

Council for Older Adults

Delaware, Ohio

Financial Statements

December 31, 2007 and 2006

BALESTRA, HARR & SCHERER, CPAS, INC.

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Mary Taylor, CPA

Auditor of State

Board of Trustees
Council for Older Adults
800 Cheshire Road
Delaware, Ohio 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, 2007 through December 31, 2007. 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.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

July 1, 2008

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December 31, 2007 and 2006

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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

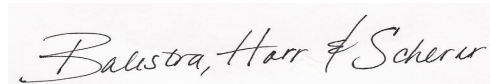
We have audited the accompanying statements of financial position of the Council for Older Adults (the Council) as of December 31, 2007 and 2006, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of 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 obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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, 2007 and 2006, 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 6, 2008 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* and should be read 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 6, 2008

Council for Older Adults
Statements of Financial Position
December 31, 2007 and 2006

| Assets | | |
|---|-------------|-------------|
| | 2007 | 2006 |
| Current Assets: | | |
| Cash and Cash Equivalents | \$1,103,034 | \$495,787 |
| Investments | 1,663,006 | 2,169,323 |
| Accounts Receivable (net of allowance for doubtful accounts of \$1,891 and \$2,299, respectively) | 39,763 | 34,451 |
| Inventory | 32,864 | 2,100 |
| Prepaid Expenses | 13,558 | 8,817 |
| Total Current Assets | 2,852,225 | 2,710,478 |
| Property and Equipment - At Cost: | | |
| Vehicles | 44,044 | 44,044 |
| Leasehold Improvements | 72,416 | 0 |
| Equipment, Furniture and Fixtures | 463,873 | 205,203 |
| | 580,333 | 249,247 |
| Less Accumulated Depreciation | (166,582) | (151,945) |
| Net Property and Equipment | 413,751 | 97,302 |
| Other Long Term Asset (net of accumulated amortization of \$193,890 and \$175,202, respectively) | 0 | 18,688 |
| Beneficial Interest in Assets Held by Others | 12,487 | 12,487 |
| Deposits | 0 | 4,675 |
| Total Assets | \$3,278,463 | \$2,843,630 |

See accompanying notes to the basic financial statements.

Council for Older Adults
Statements of Financial Position
December 31, 2007 and 2006

| Liabilities and Net Assets | 2007 | 2006 |
|------------------------------------|-------------|-------------|
| Current Liabilities: | | |
| Accounts Payable | \$286,361 | \$217,354 |
| Accrued Payroll | 57,242 | 37,622 |
| Payroll Taxes and Benefits Payable | 20,013 | 11,620 |
| Grants Payable | 31,236 | 31,978 |
| Accrued Compensated Absences | 57,167 | 39,008 |
| Other Payables | 45 | 0 |
| Total Current Liabilities | 452,064 | 337,582 |
| Unrestricted Net Assets | 2,826,399 | 2,506,048 |
| Total Net Assets and Liabilities | \$3,278,463 | \$2,843,630 |

See accompanying notes to the basic financial statements.

Council for Older Adults
Statements of Activities
For the Years Ended December 31, 2007 and 2006

| | 2007 | 2006 |
|---|-------------|-------------|
| Changes in Unrestricted Net Assets: | | |
| Support and Revenue: | | |
| Property Tax Levy | \$3,629,522 | \$3,512,824 |
| Nutrition Program Grants | 368,134 | 362,571 |
| Operating Grants | 93,974 | 92,424 |
| Donations | 228,706 | 117,661 |
| Service Fees | 167,478 | 136,193 |
| Advertising | 32,341 | 44,583 |
| Catering | 2,804 | 0 |
| Interest | 151,608 | 120,356 |
| Fundraising | 0 | 12,257 |
| Other | 21,779 | 3,465 |
| Total Support and Revenue | 4,696,346 | 4,402,334 |
| Expenses: | | |
| Program Services: | | |
| Senior Choices | 2,581,791 | 2,075,752 |
| Nutrition, Home Repair, Counseling and Other Grants | 646,487 | 599,234 |
| Outreach and Special Events | 521,527 | 498,976 |
| Adult Protective Services | 95,945 | 90,303 |
| Council Communicator | 77,537 | 78,189 |
| Total Program Services | 3,923,287 | 3,342,454 |
| Management and Supporting Services | 452,708 | 436,414 |
| Total Expenses | 4,375,995 | 3,778,868 |
| Change in Net Assets | 320,351 | 623,466 |
| Net Assets - Beginning of Year | 2,506,048 | 1,882,582 |
| Net Assets - End of Year | \$2,826,399 | \$2,506,048 |

See accompanying notes to the basic financial statements.

Council for Older Adults
Statements of Functional Expenses
For the Year Ended December 31, 2007
With Comparative Totals for the Year Ended December 31, 2006

| | 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 | 2006 Totals |
|-----------------------------------|--------------------|--|--------------------------------|------------------------------|-------------------------|---------------------------|---------------------------|--------------------|--------------------|
| Salaries | \$587,493 | \$0 | \$220,052 | \$55,684 | \$0 | \$863,229 | \$254,399 | \$1,117,628 | \$913,686 |
| Payroll Taxes and Fringe Benefits | 165,466 | 0 | 61,822 | 15,593 | 0 | 242,881 | 72,942 | 315,823 | 262,593 |
| Total Personnel Costs | 752,959 | 0 | 281,874 | 71,277 | 0 | 1,106,110 | 327,341 | 1,433,451 | 1,176,279 |
| Contract Services | 1,472,667 | 0 | 44,936 | 913 | 0 | 1,518,516 | 0 | 1,518,516 | 1,384,426 |
| Grants | 0 | 646,487 | 0 | 0 | 0 | 646,487 | 0 | 646,487 | 599,234 |
| Professional | 31,328 | 0 | 39,017 | 5,935 | 16,920 | 93,200 | 35,697 | 128,897 | 123,768 |
| Rent | 19,694 | 0 | 11,337 | 1,866 | 0 | 32,897 | 8,531 | 41,428 | 78,896 |
| Supplies | 128,637 | 0 | 43,317 | 2,003 | 0 | 173,957 | 12,935 | 186,892 | 58,247 |
| Printing | 9,045 | 0 | 10,802 | 183 | 39,905 | 59,935 | 368 | 60,303 | 75,400 |
| Depreciation | 20,786 | 0 | 7,083 | 1,791 | 0 | 29,660 | 9,084 | 38,744 | 38,182 |
| Advertising | 5,178 | 0 | 34,408 | 832 | 5,741 | 46,159 | 585 | 46,744 | 54,503 |
| Operating Service Fees | 22,276 | 0 | 3,880 | 1,352 | 14,960 | 42,468 | 10,587 | 53,055 | 26,064 |
| Travel and Meals | 20,188 | 0 | 5,636 | 1,823 | 0 | 27,647 | 8,436 | 36,083 | 24,395 |
| Amortization | 9,823 | 0 | 3,680 | 931 | 0 | 14,434 | 4,256 | 18,690 | 19,389 |
| Insurance | 11,508 | 0 | 4,860 | 1,090 | 0 | 17,458 | 4,986 | 22,444 | 21,364 |
| Equipment Rental | 13,198 | 0 | 5,920 | 1,160 | 0 | 20,278 | 5,302 | 25,580 | 12,438 |
| Telephone | 16,072 | 0 | 1,989 | 859 | 0 | 18,920 | 1,812 | 20,732 | 12,291 |
| Postage | 7,350 | 0 | 2,467 | 624 | 11 | 10,452 | 3,395 | 13,847 | 14,857 |
| Training | 4,315 | 0 | 1,360 | 480 | 0 | 6,155 | 2,292 | 8,447 | 6,244 |
| Utilities | 25,406 | 0 | 9,394 | 2,375 | 0 | 37,175 | 10,863 | 48,038 | 14,108 |
| Dues and Subscriptions | 279 | 0 | 636 | 6 | 0 | 921 | 2,499 | 3,420 | 16,750 |
| Sponsorships | 3,679 | 0 | 8,553 | 349 | 0 | 12,581 | 1,594 | 14,175 | 11,670 |
| Repairs and Maintenance | 6,754 | 0 | 378 | 96 | 0 | 7,228 | 439 | 7,667 | 5,846 |
| Other | 649 | 0 | 0 | 0 | 0 | 649 | 1,706 | 2,355 | 4,517 |
| Total Expenses | <u>\$2,581,791</u> | <u>\$646,487</u> | <u>\$521,527</u> | <u>\$95,945</u> | <u>\$77,537</u> | <u>\$3,923,287</u> | <u>\$452,708</u> | <u>\$4,375,995</u> | <u>\$3,778,868</u> |

See accompanying notes to the basic financial statements.

Council for Older Adults
Statements of Functional Expenses
For the Year Ended December 31, 2006

| | 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 | \$393,563 | \$0 | \$230,275 | \$53,687 | \$0 | \$677,525 | \$236,161 | \$913,686 |
| Payroll Taxes and Fringe Benefits | 112,830 | 0 | 65,889 | 15,504 | 0 | 194,223 | 68,370 | 262,593 |
| Total Personnel Costs | 506,393 | 0 | 296,164 | 69,191 | 0 | 871,748 | 304,531 | 1,176,279 |
| Contract Services | 1,384,426 | 0 | 0 | 0 | 0 | 1,384,426 | 0 | 1,384,426 |
| Grants | 0 | 599,234 | 0 | 0 | 0 | 599,234 | 0 | 599,234 |
| Professional | 22,522 | 0 | 22,278 | 4,083 | 21,240 | 70,123 | 53,645 | 123,768 |
| Rent | 26,572 | 0 | 20,602 | 3,627 | 0 | 50,801 | 28,095 | 78,896 |
| Supplies | 15,949 | 0 | 36,364 | 1,448 | 0 | 53,761 | 4,486 | 58,247 |
| Printing | 6,850 | 0 | 29,966 | 0 | 38,540 | 75,356 | 44 | 75,400 |
| Depreciation | 16,449 | 0 | 9,622 | 2,245 | 0 | 28,316 | 9,866 | 38,182 |
| Advertising | 5,512 | 0 | 46,440 | 0 | 2,551 | 54,503 | 0 | 54,503 |
| Operating Service Fees | 4,637 | 0 | 2,758 | 518 | 14,999 | 22,912 | 3,152 | 26,064 |
| Travel and Meals | 12,398 | 0 | 4,336 | 2,102 | 0 | 18,836 | 5,559 | 24,395 |
| Amortization | 8,353 | 0 | 4,886 | 1,140 | 0 | 14,379 | 5,010 | 19,389 |
| Insurance | 8,773 | 0 | 6,132 | 1,197 | 0 | 16,102 | 5,262 | 21,364 |
| Equipment Rental | 6,779 | 0 | 4,840 | 819 | 0 | 12,438 | 0 | 12,438 |
| Telephone | 8,722 | 0 | 1,343 | 526 | 0 | 10,591 | 1,700 | 12,291 |
| Postage | 6,485 | 0 | 3,728 | 861 | 0 | 11,074 | 3,783 | 14,857 |
| Training | 1,360 | 0 | 2,263 | 570 | 0 | 4,193 | 2,051 | 6,244 |
| Utilities | 8,151 | 0 | 2,451 | 993 | 0 | 11,595 | 2,513 | 14,108 |
| Dues and Subscriptions | 8,499 | 0 | 2,042 | 547 | 859 | 11,947 | 4,803 | 16,750 |
| Sponsorships | 7,930 | 0 | 2,154 | 294 | 0 | 10,378 | 1,292 | 11,670 |
| Repairs and Maintenance | 4,475 | 0 | 607 | 142 | 0 | 5,224 | 622 | 5,846 |
| Other | 4,517 | 0 | 0 | 0 | 0 | 4,517 | 0 | 4,517 |
| Total Expenses | \$2,075,752 | \$599,234 | \$498,976 | \$90,303 | \$78,189 | \$3,342,454 | \$436,414 | \$3,778,868 |

See accompanying notes to the basic financial statements.

Council for Older Adults
Statements of Cash Flows
For the Years Ended December 31, 2007 and 2006

| | <u>2007</u> | <u>2006</u> |
|--|---------------------------|-------------------------|
| Cash Flows from Operating Activities: | | |
| Excess of Revenue Over Expenses | \$320,351 | \$623,466 |
| Adjustments to Reconcile to Net Cash Provided by Operating Activities: | | |
| Depreciation | 38,744 | 38,182 |
| Amortization | 18,690 | 19,389 |
| Loss on Disposal of Property and Equipment | 0 | 3,551 |
| (Increase) in Accounts Receivable | (5,312) | (4,399) |
| (Increase) in Inventory | (30,764) | (1,006) |
| (Increase) Decrease in Prepaid Expenses | (4,741) | 4,423 |
| Increase in Accounts Payable and Accrued Expenses | 115,224 | 72,552 |
| Increase (Decrease) in Grants Payable | <u>(742)</u> | <u>(10,721)</u> |
| Net Cash Provided from Operating Activities | 451,450 | 745,437 |
| Cash Flows from Investing Activities: | | |
| Purchase of Capital Assets | (355,538) | (46,698) |
| Purchase of Investments | 0 | (1,380,761) |
| Proceeds from Maturing Investments | 601,128 | 736,948 |
| Interest Earnings on Investments | <u>(89,793)</u> | <u>0</u> |
| Net Cash Provided from (used by) Investing Activities | <u>155,797</u> | <u>(690,511)</u> |
| Net Change in Cash and Cash Equivalents | 607,247 | 54,926 |
| Cash and Cash Equivalents - Beginning of the Year | <u>495,787</u> | <u>440,861</u> |
| Cash and Cash Equivalents - End of the Year | <u><u>\$1,103,034</u></u> | <u><u>\$495,787</u></u> |

See accompanying notes to the basic financial statements.

Council for Older Adults
Notes to Financial Statements
December 31, 2007 and 2006

(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 0.7 mill levy was approved by Delaware County voters in November 2003. This levy will expire after five years. A levy will be placed on the ballot in August 2008 of 0.9 mills, which includes the renewal of the 0.7 mill levy plus an additional 0.2 mills.

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.

Investments

Inventory consists of supplies available for sale to clients and 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 inasmuch 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, 2007 and 2006

(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 \$60,990 for 2007 and \$47,926 for 2006.

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. No provision has been made for income tax as the Council anticipates the associated expenses will exceed the advertising 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 \$100,000. The Council had uninsured account balances totaling \$1,025,289 and \$843,445 at December 31, 2007 and 2006, respectively.

(3) Investments

Investments as of December 31, 2007 and 2006 consist of the following:

| | | |
|--|-------------|-------------|
| | <u>2007</u> | <u>2006</u> |
| Certificates of Deposit and Money Market Funds | \$1,663,006 | \$2,169,323 |

The certificates of deposit bear interest ranging from 4.22% to 5.45% and mature through January 2008. The certificates are reflected at cost, which approximates market value.

Council for Older Adults
Notes to Financial Statements
December 31, 2007 and 2006

(4) Property and Equipment

The following schedule summarizes the changes in property and equipment for the year ended December 31, 2007:

| | January 1, 2007 | Additions | Disposals | December 31, 2007 |
|-----------------------------------|--------------------|------------------|----------------|----------------------|
| Vehicles | \$44,044 | \$0 | \$0 | \$44,044 |
| Equipment, Furniture and Fixtures | 205,203 | 283,122 | (24,452) | 463,873 |
| Leasehold Improvements | 0 | 72,416 | 0 | 72,416 |
| Less Accumulated Depreciation | (151,945) | (38,744) | 24,107 | (166,582) |
| Totals | <u>\$97,302</u> | <u>\$316,794</u> | <u>(\$345)</u> | <u>\$413,751</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.

Additionally, the Council continued a lease entered into in 2005 for a second copier. Future minimum lease payments under this lease are \$272 for 2008.

(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, 2007 and 2006

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

The market value of the Fund at December 31, 2007 was \$23,754, 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, 2007 for services provided through December 31, 2007.

The Council is obligated under these grant agreements for services performed through December 31, 2007 as follows:

| | |
|--|------------------------|
| Help Line | \$4,534 |
| Community Action Organization | 4,346 |
| Senior Services for Independent Living | 2,486 |
| Delaware Creative Housing | 375 |
| Alzheimers Association | 3,112 |
| Heritage Day Health Centers | 2,210 |
| Senior Citizens Inc. | 4,935 |
| DATA | 7,544 |
| Delaware County Juvenile Courts | 623 |
| Life Care Alliance | <u>1,071</u> |
| Total | <u><u>\$31,236</u></u> |

The following grants have been awarded by the Council for term to begin in 2008:

| | |
|--|-------------------------|
| Delaware General Health District | \$19,459 |
| Alzheimer's Association of Central Ohio | 50,603 |
| Catholic Social Services, Inc. | 26,842 |
| Central Ohio Area Agency on Aging | 6,000 |
| Community Action Organization of Delaware, Madison | 50,000 |
| Delaware Area Transit Agency | 281,298 |
| Delaware County Job and Family Services | 14,000 |
| Delaware County Juvenile Court | 8,016 |
| Delaware County Speech and Hearing Center | 41,268 |
| Grady Memorial Hospital (55 Alive and DRIVE) | 9,240 |
| HelpLine of Delaware and Morrow Counties, Inc.-Connections | 58,600 |
| Heritage Day Health Centers | 18,700 |
| LifeCare Alliance – Supportive Services | 20,160 |
| Ohio Senior Health Insurance Information Program | 1,600 |
| People In Need | 6,000 |
| Senior Services for Independent Living | <u>32,000</u> |
| Total | <u><u>\$643,786</u></u> |

Council for Older Adults
Notes to Financial Statements
December 31, 2007 and 2006

(9) Grants

The Council provided grants to the following organizations during 2007 and 2006:

| | <u>2007</u> | <u>2006</u> |
|---|------------------|------------------|
| Senior Citizens, Inc. (operating) | \$160,935 | \$147,769 |
| Community Action Organization (home repair services) | 36,463 | 46,524 |
| Alzheimers Association (counseling) | 46,683 | 64,959 |
| Senior Services for Independent Living (supportive/transportation services) | 32,000 | 30,000 |
| Help Line - Volunteer Connections | 58,600 | 55,913 |
| Delaware Speech & Hearing (hearing screening/hearing aids) | 0 | 31,367 |
| Delaware Creative Housing (housing) | 4,875 | 2,625 |
| Catholic Social Services (assistance) | 24,730 | 26,460 |
| Delaware Area Transit Agency (transportation) | 166,867 | 108,104 |
| Heritage Day Health Centers (adult day care) | 20,008 | 21,368 |
| Life Care Alliance (support and chore service) | 13,010 | 10,507 |
| Ohio Department of Job and Family Services (summer chores) | 13,268 | 13,351 |
| Central Ohio Mental Health Center (counseling support services) | 0 | 3,506 |
| Delaware County Juvenile Court (chore service) | 7,473 | 11,314 |
| People In Need (emergency assistance) | 6,000 | 6,000 |
| Grady Memorial Hospital (DRIVE program) | 8,309 | 5,448 |
| Central Ohio Area Agency on Aging | 6,000 | 6,000 |
| AARP (tax preparation) | 0 | 4,189 |
| Delaware General Health District | 41,266 | 2,611 |
| Other | 0 | 1,219 |
| Total | <u>\$646,487</u> | <u>\$599,234</u> |

Council for Older Adults
Notes to Financial Statements
December 31, 2007 and 2006

(10) Contract Services

Through its Senior Choices program, the Council provides information to and/or arranges various levels of in-home assistance for seniors participating in the program. 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 purchased services pursuant to the Senior Choices contracts as follows:

| | <u>2007</u> | <u>2006</u> |
|--|---------------------------|---------------------------|
| Grady Memorial Hospital (community action) | \$559,410 | \$597,617 |
| Heritage Day Health Centers (adult day care) | 155,822 | 155,028 |
| VRI Lifeline (emergency response) | 79,553 | 91,874 |
| Senior Services for Independent Living (homemaker, personal care and transportation) | 65,560 | 70,431 |
| Grady Home Care (homemaker and personal care) | 121,017 | 93,724 |
| Health Care Depot (homemaker and personal care) | 51,591 | 49,591 |
| Delaware Area Transit Authority (transportation) | 30,217 | 35,451 |
| Active Day of Columbus (adult day care and transportation) | 2,254 | 0 |
| Country View of Sunbury (respite) | 882 | 0 |
| Columbus Prescription | 61,096 | 53,407 |
| Delaware Cab (meal delivery) | 27,139 | 43,534 |
| Creative Living Systems (home improvement) | 22,465 | 0 |
| Interim Health Care (homemaker and personal care) | 28,051 | 29,108 |
| Life Center - New Albany (adult day care) | 0 | 8,233 |
| Delaware Developers, LLC (home improvement) | 1,845 | 0 |
| Lifecare Alliance (homemaker) | 7,311 | 17,032 |
| Home Watch Caregivers (homemaker and personal care) | 10,796 | 22,848 |
| Arbors of Delaware (client lodging) | 1,835 | 0 |
| Central Ohio Care Services (homemaker, personal care, and respite) | 0 | 27 |
| Central Ohio Mental Health | 368 | 90 |
| Client Use of Ensure | 18,224 | 14,943 |
| Delaware General Health District (chores) | 1,910 | 1,570 |
| Farmers Market | 43,048 | 31,952 |
| Rural Metro (emergency response) | 6,360 | 0 |
| Abbingdon of Powell (institutional respite) | 0 | 1,425 |
| Angels in Disguise | 32,640 | 17,724 |
| Behavioral Science Specialists | 913 | 1,225 |
| Custom Staffing | 35,360 | 7,380 |
| Delaware Court Healthcare Center | 6,532 | 1,500 |
| Home Instead Senior Care | 11,755 | 11,755 |
| J&T Cleaning | 576 | 1,154 |
| Seed Sowers | 0 | 19,039 |
| Senior Independence | 11,150 | 6,022 |
| Pro Health Care Services (homemaker, personal care, and respite) | 9,223 | 0 |
| Home Reach Home Care | 41,967 | |
| COA Net Cost of Providing Meals | 25,797 | |
| Other | 0 | 742 |
| Total | <u>\$1,472,667</u> | <u>\$1,384,426</u> |

Council for Older Adults
Notes to Financial Statements
December 31, 2007 and 2006

(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, 2007. The agreement provides for a base salary, life insurance, professional development benefits and annual increases. This employment agreement was extended through December 31, 2008.

(13) Adult Protective Services

Pursuant to the terms of a contract with the Delaware County Department of Job and Family Services (DJFS), the Council provides Adult Protective Services to persons aged sixty or older in Delaware County. The contract requires the Council to serve as the lead agency 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. The Council received \$45,000 and \$45,000 in 2007 and 2006, respectively, and the contract is renegotiated annually.

Council for Older Adults
Schedule of Federal, State and Local Funding Received
For the Year Ended December 31, 2007

| | <u>Amount</u> |
|--|---------------------------|
| Delaware County: | |
| Delaware County Senior Services Levy | \$3,629,522 |
| Adult Protective Services Grant | 45,000 |
| Central Ohio Area Agency on Aging: | |
| Title III-E National Family Caregive Support Program | 45,524 |
| Title III-C/USDA | 179,928 |
| PASSPORT | 104,969 |
| Other | 3,450 |
| United Way: | |
| Delaware County Senior Nutrition - Under 60 | <u>83,237</u> |
| Total | <u><u>\$4,091,630</u></u> |

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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, 2007, and have issued our report thereon dated June 6, 2008. 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*.

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 6, 2008



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
JULY 15, 2008**