

Council for Older Adults

Delaware, Ohio

Financial Statements

December 31, 2006 and 2005

BALESTRA, HARR & SCHERER, CPAS, INC.

528 South West Street, P.O. Box 687

Piketon, Ohio 45661

Telephone (740) 289-4131

Fax (740) 289-3639

www.bhscpas.com



Mary Taylor, CPA
Auditor of State

Board 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, 2006 through December 31, 2006. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 3, 2007

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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
818 Bowtown Road
Delaware, Ohio 43015

We have audited the accompanying statements of financial position of the Council for Older Adults (the Council) as of December 31, 2006 and 2005, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Council as of December 31, 2006 and 2005, 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 25, 2007 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 25, 2007

Council for Older Adults
Statements of Financial Position
December 31, 2006 and 2005

<u>Assets</u>	2006	2005
Current Assets:		
Cash and Cash Equivalents	\$495,787	\$440,861
Investments	2,169,323	1,525,513
Accounts Receivable (net of allowance for doubtful accounts of \$2,299 and \$8,082, respectively)	34,451	30,052
Inventory	2,100	1,094
Prepaid Expenses	8,817	13,239
Total Current Assets	2,710,478	2,010,759
Property and Equipment - At Cost:		
Vehicle	44,044	36,236
Equipment, Furniture and Fixtures	205,203	207,345
	249,247	243,581
Less Accumulated Depreciation	(151,945)	(151,244)
Net Property and Equipment	97,302	92,337
Other Long Term Asset (net of accumulated amortization of \$155,811 and \$136,422, respectively)	18,688	38,077
Beneficial Interest in Assets Held by Others	12,487	12,487
Deposits	4,675	4,675
Total Assets	\$2,843,630	\$2,158,335

See accompanying notes to the financial statements.

Council for Older Adults
Statements of Financial Position
December 31, 2006 and 2005

<u>Liabilities and Net Assets</u>	<u>2006</u>	<u>2005</u>
Current Liabilities:		
Accounts Payable	\$217,354	\$158,532
Accrued Payroll	37,622	32,583
Payroll Taxes and Benefits Payable	11,620	9,156
Grants Payable	31,978	42,699
Accrued Compensated Absences	<u>39,008</u>	<u>32,783</u>
Total Current Liabilities	<u>337,582</u>	<u>275,753</u>
Unrestricted Net Assets	<u>2,506,048</u>	<u>1,882,582</u>
Total Net Assets and Liabilities	<u><u>\$2,843,630</u></u>	<u><u>\$2,158,335</u></u>

See accompanying notes to the financial statements.

Council for Older Adults
Statements of Activities
For the Years Ended December 31, 2006 and 2005

	2006	2005
Changes in Unrestricted Net Assets:		
Support and Revenue:		
Property Tax Levy	\$3,512,824	\$3,317,707
Nutrition Program Grants	362,571	287,312
Operating Grants	92,424	96,993
Donations	117,661	108,083
Service Fees	136,193	122,588
Advertising	44,583	21,018
Interest	120,356	61,579
Fundraising	12,257	16,673
Other	3,465	8,950
Total Support and Revenue	4,402,334	4,040,903
Expenses:		
Program Services:		
Senior Choices	2,075,752	1,881,577
Nutrition, Home Repair, Counseling and Other Grants	599,234	570,834
Outreach and Special Events	498,976	414,041
Adult Protective Services	90,303	82,632
Council Communicator	78,189	65,322
Total Program Services	3,342,454	3,014,406
Management and Supporting Services	436,414	386,859
Total Expenses	3,778,868	3,401,265
Change in Net Assets	623,466	639,638
Net Assets - Beginning of Year	1,882,582	1,242,944
Net Assets - End of Year	\$2,506,048	\$1,882,582

See accompanying notes to the financial statements.

Council for Older Adults
Statements of Functional Expenses
For the Year Ended December 31, 2006
With Comparative Totals for the Year Ended December 31, 2005

	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	2005 Totals
Salaries	\$393,563	\$0	\$230,275	\$53,687	\$0	\$677,525	\$236,161	\$913,686	\$827,517
Payroll Taxes and Fringe Benefits	112,830	0	65,889	15,504	0	194,223	68,370	262,593	234,263
Total Personnel Costs	506,393	0	296,164	69,191	0	871,748	304,531	1,176,279	1,061,780
Contract Services	1,384,426	0	0	0	0	1,384,426	0	1,384,426	1,264,957
Grants	0	599,234	0	0	0	599,234	0	599,234	570,834
Professional	22,522	0	22,278	4,083	21,240	70,123	53,645	123,768	76,362
Rent	26,572	0	20,602	3,627	0	50,801	28,095	78,896	64,676
Supplies	15,949	0	36,364	1,448	0	53,761	4,486	58,247	56,977
Printing	6,850	0	29,966	0	38,540	75,356	44	75,400	46,986
Depreciation	16,449	0	9,622	2,245	0	28,316	9,866	38,182	41,909
Advertising	5,512	0	46,440	0	2,551	54,503	0	54,503	47,294
Operating Service Fees	4,637	0	2,758	518	14,999	22,912	3,152	26,064	24,985
Travel and Meals	12,398	0	4,336	2,102	0	18,836	5,559	24,395	25,520
Amortization	8,353	0	4,886	1,140	0	14,379	5,010	19,389	19,389
Insurance	8,773	0	6,132	1,197	0	16,102	5,262	21,364	19,451
Equipment Rental	6,779	0	4,840	819	0	12,438	0	12,438	14,973
Telephone	8,722	0	1,343	526	0	10,591	1,700	12,291	12,481
Postage	6,485	0	3,728	861	0	11,074	3,783	14,857	11,315
Training	1,360	0	2,263	570	0	4,193	2,051	6,244	5,349
Utilities	8,151	0	2,451	993	0	11,595	2,513	14,108	8,826
Dues and Subscriptions	8,499	0	2,042	547	859	11,947	4,803	16,750	4,543
Sponsorships	7,930	0	2,154	294	0	10,378	1,292	11,670	13,976
Repairs and Maintenance	4,475	0	607	142	0	5,224	622	5,846	7,511
Other	4,517	0	0	0	0	4,517	0	4,517	1,171
Total Expenses	\$2,075,752	\$599,234	\$498,976	\$90,303	\$78,189	\$3,342,454	\$436,414	\$3,778,868	\$3,401,265

See accompanying notes to the financial statements.

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

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

See accompanying notes to the financial statements.

Council for Older Adults
Statements of Cash Flows
For the Years Ended December 31, 2006 and 2005

	2006	2005
Cash Flows from Operating Activities:		
Excess of Revenue Over Expenses	\$623,466	\$639,638
Adjustments to Reconcile to Net Cash Provided by Operating Activities:		
Depreciation	38,182	41,909
Amortization	19,389	19,389
Loss on Disposal of Property and Equipment	3,551	329
(Increase) in Accounts and Interest Receivable	(4,399)	40,143
Decrease in Inventory	(1,006)	110
(Increase) Decrease in Prepaid Expenses	4,423	(7,520)
Increase in Accounts Payable and Accrued Expenses	72,552	10,039
(Increase) Decrease in Grants Payable	(10,721)	3,205
Net Cash Provided from (used by) Operating Activities	745,437	747,242
Cash Flows from Investing Activities:		
Purchase of Property and Equipment	(46,698)	(18,928)
Purchase of Investments	(1,380,761)	(1,970,000)
Proceeds from Maturing Investments	736,948	1,562,291
Net Cash Provided from (used by) Investing Activities	(690,511)	(426,637)
Net Change in Cash and Cash Equivalents	54,926	320,605
Cash and Cash Equivalents - Beginning of the Year	440,861	120,256
Cash and Cash Equivalents - End of the Year	\$495,787	\$440,861

See accompanying notes to the basic financial statements.

Council for Older Adults
Notes to Financial Statements
December 31, 2006 and 2005

(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, 2006 and 2005

(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 \$47,926 for 2006 and \$34,978 for 2005.

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 \$843,445 and \$1,223,234 at December 31, 2006 and 2005, respectively.

(3) Investments

Investments as of December 31, 2006 and 2005 consist of the following:

	<u>2006</u>	<u>2005</u>
Certificates of Deposit and Money Market Funds	\$2,169,323	\$1,525,513

The certificates of deposit bear interest ranging from 3.05% to 5.45% 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, 2006 and 2005

(4) Property and Equipment

The following schedule summarizes the changes in property and equipment for the year ended December 31, 2006:

	January 1, 2006	Additions	Disposals	December 31, 2006
Vehicles	\$36,236	\$23,500	(\$15,692)	\$44,044
Equipment, Furniture and Fixtures	207,345	23,198	(25,340)	205,203
Less Accumulated Depreciation	(151,244)	(38,182)	37,481	(151,945)
Totals	<u>\$92,337</u>	<u>\$8,516</u>	<u>(\$3,551)</u>	<u>\$97,302</u>

(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 \$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 2006 and \$61,680 for 2005.

In March 2006, the Council entered into an operating lease for the lease of a new copier, which replaced the copier leased in 2003. Future minimum lease payments under this lease are as follows: 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.

(7) Beneficial Interest in Assets Held by Others

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

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

Council for Older Adults
Notes to Financial Statements
December 31, 2006 and 2005

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

The market value of the Fund at December 31, 2006 was \$22,251, 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, 2006 for services provided through December 31, 2006.

The Council is obligated under these grant agreements for services performed through December 31, 2006 as follows:

Help Line	\$6,275
Community Action Organization	6,080
Senior Services for Independent Living	2,338
Delaware Speech and Hearing	3,035
Alzheimers Association	5,387
Heritage Day Health Centers	2,860
Senior Citizens Inc.	3,769
Delaware County Juvenile Courts	593
Life Care Alliance	1,402
Catholic Social Services	<u>239</u>
Total	<u>\$31,978</u>

The following grants have been awarded by the Council for term to begin in 2007:

Alzheimer's Association of Central Ohio	\$66,693
Catholic Social Services, Inc.	26,708
Central Ohio Area Agency on Aging	6,000
Community Action Organization of Delaware, Madison	62,400
Creative Housing, Inc.	12,000
Delaware Area Transit Agency	186,700
Delaware County Job and Family Services	15,000
Delaware County Juvenile Court	8,024
Delaware County Speech and Hearing Center	41,268
Grady Memorial Hospital (55 Alive and DRIVE)	10,913
HelpLine of Delaware and Morrow Counties, Inc.-Connections	58,600
Heritage Day Health Centers	20,700
LifeCare Alliance – Supportive Services	13,000
Ohio Senior Health Insurance Information Program	1,600
People In Need	6,000
Senior Citizens of Delaware County, Inc.	161,138
Senior Services for Independent Living	<u>32,000</u>
Total	<u>\$728,744</u>

Council for Older Adults
Notes to Financial Statements
December 31, 2006 and 2005

(9) Grants

The Council provided grants to the following organizations during 2006 and 2005:

	<u>2006</u>	<u>2005</u>
Senior Citizens, Inc. (operating)	\$147,769	\$130,314
Community Action Organization (home repair services)	46,524	60,000
Alzheimers Association (counseling)	64,959	60,754
Senior Services for Independent Living (supportive/transportation services)	30,000	30,000
Help Line - Volunteer Connections	55,913	53,551
Delaware Speech & Hearing (hearing screening/hearing aids)	31,367	29,089
Delaware Creative Housing (housing)	2,625	25,000
Catholic Social Services (assistance)	26,460	26,460
Delaware Area Transit Agency (transportation)	108,104	54,000
Heritage Day Health Centers (adult day care)	21,368	21,857
Life Care Alliance (support and chore service)	10,507	20,504
Ohio Department of Job and Family Services (summer chores)	13,351	13,024
Central Ohio Mental Health Center (counseling support services)	3,506	5,066
Delaware County Juvenile Court (chore service)	11,314	5,778
People In Need (emergency assistance)	6,000	6,000
Grady Memorial Hospital (DRIVE program)	5,448	8,135
Central Ohio Area Agency on Aging	6,000	4,000
AARP (tax preparation)	4,189	5,560
Ashley Villa	0	4,000
Delaware General Health District	2,611	0
Other	1,220	7,742
Total	<u>\$599,235</u>	<u>\$570,834</u>

Council for Older Adults
Notes to Financial Statements
December 31, 2006 and 2005

(10) Contract Services

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

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

	<u>2006</u>	<u>2005</u>
Grady Memorial Hospital (community action)	\$597,617	\$556,629
Heritage Day Health Centers (adult day care)	155,028	158,128
VRI Lifeline (emergency response)	91,874	92,257
Senior Services for Independent Living (homemaker, personal care and transportation)	70,431	82,463
Grady Home Care (homemaker and personal care)	93,724	66,956
Health Care Depot (homemaker and personal care)	49,591	52,957
Delaware Area Transit Authority (transportation)	35,451	41,641
HomeCare Network (homemaker and personal care)	0	5,411
Sun Home Health (homemaker and personal care)	0	1,785
Columbus Prescription	53,407	37,970
Delaware Cab (meal delivery)	43,534	31,825
Easton Healthcare (homemaker and personal care)	0	5,003
Interim Health Care (homemaker and personal care)	29,108	33,756
Life Center - New Albany (adult day care)	8,233	8,576
Amerihost Inn (emergency client lodging)	0	1,160
Lifecare Alliance (homemaker)	17,032	14,147
Home Watch Caregivers (homemaker and personal care)	22,848	13,588
Arbors of Delaware (client lodging)	0	1,540
Central Ohio Care Services (homemaker, personal care, and respite)	27	28,182
Central Ohio Mental Health	90	1,193
Client Use of Ensure	14,943	9,941
Delaware General Health District (chores)	1,570	1,000
Farmers Market	31,952	13,465
Abbingtion of Powell (institutional respite)	1,425	0
Angels in Disguise	17,724	0
Behavioral Science Specialists	1,225	0
Custom Staffing	7,380	0
Delaware Court Healthcare Center	1,500	0
Home Instead Senior Care	11,755	0
J&T Cleaning	1,154	0
Seed Sowers	19,039	0
Senior Independence	6,022	0
Other	742	5,384
Total	<u>\$1,384,426</u>	<u>\$1,264,957</u>

Council for Older Adults
Notes to Financial Statements
December 31, 2006 and 2005

(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 IIIIC, USDA and State Block Grants as well as PASSPORT Medicaid funds.

(12) Management Compensation

The Council employs the Executive Director under an employment agreement which 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 \$45,000 and \$44,245 in 2006 and 2005, respectively, and the contract is renegotiated annually.

Council for Older Adults
Schedule of Federal, State and Local Funding Received
December 31, 2006

	<u>Amount</u>
Delaware County:	
Delaware County Senior Services Levy	\$3,512,824
Adult Protective Services Grant	45,000
Central Ohio Area Agency on Aging:	
Title III-E National Family Caregive Support Program	45,524
Title III-C/USDA	179,928
PASSPORT	110,610
Other	1,900
United Way:	
Delaware County Senior Nutrition - Under 60	<u>72,033</u>
Total	<u><u>\$3,967,819</u></u>

BALESTRA, HARR & SCHERER CPAs, INC.

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

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

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

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

Board of Trustees
Council for Older Adults
818 Bowtown Road
Delaware, Ohio 43015

We have audited the accompanying financial statements of the Council for Older Adults (the Council) as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated May 25, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

Board of Trustees
Council for Older Adults

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*
Page 2

Compliance and Other Matters

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

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



Balestra, Harr & Scherer, CPAs, Inc.
May 25, 2007



Mary Taylor, CPA
Auditor of State

COUNCIL FOR OLDER ADULTS

DELAWARE COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 16, 2007**