule of Partnership Contributions
Ohio Public Employees Retirement System – Traditional Plan
Last Ten Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually Required Contribution	$ 54,619	$ 52,180	$ 50,245	$ 55,776	$ 41,771	$ 39,889	$ 32,792	$ 32,693	$ 28,417	$ 35,268
Contribution in Relation to the Contractually Required Contributions	(54,619)	(52,180)	(50,245)	(55,776)	(41,771)	(39,889)	(32,792)	(32,693)	(28,417)	(35,268)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Partnership Covered-Employee Payroll	$ 455,157	$ 434,836	$ 418,707	$ 429,043	$ 417,707	$ 398,893	$ 364,350	$ 384,621	$ 405,950	$ 422,368
Contributions as a Percentage of Covered-Employee Payroll	12.00%	12.00%	12.00%	13.00%	10.00%	10.00%	9.00%	8.50%	7.00%	8.35%

The following discussion provides a summary overview of the financial activities of the Community Partnership on Aging (the "Partnership") for the year ended December 31, 2015. The intent of this discussion and analysis is to look at the Partnership's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Partnership's financial performance.

Financial Highlights

Key financial highlights for 2015 are as follows:

- For the year ended December 31, 2015, the Partnership implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. The implementation of these statements resulted in the restatement of net position as of December 31, 2014 for the governmental activities. See Note 3 for additional information regarding the restatement.

- Net position of governmental activities increased by $12,708 from 2014. The Partnership has no business-type activities.

- The assets and deferred outflows of resources of the Partnership exceeded its liabilities and deferred inflows of resources at December 31, 2015 by $351,479.

- Total assets increased by $7,924 in 2015 which represents an increase of 1.03 percent from 2014. The increase was primarily due to an increase in equity in pooled cash and cash equivalents.

- Total liabilities increased by $11,805 in 2015, which represents an increase of 2.44 percent from 2014. Current liabilities increased $1,045 due to an increase in accrued payables and accrued wages in the current year. Long-term liabilities increased $10,760, due to increases in the net pension liability.

- The deferred outflows of resources and deferred inflows of resources increased by $23,783 and $7,194, respectively, from 2014. These are new accounts related to the implementation of GASB Statement No. 68.

- The fund balance of the General fund, the Partnership's operating fund, decreased by $133,115 from 2014. The decrease was primarily due to internal transfers to other funds. The purpose of the transfers was to cover fund balance deficits in other funds.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the Partnership's basic financial statements. The Partnership's financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements.

Government-wide Financial Statements **-** The government-wide financial statements are designed to provide the reader with a broad overview of the Partnership's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Partnership's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Partnership is improving or deteriorating.

The *statement of activities* presents information showing how the Partnership's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected receivables and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Partnership that are principally supported by user fees and charges and the program expenses used to operate during the fiscal year.

The government-wide financial statements can be found on pages 53 and 54 of this report.

Fund Financial Statements **-** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Partnership, like State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Partnership can be divided into two categories: governmental and fiduciary funds.

Governmental funds – The governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Partnership maintains five governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for which the general fund, special accounts fund, Cuyahoga County Division of Senior & Adult Services fund and the Title IIIB & IIIC Fund are considered to be the major funds.

The basic fund financial statements can be found on pages 55-58 of this report.

Fiduciary Funds - The fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of these funds are not available to support the Partnership's own programs. Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trusts funds and agency funds. Trust funds are used to account for assets held by the Partnership under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Partnership's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Partnership's only fiduciary fund is an agency fund.

The basic fiduciary fund financial statement can be found on page 59 of this report.

Notes to the Basic Financial Statements - The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 60 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the Partnership's financial position. In the case of the Partnership, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $351,479 at the close of the most recent fiscal year.

More than 89 percent of the Partnership's net position reflects its unrestricted net position. The Partnership uses unrestricted net position to maintain services provided to seniors and associated operating costs. The investments in capital assets (e.g., equipment and furniture) comprise 3.48 percent of the net position. The Partnership uses these capital assets to provide services to senior adults; consequently, these assets are not available for future spending.

At the end of the current fiscal year, the Partnership is able to report positive balances in both categories of net position in the governmental activities. The same situation held true for the prior fiscal year. The table below shows net position for the year 2015 compared to year 2014.

Table 1
Net Position

		Restated	
	2015	2014	Variance
Assets:			
Current Assets	$ 769,072	$ 762,694	$ 6,378
Capital Assets, Net	12,227	10,681	1,546
Total Assets	781,299	773,375	7,924
Deferred Outflows of Resources			
Pensions	74,028	50,245	23,783
Liabilities:			
Current Liabilities	46,916	45,871	1,045
Noncurrent Liabilities:			
Other	40,764	38,752	1,512
Pensions	409,474	400,226	9,248
Total Liabilities	496,654	484,849	11,805
Deferred Inflows of Resources			
Pensions	7,194	0	7,194
Net Position:			
Investment in Capital Assets	12,227	10,681	1,546
Restricted for:			
Special Revenue	25,812	20,688	5,124
Unrestricted	313,440	307,402	(6,038)
Total Net Position	$ 351,479	$ 338,771	$ 12,708

As noted above, the Partnership's net position increased by $12,708. This increase is due to an increase in program revenue and a decrease in program expenses as compared to fiscal year 2014.

During 2015, the Partnership adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Partnership's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of

Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the Partnership's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2 Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Partnership is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer.* State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the Partnership's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB 68, the Partnership is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2014, from $688,752 to $338,771.

Table 2 reflects the changes in net position in 2015 and 2014 for governmental activities.

Table 2
Changes in Net Position

	2015	2014	Variance
Program Revenues:			
Charges for Services	$ 33,359	$ 31,241	$ 2,118
Operating Grants and Contributions	119,988	116,389	3,599
Total Program Revenues	153,347	147,630	5,717
General Revenues:			
Intergovernmental	692,577	700,915	(8,338)
Earnings on Investments	1,044	724	320
Miscellaneous	204	266	(62)
Total General Revenues	693,825	701,905	(8,080)
Total Revenues	847,172	849,535	(2,363)
Program Expenses:			
Wages and Benefits	538,343	526,140	12,203
Building Rent and Maintenance	7,596	7,596	-
Materials and Supplies	25,993	19,399	6,594
Utilities	9,844	9,835	9
Transportation	182,361	176,261	6,100
Technical Services	7,484	6,009	1,475
Liability services	10,301	9,443	858
Other	52,542	48,671	3,871
Total Program Expenses	834,464	803,354	31,110
Change in Net Position	12,708	46,181	(33,473)
Net Position, Beginning of Year, Restated	338,771	N/A	N/A
Net Position, End of Year	$ 351,479	$ 338,771	$ 12,708

The information necessary to restate the 2014 beginning balance and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of $50,245 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the

2015 statements report pension expense of $44,839. Consequently, in order to compare 2015 program expenses to 2014, the following adjustments are necessary:

Total 2015 program expenses under GASB 68	834,464
Pension expense under GASB 68	(44,839)
2015 Contractually required contribution	52,180
Adjusted 2015 program expenses	841,805
Total 2014 program expenses under GASB 27	803,354
Increase in program expenses not related to pension	38,451

Total revenues decreased in 2015 compared to 2014 by $2,363, or a decrease of .28 percent. The decrease is mainly attributable to a reduction in Member City funding.

Total program expenses increased overall by $31,110, an increase of 3.87 percent. Wage and Benefit expenses had the most significant increase of $12,203, or 2.32 percent, and was mainly due to increases in wages and health insurance premiums.

Governmental Activities

Program revenues of governmental activities represent 18.10 percent in 2015 and 17.38 percent in 2014 of total governmental revenues. They consisted of monies received from the Western Reserve Area Agency, Cuyahoga County, and the Partnership's member municipalities for services performed as defined by the Partnership Board and the contractual agreements with these agencies.

General revenues of governmental activities represent 81.9 percent in 2015 and 82.62 percent in 2014. Of the Partnership's 2015 total general revenues, 99.82 percent relates to unrestricted local grants and entitlements. Investment income and miscellaneous revenues constitute less than one percent of the Partnership's general revenues during 2015.

Expenses for governmental net position include program expenditures, which represent the overhead costs of running the Partnership and the support services provided for senior activities. These include the costs of internal services such as payroll and purchasing.

If you look at the statement of activities on page 54, you will see that the first column lists the major services provided by the Partnership. The next column identifies the costs of providing these services. The major program expenses for governmental activities are for wages and benefits and transportation, which account for 64.51 and 21.85 percent of all governmental expenses in 2015. The next two columns of the Statement entitled Program Revenues identify amounts paid by people who are directly charged for the service and grants or contributions received by the Partnership that must be used to provide a specific service. The Net Revenues (Expenses) column compares the program revenues to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from unrestricted funds within the Partnership. These net costs are paid from the general revenues which are presented at the bottom of the Statement.

Capital Assets

At the end of 2015, the Partnership had $12,227 invested in appliances, furniture and fixtures, and vehicles. Table 3 shows 2015 balances of capital assets as compared to 2014.

Table 3 – Capital Assets at December 31 (Net of Depreciation)

	Governmental Activities	
	2015	2014
Appliances	$ 5,746	$ 5,746
Furniture and fixtures	35,881	30,575
Vehicles	13,458	13,458
Accumulated Depreciation	(42,858)	(39,098)
Total capital assets, net	$ 12,227	$ 10,681

Capital assets increased by $1,546 in 2015. The main reason for this increase is due to an increase in capital asset purchases from the prior year. See Note 8 for further discussion on capital assets.

Long-Term Obligations

At December 31, 2015, the Partnership had $40,264 in compensated absences liability, which is considered a long-term obligation and $409,474 in net pension liability. Compensated absences increased by $1,512 from the 2014 compensated absences liability balance of $38,752 and pension liability increased by $9,248 from the 2014 pension liability balance of $400,226. See Note 6 for further discussion on compensated absences and see Note 7 for detailed information regarding long-term obligations.

Current Issues Affecting Financial Condition

2015 proved to be another year of significant activity for the Community Partnership on Aging. Over 10,500 one-way rides were provided through transportation services; over 9,300 meals were served through congregate meal and café lunch programs; social workers engaged in over 1,000 hours of face to face supportive service related home and office visits and provided countless hours of phone consultation; homemaker services made over 940 visits providing approximately 1,850 total hours of service; agency social, educational and health related programs/activities received over 10,760 episodes of participation; an average of 97 totes of fresh food were given out every month and 28 households received necessary durable medical equipment or safety updates through the Safe At Home program. Overall, we have accomplished our anticipated goals for 2015.

While the demand and the need for our services are expected to increase in 2016, as are the expenses associated with providing these services, our outlook for 2016 is very positive. Our member communities of South Euclid, Lyndhurst, Highland Heights, Mayfield Heights and Mayfield Village remain dedicated to the older adults who reside in their communities. We believe that the funding we receive from our member communities, the Cuyahoga County Health and Human Service Levy, Western Reserve Area Agency on Aging, along with other various grants and donations received through other agencies, foundations and individuals will prove to be adequate to meet the needs of 2016.

Contacting the Agency's Financial Management

This financial report is designed to provide a general overview of the Partnership's finances for all interested parties. Questions and requests for additional information regarding this report should be addressed to the Chief Financial Officer, Community Partnership on Aging, 1370 Victory Drive, South Euclid, Ohio 44121.

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Community Partnership on Aging
Statement of Net Position
December 31, 2015

Assets:		
Equity in Pooled Cash and Cash Equivalents	$	725,146
Accounts Receivable		31,136
Prepaid Items		12,790
Depreciable Capital Assets, Net		12,227
Total Assets		781,299
Deferred Outflows of Resources:		
Pension		74,028
Liabilities:		
Accounts Payable		26,522
Accrued Payables		811
Accrued Workers' Compensation		2,210
Accrued Wages		17,373
Long-Term Liabilities:		
Due Within One Year		24,942
Due In More Than One Year:		
Net Pension Liability		409,474
Other Amounts Due In More Than One Year		15,322
Total Liabilities		496,654
Deferred Inflows of Resources:		
Pension		7,194
Net Position:		
Investment In Capital Assets		12,227
Restricted for:		
Support Services		25,812
Unrestricted		313,440
Total Net Position	$	351,479

The accompanying notes are an integral part of these basic financial statements.

Community Partnership on Aging

Statement of Activities

For the Year Ended December 31, 2015

		Program Revenues		Net Revenue (Expense) and Changes in Net Position
				Primary Government
	Expenses	Charges For Services	Operating Grants and Contributions	Governmental Activities
Primary Government				
Governmental Activities:				
Wages and Benefits	$ 538,343	$ 17,198	$ 52,128	$ (469,017)
Building Rent and Maintenance	7,596	-	-	(7,596)
Materials and Supplies	25,993	7,207	17,250	(1,536)
Utilities	9,844	-	-	(9,844)
Transportation	182,361	-	22,353	(160,008)
Technical Services	7,484	-	-	(7,484)
Liability Services	10,301	-	-	(10,301)
Other	52,542	8,954	28,257	(15,331)
Total Program Expenses	$ 834,464	$ 33,359	$ 119,988	(681,117)

General Revenues	
Intergovernmental	692,577
Earnings on Investments	1,044
Miscellaneous	204
Total General Revenues	693,825
Change in Net Position	12,708
Net Position Beginning of Year, Restated - See Note 3	338,771
Net Position End of Year	$ 351,479

The accompanying notes are an integral part of these basic financial statements.

Community Partnership on Aging

Balance Sheet
Governmental Funds
December 31, 2015

	General Fund	Special Accounts Fund	Cuyahoga County Division of Senior & Adult Services Fund	Title 3B & 3C Funds	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	$ 560,467	$ 164,679	$ -	$ -	$ -	$ 725,146
Accounts Receivable	21,018	1,307	2,063	3,751	2,997	31,136
Prepaid Items	12,601	-	24	165	-	12,790
Total Assets	594,086	165,986	2,087	3,916	2,997	769,072
Liabilities						
Accounts Payable	16,379	1,527	6,841	1,775	-	26,522
Accrued Payables	753	-	-	58	-	811
Accrued Workers' Compensation	629	-	-	1,581	-	2,210
Accrued Wages	13,305	-	-	4,068	-	17,373
Total Liabilities	31,066	1,527	6,841	7,482	-	46,916
Fund Balances						
Restricted	-	22,815	-	-	2,997	25,812
Committed	563,020	141,644	-	-	-	704,664
Unassigned	-	-	(4,754)	(3,566)	-	(8,320)
Total Fund Balances (Deficits)	563,020	164,459	(4,754)	(3,566)	2,997	722,156
Total Liabilities & Fund Balances	$ 594,086	$ 165,986	$ 2,087	$ 3,916	$ 2,997	$ 769,072

The accompanying notes are an integral part of these basic financial statements.

Community Partnership on Aging

Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2015

Total Governmental Funds Balances	$	722,156
Amounts reported for governmental activities in the statement of net position are different because:		
Capital Assets used in governmental activities are not financial resources and therefore are not reported in funds		12,227
Long-term liabilities, such as compensated absences, are not due and payable in the current period and therefore are not reported in the funds		(40,264)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in Government Funds:		
Deferred Outflows - Pension		74,028
Deferred Inflows - Pension		(7,194)
Net Pension Liability		(409,474)
Net Position of Governmental Activities	$	351,479

The accompanying notes are an integral part of these basic financial statements.

Community Partnership on Aging

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2015

	General Fund	Special Accounts Fund	Cuyahoga County Division of Senior & Adult Services Fund	Title IIIB & IIIC Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Intergovernmental	$ 684,881	$ 4,700	$ 26,248	$ 71,242	$ 2,997	$ 790,068
Charges For Services	21,005	12,355	-	-	-	33,360
Earnings on Investments	456	589	-	-	-	1,045
Contributions and Donations	914	12,740	-	8,844	-	22,498
Other	202	-	-	-	-	202
Total Revenue	707,458	30,384	26,248	80,086	2,997	847,173
Expenditures						
Current:						
Wages and Benefits	318,108	-	38,915	186,063	1,086	544,172
Building Rent and Maintenance	-	-	-	7,596	-	7,596
Materials and Supplies	6,323	9,750	5,034	4,740	146	25,993
Utilities	4,877	-	1,297	3,356	315	9,845
Transportation	92,800	-	76,437	13,123	-	182,360
Technical Services	4,227	-	1,110	2,147	-	7,484
Liability Services	6,005	-	1,434	2,862	-	10,301
Other	26,504	11,497	4,151	10,275	1,662	54,089
Total Expenditures	458,844	21,247	128,378	230,162	3,209	841,840
Excess of Revenues Over (Under) Expenses	248,614	9,137	(102,130)	(150,076)	(212)	5,333
Other Financial Sources (Uses)						
Transfers In	-	111	183,484	194,925	3,209	381,729
Tansfers Out	(381,729)	-	-	-	-	(381,729)
Total Other Financial Sources (Uses)	(381,729)	111	183,484	194,925	3,209	-
Net Change in Fund Balances	(133,115)	9,248	81,354	44,849	2,997	5,333
Fund Balances (Deficits) Beginning of Year	696,135	155,211	(86,108)	(48,415)	-	716,823
Fund Balances (Deficits) End of Year	$ 563,020	$ 164,459	$ (4,754)	$ (3,566)	$ 2,997	$ 722,156

The accompanying notes are an integral part of these basic financial statements.

Community Partnership on Aging

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2015

Net Change in Fund Balances - Total Government Funds	$	5,333
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental Funds report capital outlays as expenditures However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. The amount by which capital outlays exceeded depreciation in the current period.		1,546
Some expenses reported in the statement of activities do not require the use of current fiscal resources and therefore are not reported as expenditures in Governmental Funds.		
Compensated Absences		(1,512)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		52,180
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		(44,839)
Change in Net Position of Governmental Activities	$	12,708

The accompanying notes are an integral part of these basic financial statements.

Community Partnership on Aging
Statement of Fiduciary Net Position
December 31, 2015

Assets		
Equity Pooled in Cash and Cash Equivalents	$	39,061
Prepaids		550
Total Assets	$	39,611
Liabilities		
Deposits Held and Due to Others	$	39,611
Total Liabilities	$	39,611

The accompanying notes are an integral part of these basic financial statements.

Note 1: Reporting Entity

The Community Partnership on Aging, Cuyahoga County, (the "Partnership"), is a Council of Governments. 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 commission board members 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.

Note 2: Summary of Significant Accounting Policies

The financial statements of the Partnership have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the Partnership's accounting policies are described below.

A. Basis of Presentation

The Partnership's basic financial statements consist of government-wide statements, including a statement of net position 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 position and the statement of activities display information about the Partnership as a whole. These statements include the financial activities of the primary government.

The statement of net position presents the financial condition of the governmental activities of the Partnership at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Partnership's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues not classified as program revenues are presented as general revenues of the Partnership, with certain limited exceptions.

Note 2: Summary of Significant Accounting Policies (continued)

A. Basis of Presentation (continued)

The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Partnership.

Fund Financial Statements

During the year, the Partnership segregates transactions related to certain Partnership 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 Partnership 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. Non-major funds are aggregated and presented in a single column.

B. Fund Accounting

The Partnership uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Partnership classified their funds into two categories: governmental and fiduciary.

Governmental Funds – Governmental funds are those through which most governmental functions typically 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. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance. The following are the Partnership's major governmental funds:

General Fund – The General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the Partnership for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Accounts Fund – The special accounts fund includes money received from donations, special program income, and funds derived from fund raisers to benefit senior adults.

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.

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.

Note 2: Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

Fiduciary Fund – Fiduciary fund reporting focuses on net position and changes in net position. 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 Partnership under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Partnership's own programs. The Partnership has no trust funds.

Agency funds are custodial in nature (assets equal liabilities) and thus do not involve measurement of results of operations. The Partnership's agency funds 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.

C. Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the Partnership are included on the statement of net position. The statement of activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. The governmental fund financial statements therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting; proprietary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows/outflows of resources, and in the presentation of expenses versus expenditures.

Note 2: Summary of Significant Accounting Policies (continued)

D. Basis of Accounting (continued)

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Available period for the Partnership is sixty days after year-end.

Non-exchange transactions, in which the Partnership receives value without directly giving equal value in return, include grants, contributions and donations.

Revenue from grants, contributions and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Partnership must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Partnership on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: contributions and donations, earnings on investments, grants and charges for services.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Deferred Outflows/Inflows of Resources

In addition to assets, the financial statements that report financial position may include a section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The Partnership has deferred outflows of resources for pension reported in the statements of net position.

In addition to liabilities, the financial statements that report financial position will report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Partnership, deferred inflows of resources include amounts for the pension. Deferred inflows of resources related to pension are reported on the government-wide Statement of Net Position.

Note 2: Summary of Significant Accounting Policies (continued)

E. Cash and Cash Equivalents

Cash received by the Partnership is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the Partnership's records.

During fiscal year 2015, the Partnership’s investments were limited to certificates of deposit.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposit are reported at cost.

For presentation on the statement of net position, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the Partnership are considered to be cash equivalents. Instruments with an initial maturity of more than three months are reported as investments.

F. Budgetary Process

The Partnership is not bound by the budgetary laws prescribed by the Ohio Revised Code. The Board passes an annual budget prior to the beginning of the fiscal year.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2015, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

H. Capital Assets and Depreciation

All capital assets are recorded at historical cost and updated for additions and retirements during the year. The Partnership maintains a capitalization threshold of $100. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Appliances	5 years
Furniture, Fixtures and Equipment	5 – 15 years
Vehicles	5 years

I. Compensated Absences

The Partnership reports compensated absences in accordance with the provisions of GASB No. 16, “Accounting for Compensated Absences.” Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Note 2: Summary of Significant Accounting Policies (continued)

I. Compensated Absences (continued)

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those that the Partnership has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at fiscal year-end taking into consideration any limits specified in the Partnership's termination policy. Additionally, certain salary related payments associated with the payment of compensated absences have been accrued. The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "accrued wages" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

J. Payables, Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year.

K. Net Position

Net position represents the difference between all other elements in a statement of financial position. Investment in capital assets consists of capital assets, net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Partnership or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Partnership applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

L. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Partnership and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2015.

Note 2: Summary of Significant Accounting Policies (continued)

M. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

N. Reclassification

Prior year data presented in the Management's Discussion and Analysis have been reclassified in order to be comparative and provide an understanding of the changes in financial position and operations. Certain reclassifications have been made to the 2014 data in order to conform to the 2015 presentation.

O. 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 the resources in the governmental funds. The classifications are as follows:

Nonspendable: The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

Restricted: Fund balance is reported as 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.

Committed: The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Partnership's Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned: Amounts in the assigned fund balance classification are intended to be used by the Partnership for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Partnership Board or a Partnership official delegated that authority by resolution, or by state statute.

Unassigned: Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Note 2: Summary of Significant Accounting Policies (continued)

O. Fund Balance (continued)

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.

P. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net positon have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

Note 3: Changes in Accounting Principle and Restatement of Net Position

For 2015, the Partnership implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68." GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported December 31, 2014:

	Governmental Activities
Net Position December 31, 2014	$ 688,752
Adjustments:	
Net Pension Liability	(400,226)
Deferred Outflows - Payments Subsequent to Measurement Date	50,245
Restated Net Position December 31, 2014	$ 338,771

Other than employer contributions subsequent to the measurement date, the Partnership made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

Note 4: Deposits and Investments

The Partnership follows state statute and classifies held monies into three categories.

Active deposits are amounts necessary to meet current cash needs. Such monies are maintained either in commercial accounts payable or withdraw able on demand accounts, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are monies identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are those monies that are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

Interim monies may be deposited or invested in the following securities:

1. Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest therein.
2. Bonds, notes, debentures or other obligations or securities issued by any federal government agency.
3. Deposits with financial institutions and savings and loan associations, collateralized, as required by law.
4. State Treasurer's investment pool (STAR Ohio).
5. Bonds and other obligations of the State of Ohio.
6. Repurchase agreements fully collateralized with securities listed in 1 and 2 above.

Deposits

Custodial credit risk is the risk that, in the event of bank failure, the Partnership's deposits may be lost. Protection of the Partnership's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution, by surety company bonds or by a single collateral pool established by the financial institution.

At December 31, 2015, the carrying amount of the Partnership's deposits was $764,044 and the bank balance was $764,823. Of the bank balance, $339,836 was covered by FDIC insurance and $424,987 was collateralized with securities held by the pledging institution's trust department, not in the Partnership's name. At year-end, the Partnership had $163 of un-deposited cash on hand.

The Partnership has no deposit policy for custodial risk beyond the requirements of state statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Partnership or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Note 5: Receivables

Accounts receivable included on the statement of net position at December 31, 2015 consists primarily of fees receivable and miscellaneous service receivables due from grantors, clients and member municipalities. Management considers all receivables fully collectible.

Note 6: Compensated Absences

Accumulated unpaid vacation is accrued when earned and is to be used within the subsequent calendar year. In accordance with the Partnership vacation leave policy, unused vacation pay cannot be carried over from year to year. Accordingly, all accrued vacation pay is considered to be a current liability.

Partnership employees are paid for any unused vacation, earned and accrued for from the prior year, plus one-twelfth of their current year's anticipated annual vacation for every month worked up to the time of termination.

Sick leave is earned for full and regular part-time employees at the rate of 3.75 hours for each completed 75 hours of normal service. Upon retirement or death, employees hired before October 1, 2007 with ten or more active years of service are to be paid one-fourth of their accumulated sick leave, not to exceed 960 hours. Sick leave in excess of the 960 hour maximum is not paid upon retirement or death. There is no sick leave lump-sum pay-out benefit available to those employees hired after October 1, 2007.

Note 7: Long-Term Obligations

The changes in the Partnership's long-term obligations during 2015 were as follows:

	Principal Outstanding 12/31/2014	Additions	Deductions	Principal Outstanding 12/31/2015	Amounts Due in One Year
Governmental Activities:					
Compensated Absences	$ 38,752	$ 26,657	$ 25,145	$ 40,264	$ 24,942
Net Pension Liability:					
OPERS	400,226	9,248	0	409,474	0
Total Governmental Activities	$ 438,978	$ 35,905	$ 25,145	$ 449,738	$ 24,942

The Partnership pays obligations related to employee compensation from the fund benefiting from their service.

Community Partnership on Aging

Notes to Basic Financial Statements (continued)

For the Year Ended December 31, 2015

Note 8: Capital Assets

Capital asset activity for the year ended December 31, 2015, was as follows:

	Balance 12/31/2014	Additions	Retirements	Balance 12/31/2015
Capital Assets being Depreciated:				
Appliances	$ 5,746	$ -	$ -	$ 5,746
Furniture, Fixtures and Equipment	30,575	5,306	-	35,881
Vehicles	13,458	-	-	13,458
Total Capital Assets being Depreciated	49,779	5,306	-	55,085
Less Accumulated Depreciation and Amortization for:				
Appliances	(5,483)	(126)	-	(5,609)
Furniture, Fixtures and Equipment	(20,157)	(3,634)	-	(23,791)
Vehicles	(13,458)	-	-	(13,458)
Total Accumulated Depreciation and Amortization	(39,098)	(3,760)	-	(42,858)
Total Capital Assets, Net	$ 10,681	$ 1,546	$ -	$ 12,227

Depreciation expense was fully charged to the other function.

Note 9 - Defined Benefit Pension Plans

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions–between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the Partnership's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the Partnership's obligation for this liability to annually required payments. The Partnership cannot control benefit terms or the manner in which pensions are financed; however, the Partnership does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net

Note 9 - Defined Benefit Pension Plans (continued)

pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *accounts payable* on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - Partnership employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Partnership employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting https://www.opers.org/financial/reports.shtml, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other groups and members hire on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 whith 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 whith 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Note 9 - Defined Benefit Pension Plans (continued)

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2015 Statutory Maximum Contribution Rates	
Employer	14.0%
Employee	10.0%
2015 Actual Contribution Rates	
Employer:	
Pension	12.0%
Post-Employment Health Benefits	2.0
Total Employer	14.0%
Employee	10.0%

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Partnership's contractually required contribution was $52,180 for 2015. Of this amount, $1,783 is reported as an intergovernmental payable.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for OPERS was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The

Note 9 - Defined Benefit Pension Plans (continued)

Partnership's proportion of the net pension liability was based on the Partnership's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS
Proportionate Share of the Net Pension Liability	$ 409,474
Proportion of the Net Pension Liability	0.0033950%
Pension Expense	$ 44,839

At December 31, 2015, the Partnership reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS
Deferred Outlflows of Resources	
Net difference between projected and actual earnings on pension plan investments	$ 21,848
Partnership contributions subsequent to the measurement date	52,180
Total Deferred Outflows of Resources	$ 74,028
Deferred Inflows of Resources	
Difference Between Expected and actual experience	$ 7,194

$52,180 reported as deferred outflows of resources related to pension resulting from Partnership contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

		OPERS
Year Ending December 31:		
	2016	$ 2,143
	2017	2,143
	2018	4,907
	2019	5,461
Total		$ 14,654

Note 9 - Defined Benefit Pension Plans (continued)

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA	3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined

Note 9 - Defined Benefit Pension Plans (continued)

benefit pension plans. The table below displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

Asset Class	Target Allocation		Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)	
Fixed Income	23.00	%	2.31	%
Domestic Equities	19.90		5.84	
Real Estate	10.00		4.25	
Private Equity	10.00		9.25	
International Equities	19.10		7.40	
Other investments	18.00		4.59	
Total	100.00	%	5.28	%

Discount Rate The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Partnership's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the Partnership's proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the Partnership's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Partnership's proportionate share of the net liability	$ 753,317	$ 409,474	$ 119,877

Note 10: Post-Employment Benefits

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan – a defined contribution plan; and the Combined Plan – a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

Note 10: Post-Employment Benefits (continued)

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available.

The health care coverage provided by OPERS meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement 45. OPERS' eligibility requirements for post-employment health care coverage changed for those retiring on and after January 1, 2015. Please see the Plan Statement in the OPERS 2014 CAFR for details.

The Ohio Revised Code permits, but does not require, OPERS to provide OPEB benefits to its eligible benefit recipients. Authority to establish and amend health care coverage is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting https://www.opers.org/investments/cafr.shtml, writing to OPERS, 277 East Town Street, Columbus, OH, 43215-4642, or by calling 614-222-5601 or 800-222-7377.

The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care. Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2015, the Partnership contributed at a rate of 14 percent of earnable salary, the maximum employer contribution rate permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB Plan.

OPERS' Post-Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of the post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2 percent during calendar year 2015. Effective January 1, 2016, the portion of employer contributions allocated to health care remains 2 percent for both plans, as recommended by the OPERS' Actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Partnership's contributions for health care for the years ended December 31, 2015, 2014, and 2013 were $8,666, $8,322, and $4,289, respectively. 100 percent has been contributed for 2014 and 2013, while 92 percent has been contributed for 2015.

Note 11: 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 87.59 percent of employee and 45.9 percent of employee dependent health insurance premiums.

Note 12: 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 2015. The Partnership paid $182,403 for these services in 2015.

Note 13: Fund Balance

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Board is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the general fund are presented below:

Fund Balances	General	Special Accounts	Cuyahoga County Division of Senior & Adult Services	Title IIIB & IIIC	Nonmajor	Total Governmental
Restricted for:						
Senior support services	$ -	$ 22,815	$ -	$ -	$ 2,997	$ 25,812
Total restricted	-	22,815	-	-	2,997	25,812
Committed to:						
Senior support services	563,020	141,644	-	-	-	704,664
Unassigned (deficit)	-	-	(4,754)	(3,566)		(8,320)
Total Fund Balance	$ 563,020	$ 164,459	$ (4,754)	$ (3,566)	$ 2,997	$ 722,156

Note 14: Interfund Activity

Interfund activity for the year ended December 31, 2015, consists of the following:

Transfers from:	Amount		Transfers to:	Amount	
General Fund	$	381,729	Special Accounts Fund	$	111
			Cuyahoga County Division of Senior & Adult Services Fund		183,484
			Title IIIB & IIIC Fund		194,925
			Other Governmental Funds		3,209
			Total Transfers in	$	381,729

The transfers were made to provide resources for current operations.

Community Partnership on Aging

Require Supplementary Information

Schedule of the Partnership's Proportionate Share of the Net Pension Liability

Ohio Public Employees Retirement System – Traditional Plan

Last Two Years

	2014	2013
Partnership's Portion of the Net Pension Liability	0.0033950%	0.0033950%
Partnerships Proportionate Share of the Net Pension Liability	$ 409,474	$ 400,226
Partnership's Covered Employee Payroll	$ 418,707	$ 429,043
Partnership's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	97.79%	93.28%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.45%	86.36%

(1) Information prior to 2013 is not available

Amounts presented as of the Partnership's measurement date which is the prior fiscal year end.

Community Partnership on Aging

Require Supplementary Information

Schedule of Partnership Contributions

Ohio Public Employees Retirement System – Traditional Plan

Last Ten Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually Required Contribution	$ 52,180	$ 50,245	$ 55,776	$ 41,771	$ 39,889	$ 32,792	$ 32,693	$ 28,417	$ 35,268	$ 38,093
Contribution in Relation to the Contractually Required Contributions	(52,180)	(50,245)	(55,776)	(41,771)	(39,889)	(32,792)	(32,693)	(28,417)	(35,268)	(38,093)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Partnership Covered-Employee Payroll	$ 434,836	$ 418,707	$ 429,043	$ 417,707	$ 398,893	$ 364,350	$ 384,621	$ 405,950	$ 422,368	$ 414,051
Contributions as a Percentage of Covered-Employee Payroll	12.00%	12.00%	13.00%	10.00%	10.00%	9.00%	8.50%	7.00%	8.35%	9.20%

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
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 governmental activities, each major fund, and the aggregate remaining fund information of the Community Partnership on Aging, Cuyahoga County, (the Partnership) as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the Partnership's basic financial statements and have issued our report thereon dated November 16, 2017, wherein we noted the Partnership adopted Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

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 report is not suitable for any other purpose.

Dave Yost
Auditor of State
Columbus, Ohio

November 16, 2017

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2016 AND 2015

Finding Number	Finding Summary	Status	Additional Information
2014-001	Financial Reporting	Corrective Action Taken and Finding is Fully Corrected	None

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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
NOVEMBER 30, 2017