

Council for Older Adults

Delaware, Ohio

Financial Statements

December 31, 2008 and 2007

BALESTRA, HARR & SCHERER, CPAs, INC.

528 South West Street, P.O. Box 687

Piketon, Ohio 45661

Telephone (740) 289-4131

Fax (740) 289-3639

www.bhscpas.com



Mary Taylor, CPA
Auditor of State

Board Members
Council for Older Adults
800 Cheshire Road
Delaware, OH 43015

We have reviewed the *Independent Auditor's Report* of the Council for Older Adults, Delaware County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2008 through December 31, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Council for Older Adults is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 30, 2009

This Page is Intentionally Left Blank.

Council for Older Adults
Table of Contents
December 31, 2008 and 2007

<u>Title</u>	<u>Page</u>
Independent Auditor's Report	1
Financial Statements:	
Statements of Financial Position	2 - 3
Statements of Activities	4
Statements of Functional Expenses	5 - 6
Statements of Cash Flows	7
Notes to the Financial Statements	8 - 14
Supplementary Information:	
Schedule of Federal, State and Local Funding Received	15
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based On An Audit of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	16 - 17

BALESTRA, HARR & SCHERER, CPAS, INC.

528 South West Street, P.O. Box 687
Piketon, Ohio 45661

Telephone (740) 289-4131
Fax (740) 289-3639
www.bhscpas.com

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

Independent Auditor's Report

Board of Trustees
Council for Older Adults
800 Cheshire Road
Delaware, Ohio 43015

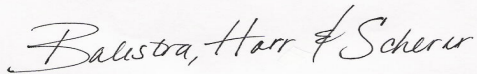
We have audited the accompanying statements of financial position of the Council for Older Adults (the Council) as of December 31, 2008 and 2007, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Council as of December 31, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2009 on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements of the Council. The accompanying schedule of federal, state and local funding received is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.



Balestra, Harr & Scherer, CPAs, Inc.
June 30, 2009

Council for Older Adults
Statements of Financial Position
December 31, 2008 and 2007

Assets		
	2008	2007
Current Assets:		
Cash and Cash Equivalents	\$74,961	\$1,103,034
Investments	1,454,327	1,663,006
Accounts Receivable (net of allowance for doubtful accounts of \$3,500 and \$1,891, respectively)	56,449	39,763
Inventory	56,195	32,864
Prepaid Expenses	10,885	13,558
Total Current Assets	1,652,817	2,852,225
Property and Equipment - At Cost:		
Vehicles	50,544	44,044
Leasehold Improvements	360,894	72,416
Equipment, Furniture and Fixtures	480,744	463,873
	892,182	580,333
Less Accumulated Depreciation	(205,675)	(166,582)
Net Property and Equipment	686,507	413,751
Beneficial Interest in Assets Held by Others	12,487	12,487
Total Assets	\$2,351,811	\$3,278,463

See accompanying notes to the basic financial statements.

Council for Older Adults
Statements of Financial Position
December 31, 2008 and 2007

Liabilities and Net Assets	2008	2007
Current Liabilities:		
Accounts Payable	\$268,171	\$286,361
Accrued Payroll	27,253	57,242
Payroll Taxes and Benefits Payable	15,326	20,013
Grants Payable	47,246	31,236
Accrued Compensated Absences	72,781	57,167
Other Payables	19,732	45
Total Current Liabilities	450,509	452,064
Unrestricted Net Assets	1,901,302	2,826,399
Total Net Assets and Liabilities	\$2,351,811	\$3,278,463

See accompanying notes to the basic financial statements.

Council for Older Adults
Statements of Activities
For the Years Ended December 31, 2008 and 2007

	2008	2007
Changes in Unrestricted Net Assets:		
Support and Revenue:		
Property Tax Levy	\$3,715,806	\$3,629,522
Nutrition Program Grants	346,989	368,134
Operating Grants	70,874	93,974
Donations	192,098	228,706
Service Fees	200,820	167,478
Advertising	33,732	32,341
Catering	45,568	2,804
Interest	82,677	151,608
Café	38,799	0
Other	19,272	21,779
Total Support and Revenue	4,746,635	4,696,346
Expenses:		
Program Services:		
Senior Choices	3,563,453	2,581,791
Senior Citizens and Facility Subsidy	200,343	0
Nutrition, Home Repair, Counseling and Other Grants	629,482	646,487
Outreach and Special Events	604,823	521,527
Adult Protective Services	65,190	95,945
Council Communicator	89,135	77,537
Total Program Services	5,152,426	3,923,287
Management and Supporting Services	519,306	452,708
Total Expenses	5,671,732	4,375,995
Change in Net Assets	(925,097)	320,351
Net Assets - Beginning of Year	2,826,399	2,506,048
Net Assets - End of Year	\$1,901,302	\$2,826,399

See accompanying notes to the basic financial statements.

Council for Older Adults
Statements of Functional Expenses
For the Year Ended December 31, 2008
With Comparative Totals for the Year Ended December 31, 2007

	Senior Choices	Senior Citizens and Facility Subsidy	Nutrition, Home Repair, Counseling and Other Grants	Outreach and Special Events	Adult Protective Services	Council Communicator	Total Program Services	Management and General	Total Expenses	2007 Totals
Salaries	\$ 895,889	\$ -	\$ -	\$ 277,158	\$ 32,201	\$ -	\$ 1,205,248	\$ 289,926	\$ 1,495,174	\$1,117,628
Payroll Taxes and Fringe Benefits	254,709	-	-	78,381	9,374	-	342,464	87,865	430,329	315,823
Total Personnel Costs	1,150,598	-	-	355,539	41,575	-	1,547,712	377,791	1,925,503	1,433,451
Contract Services	1,178,626	-	-	6,445	3,150	-	1,188,221	-	1,188,221	1,518,516
Grants	-	-	629,482	-	-	-	629,482	-	629,482	646,487
Management Fee	236,462	-	-	-	-	-	236,462	-	236,462	-
Professional	32,156	138	-	25,897	6,703	18,260	83,154	24,776	107,930	128,897
Rent	-	-	-	2,185	-	-	2,185	-	2,185	41,428
Supplies	600,912	15,960	-	50,475	775	22	668,144	14,025	682,169	186,892
Printing	1,212	-	-	12,804	67	43,976	58,059	165	58,224	60,303
IT Expenses	29,259	16,560	-	9,484	1,103	-	56,406	9,921	66,327	-
Maintenance Expenses	68,398	90,831	-	18,794	2,211	-	180,234	19,560	199,794	-
Depreciation & Amortization	40,556	15,651	-	10,075	1,172	-	67,454	10,540	77,994	57,434
Advertising	2,900	-	-	38,825	1,354	9,430	52,509	-	52,509	46,744
Operating Service Fees	16,602	125	-	7,305	599	17,147	41,778	4,027	45,805	53,055
Travel and Meals	23,420	-	-	10,345	1,093	-	34,858	8,686	43,544	36,083
Insurance	30,682	-	-	10,475	1,160	-	42,317	10,435	52,752	22,444
Equipment Rental	24,629	-	-	9,459	808	-	34,896	7,270	42,166	25,580
Telephone	18,840	-	-	3,613	1,116	-	23,569	2,270	25,839	20,732
Postage	10,494	-	-	3,325	387	-	14,206	3,479	17,685	13,847
Training	3,723	-	-	2,441	195	-	6,359	3,995	10,354	8,447
Utilities	79,913	60,240	-	13,120	1,526	-	154,799	13,725	168,524	48,038
Dues and Subscriptions	1,064	-	-	1,029	12	-	2,105	4,423	6,528	3,420
Sponsorships	(468)	-	-	10,316	25	-	9,873	227	10,100	14,175
Repairs and Maintenance	11,680	838	-	1,059	123	-	13,700	1,108	14,808	7,667
Other	1,795	-	-	1,813	36	300	3,944	2,883	6,827	2,355
Total Expenses	<u>\$ 3,563,453</u>	<u>\$ 200,343</u>	<u>\$ 629,482</u>	<u>\$ 604,823</u>	<u>\$ 65,190</u>	<u>\$ 89,135</u>	<u>\$ 5,152,426</u>	<u>\$ 519,306</u>	<u>\$ 5,671,732</u>	<u>\$4,375,995</u>

See accompanying notes to the basic financial statements.

Council for Older Adults
Statements of Functional Expenses
For the Year Ended December 31, 2007

	Senior Choices	Nutrition, Home Repair, Counseling and Other Grants	Outreach and Special Events	Adult Protective Services	Council Communicator	Total Program Services	Management and General	Total Expenses
Salaries	587,493	\$ -	\$ 220,052	\$ 55,684	\$ -	\$ 863,229	\$ 254,399	\$ 1,117,628
Payroll Taxes and Fringe Benefits	165,466	-	61,822	15,593	-	242,881	72,942	315,823
Total Personnel Costs	752,959	-	281,874	71,277	-	1,106,110	327,341	1,433,451
Contract Services	1,472,667	-	44,936	913	-	1,518,516	-	1,518,516
Grants	-	646,487	-	-	-	646,487	-	646,487
Professional	31,328	-	39,017	5,935	16,920	93,200	35,697	128,897
Rent	19,694	-	11,337	1,866	-	32,897	8,531	41,428
Supplies	128,637	-	43,317	2,003	-	173,957	12,935	186,892
Printing	9,045	-	10,802	183	39,905	59,935	368	60,303
Depreciation	20,786	-	7,083	1,791	-	29,660	9,084	38,744
Advertising	5,178	-	34,408	832	5,741	46,159	585	46,744
Operating Service Fees	22,276	-	3,880	1,352	14,960	42,468	10,587	53,055
Travel and Meals	20,188	-	5,636	1,823	-	27,647	8,436	36,083
Amortization	9,823	-	3,680	931	-	14,434	4,256	18,690
Insurance	11,508	-	4,860	1,090	-	17,458	4,986	22,444
Equipment Rental	13,198	-	5,920	1,160	-	20,278	5,302	25,580
Telephone	16,072	-	1,989	859	-	18,920	1,812	20,732
Postage	7,350	-	2,467	624	11	10,452	3,395	13,847
Training	4,315	-	1,360	480	-	6,155	2,292	8,447
Utilities	25,406	-	9,394	2,375	-	37,175	10,863	48,038
Dues and Subscriptions	279	-	636	6	-	921	2,499	3,420
Sponsorships	3,679	-	8,553	349	-	12,581	1,594	14,175
Repairs and Maintenance	6,754	-	378	96	-	7,228	439	7,667
Other	649	-	-	-	-	649	1,706	2,355
Total Expenses	\$2,581,791	\$646,487	\$521,527	\$95,945	\$77,537	\$3,923,287	\$452,708	\$4,375,995

See accompanying notes to the basic financial statements.

Council for Older Adults
Statements of Cash Flows
For the Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Cash Flows from Operating Activities:		
Excess of Revenue Over/ (Under) Expenses	(\$925,097)	\$320,351
Adjustments to Reconcile to Net Cash Provided by Operating Activities:		
Depreciation & Amortization	77,994	57,434
(Increase) in Accounts Receivable	(16,686)	(5,312)
(Increase) in Inventory	(23,331)	(30,764)
(Increase) Decrease in Prepaid Expenses	2,673	(4,741)
Increase in Accounts Payable and Accrued Expenses	(17,565)	115,224
Increase (Decrease) in Grants Payable	<u>16,010</u>	<u>(742)</u>
Net Cash Provided from Operating Activities	(886,002)	451,450
Cash Flows from Investing Activities:		
Purchase of Capital Assets	(357,259)	(355,538)
Purchase of Investments	(900,000)	0
Proceeds from Maturing Investments	1,178,081	601,128
Interest Earnings on Investments	<u>(62,893)</u>	<u>(89,793)</u>
Net Cash Provided from (used by) Investing Activities	<u>(142,071)</u>	<u>155,797</u>
Net Change in Cash and Cash Equivalents	(1,028,073)	607,247
Cash and Cash Equivalents - Beginning of the Year	<u>1,103,034</u>	<u>495,787</u>
Cash and Cash Equivalents - End of the Year	<u><u>\$74,961</u></u>	<u><u>\$1,103,034</u></u>

See accompanying notes to the basic financial statements.

Council for Older Adults
Notes to Financial Statements
December 31, 2008 and 2007

(1) Summary of Significant Accounting Policies

Organization

The Council for Older Adults (the Council) is a non-profit corporation organized to improve the quality of life of the older population of Delaware County, Ohio. The Council receives the majority of its revenue from an Aging Services property tax levy. The most recent 0.9 mill levy was approved by Delaware County voters in November 2008. This levy will expire after five years.

The Council provides Senior Choices, nutrition, home repair, counseling, outreach, special events, a monthly newsletter and protective services to the older population. Senior Choices includes home delivered meals, transportation, adult day care, homemaker, personal care and respite care services, emergency response system and durable equipment. The purpose of Senior Choices is to provide assistance needed to postpone or eliminate the need for the clients to go to nursing facilities.

Basis of Accounting

The financial statements of the Council have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and cash in banks.

Inventory

Inventory consists of supplies available for sale to clients and food and packaging materials used in producing home delivered meals. Inventory is valued at cost.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets, which are generally from five to seven years. The Council capitalizes assets which costs exceed \$1,000 and which useful lives exceed one year.

Compensated Absences

A liability is accrued for paid time off when employees' rights to compensation are earned, vested and measurable.

Revenue Recognition

The Council recognizes grant revenue when the related expenditure is made. Property tax levy revenue is recognized when it is measurable and available to finance expenditures of the fiscal period. Available means collected within the current period to be used to pay liabilities of the current period.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Donated materials and equipment are reflected as contributions in the accompanying statements at their estimated values at date of receipt. No amounts have been reflected in the statements for donated services in as much as no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of their time in the organization's program services.

Council for Older Adults
Notes to Financial Statements
December 31, 2008 and 2007

(1) Summary of Significant Accounting Policies (Continued)

Retirement Plan

The Council has a defined contribution pension plan (Section 403(b) plan) for the benefit of its employees. All employees who meet the age, length of service and hours worked requirements are eligible to participate. Under the program, an employee may elect to contribute up to the extent allowable by law. In addition, the Council contributes 4% of each eligible employee's annual wages, and matches employee contributions to the plan up to 4% of each eligible employee's annual wages. The Council can vary these percentages from year to year at its discretion. Total pension expense was \$70,649 for 2008 and \$60,990 for 2007.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Federal Income Taxes

The Council is a voluntary health and welfare organization exempt from Federal income taxes under Section 501(c) (3) of the Internal Revenue Code. The Council has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(6)(1)(A)(iv). The Council has unrelated business income from advertising space sold in the Council Communicator and food service operations. No provision has been made for income tax as the Council anticipates the associated expenses will exceed the revenue.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) Concentration of Credit Risk

The Council maintains checking, money market, and certificate of deposit accounts with local financial institutions. The accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Council had uninsured account balances totaling \$0 and \$1,025,289 at December 31, 2008 and 2007, respectively.

(3) Investments

Investments as of December 31, 2008 and 2007 consist of the following:

	<u>2008</u>	<u>2007</u>
Certificates of Deposit and Money Market Funds	\$1,454,327	\$1,663,006

The certificates of deposit bear interest ranging from 2.55% to 4.35% and mature through January 2009. The certificates are reflected at cost, which approximates market value.

Council for Older Adults
Notes to Financial Statements
December 31, 2008 and 2007

(4) Property and Equipment

The following schedule summarizes the changes in property and equipment for the year ended December 31, 2008:

	January 1, 2008	Additions	Disposals	December 31, 2008
Vehicles	44,044	6,500	0	50,544
Equipment, Furniture and Fixtures	463,873	57,328	(40,457)	480,744
Leasehold Improvements	72,416	288,478	0	360,894
Less Accumulated Depreciation	(166,582)	(78,011)	38,918	(205,675)
Totals	<u>413,751</u>	<u>274,295</u>	<u>(1,539)</u>	<u>686,507</u>

(5) Leases

The Council entered into two operating leases in 2007. In January 2007 a new copier was leased to replace the one leased in 2006. Future minimum lease payments under this lease are as follows: 2008 and 2009 - \$6,816 and 2010 - \$568. In April 2007 a new postage machine was leased to replace the one leased in 2003. Future minimum lease payments under this lease are as follows: 2008, 2009 and 2010 - \$4,068 and 2011 - \$1,695.

In April 2008 a new copier was leased to replace the one leased in 2005. Future minimum lease payments under this lease are as follows; 2009 and 2010 - \$1,524 and 2011 - \$444.

(6) Other Long Term Asset

Pursuant to grant agreements with Willow Brook Christian Village dated March 6, 1996 and January 10, 2001, the Council funded leasehold improvements of \$118,890 and \$75,000, respectively, for the Centrum facility. The Centrum, located on the campus of Willow Brook in Delaware, Ohio, is used as the site for adult day care. In return for the investment in the facility, Willow Brook is expected to operate the adult day care for a minimum of ten years from the dates of the improvements. Under the terms of the agreements, if Willow Brook discontinues the adult day care program at any time prior to the end of the tenth year, it is obligated to repay a pro-rata share of the leasehold improvements to the Council.

The Council began amortizing the original leasehold improvement in 1996 using the straight-line method over ten years. The newer leasehold improvements were completed in 2000, and were amortized over seven years using the straight-line method. The unamortized amount represents an approximation of what would be owed to the Council should the adult day care program cease to operate. These assets were fully amortized as of December 31, 2007.

(7) Beneficial Interest in Assets Held by Others

In 1997, the Council deposited \$10,000 with the Delaware County Community Foundation (the Foundation), an Ohio not-for-profit corporation, to establish the Council for Older Adults Fund (the Fund). The Fund is to be used for charitable, educational, and public purposes. Distributions will be made from the Fund to charitable organizations at the discretion of the Foundation's Board of Trustees, and may include the original deposit. The Council's Board of Trustees has reserved the right to suggest how the money will be distributed. In addition, the Council may request that the Fund be returned to the Council, although final authority rests with the Foundation.

Statement of Financial Accounting Standards No. 136 states that a transfer of assets where the resource provider specifies itself or an affiliate as the beneficiary is not a contribution and shall be recorded as an asset, even if variance power has been explicitly granted to the recipient organization.

Council for Older Adults
Notes to Financial Statements
December 31, 2008 and 2007

(7) Beneficial Interest in Assets Held by Others (Continued)

The market value of the Fund at December 31, 2008 was \$17,001.76, which included the Council's original contribution, contributions made to the fund by outside parties, and earnings and cumulative changes in market value.

(8) Grants Payable and Commitments

The Council has entered into grant agreements with various organizations to assist these organizations in providing services to the senior population of Delaware County. Grants payable are amounts due to these organizations at December 31, 2008 for services provided through December 31, 2008.

The Council is obligated under these grant agreements for services performed through December 31, 2008 as follows:

Catholic Social Services	\$2,311
Help Line	8,002
Community Action Organization	14,583
Central Ohio Mental Health	1,643
Alzheimer's Association	3,123
Heritage Day Health Centers	4,425
Delaware Speech & Hearing	4,211
Delaware General Health District	2,870
Delaware County Juvenile Courts	1,336
Life Care Alliance	<u>4,742</u>
Total	<u><u>\$47,246</u></u>

The following grants have been awarded by the Council for term to begin in 2009:

Delaware General Health District	\$19,216
Alzheimer's Association of Central Ohio	52,932
Catholic Social Services, Inc.	27,816
Central Ohio Area Agency on Aging	6,000
Community Action Organization of Delaware, Madison	40,000
Delaware Area Transit Agency	320,852
Delaware County Job and Family Services	14,000
Delaware County Juvenile Court	8,279
Delaware County Speech and Hearing Center	45,395
Grady Memorial Hospital DRIVE program	6,363
Help Line of Delaware and Morrow Counties, Inc.-Connections & Companion	93,955
Heritage Day Health Centers	20,372
Life Care Alliance – Supportive Services	21,190
Ohio Senior Health Insurance Information Program	1,600
People In Need	6,000
Total	<u><u>\$683,970</u></u>

Council for Older Adults
Notes to Financial Statements
December 31, 2008 and 2007

(9) Grants

The Council provided grants to the following organizations during 2008 and 2007:

	<u>2007</u>	<u>2008</u>
Senior Citizens, Inc. (operating)	\$160,935	\$0
Community Action Organization (home repair services)	36,463	50,000
Alzheimers Association (counseling)	46,683	44,924
Senior Services for Independent Living (supportive/transportation services)	32,000	2,667
Help Line - Volunteer Connections & Senior Companions	58,600	80,351
Delaware Speech & Hearing (hearing screening/hearing aids)	0	41,296
Delaware Creative Housing (housing)	4,875	0
Catholic Social Services (assistance)	24,730	31,730
Delaware Area Transit Agency (transportation)	166,867	281,298
Heritage Day Health Centers (adult day care)	20,008	18,700
Life Care Alliance (support and chore service)	13,010	20,160
Ohio Department of Job and Family Services (summer chores)	13,268	13,900
Delaware County Juvenile Court (chore service)	7,473	8,016
People In Need (emergency assistance)	6,000	6,000
Grady Memorial Hospital (DRIVE program)	8,309	5,395
Central Ohio Area Agency on Aging	6,000	6,000
Delaware General Health District	41,266	18,286
Other	0	759
Total	<u>\$646,487</u>	<u>\$629,482</u>

Council for Older Adults
Notes to Financial Statements
December 31, 2008 and 2007

(10) Contract Services

The Council provides information to and/or arranges various levels of in-home and other assistance for eligible seniors. To provide the in-home assistance, the Council contracts on a purchase of services basis with various organizations and businesses. The contractors provide the services that have been approved by the Council and bill the Council at the agreed upon rate per unit of services delivered.

The Council had the following contract services:

	2007	2008
Grady Memorial Hospital (community action)	\$559,410	\$0
Heritage Day Health Centers (adult day care)	155,822	185,826
VRI Lifeline (emergency response)	79,553	72,705
Senior Services for Independent Living (homemaker, personal care and transportation)	65,560	90,411
Grady Home Care (homemaker and personal care)	121,017	67,258
Home Care Depot (homemaker and personal care)	51,591	56,572
Delaware Area Transit Authority (transportation)	30,217	60,423
Active Day of Columbus (adult day care and transportation)	2,254	28,294
Country View of Sunbury (respite)	882	0
Columbus Prescription (durable medical equipment and nutritional supplements)	61,096	88,354
Delaware Cab (transportation)	27,139	0
Creative Living Systems (home improvement)	22,465	26,730
Interim Health Care (homemaker and personal care)	28,051	20,806
Delaware Developers, LLC (home improvement)	1,845	0
Lifecare Alliance (homemaker)	7,311	0
Home Watch Caregivers (homemaker and personal care)	10,796	8,639
Arbors of Delaware (adult day care)	1,835	1,675
Central Ohio Care Services (homemaker, personal care, and respite)	0	34,376
Central Ohio Mental Health (mental health services)	368	0
Client Use of Ensure	18,224	24,466
Delaware General Health District (chores)	1,910	0
Farmers Market	43,048	67,901
Rural Metro (emergency response)	6,360	16,188
Angels in Disguise (homemaker, personal care and respite)	32,640	0
Behavioral Science Specialists (mental health services)	913	0
Custom Staffing (homemaker, personal care and respite)	35,360	50,243
Delaware Court Healthcare Center (adult day care)	6,532	2,180
Home Instead Senior Care (homemaker, personal care and respite)	11,755	105,016
J&T Cleaning (chores)	576	0
Senior Independence (homemaker, personal care and respite)	11,150	17,058
Pro Health Care Services (homemaker, personal care, and respite)	9,223	17,135
Home Reach Home Care (homemaker, personal care and respite)	41,967	0
COA Net Cost of Providing Meals	25,797	0
Other	0	1,930
Quality Counts LLC (chores)	0	2,130
Advanced Senior Support (homemaker, personal care, respite)	0	12,547
Alia Health Care (homemaker, personal care & escort)	0	37,836
Drivers	0	81,927
Total	\$1,472,667	\$1,178,626

(11) Community Nutrition Program

The Council manages the Community Nutrition Program as part of Senior Choices. The program provides home delivered meals to seniors and services meals at several congregate meal sites in the county. Pursuant to a letter of understanding between the Council and Grady Memorial Hospital, the Council employs nutrition program personnel, authorizes meals for clients, maintains all client and financial records related to the program, and reimburses Grady for food service operations on a per meal basis. Grady provided space for the program and is responsible for all aspects of food service related operations through November 2007. Throughout 2007, the Council began the transition from purchasing the food service operations services provided by Grady to performing this function in-house. In December 2007, the transition was completed.

The Council receives federal and state funds for the program through the Central Ohio Area Agency on Aging (COAAA) in the form of Title IIIC, USDA and State Block Grants as well as PASSPORT Medicaid funds.

(12) Management Compensation

The Council employs the Executive Director under an employment agreement which expired on December 31, 2008. The agreement provides for a base salary, life insurance, professional development benefits and annual increases. This employment agreement was extended through December 31, 2009.

(13) Adult Protective Services

A contract with the Delaware County Department of Job and Family Services (DJFS), in which the Council provided Adult Protective Services to persons aged sixty or older in Delaware County, was terminated on May 31, 2008. The contract required the Council to serve as the lead agency for the investigation of referrals of suspected abuse, exploitation or neglect. The Council received \$22,500 and \$45,000 in 2008 and 2007, respectively.

A new contract was executed with Delaware County effective June 1, 2008 provides that Delaware County Department of Jobs & Family Services (DJFS) provides Adult Protective Services to persons aged sixty or older in Delaware County. DJFS is to serve as the lead for the investigation of referrals of suspected abuse, exploitation or neglect, evaluate the need for, and when appropriate, make every effort to provide or arrange for the provision of protective services. DJFS will employ an individual who will perform those duties. The Council for Older Adults will provide office space, furniture, supplies, and designate staff to assist and reimburse DJFS for expenses for the employee in excess of \$46,900. The contract is renegotiated annually.

Council for Older Adults
Schedule of Federal, State and Local Funding Received
For the Year Ended December 31, 2008

	<u>Amount</u>
Delaware County:	
Delaware County Senior Services Levy	\$3,715,806
Adult Protective Services Grant	23,450
Central Ohio Area Agency on Aging:	
Title III-E National Family Caregive Support Program	45,524
Title III-C/USDA	174,513
PASSPORT	90,386
Other	1,900
United Way:	
Delaware County Senior Nutrition - Under 60	<u>82,090</u>
Total	<u><u>\$4,133,669</u></u>

BALESTRA, HARR & SCHERER CPAs, INC.

528 South West Street, P.O. Box 687
Piketon, Ohio 45661

Telephone (740) 289-4131
Fax (740) 289-3639
www.bhscpas.com

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based On an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Board of Trustees
Council for Older Adults
800 Cheshire Road
Delaware, Ohio 43015

We have audited the accompanying financial statements of the Council for Older Adults, (the Council), as of and for the year ended December 31, 2008, and have issued our report thereon dated June 30, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Council's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Council's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Council's financial statements that is more than inconsequential will not be prevented or detected by the Council's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Council's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Board of Trustees

Council for Older Adults

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based On an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

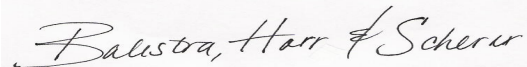
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We did note a certain matter that we reported to management of the Council in a separate letter dated June 30, 2009.

This report is intended solely for the information and use of management and members of the Board and is not intended to be and should not be used by anyone other than these specified parties.



Balestra, Harr & Scherer, CPAs, Inc.

June 30, 2009



Mary Taylor, CPA
Auditor of State

COUNCIL FOR OLDER ADULTS

DELAWARE 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
AUGUST 11, 2009**