

COUNCIL FOR OLDER ADULTS
Delaware County, Ohio

AUDIT REPORT

For the Year ended December 31, 2010

CHARLES E. HARRIS & ASSOCIATES, INC.
Certified Public Accountants and Government Consultants



Dave Yost • Auditor of State

Members of the Board
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 Charles E. Harris & Associates, Inc., for the audit period January 1, 2010 through December 31, 2010. 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 black ink that reads "Robert R. Hinkle".

Robert R. Hinkle, CPA
Chief Deputy Auditor

August 26, 2011

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COUNCIL FOR OLDER ADULTS
DELAWARE COUNTY
AUDIT REPORT
For the Year Ended December 31, 2010

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Council for Older Adults
Delaware County, Ohio
800 Cheshire Road
Delaware, Ohio 43015

The Board of Directors:

We have audited the accompanying statement of financial position of the Council for Older Adults Delaware County, Ohio (the Council) as of December 31, 2010, 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.

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 the Comptroller General of the United States' *Government Auditing Standards*. 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 presently fairly, in all material respects, the financial position of the Council for Older Adults as of December 31, 2010 and the changes in its net assets and cash flows for the year 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 10, 2011 on our consideration of the Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Council. The accompanying schedule of federal, state, and local funding received included on page 15 provides additional information and is not a required part of the financial statements. We subjected this information to the auditing procedures applied in the audit of the financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Charles E. Harris & Associates

Charles E. Harris & Associates, Inc.

June 10, 2011

**Council for Older Adults
Statement of Financial Position
December 31, 2010**

Assets

Current Assets:	
Cash	\$ 549,148
Investments	2,225,889
Accounts Receivable	53,178
Inventory	42,151
Prepaid Expense	<u>12,479</u>
 Total Current Assets	 <u>2,882,845</u>
 Property and Equipment:	
Furniture & Equipment	554,281
Leasehold Improvements	550,107
Vehicles	<u>50,544</u>
	1,154,932
Less Accumulated Depreciation	<u>(389,634)</u>
 Net Property and Equipment	 <u>765,298</u>
 Other Assets:	
Beneficial Interest in Assets Held by Others	<u>23,549</u>
 Total Other Assets	 <u>23,549</u>
 Total Assets	 <u><u>\$ 3,671,692</u></u>

Liabilities and Net Assets

Current Liabilities:	
Accounts Payable	225,409
Accrued Payroll and Related Liabilities	157,362
Grants Payable	<u>5,364</u>
 Total Current Liabilities	 <u>388,135</u>
 Net Assets:	
Unrestricted:	
Designated by the Board for capital improvements	529,202
Undesignated	<u>2,754,355</u>
 Total Net Assets	 <u>3,283,557</u>
 Total Liabilities and Net Assets	 <u><u>\$ 3,671,692</u></u>

See Accompanying Notes to the Financial Statements.

Council for Older Adults
Statement of Activities
For the Year Ended December 31, 2010

Revenue and Support:

Property Tax Levy	\$4,951,006
Intergovernmental	819,058
Nutrition Program Grants	451,222
Donations	185,434
Service Fees	219,127
Interest	23,229
Other	<u>179,476</u>
 Total Revenue and Support	 <u>6,828,552</u>

Expenses:

Program Services:	
Senior Choices	3,565,974
Senior Citizens and Facility Subsidy	588,939
Nutrition, Home Repair, Counseling and Other Grants	630,023
Outreach and Special Events	549,499
Hospitality and Event Services	<u>197,161</u>
Total Program Services	5,531,596
 Management and General	 600,175
 Total Expenses	 <u>6,131,771</u>
 Change in Net Assets	 696,781
 Net Assets - Beginning of Year	 <u>2,586,776</u>
 Net Assets - End of Year	 <u>\$ 3,283,557</u>

See Accompanying Notes to the Financial Statements.

**Council for Older Adults
Statement of Functional Expenses
For the Year Ended December 31, 2010**

	Senior Choices	Senior Citizens, Inc. Facility Subsidy	Home Rpr, Counseling and Other Grants	Outreach, Volunteer Services and Special Events	Hospitality and Event Services	Total Program Services	Management and General	Total Expenses
Salaries	\$1,108,086	\$69,338	-	\$221,699	\$73,102	\$1,472,225	\$356,369	\$1,828,594
Payroll Taxes and Fringe Benefits	417,048	27,016	-	86,377	28,485	558,926	139,461	698,387
Total Personnel Costs	1,525,134	96,354	-	308,076	101,587	2,031,151	495,830	2,526,981
Contract Services	1,233,054	-	-	-	-	1,233,054	-	1,233,054
Grants	-	-	630,023	-	-	630,023	-	630,023
Management Fee	-	330,000	-	-	-	330,000	-	330,000
Raw Food / Kitchen Supplies	412,099	-	-	-	65,537	477,636	-	477,636
General Supplies	68,787	17,752	-	40,962	2,412	129,913	16,006	145,919
Utilities	71,142	53,993	-	8,595	2,926	136,656	13,819	150,475
Operating Service Fees	56,382	35,603	-	28,785	5,611	126,381	14,622	141,003
Depreciation & Amortization	41,838	31,552	-	7,015	8,834	89,239	11,279	100,518
Repairs, Maintenance & Auto Operating	39,699	22,408	-	3,285	1,341	66,733	5,337	72,070
Professional	23,602	-	-	27,733	2,372	53,707	12,597	66,304
Printing	6,742	-	-	36,986	605	44,333	68	44,401
Advertising	-	-	-	38,613	5,431	44,044	1,953	45,997
Travel and Meals	8,662	29	-	14,641	22	23,354	4,459	27,813
Insurance	22,233	-	-	4,680	-	26,913	7,525	34,438
Small Equipment & Rental	15,602	693	-	10,384	47	26,726	4,896	31,622
Telephone	20,698	-	-	1,624	-	22,322	2,611	24,933
Postage	7,717	-	-	3,927	217	11,861	2,466	14,327
Training	6,004	-	-	1,626	-	7,630	2,603	10,233
Dues and Subscriptions	1,883	555	-	3,607	219	6,264	4,104	10,368
Sponsorships	-	-	-	8,960	-	8,960	-	8,960
Other	4,696	-	-	-	-	4,696	-	4,696
Total Expenses	\$3,565,974	\$588,939	\$630,023	\$549,499	\$197,161	\$5,531,596	\$600,175	\$6,131,771

See Accompanying Notes to the Financial Statements.

**Council for Older Adults
Statements of Cash Flows
For the Year Ended December 31, 2010**

Cash Flows from Operating Activities:

Excess of Revenue Over/(Under) Expenses	\$ 696,781
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Adjustments to Reconcile to Net Cash Provided by Operating Activities:

Depreciation & Amortization	100,518
Decrease in Accounts Receivable	20,392
(Increase) in Inventory	(9,475)
(Increase) in Prepaid Expenses	(6,789)
Increase in Accounts Payable and Accrued Expense	72,041
(Decrease) in Grants Payable	(47,506)
	(47,506)

Net Cash Provided from Operating Activities	825,962
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Cash Flows from Investing Activities:

Purchase of Capital Assets	(153,634)
Purchase of Investments	(2,217,504)
Proceeds from Maturing Investments	1,936,060
Interest Earnings on Investments	(22,353)
	(22,353)

Net Cash Provided from (used by) Investing Activities	(457,431)
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Net Change in Cash and Cash Equivalents	368,531
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Cash and Cash Equivalents - Beginning of the Year	180,617
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Cash and Cash Equivalents - End of the Year	\$ 549,148
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See Accompanying Notes to the Financial Statements.

Council for Older Adults
Delaware County
Notes to the Financial Statements
December 31, 2010

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 mil levy was approved by Delaware County voters in August 2008. This levy will expire at the end of 2013.

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

For the purposes of the statement of cash flows, cash and cash equivalents includes all cash held in unrestricted demand deposit accounts as well as cash on hand.

Accounts Receivable

Accounts receivable at December 31, 2010 consist of consumer accounts (billings for users charged for services.)

Inventory

Inventory consists of supplies available for sale to clients and food and packaging materials used in producing home delivered meals or hospitality services. 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 generally are 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.

Council for Older Adults
Delaware County
Notes to the Financial Statements
December 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Revenue Recognition

The Council recognizes grant revenue when the related expenditure is made. Property tax revenue when it is measurable and available to finance expenditures of the current fiscal period. Available means collected within the current period and 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, however, a substantial number of volunteers have donated significant amounts of their time in the organization's program services.

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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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 and hospitality & event service operations. No provision has been made for income tax as the Council anticipates the associated expenses will exceed the revenue.

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.

2. CONCENTRATION OF CREDIT RISK

The Council maintains checking, money market and certificates of deposit accounts with local financial institutions. The accounts at each institution are insured by the Federal Deposit of Insurance Corporation up to \$250,000. As of December 31, 2010, the bank balance was \$2,782,870, including \$2,225,889 in certificates of deposit.

Council for Older Adults
Delaware County
Notes to the Financial Statements
December 31, 2010

2. CONCENTRATION OF CREDIT RISK - (Continued)

All of the Council's deposits were covered by FDIC at December 31, 2010.

3. INVESTMENTS

Investments as of December 31, 2010 consist of certificates of deposit. The certificates of deposit bear interest ranging from 0.30% to 2.50% and mature through April 2013. The certificates are reflected at cost, which approximated fair value.

4. NET ASSETS

In December 2008, the Council designated a portion of net assets for capital improvements and major maintenance projects, as well as emergency repairs at the center. Annually the Board earmarks the amount of money to be added to this fund.

5. LEASES

In October 2007, the Council entered into a lease agreement with the Delaware County Commissioners, to lease real property consisting of 12.74 acres, more or less, known as 800 Cheshire Road, Delaware, Ohio, improved with a 58,000+ square foot facility, including meeting and activity rooms, offices, kitchen, exercise pool and paved parking areas.

The terms of the lease agreement specify that leased premises shall be used to provide services to improve the quality of life of older adults in Delaware County, Ohio. In addition the Council is required to maintain compliance with all provisions set forth in applicable Bond Financing Certificates issued by Delaware County. (Delaware County Commissioners issued Capital Facilities Bonds, series 2005A, in the amount of \$12,000,000, to fund the purchase of land and construction at 800 Cheshire Road, Delaware Ohio, for the purpose of providing a facility for senior citizens). Lease payments under this lease are \$1.00 per year, and the Council may purchase right title and interest in the leased premises at the termination of the lease. During the term of the lease the Council is responsible for all maintenance, repairs, utilities, taxes, assessments, insurance, improvements and all general upkeep of the leased property. The lease terminates December 31, 2025.

Several office machines, including copier/printers and a postage machine are under lease arrangement; future combined minimum lease payments under these leases are as follows:

2011 - \$11,480
2012 - \$10,019

Council for Older Adults
Delaware County
Notes to the Financial Statements
December 31, 2010

6. PROPERTY AND EQUIPMENT

The following schedule summarizes the changes in property and equipment for the year ended December 31, 2010.

	January 1, <u>2010</u>	<u>Additions</u>	<u>Disposals</u>	December 31, <u>2010</u>
Equipment, Furniture and Fixtures	\$518,165	\$ 36,116	-	\$ 554,281
Leasehold Improvements	432,588	117, 519	-	550,107
Vehicles	50,544	-	-	50,544
Less Accumulated Depreciation	<u>(289,116)</u>	<u>(100,518)</u>	<u>-</u>	<u>(389,634)</u>
Totals	<u>\$712,181</u>	<u>\$ 53,117</u>	<u>-</u>	<u>\$ 765,298</u>

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 Directors 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 ASC 958 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, 2010 was \$23,549, 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, 2010 for services provided through December 31, 2010.

Alzheimer's Association	\$3,864
Delaware County Juvenile Court	<u>1,500</u>
Total	<u>\$5,364</u>

Council for Older Adults
 Delaware County
 Notes to the Financial Statements
 December 31, 2010

8. GRANTS PAYABLE AND COMMITMENTS-(Continued)

The following grants have been awarded by the Council for the term to begin in 2011:

Delaware Area Transit Agency	\$299,329
Alzheimer's Association	54,296
Help Line of Delaware and Morrow Counties, Inc	78,439
Delaware Speech & Hearing	45,395
Delaware County Job and Family Services	32,881
Community Action Org of Delaware & Madison Co	30,000
Catholic Social Services	27,816
Life Care Alliance	27,805
Heritage Day Health Centers	20,700
Delaware General Health District	12,214
Grady Memorial Hospital DRIVE Program	6,475
HomeReach Telehealth Program	6,000
People in Need	6,000
Central Ohio Area Agency on Aging	4,000
Delaware County Juvenile Court	<u>3,000</u>
Total	<u>\$654,350</u>

9. GRANTS

The Council provided grants to the following organizations during 2010. Although the 2010 Grant Awards totaled \$659,714, only \$630,023 was remitted to Grantees due to actual costs being less than projected budgets.

Delaware Area Transit Agency	\$298,183
Alzheimer's Association	52,932
Help Line of Delaware and Morrow Counties, Inc	93,955
Delaware Speech & Hearing	45,395
Delaware County Job and Family Services	10,500
Community Action Org of Delaware & Madison Co	40,000
Catholic Social Services	29,643
Life Care Alliance	21,190
Heritage Day Health Centers	18,700
Delaware General Health District	19,216
Grady Memorial Hospital DRIVE Program	6,000
Home Reach Telehealth Program	6,000
People in Need	6,000
Central Ohio Area Agency on Aging	6,000
Delaware County Juvenile Court	<u>6,000</u>
Total	<u>\$659,714</u>

Council for Older Adults
 Delaware County
 Notes to the Financial Statements
 December 31, 2010

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:

Active Day of Columbus (adult day care & transportation)	\$14,354
Adena (adult day care)	7,350
Advanced Senior Support (homemaker, pers care, respite, nursing)	10,803
Alia Healthcare (homemaker, pers care, respite, nursing)	53,741
Arbors at Delaware (institutional respite)	2,835
Central Ohio Care Services (homemaker, pers care & respite)	53,116
Client Use of Ensure (nutrition supplement)	31,622
Columbus Prescription (incontinence supply & nutrition supplement)	42,595
Creative Living Systems (home improvement)	492
Custom Staffing (homemaker, personal care & respite)	80,533
Delaware Area Transit Authority (transportation)	33,303
Delaware Court Healthcare Center (institutional respite)	8,246
Delaware Developers LLC (home repair)	1,615
Delaware General Health District (appliance pickup)	5,000
Duralin Medical Products, Inc (incontinence supply)	82,185
Farmers Market	48,252
First Response Monitoring of Ohio (emergency response)	14,718
Guardian Medical Monitoring, Inc. (emergency response)	9,101
Heritage Day Health (adult day care & personal care)	133,338
Heritage Health Care Services (emergency response)	31,188
HM Miller & Associates (homemaker & personal care)	16,461
Home Helpers (homemaker, pers care, respite & emergency response)	55,314
Home Instead Senior Care (homemaker, personal care & respite)	160,143
Home Reach Home Care (homemaker, pers care, respite & nursing)	53,211
Home Watch Caregivers (homemaker)	711
Interim Health Care (homemaker, personal care & respite)	10,863
Miracle Method of Columbus (home improvement)	9,725
Peterson Professional Services (chores)	2,175
Pro Health Care Services (homemaker, personal care & respite)	8,055
Rural Metro (emergency response)	30,126
Senior Independence (homemaker, personal care & respite)	21,145
Senior Services for Independent Living (hmmkr, pers care & respite)	66,398
Valued Relationships, Inc (emergency response)	48,792
Volunteer Drivers	84,543
Other	<u>1,005</u>
Total	<u>\$1,233,054</u>

Council for Older Adults
Delaware County
Notes to the Financial Statements
December 31, 2010

11. COMMUNITY NUTRITION PROGRAM

The Council operates the Nutrition Program as part of Senior Choices. The program provides home delivered meals to seniors and meals at several congregate meal sites in the county. In addition, the Nutrition Program provides meals to disabled Adults under the age 60 as well as administering a Farmers Market Voucher Program and a Commodity Supplemental Food Program, which offers free food to low income older adults.

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 and United Way of Delaware County funds. In addition, the Council receives funds from the Mid-Ohio Food Bank to support the administration of the commodity program.

12. MANAGEMENT COMPENSATION

The Council employs the Executive Director under an employment agreement which was to expire on December 31, 2011. The employment agreement was extended through December 31, 2012. The agreement provides for a base salary, life insurance, professional development benefits and annual increases.

13. 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 wages. The Council can vary these percentages from year to year at its discretion.

In addition, the Council has a Deferred Compensation Plan under (Section 457(b) plan) for the benefit of selected employees. At the current time only the Executive Director is eligible to participate. Under this program, the selected employee(s) may elect to contribute up to the extent allowable by law. In addition the Council may contribute based on Board of Director approval.

Total pension expense for both plans was \$121,327 for 2010.

14. VOLUNTEER HOURS

As described in the summary of Summary of Significant Accounting Policies, the Council receives a significant level of volunteer hours, the value of which appropriately was not recognized as revenue in accordance with accounting principles generally accepted in the United States. Management utilizes a nationally recognized resource that provides annual values for a donated hour of service, a summary follows:

	<u>Volunteer Hours</u>	<u>Volunteer Hours - Value</u>
2010	41,928	\$734,991

Council for Older Adults
Delaware County
Notes to the Financial Statements
December 31, 2010

15. SUBSEQUENT EVENTS

Subsequent events were evaluated through June 27, 2011. No material items were noted.

Council for Older Adults
Schedule of Federal, State and Local Funding Received
For the Year Ended December 31, 2010

<u>Delaware County:</u>	
Delaware County Senior Services Levy	\$5,770,064
<u>Central Ohio Area Agency on Aging:</u>	
Title III-E National Family Caregiver Support Program	44,020
Title III-C / USDA	189,711
PASSPORT	118,644
Other	1,777
<u>United Way:</u>	
Delaware County Senior Nutrition - Under 60	<u>97,070</u>
	<u><u>\$6,221,286</u></u>

Charles E. Harris & Associates, Inc.
Certified Public Accountants

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

Council for Older Adults
Delaware County
800 Cheshire Road
Delaware, Ohio 43015

To the Board of Directors:

We have audited the financial statements of the Council for Older Adults, Delaware County, Ohio (the Council), as of and for the year ended December 31, 2010, and have issued our report thereon dated June 10, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Controls 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 opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Council's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Council's internal control over financial reporting.

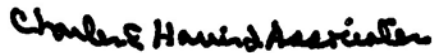
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Council's financial statements will not be prevented or detected and timely corrected.

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

Compliance and Other Matters

As part of reasonably assuring whether the Council's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could directly and materially affect 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 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 the Board of Directors and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Charles E. Harris" followed by a stylized flourish.

Charles E. Harris and Associates, Inc.

June 10, 2011

**COUNCIL FOR OLDER ADULTS
DELAWARE COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2010**

The prior report, for the two years ending December 31, 2009, reported no material citations or recommendations.

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Dave Yost • 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
SEPTEMBER 8, 2011**