

Council for Older Adults

Delaware, Ohio

Financial Statements

December 31, 2005 and 2004

BALESTRA, HARR & SCHERER, CPAs, INC.

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**Auditor of State
Betty Montgomery**

Board of Trustees
Council for Older Adults
818 Bowtown 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, 2005 through December 31, 2005. 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 "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

August 30, 2006

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Council for Older Adults
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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
Delaware, Ohio 43015

We have audited the accompanying statement of financial position of the Council for Older Adults (the Council) as of December 31, 2005, and the related statements of activities, functional expenses, and cash flows for the year 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. The statement of financial position of the Council as of the year ended December 31, 2004, and the related statements of activities, functional expenses, and cash flows for the year then ended were audited by other auditors whose report, dated March 16, 2005, expressed an unqualified opinion on those statements.

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, 2005 and 2004, 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 May 10, 2006 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 basic 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.

May 10, 2006

Council for Older Adults
Statements of Financial Position
December 31, 2005 and 2004

Assets		
	2005	2004
Current Assets:		
Cash and Cash Equivalents	\$440,861	\$120,256
Investments	1,525,513	1,117,822
Accounts Receivable (net of allowance for doubtful accounts of \$8,082 and \$12,500, respectively)	30,052	70,195
Inventory	1,094	1,204
Prepaid Expenses	13,239	5,719
Total Current Assets	2,010,759	1,315,196
Property and Equipment - At Cost:		
Vehicle	36,236	36,236
Equipment, Furniture and Fixtures	207,345	191,053
	243,581	227,289
Less Accumulated Depreciation	(151,244)	(111,662)
Net Property and Equipment	92,337	115,627
Other Long Term Asset (net of accumulated amortization of \$136,422 and \$117,033, respectively)	38,077	57,468
Beneficial Interest in Assets Held by Others	12,487	12,487
Deposits	4,675	4,675
Total Assets	\$2,158,335	\$1,505,453

See accompanying notes to the basic financial statements.

Council for Older Adults
Statements of Financial Position
December 31, 2005 and 2004

Liabilities and Net Assets	2005	2004
Current Liabilities:		
Accounts Payable	\$158,532	\$158,166
Accrued Payroll	32,583	31,442
Payroll Taxes and Benefits Payable	9,156	6,971
Grants Payable	42,699	39,494
Accrued Compensated Absences	32,783	26,436
Total Current Liabilities	275,753	262,509
Unrestricted Net Assets	1,882,582	1,242,944
Total Net Assets and Liabilities	\$2,158,335	\$1,505,453

See accompanying notes to the basic financial statements.

Council for Older Adults
Statements of Activities
For the Years Ended December 31, 2005 and 2004

	2005	2004
Changes in Unrestricted Net Assets:		
Support and Revenue:		
Property Tax Levy	\$3,317,707	\$3,163,761
Nutrition Program Grants	287,312	285,686
Operating Grants	96,993	109,963
Donations	108,083	102,214
Service Fees	122,588	102,183
Advertising	21,018	24,085
Interest	61,579	21,745
Fundraising	16,673	16,383
Other	8,950	1,821
Total Support and Revenue	4,040,903	3,827,841
Expenses:		
Program Services:		
Senior Choices	1,881,577	1,713,285
Nutrition, Home Repair, Counseling and Other Grants	570,834	520,633
Outreach and Special Events	414,041	326,037
Adult Protective Services	82,632	65,850
Council Communicator	65,322	64,136
Total Program Services	3,014,406	2,689,941
Management and Supporting Services	386,859	421,696
Total Expenses	3,401,265	3,111,637
Change in Net Assets	639,638	716,204
Net Assets - Beginning of Year	1,242,944	526,740
Net Assets - End of Year	\$1,882,582	\$1,242,944

See accompanying notes to the basic financial statements.

Council for Older Adults
Statements of Functional Expenses
For the Year Ended December 31, 2005
With Comparative Totals for the Year Ended December 31, 2004

	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	2004 Totals
Salaries	\$361,651	\$0	\$191,803	\$50,662	\$0	\$604,116	\$223,401	\$827,517	\$729,820
Payroll Taxes and Fringe Benefits	102,426	0	56,744	12,286	0	171,456	62,807	234,263	187,044
Total Personnel Costs	464,077	0	248,547	62,948	0	775,572	286,208	1,061,780	916,864
Contract Services	1,264,957	0	0	0	0	1,264,957	0	1,264,957	1,152,645
Grants	0	570,834	0	0	0	570,834	0	570,834	520,633
Professional	21,940	0	15,962	999	14,821	53,722	22,640	76,362	94,168
Rent	27,018	0	17,175	3,784	0	47,977	16,699	64,676	63,361
Supplies	14,643	0	32,941	1,041	0	48,625	8,352	56,977	57,017
Printing	2,936	0	10,063	0	33,987	46,986	0	46,986	45,774
Depreciation	18,314	0	9,710	2,565	0	30,589	11,320	41,909	36,463
Advertising	3,251	0	39,296	1,882	2,059	46,488	806	47,294	33,895
Operating Service Fees	4,260	0	2,517	600	14,374	21,751	3,234	24,985	31,401
Travel and Meals	12,663	0	1,968	2,518	0	17,149	8,371	25,520	28,949
Amortization	8,473	0	4,492	1,187	0	14,152	5,237	19,389	19,385
Insurance	8,500	0	4,507	1,190	0	14,197	5,254	19,451	19,128
Equipment Rental	5,145	0	6,023	703	0	11,871	3,102	14,973	14,515
Telephone	8,560	0	705	1,314	0	10,579	1,902	12,481	13,851
Postage	2,153	0	5,373	690	0	8,216	3,099	11,315	13,567
Training	1,588	0	709	350	0	2,647	2,702	5,349	10,364
Utilities	3,857	0	2,045	540	0	6,442	2,384	8,826	9,162
Dues and Subscriptions	358	0	1,256	15	0	1,629	2,914	4,543	6,535
Sponsorships	2,185	0	10,134	306	0	12,625	1,351	13,976	5,208
Levy Campaign	0	0	0	0	0	0	0	0	5,000
Repairs and Maintenance	6,699	0	375	0	0	7,074	437	7,511	3,055
Bad Debts	0	0	0	0	0	0	0	0	0
Other	0	0	243	0	81	324	847	1,171	10,697
Total Expenses	\$1,881,577	\$570,834	\$414,041	\$82,632	\$65,322	\$3,014,406	\$386,859	\$3,401,265	\$3,111,637

See accompanying notes to the basic financial statements.

Council for Older Adults
Statements of Functional Expenses
For the Year Ended December 31, 2004

	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	\$322,033	\$0	\$147,901	\$39,015	\$0	\$508,949	\$220,871	\$729,820
Payroll Taxes and Fringe Benefits	81,018	0	36,836	8,681	0	126,535	60,509	187,044
Total Personnel Costs	403,051	0	184,737	47,696	0	635,484	281,380	916,864
Contract Services	1,152,645	0	0	0	0	1,152,645	0	1,152,645
Grants	0	520,633	0	0	0	520,633	0	520,633
Professional	24,680	0	15,304	3,575	15,230	58,789	35,379	94,168
Rent	27,147	0	14,343	3,267	0	44,757	18,604	63,361
Supplies	13,967	0	31,033	1,126	0	46,126	10,891	57,017
Printing	246	0	11,762	174	32,425	44,607	1,167	45,774
Depreciation	16,106	0	7,369	1,951	0	25,426	11,037	36,463
Advertising	1,933	0	31,373	0	398	33,704	191	33,895
Operating Service Fees	7,351	0	4,968	0	15,753	28,072	3,329	31,401
Travel and Meals	17,085	0	1,326	2,336	330	21,077	7,872	28,949
Amortization	7,905	0	3,617	958	0	12,480	6,905	19,385
Insurance	8,674	0	3,664	1,156	0	13,494	5,634	19,128
Equipment Rental	5,280	0	4,909	661	0	10,850	3,665	14,515
Telephone	8,508	0	1,746	678	0	10,932	2,919	13,851
Postage	6,071	0	2,526	720	0	9,317	4,250	13,567
Training	3,614	0	1,649	824	0	6,087	4,277	10,364
Utilities	4,047	0	1,852	490	0	6,389	2,773	9,162
Dues and Subscriptions	516	0	1,644	162	0	2,322	4,213	6,535
Sponsorships	2,208	0	1,486	0	0	3,694	1,514	5,208
Levy Campaign	0	0	0	0	0	0	5,000	5,000
Repairs and Maintenance	2,251	0	290	76	0	2,617	438	3,055
Bad Debts	0	0	0	0	0	0	0	0
Other	0	0	439	0	0	439	10,258	10,697
Total Expenses	\$1,713,285	\$520,633	\$326,037	\$65,850	\$64,136	\$2,689,941	\$421,696	\$3,111,637

See accompanying notes to the basic financial statements.

Council for Older Adults
Statements of Cash Flows
For the Years Ended December 31, 2005 and 2004

	2005	2004
Cash Flows from Operating Activities:		
Excess of Revenue Over Expenses	\$639,638	\$716,204
Adjustments to Reconcile to Net Cash Provided by Operating Activities:		
Depreciation	41,909	36,463
Amortization	19,389	19,385
Loss on Disposal of Property and Equipment	329	3,739
(Increase) in Accounts and Interest Receivable	40,143	(31,870)
Decrease in Inventory	110	384
(Increase) Decrease in Prepaid Expenses	(7,520)	(2,808)
Increase in Accounts Payable and Accrued Expenses	10,039	39,224
(Increase) Decrease in Grants Payable	3,205	15,154
Net Cash Provided from (used by) Operating Activities	747,242	795,875
Cash Flows from Investing Activities:		
Purchase of Property and Equipment	(18,928)	(56,224)
Purchase of Investments	(1,970,000)	(858,411)
Proceeds from Maturing Investments	1,562,291	101,713
Net Cash Provided from (used by) Investing Activities	(426,637)	(812,922)
Net Change in Cash and Cash Equivalents	320,605	(17,047)
Cash and Cash Equivalents - Beginning of the Year	120,256	137,303
Cash and Cash Equivalents - End of the Year	\$440,861	\$120,256

See accompanying notes to the basic financial statements.

Council for Older Adults
Notes to Financial Statements
December 31, 2005 and 2004

(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 to 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. Subsequent senior services levies may be placed on the ballot and are subject to voter approval.

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.

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, 2005 and 2004

(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 3% of each eligible employee's annual wages, and matches employee contributions to the plan up to 3% of each eligible employee's annual wages. The Council can vary these percentages from year to year at its discretion. Total pension expense was \$34,978 for 2005 and \$28,330 for 2004.

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) Concentrations or 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 \$1,223,234 and \$798,726 at December 31, 2005 and 2004, respectively.

(3) Investments

Investments as of December 31, 2005 and 2004 consist of the following:

	<u>2005</u>	<u>2004</u>
Certificates of Deposit and Money Market Funds	\$1,525,513	\$1,110,420
Mortgage-Backed Securities	0	7,401
Totals	<u>\$1,525,513</u>	<u>\$1,117,821</u>

The certificates of deposit bear interest ranging from 2.9% to 3.64% and mature through September 2007. The certificates are reflected at cost, which approximates market value.

Council for Older Adults
Notes to Financial Statements
December 31, 2005 and 2004

(3) Investments (Continued)

The mortgage-backed securities consist of various Government National Mortgage Association (GNMA) pools with interest rates ranging from 7.5% to 8.0% and maturity dates ranging from April 2005 through June 2008. The GNMA's are reported at market value, which approximates cost. The Council had these investments in 2004 but not in 2005.

(4) Property and Equipment

The following schedule summarizes the changes in property and equipment for the year ended December 31, 2005:

	January 1, 2005	Additions	Disposals	December 31, 2005
Vehicles	\$36,236	\$0	\$0	\$36,236
Equipment, Furniture and Fixtures	191,053	18,928	(2,636)	207,345
Less Accumulated Depreciation	(111,662)	(41,889)	2,307	(151,244)
Totals	\$115,627	(\$22,961)	(\$329)	\$92,337

(5) Leases

The Council rents office space under an operating lease which expires in March 2007. The lease required a \$4,675 security deposit. Future minimum lease payments total \$61,680 per year for 2006 and \$15,420 for 2007. The Council may be liable for rent adjustments due to increase in assessed value of the property for real estate tax purposes. Rent was \$61,680 in 2005 and \$61,410 for 2004.

The Council was obligated under an operating lease which expires in October 2006 for certain office equipment. Future minimum lease payments under the lease are as follows: 2006 - \$5,500. Lease payments totaled \$6,600 and \$6,600 for 2005 and 2004, respectively.

In March 2006, the Council entered into an operating lease for the lease of a new copier, which will replace the copier leased in 2003 upon completion of that lease term as described above. Future minimum lease payments under this lease are as follows: 2006 - \$5,112, 2007 and 2008 - \$6,816, and 2009 - \$1,704.

(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 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 are also amortized over ten 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.

Council for Older Adults
Notes to Financial Statements
December 31, 2005 and 2004

(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.

The market value of the Fund at December 31, 2005 was \$19,660, 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, 2005 for services provided through December 31, 2005.

The Council is obligated under these grant agreements for services performed through December 31, 2005 as follows:

Help Line	\$6,385
Community Action Organization	1,079
Senior Services for Independent Living	3,535
Delaware Speech and Hearing	6,235
Alzheimers Association	5,479
Heritage Day Health Centers	3,382
Senior Citizens Inc.	6,270
Central Ohio Mental Health Center	1,404
Delaware County Juvenile Courts	504
Delaware Creative Housing	2,083
Department of Job and Family Services	277
Olentangy Senior Citizens	708
Grady Memorial Hospital	431
Life Care Alliance	1,708
Catholic Social Services	3,219
Total	<u>\$42,699</u>

Council for Older Adults
Notes to Financial Statements
December 31, 2005 and 2004

(8) Grants Payable and Commitments (Continued)

The following grants have been awarded by the Council for term to begin in 2006:

AARP	\$5,000
Alzheimer's Association of Central Ohio	64,757
Catholic Social Services, Inc.	26,460
Central Ohio Area Agency on Aging	6,000
Central Ohio Mental Health Center	5,985
Community Action Organization of Delaware, Madison	62,400
Creative Housing, Inc.	18,750
Delaware Area Transit Agency	108,000
Delaware County Job and Family Services	17,480
Delaware County Juvenile Court	11,346
Delaware County Speech and Hearing Center	37,186
Delaware General Health District	2,611
Grady Memorial Hospital (55 Alive and DRIVE)	11,488
HelpLine of Delaware and Morrow Counties, Inc.-Connections	55,913
Heritage Day Health Centers	22,120
Life Center Adult Day Care Center	800
LifeCare Alliance – Supportive Services	19,756
Ohio Senior Health Insurance Information Program	1,800
People In Need	6,000
Senior Citizens of Delaware County, Inc.	149,650
Senior Services for Independent Living	<u>30,000</u>
Total	<u><u>\$663,502</u></u>

Council for Older Adults
Notes to Financial Statements
December 31, 2005 and 2004

(9) Grants

The Council provided grants to the following organizations during 2005 and 2004:

	<u>2005</u>	<u>2004</u>
Senior Citizens, Inc. (operating)	\$130,314	\$110,872
Community Action Organization (home repair services)	60,000	57,700
Alzheimers Association (counseling)	60,754	53,539
Senior Services for Independent Living (supportive/transportation services)	30,000	52,313
Help Line - Volunteer Connections	53,551	50,415
Delaware Speech & Hearing (hearing screening/hearing aids)	29,089	26,513
Delaware Creative Housing (housing)	25,000	25,000
Catholic Social Services (assistance)	26,460	20,324
Delaware Area Transit Agency (transportation)	54,000	20,293
Heritage Day Health Centers (adult day care)	21,857	19,972
Life Care Alliance (support and chore service)	20,504	19,789
Meals on Wheels (operating)	0	17,500
Ohio Department of Job and Family Services (summer chores)	13,024	12,278
Central Ohio Mental Health Center (counseling support services)	5,066	9,475
Delaware County Juvenile Court (chore service)	5,778	7,500
People In Need (emergency assistance)	6,000	6,000
Grady Memorial Hospital (DRIVE program)	8,135	5,284
Central Ohio Area Agency on Aging	4,000	0
AARP (tax preparation)	5,560	0
Ashley Villa	4,000	0
Other	7,742	5,866
Total	<u>\$570,834</u>	<u>\$520,633</u>

(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.

Council for Older Adults
Notes to Financial Statements
December 31, 2005 and 2004

(10) Contract Services (continued)

The Council purchased services pursuant to the Senior Choices contracts as follows:

	<u>2005</u>	<u>2004</u>
Grady Memorial Hospital (community action)	\$556,629	\$508,810
Heritage Day Health Centers (adult day care)	158,128	114,900
VRI Lifeline (emergency response)	92,257	80,619
Senior Services for Independent Living (homemaker, personal care and transportation)	82,463	71,003
Grady Home Care (homemaker and personal care)	66,956	69,278
Health Care Depot (homemaker and personal care)	52,957	44,191
Delaware Area Transit Authority (transportation)	41,641	43,585
HomeCare Network (homemaker and personal care)	5,411	40,145
Sun Home Health (homemaker and personal care)	1,785	39,154
Columbus Prescription	37,970	36,758
Delaware Cab (meal delivery)	31,825	26,927
Easton Healthcare (homemaker and personal care)	5,003	15,854
Interim Health Care (homemaker and personal care)	33,756	13,639
Life Center - New Albany (adult day care)	8,576	13,541
Amerihost Inn (emergency client lodging)	1,160	6,000
Lifecare Alliance (homemaker)	14,147	5,534
Home Watch Caregivers (homemaker and personal care)	13,588	0
Arbors of Delaware (client lodging)	1,540	0
Central Ohio Care Services (homemaker, personal care, and respite)	28,182	0
Central Ohio Mental Health	1,193	0
Client Use of Ensure	9,941	0
Delaware General Health District (chores)	1,000	0
Farmers Market	13,465	0
Other	5,384	22,707
Total	<u>\$1,264,957</u>	<u>\$1,152,645</u>

(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 provides space for the program and is responsible for all aspects of food service related operations.

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.

Council for Older Adults
Notes to Financial Statements
December 31, 2005 and 2004

(12) Management Compensation

The Council employs the Executive Director under an employment agreement which expires on December 31, 2007. The agreement provides for a base salary, life insurance, professional development benefits and annual increases.

(13) Adult Protective Services

Pursuant to the terms of a contract with the Delaware County Department of Jobs 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 \$44,245 and \$48,267 in 2005 and 2004, respectively, and the contract is renegotiated annually.

Council for Older Adults
Schedule of Federal, State and Local Funding Received
December 31, 2005

	<u>Amount</u>
Delaware County:	
Delaware County Senior Services Levy	\$3,317,707
Adult Protective Services Grant	44,245
Central Ohio Area Agency on Aging:	
Title III-E National Family Caregive Support Program	45,524
Title III-C/USDA	144,672
State Block Grant	14,016
PASSPORT	103,266
Medicares Grant	4,349
Other	2,875
United Way:	
Delaware County Senior Nutrition - Under 60	<u>25,358</u>
Total	<u><u>\$3,702,012</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
Delaware, Ohio 43015

We have audited the financial statements of the Council for Older Adults (the Council), as of and for the year ended December 31, 2005, and have issued our report thereon dated May 10, 2006. 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 in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over the financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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 the audit committee, management and others with in the organization, and is not intended to be and should not be used by anyone other than these specified parties.



Balestra, Harr & Scherer, CPAs, Inc.

May 10, 2006



**Auditor of State
Betty Montgomery**

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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
SEPTEMBER 12, 2006**