

COUNCIL FOR OLDER ADULTS

DELAWARE, OHIO

FINANCIAL STATEMENTS

DECEMBER 31, 2001 AND 2000

WOLF, ROGERS, DICKEY & CO.
Certified Public Accountants



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
Columbus, Ohio 43215

Telephone 614-466-4514
800-282-0370

Facsimile 614-728-7398
www.auditor.state.oh.us

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 Wolf, Rogers, Dickey & Co., for the audit period January 1, 2001 through December 31, 2001. 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, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

June 18, 2002

This Page is Intentionally Left Blank.

Council for Older Adults

<u>Contents</u>	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statements of Financial Position	3
Statements of Activities	5
Statements of Functional Expenses	6
Statements of Cash Flows	8
Notes to Financial Statements	9
Schedule of Federal, State and Local Funding Received	17
Independent Auditors' Report on Compliance and Internal Control over Financial Reporting	18

This Page is Intentionally Left Blank.

Independent Auditors' Report

Board of Trustees
Council for Older Adults
Delaware, Ohio

We have audited the accompanying statements of financial position of the Council for Older Adults (the Council) (a non-profit organization) as of December 31, 2001 and 2000 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 the standards applicable to financial audits contained in the Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain 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 for Older Adults as of December 31, 2001 and 2000, 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 a report dated May 22, 2002 on the Council's internal control structure and a report dated May 22, 2002 on the Council's compliance with tax levy requirements. 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 basic financial statements of the Council taken as a whole. 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 basic financial statements and, in our opinion, is fairly stated, in all material aspects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the audit committee, management and the Board of Trustees and other officials authorized to receive this report under Section 117.26, Ohio Revised Code and is not intended to be and should not be used by anyone other than these specified parties.

Wolf, Rogers, Dickey & Co.
Certified Public Accountants

Delaware, Ohio
May 22, 2002

**Council for Older Adults
Statements of Financial Position
December 31, 2001 and 2000**

Assets

	<u>2001</u>	<u>2000</u>
Current assets:		
Cash and cash equivalents	\$ 383,473	54,604
Investments	242,073	535,913
Accounts receivable (net of allowance for doubtful accounts of \$5,000 in 2001 and \$2,000 in 2000)	46,495	61,292
Interest receivable	-	11,527
Inventory	2,464	1,004
Prepaid expenses	<u>1,458</u>	<u>869</u>
Total current assets	675,963	665,209
Property and equipment - at cost:		
Vehicle	13,200	13,200
Leasehold improvements	-	21,103
Furniture and fixtures	<u>191,046</u>	<u>120,027</u>
	204,246	154,330
Less accumulated depreciation	<u>(101,474)</u>	<u>(103,288)</u>
Net property and equipment	102,772	51,042
Other long term asset (net of accumulated amortization of \$76,639 in 2001 and \$57,250 in 2000)	117,251	136,640
Deposits	<u>5,925</u>	<u>1,250</u>
	<u>\$ 901,911</u>	<u>854,141</u>

See accompanying notes to financial statements

**Council for Older Adults
Statements of Financial Position
December 31, 2001 and 2000**

Liabilities and Net Assets

	<u>2001</u>	<u>2000</u>
Current liabilities:		
Accounts payable	\$ 147,787	188,111
Accrued payroll	13,076	7,296
Payroll taxes and benefits payable	7,459	15,929
Grants payable	40,989	37,129
Accrued compensated absences	<u>13,564</u>	<u>12,290</u>
Total current liabilities	222,875	260,755
Unrestricted net assets	679,036	593,386
Commitments	_____	_____
	\$ <u>901,911</u>	<u>854,141</u>

See accompanying notes to financial statements

**Council for Older Adults
Statements of Activities
For the Years Ended December 31, 2001 and 2000**

	<u>2001</u>	<u>2000</u>
Changes in unrestricted net assets:		
Support and revenue:		
Property tax levy	\$ 1,960,902	1,838,724
Grants	330,354	279,222
Service fees	81,296	64,120
Donations	75,155	63,664
Fundraising	45,454	26,570
Interest	30,660	18,052
Advertising	13,699	15,552
Other	<u>24,998</u>	<u>-</u>
Total support and revenue	<u>2,562,518</u>	<u>2,317,244</u>
Expenses:		
Program services:		
Senior Choices	1,525,055	1,267,445
Nutrition, home repair, counseling and other grants	389,587	305,428
Outreach and special events	171,321	101,681
Council Communicator	54,757	47,107
Adult Protective Services	<u>41,198</u>	<u>-</u>
Total program services	2,181,918	1,721,661
Management and supporting services	<u>294,950</u>	<u>222,777</u>
Total expenses	<u>2,476,868</u>	<u>1,944,438</u>
Change in net assets	85,650	372,806
Net assets - beginning of year	<u>593,386</u>	<u>220,580</u>
Net assets - end of year	\$ <u><u>679,036</u></u>	<u><u>593,386</u></u>

See accompanying notes to financial statements

**Council for Older Adults
Statement of Functional Expenses
For the Year Ended December 31, 2000**

	Senior Choices	Nutrition, Home Repair Counseling and Other Grants	Outreach and Special Events	Council Communicator	Total Program Services	Management and General	Total Expenses
Salaries	\$ 207,231	-	37,778	-	245,009	124,256	369,265
Payroll taxes and fringe benefits	<u>43,793</u>	<u>-</u>	<u>9,708</u>	<u>-</u>	<u>53,501</u>	<u>30,844</u>	<u>84,345</u>
Total personnel costs	251,024	-	47,486	-	298,510	155,100	453,610
Contract services	889,109	-	-	-	889,109	-	889,109
Grants	-	305,428	-	-	305,428	-	305,428
Printing	24,287	-	1,784	20,901	46,972	2,230	49,202
Supplies	10,235	-	17,968	25	28,228	8,136	36,364
Professional	8,718	-	3,714	12,825	25,257	7,195	32,452
Advertising	11,283	-	4,880	5,420	21,583	1,836	23,419
Dues and subscriptions	3,655	-	7,934	7,642	19,231	3,302	22,533
Depreciation	8,112	-	2,621	-	10,733	8,409	19,142
Rent	8,429	-	2,492	-	10,921	8,090	19,011
Amortization	15,639	-	-	-	15,639	-	15,639
Travel and meals	11,542	-	915	-	12,457	2,940	15,397
Telephone	6,347	-	1,970	-	8,317	6,338	14,655
Postage	4,449	-	1,295	294	6,038	4,181	10,219
Insurance	2,884	-	904	-	3,788	2,908	6,696
Equipment rental	2,112	-	1,659	-	3,771	2,142	5,913
Repairs and maintenance	3,311	-	493	-	3,804	1,587	5,391
Utilities	1,762	-	539	-	2,301	1,737	4,038
Training	1,229	-	309	-	1,538	993	2,531
Levy campaign	-	-	-	-	-	2,000	2,000
Bad debts	-	-	-	-	-	902	902
Other	<u>3,318</u>	<u>-</u>	<u>4,718</u>	<u>-</u>	<u>8,036</u>	<u>2,751</u>	<u>10,787</u>
	\$ <u>1,267,445</u>	<u>305,428</u>	<u>101,681</u>	<u>47,107</u>	<u>1,721,661</u>	<u>222,777</u>	<u>1,944,438</u>

See accompanying notes to financial statements

Council for Older Adults
Statement of Functional Expenses
For the Year Ended December 31, 2001
With Comparative Totals for the Year Ended December 31, 2000

2001

	Senior Choices	Nutrition, Home Repair and Counseling and Other Grants	Outreach and Special Events	Council Communicator	Adult Protective Services	Total Program Services	Management and General	Total Expenses	2000 Totals
Salaries	\$ 235,530	-	66,588	-	30,701	332,819	160,017	492,836	369,265
Payroll taxes and fringe benefits	<u>49,390</u>	<u>-</u>	<u>13,054</u>	<u>-</u>	<u>2,488</u>	<u>64,933</u>	<u>34,343</u>	<u>99,276</u>	<u>84,345</u>
Total personnel costs	284,920	-	79,642	-	33,189	397,752	194,360	592,112	453,610
Contract services	1,104,271	-	-	-	-	1,104,271	-	1,104,271	889,109
Grants	-	389,587	-	-	-	389,587	-	389,587	305,428
Supplies	14,902	-	34,735	138	745	50,521	10,993	61,514	36,364
Professional	11,422	-	5,939	18,765	1,830	37,956	13,434	51,391	32,452
Printing	6,276	-	6,307	27,501	1,718	41,802	5,500	47,302	49,202
Rent	17,891	-	6,309	-	-	24,201	18,456	42,656	19,011
Dues and subscriptions	8,116	-	14,246	8,258	145	30,765	7,099	37,865	22,533
Depreciation	10,823	-	3,594	-	-	14,418	11,363	25,781	19,142
Advertising	11,926	-	8,784	-	1,869	22,578	163	22,741	23,419
Amortization	19,389	-	-	-	-	19,389	-	19,389	15,639
Travel and meals	11,792	-	1,722	-	1,692	15,205	3,604	18,809	15,397
Telephone	7,067	-	2,472	-	-	9,539	7,225	16,764	14,655
Postage	4,301	-	1,631	95	10	6,037	4,450	10,487	10,219
Equipment rental	2,962	-	1,625	-	-	4,587	2,983	7,570	5,913
Training	3,288	-	1,127	-	-	4,415	2,738	7,152	2,531
Insurance	3,205	-	1,071	-	-	4,276	2,673	6,949	6,696
Utilities	2,388	-	807	-	-	3,194	2,428	5,622	4,038
Repairs and maintenance	1,704	-	583	-	-	2,286	1,755	4,041	5,391
Bad debts	-	-	-	-	-	-	3,000	3,000	902
Levy campaign	-	-	-	-	-	-	-	-	2,000
Other	<u>(1,588)</u>	<u>-</u>	<u>727</u>	<u>-</u>	<u>-</u>	<u>(861)</u>	<u>2,726</u>	<u>1,865</u>	<u>10,787</u>
	\$ <u>1,525,055</u>	<u>389,587</u>	<u>171,321</u>	<u>54,757</u>	<u>41,198</u>	<u>2,181,918</u>	<u>294,950</u>	<u>2,476,868</u>	<u>1,944,438</u>

See accompanying notes to financial statements

**Council for Older Adults
Statements of Cash Flows
For the Years Ended December 31, 2000 and 1999**

	<u>2001</u>	<u>2000</u>
Cash flows from operating activities:		
Excess of revenues over expenses	\$ 85,650	372,806
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation	25,781	19,142
Amortization	19,389	15,639
Bad debts	3,000	902
Loss on disposal of property and equipment	1,735	288
(Increase) decrease in accounts and interest receivable	23,324	(34,555)
(Increase) decrease in inventory	(1,460)	1,263
(Increase) decrease in prepaid expenses	(4,675)	2,868
Increase (decrease) in accounts payable and accrued expenses	(589)	77,726
Increase (decrease) in grants payable	<u>(41,740)</u>	<u>16,747</u>
Net cash provided by operating activities	114,274	472,826
Cash flows from (used) by investing activities:		
Purchase of property and equipment	(79,245)	(11,192)
Purchase of investments	-	(413,690)
Investment in other long term asset	-	(75,000)
Proceeds from maturing investments	<u>293,840</u>	<u>-</u>
Net cash provided from (used by) investing activities	214,595	(499,882)
Cash flows from financing activities	<u>-</u>	<u>-</u>
Net change in cash and cash equivalents	328,869	(27,056)
Cash and cash equivalents - beginning of the year	<u>54,604</u>	<u>81,660</u>
Cash and cash equivalents - end of the year	\$ <u>383,473</u>	<u>54,604</u>

See accompanying notes to financial statements

**Council for Older Adults
Notes to Financial Statements
December 31, 2001 and 2000**

(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 the 0.7 mill Aging Services property tax levy which was approved by Delaware County voters in May 1999. 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 clients to go to nursing facilities.

Cash and Cash Equivalents

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

Investments

Funds not required for immediate grant or operating expenditures are invested in certificates of deposit and mortgage-backed securities. The certificates are carried at cost, which approximates market. The mortgage-backed securities are carried at market value.

Inventory

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 whose cost exceeds \$500 and whose useful life exceeds 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 received.

Council for Older Adults
Notes to Financial Statements, continued
December 31, 2001 and 2000

(1) Summary of Significant Accounting Policies (continued)

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.

Retirement Plan

The Council has 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 11% of annual wages. In addition, the Council contributes 3% of each eligible employee's annual wages, and matches employee contributions to the plan up to 3% of annual wages. The Council can vary these percentages from year to year at its discretion. Total pension expense was \$17,853 for 2001 and \$16,381 for 2000.

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 organization 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.

Council for Older Adults
Notes to Financial Statements, continued
December 31, 2001 and 2000

(2) Concentrations 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 \$1,545 and \$0 at December 31, 2001 and 2000, respectively.

The Council also maintains funds in a federated investment account pursuant to a master repurchase agreement effective April 9, 2001. Terms of the agreement require the bank to purchase government securities equal to 102% of the account value as collateral. Such securities are segregated from other securities owned by the bank as subject to the agreement. The Council had a balance of \$450,000 in this account at December 31, 2001.

(3) Investments

Investments as of December 31, 2001 and 2000 consist of the following:

	<u>2001</u>	<u>2000</u>
Certificates of deposit and money market	\$ 205,113	482,684
Mortgage-backed securities	<u>36,960</u>	<u>53,229</u>
	\$ <u>242,073</u>	<u>535,913</u>

The certificates of deposit is held at a local financial institution and bears interest at 4.5% and matures in September 2002. The certificate is reflected at cost, which approximates market value.

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.

(4) Property and Equipment

The following schedule summarizes the changes in property and equipment for the year ended December 31, 2001:

	<u>January 1,</u> <u>2001</u>	<u>Additions</u>	<u>Disposals</u>	<u>December 31,</u> <u>2001</u>
Vehicles	\$ 13,200	-	-	13,200
Leasehold improvements	21,103	-	(21,103)	-
Furniture and fixtures	120,027	79,245	(8,226)	191,046
Less accumulated depreciation	<u>(103,288)</u>	<u>(25,781)</u>	<u>27,595</u>	<u>(101,474)</u>
	\$ <u>51,042</u>	<u>53,464</u>	<u>(1,734)</u>	<u>102,772</u>

**Council for Older Adults
Notes to Financial Statements, continued
December 31, 2001 and 2000**

(5) Leases

The Council rents office space under an operating lease which commenced in April 2001 and expires in March 2004. The lease required a \$4,675 security deposit. The Council is obligated to pay a minimum of \$166,584 in rent and common area fees over the term of the lease, and may be liable for rent adjustments due to increases in assessed value of the property for real estate tax purposes. Rent was \$33,075 for the nine months ended December 31, 2001. Rent for the remaining lease term will be \$58,443 for 2002, \$59,976 for 2003 and \$15,090 for 2004.

The Council also leased office space through March 2001 under a previous operating lease, and paid an additional three months of rent on this lease subsequent to moving. Rent was \$9,582 for 2001. The Council abandoned leasehold improvements with a net book value of \$1,735 at the termination of this lease.

The Council is obligated under an operating lease which expires in April 2004 for certain office equipment. Future minimum lease payments under the lease are as follows: 2002 - \$5,940; 2003 - \$5,940 and 2004 - \$1,485. Lease payments for 2001 totaled \$5,190.

(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 new leasehold improvement was completed in 2000, and will also be 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.

(7) Grants Payable

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, 2001 for services provided through December 31, 2001.

The Council is obligated under these grant agreements for services performed through December 31, 2001 as follows:

Community Action Organization	\$ 12,992
Help Line	10,200
Alzheimers Association	3,793
Senior Services for Independent Living	3,556
Meals on Wheels	2,750
Delaware County Juvenile Court	2,545
Delaware Speech and Hearing	2,330
Heritage Day Health Centers	1,441
Catholic Social Services	<u>1,382</u>
	\$ <u>40,989</u>

**Council for Older Adults
Notes to Financial Statements, continued
December 31, 2001 and 2000**

(7) Grants Payable - continued

The following grants have been awarded by the Council for terms to begin in 2002:

Park Avenue Senior Center (operating)	\$ 100,000
Help Line - Volunteer Connections/211 Project	72,595
Alzheimers Association (counseling)	64,223
Senior Services for Independent Living (supportive/ transportation services)	50,000
Grady Memorial Hospital (DRIVE program)	32,890
Delaware Speech and Hearing (education/hearing devices)	29,305
Meals on Wheels (operating)	25,000
Catholic Social Services (assistance)	22,129
Heritage Day Health Centers (adult day care)	20,200
Community Action Organization (home repair)	17,500
Central Ohio Mental Health Center (counseling, support services)	15,500
Department of Jobs and Family Services (summer chores)	14,023
Delaware County Juvenile Court (chore services)	6,000
People in Need (emergency assistance)	6,000
Other	<u>2,400</u>
	<u>\$ 477,765</u>

(8) Grants

The Council provided grants to the following organizations during 2001 and 2000:

	<u>2001</u>	<u>2000</u>
Senior Citizens, Inc. (operating)	\$ 74,904	28,514
Alzheimers Association (counseling)	53,650	58,237
Help Line - Volunteer Connections	45,157	38,486
Senior Services for Independent Living (supportive/transportation services)	45,000	37,740
Meals on Wheels (operating)	29,000	25,000
Delaware Speech & Hearing (hearing screening/hearing aids)	26,522	19,090
Heritage Day Health Centers (adult day care)	20,442	15,077
Community Action Organization (home repair services)	20,135	53,985
Catholic Social Services (assistance)	16,895	17,309
Ohio Department of Job and Family Services (summer chores)	13,500	-
Central Ohio Mental Health Center (counseling support services)	8,296	-
Delaware County Juvenile Court (chore service)	7,871	2,164
People In Need (emergency assistance)	5,000	2,977
DATA (transportation)	3,688	-
Other	<u>19,527</u>	<u>6,849</u>
	<u>\$ 389,587</u>	<u>305,428</u>

Council for Older Adults
Notes to Financial Statements, continued
December 31, 2001 and 2000

(8) Grants – continued

In addition, the Council funded a joint project with several local home health agencies to recruit and train direct care workers to provide in-home services to the elderly. Expense for the program totaled \$8,012.

(9) Fundraising

Revenues and expenses associated with the annual Summer Festival fundraising event are summarized below and included in the indicated statement of activities captions.

	<u>2001</u>	<u>2000</u>
Revenues:		
Donations	\$ 16,383	13,278
Ticket sales	10,984	8,385
Booth rental	4,132	4,580
Other	<u>346</u>	<u>327</u>
	31,845	26,570
Expenses:		
Supplies and fees	14,120	9,362
Advertising	3,319	3,085
Printing	4,033	665
Other	<u>976</u>	<u>815</u>
	<u>22,448</u>	<u>13,927</u>
Net revenue	\$ <u>9,397</u>	<u>12,643</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 service 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 service delivered.

Council for Older Adults
Notes to Financial Statements, continued
December 31, 2001 and 2000

(10) Contract Services - continued

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

	<u>2001</u>	<u>2000</u>
Grady Memorial Hospital (community nutrition)	\$ 478,093	389,026
Senior Services for Independent Living (homemaker, personal care and transportation)	150,208	122,446
Heritage Day Health (adult day care)	136,620	95,400
Delaware Area Transit Authority (transportation)	71,154	44,883
Grady Memorial Hospital (emergency response)	48,934	49,730
On-Duty Ohio Home Care (homemaker and personal care)	30,581	-
Interim Health Care (homemaker and personal care)	30,045	15,151
Grady Home Care (homemaker and personal care)	29,874	62,614
Columbus Prescription	28,075	29,090
Kelly Assisted Living (homemaker and personal care)	26,923	3,373
Pacesetter (meal delivery)	20,400	27,680
VRI Lifeline (emergency response)	16,672	3,746
Life Center – New Albany (adult day care)	8,789	273
Morning View Home Care (homemaker and personal care)	4,986	30,849
Delaware County Health Department (case management)	-	5,836
Other	<u>22,918</u>	<u>9,014</u>
	<u>\$ 1,104,271</u>	<u>889,109</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 serves 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, continued
December 31, 2001 and 2000

(12) Management Compensation

The Council employs the Director under an employment agreement which expires on December 31, 2003. The agreement provides for a base salary, life insurance, professional development benefits and annual increases.

(13) Delaware Community Foundation

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. No charitable distributions were made from the Fund in 2001. The market value of the Fund was \$13,323 as of September 30, 2001, the latest date for which information was available.

(14) Adult Protective Services

Pursuant to the terms of a contract with the Delaware County Department of Jobs and Family Services (DJFS), the Council began providing Adult Protective Services to persons aged sixty or older in Delaware County on February 1, 2001. 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 \$49,600 for the first year, and the contract will be renegotiated annually.

Council for Older Adults
Schedule of Federal, State and Local Funding Received
12/31/2001

	<u>CFDA Number</u>	<u>Amount</u>
<u>Delaware County</u>		
Delaware County Senior Services Levy	-	\$ 1,960,902
Adult Protective Services Grant	-	49,600
 <u>Central Ohio Area Agency on Aging:</u>		
Title III-E National Family Caregiver Support Program	93.052	21,397
Title III-C	93.045	79,662
USDA	10.550	48,247
State Block Grant	-	24,417
PASSPORT	-	105,131
Other	-	<u>1,900</u>
		\$ <u>2,291,256</u>

Independent Auditors' Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.

Board of Trustees
Council for Older Adults
Delaware, Ohio

We have audited the financial statements of the Council for Older Adults (the Council), (a non-profit organization) as of and for the year ended December 31, 2001, and have issued our report thereon dated May 22, 2002. 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.

Compliance

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 grants, including Ohio Revised Code Sections 117.01 (c) and 117.10 for the Delaware County, Ohio tax levy for Senior Citizens Services and Facilities, 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 that are required to be reported under *Government Auditing Standards*.

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 financial reporting that might be material weaknesses. A material weakness is a 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 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. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of the Council in a separate letter dated May 22, 2002.

This report is intended solely for the information and use of the audit committee, management and the Board of Trustees and other officials authorized to receive this report under Section 117.26, Ohio Revised Code and is not intended to be and should not be used by anyone other than these specified parties.

Wolf, Rogers, Dickey & Co.
Certified Public Accountants

Delaware, Ohio
May 22, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

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 2, 2002**