

COUNCIL FOR OLDER ADULTS
Delaware County, Ohio

AUDIT REPORT

For the Year ended December 31, 2012



Dave Yost • Auditor of State

Board of Directors
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, 2012 through December 31, 2012. 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

June 28, 2013

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COUNCIL FOR OLDER ADULTS
DELAWARE COUNTY
AUDIT REPORT
For the Year Ended December 31, 2012

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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

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the Council for Older Adults, Delaware County, Ohio (the Council), as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Council's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Council's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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, Delaware County, Ohio, as of December 31, 2012 and 2011, and the changes in its net position and its cash flows, for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

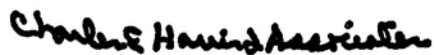
Supplementary and Other Information

Our audit was conducted to opine on the Council's basic financial statements taken as a whole.

The schedule of federal, state and local funding received included on page 16 is management's responsibility, and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2013, 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 and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.
May 28, 2013

**Council for Older Adults
Statement of Financial Position
December 31, 2012 and 2011**

Assets		
	<u>2012</u>	<u>2011</u>
Current Assets		
Cash	\$ 1,126,487	\$ 853,173
Investments	2,508,824	2,463,447
Accounts Receivable	91,602	49,595
Inventory	41,908	44,611
Prepaid Expense	43,610	25,928
Total Current Assets	3,812,431	3,436,754
Property and Equipment		
Furniture & Equipment	614,380	587,915
Leasehold Improvements	573,877	560,992
Vehicles	94,911	72,830
Accumulated Depreciation	(615,693)	(498,464)
Property & Equip. net of Depreciation	667,475	723,273
Other Assets		
Other Assets	2,500	-
Beneficial Interest in Assets	25,252	22,634
Total Other Assets	27,752	22,634
Total Assets	\$ 4,507,658	\$ 4,182,661

Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 197,553	\$ 183,936
Accrued Payroll and related Liabilities	131,082	116,071
Grants Payable	54,118	35,946
Total Current Liabilities	382,753	335,953
Net Assets		
Designated by the Board for Capital improvements	1,129,621	846,199
Undesignated	2,995,284	3,000,509
Total Net Assets	4,124,905	3,846,708
Total Liabilities and Net Assets	\$ 4,507,658	\$ 4,182,661

See Accompanying Notes to the Basic Financial Statements.

Council for Older Adults
Statement of Activities
For the Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Changes in Net Assets:		
<u>Revenue and Support:</u>		
Property Tax Levy	\$4,749,400	\$4,971,896
Intergovernmental	\$627,136	\$702,225
Grants	560,591	487,830
Donations	180,153	186,333
Service Fees	243,663	233,464
Interest	47,716	25,722
Gain / Loss on Marketable Securities	7,595	(6,664)
Other	266,751	202,717
Total Revenue and Support	6,683,005	6,803,523
 <u>Expenses:</u>		
Program Services:		
Senior Choices	3,744,166	3,616,678
Senior Citizens and Facility Subsidy	572,770	586,143
Transportation, Counseling, Home Repair and Other Grants	638,239	644,122
Outreach and Special Events	704,805	613,181
Hospitality and Event Services	159,198	193,969
Total Program Services	5,819,178	5,654,093
Management and General	585,630	586,279
Total Expenses	6,404,808	6,240,372
Change in Net Assets	278,197	563,151
Net Assets - Beginning of Year	3,846,708	3,283,557
Net Assets - End of Year	\$4,124,905	\$3,846,708

See Accompanying Notes to the Basic Financial Statements.

**Council for Older Adults
Statement of Functional Expenses
For the Year Ended December 31, 2012**

	Senior Choices	Senior Citizens, Inc. Facility Subsidy	Transport, Counseling, Home Repair and Other Grants	Outreach, Volunteer Services and Special Events	Hospitality and Event Services	Total Program Services	Management and General	2012 Total Expenses	2011 Total Expenses
Salaries	\$1,110,677	\$67,646	-	\$312,350	\$65,392	\$1,556,065	\$376,712	\$1,932,777	\$1,832,256
Payroll Taxes and Fringe Benefits	377,301	22,485	-	130,403	13,949	544,138	122,445	666,583	686,847
Total Personnel Costs	<u>1,487,978</u>	<u>90,131</u>	<u>-</u>	<u>442,753</u>	<u>79,341</u>	<u>2,100,203</u>	<u>499,157</u>	<u>2,599,360</u>	<u>2,519,103</u>
Contract Services	\$1,459,458	-	-	-	-	1,459,458	-	1,459,458	1,345,321
Grants	-	-	\$638,239	-	-	638,239	-	638,239	644,122
Management Fee	-	310,000	-	-	-	310,000	-	310,000	330,000
Raw Food / Kitchen Supplies	458,859	-	-	-	65,673	524,532	-	524,532	506,770
General Supplies	36,095	6,991	-	35,082	1,112	79,280	8,526	87,806	88,830
Utilities	59,032	48,692	-	9,708	1,881	119,313	11,707	131,020	137,391
Operating Service Fees	49,438	29,944	-	32,870	4,498	116,750	14,325	131,075	159,436
Depreciation & Amortization	46,598	54,387	-	9,652	3,060	113,697	11,399	125,096	108,831
Repairs, Maintenance & Auto Operating	31,360	27,396	-	4,578	641	63,975	5,561	69,536	64,826
Professional	20,875	78	-	27,996	292	49,241	5,150	54,391	79,202
Printing	2,513	-	-	61,560	76	64,149	102	64,251	49,542
Advertising	3,673	-	-	34,562	1,321	39,556	274	39,830	44,420
Travel and Meals	16,748	69	-	4,814	146	21,777	6,088	27,865	30,434
Insurance	23,939	-	-	6,959	83	30,981	8,393	39,374	33,713
Small Equipment & Rental	15,191	4,139	-	11,587	827	31,744	3,247	34,991	34,092
Telephone	17,273	-	-	2,275	24	19,572	2,742	22,314	22,701
Postage	6,863	-	-	3,878	20	10,761	2,131	12,892	12,601
Training	3,191	289	-	2,842	11	6,333	2,213	8,546	8,466
Dues and Subscriptions	1,581	654	-	3,217	42	5,494	3,989	9,483	8,209
Sponsorships	-	-	-	10,472	-	10,472	-	10,472	9,675
Other	3,501	-	-	-	150	3,651	626	4,277	2,687
Total Expenses	<u>\$3,744,166</u>	<u>\$572,770</u>	<u>\$638,239</u>	<u>\$704,805</u>	<u>\$159,198</u>	<u>\$5,819,178</u>	<u>\$585,630</u>	<u>\$6,404,808</u>	<u>\$6,240,372</u>

See Accompanying Notes to the Basic Financial Statements.

Council for Older Adults
Statement of Cash Flows
For the years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash Flows from Operating Activities:		
Excess of Revenue Over/(Under) Expenses	278,197	563,151
Adjustments to Reconcile to Net Cash Provided by Operating Activities:		
Depreciation & Amortization	125,096	108,830
Loss on Disposal of Property and Equipment	1,026	-
Decrease (increase) in assets:		
Accounts Receivable	(42,007)	3,583
Inventory	2,703	(2,460)
Prepaid Expenses	(17,682)	(13,449)
Other Assets	(2,500)	-
Increase (decrease) in liabilities:		
Accounts Payable and Accrued Expense	28,628	(82,764)
Grants Payable	18,172	30,582
Net Cash Provided from Operating Activities	391,633	607,473
Cash Flows from Investing Activities:		
Purchase of Capital Assets	(70,324)	(66,805)
Purchase of Investments	(763,000)	(3,624,345)
Proceeds from Maturing Investments	767,826	3,404,794
Interest Earnings on Investments	(45,226)	(23,756)
(Gain)Loss on Marketable Securities	(7,595)	6,664
Net Cash Provided from (used by) Investing Activities	(118,319)	(303,448)
Net Change in Cash and Cash Equivalents	273,314	304,025
Cash and Cash Equivalents - Beginning of the Year	853,173	549,148
Cash and Cash Equivalents - End of the Year	\$1,126,487	\$853,173

See Accompanying Notes to the Basic Financial Statements.

Council for Older Adults
Delaware County
Notes to the Financial Statements
December 31, 2012 and 2011

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 began generating proceeds for the Council beginning in 2009 and will expire at the end of 2013.

The Council provides many services to home-bound seniors through the Senior Choice program. In addition the Council provides nutrition, outreach, special events a bi-monthly newsletter to the older population, hospitality services and operates an enrichment center which includes many programs, activities in addition to an exercise pool for seniors. The Senior Choice program includes home delivered meals, transportation, adult day care, homemaker services, personal care, respite services, emergency response systems, durable medical equipment, nursing services and counseling. The purpose of the Senior Choice program is to provide assistance needed to help older residents remain at home with independence and dignity.

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, 2012 consist of consumer accounts (billings for user charged for services.)

Inventory

Inventory consists of supplies available for sale to clients as well as 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.

Council for Older Adults
Delaware County
Notes to the Financial Statements
December 31, 2012 and 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Accrued Payroll and Related Liabilities

A liability is accrued for paid time off when employees' rights to compensation are earned, vested and measurable.

Revenue Recognition

The Council recognizes property tax revenue when it is measurable and available to finance expenditures of the current fiscal period. The Council recognizes grant revenue when the related expenditure is made. "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.

Council for Older Adults
 Delaware County
 Notes to the Financial Statements
 December 31, 2012 and 2011

2. CONCENTRATION OF CREDIT RISK

The Council maintains checking, money market and certificates of deposit accounts with local financial institutions. The checking account is insured by the Federal Deposit of Insurance Corporation up to \$250,000 and in addition has been collateralized up to \$1,500,000 by the depository bank. The money market and certificates of deposit are insured by the Federal Deposit of Insurance Corporation up to \$250,000. All checking, money market and certificate of deposit accounts were insured at December 31, 2012 and December 31, 2011.

In addition the Council maintains an investment portfolio with a local financial service corporation. The investment portfolio contains fixed income bonds and certificate of deposits.

3. INVESTMENTS

Investments are reported at fair market value and consist of the following as of December 31, 2012 and December 31, 2011:

	2012	2011
Certificate of Deposit	\$1,726,442	\$1,713,347
Bonds	752,119	746,770
Cash	30,263	3,330
Total Investments	\$2,508,824	\$2,463,447

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

Council for Older Adults
 Delaware County
 Notes to the Financial Statements
 December 31, 2012 and 2011

5. LEASES – (continued)

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:

2013 - \$10,019
 2014 - \$10,738

6. PROPERTY AND EQUIPMENT

The following schedule summarizes the changes in property and equipment for the year ended December 31, 2012.

	January 1 2011	Additions	Disposals	December 31 2012
Equipment, Furniture and Fixtures	\$587,915	\$35,358	\$(8,893)	\$614,380
Leasehold Improvements	560,992	12,885	-	573,877
Vehicles	72,830	22,081	-	94,911
Less Accumulated Depreciation	(498,464)	(125,096)	7,867	(615,693)
Totals	\$723,273	\$54,772	\$(1,026)	\$667,475

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.

Financial Accounting Standards Board 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.

Council for Older Adults
 Delaware County
 Notes to the Financial Statements
 December 31, 2012 and 2011

7. BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS - (continued)

The market value of the Fund at December 31, 2012 was \$25,252, 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, 2012 for services provided through December 31, 2012.

Alzheimer's Association	\$3,754
Catholic Social Services	2,265
Central Ohio Area Agency on Aging	1,500
Community Action Organization	2,699
Delaware Area Transit Authority	25,413
Delaware County Health District	1,537
Delaware Speech and Hearing	1,827
HomeReach Telehealth Program	2,400
Help Line of Delaware and Morrow Counties, Inc	
Connections & Companions	7,403
Heritage Day Health Centers	2,390
Life Care Alliance	<u>2,930</u>
Total	<u>\$54,118</u>

The following grants have been awarded by the Council for the term to beginning in 2013:

Delaware Area Transit Agency	\$292,604
Alzheimer's Association	51,700
Help Line of Delaware and Morrow Counties, Inc	
Connections & Companions	79,834
Delaware Speech & Hearing	45,395
Delaware County Job and Family Services	39,304
Catholic Social Services	27,966
Life Care Alliance	28,300
National Church Residences for Senior Health Centers	20,700
Delaware General Health District	15,002
Grady Memorial Hospital DRIVE Program	7,800
People in Need	6,000
Central Ohio Area Agency on Aging	6,000
Delaware County Juvenile Court	<u>4,600</u>
Total	<u>\$625,205</u>

Council for Older Adults
 Delaware County
 Notes to the Financial Statements
 December 31, 2012 and 2011

9. GRANTS

The Council provided grants to the following organizations during 2012 and 2011. Although the 2012 Grant Awards totaled \$668,436, only \$638,239 was remitted to Grantees due to actual costs being less than projected budgets.

	<u>2012</u>	<u>2011</u>
Delaware Area Transit Agency	\$295,598	\$299,329
Alzheimer's Association	51,700	51,391
Help Line of Delaware and Morrow Counties, Inc		
Connections & Companions	79,834	77,087
Delaware Speech & Hearing	45,395	45,395
Delaware County Job and Family Services	25,099	32,177
Community Action Organization of Delaware		
and Madison Counties	23,997	30,000
Catholic Social Services	27,966	27,816
Life Care Alliance	27,820	25,915
Heritage Day Health Centers	20,680	20,350
Delaware General Health District	14,316	9,187
Grady Memorial Hospital DRIVE Program	1,730	6,475
Home Reach Telehealth Program	9,600	6,000
People in Need	6,000	6,000
Central Ohio Area Agency on Aging	6,000	4,000
Delaware County Juvenile Court	<u>2,504</u>	<u>3,000</u>
 Total	 <u>\$638,239</u>	 <u>\$644,122</u>

Council for Older Adults
Delaware County
Notes to the Financial Statements
December 31, 2012 and 2011

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:	<u>2012</u>	<u>2011</u>
Active Day of Columbus (adult day care & transportation)	\$ -	\$10,122
Adena (adult day care)	14,975	16,750
Advanced Senior Support (homemaker, pers care, respite, nursing)	223	897
Alia Healthcare (homemaker, pers care, respite, nursing)	108,917	102,504
Arbors at Delaware (institutional respite)	2,432	1,262
Brightstar / Advanced Home Health (homemaker, pers care, respite)	10,884	-
Central Ohio Care Services (homemaker, pers care & respite)	-	67,250
Central Ohio Mental Health Counseling	675	-
Central Ohio Senior Care (homemaker, pers care & respite)	-	12,962
Client Use of Ensure / Abbot Supply (nutrition supplement)	42,823	34,212
Columbus Prescription (incontinence supply & nutrition supplement)	-	4,009
Comforcare / HR Miller & Assoc (homemaker & respite)	11,426	38,848
Critical Signal Technologies (emergency response)	19,663	4,400
Custom Staffing (homemaker, personal care & respite)	13,806	40,804
Delaware Area Transit Authority (transportation)	39,622	40,329
Delaware Court Healthcare Center (institutional respite)	11,705	8,926
Delaware Developers LLC (home repair)	9,430	1,875
Delaware General Health District (appliance pickup)	-	1,000
Dhulmar (homemaker, Personal care, transportation)	32,680	-
Duralin Medical Products, Inc (incontinence supply)	139,255	129,546
Farmers Market	44,118	50,200
First Response Monitoring of Ohio (emergency response)	29,282	25,245
Friendly Care Agency / LBS (homemaker, pers care, respite)	2,461	-
Giving Peace of Mind (homemaker, pers care & respite)	-	6,870
Guardian Medical Monitoring, Inc. (emergency response)	33,085	23,790
Heritage Health Care Services (emergency response)	29,269	29,898
Home Helpers (homemaker, pers care, respite & emergency response)	79,011	61,845
Home Instead Senior Care (homemaker, personal care & respite)	143,330	143,391
Home Reach Home Care (homemaker, pers care, respite & nursing)	45,139	52,499
In Home Eldercare (homemaker)	33,284	15,627
Interim Health Care (homemaker, personal care & respite)	73,473	14,328
J&J Mobility LTD (home repairs, durable medical equipment)	13,251	-
Miracle Method of Columbus (home improvement)	1,085	10,205
Nat'l Church Residences / Heritage Day Health (adult day care)	129,788	119,511
Peterson Professional Services (chores)	1,275	250
Philips Lifeline / Lifeline (emergency response services)	400	-
Phoenix Home Health (respite, homemaking)	3,302	-

Council for Older Adults
 Delaware County
 Notes to the Financial Statements
 December 31, 2012 and 2011

10. CONTRACT SERVICES - continued

Pro Health Care Services (homemaker, personal care & respite)	3,770	3,763
RRAD Enterprise Ltd. (homemaker, pers care)	108,080	2,401
Rural Metro (emergency response)	21,510	24,681
Sabco (homemaker, pers care & respite)	-	10,124
Senior Independence (homemaker, personal care & respite)	26,497	41,525
Senior Services for Independent Living (hmmkr, pers care & respite)	60,440	75,665
United Patient Care	3,539	1,724
Valued Relationships, Inc (emergency response)	33,126	38,872
Volunteer Drivers	81,017	82,179
Other	<u>1,412</u>	<u>2,763</u>
Total	<u>\$1,459,458</u>	<u>\$1,345,321</u>

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 Feed Bank to support the administration of the commodity program.

12. MANAGEMENT COMPENSATION

The Council employs the Executive Director under an employment agreement which will expire on December 31, 2014. 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.

Council for Older Adults
Delaware County
Notes to the Financial Statements
December 31, 2012 and 2011

13. RETIREMENT PLAN - (continued)

In addition the Council has a Deferred Compensation Plan under (Section 457(b) plan) for the benefit of selected employees. At the current time the Executive Director and the Associate Directors are 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's approval.

Total pension expense for both plans was \$125,529 for 2012 and \$121,896 for 2011.

14. VOLUNTEER HOURS

As described in the 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. Management utilizes a nationally recognized resource that provides annual values for a donated hour of service, a summary follows;

	<u>Volunteer hours</u>	<u>Value of hours volunteered</u>
2012	46,899	\$884,988
2011	47,277	876,507

15. SUBSEQUENT EVENTS

On May 7, 2013 Delaware County voters continued and expanded the local senior services levy which is the primary funding source for the Council. Funding from this new 1.2 mill levy is estimated to be \$7.1 million annually for five years commencing in 2014.

Subsequent events were evaluated through May 28, 2013. No material items were noted.

Council for Older Adults
Schedule of Federal, State and Local Funding Received
For the years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
<u>Delaware County:</u>		
Delaware County Senior Services Levy	\$5,376,536	\$5,674,121
<u>Central Ohio Area Agency on Aging:</u>		
Title III-E National Family Caregiver Support Program	49,034	44,020
Title III-C / USDA	241,819	182,016
Title III-B Service Coordinator	20,756	-
PASSPORT	126,896	113,371
Other	1,190	2,980
<u>United Way:</u>		
Delaware County Senior Nutrition - Under 60	109,764	110,004
<u>Corporate</u>		
Banfield Charitable Trust	-	2,500
Columbus Foundation, Interim Healthcare	1,000	-
Meals on Wheels Association of America	1,000	2,100
Mid-Ohio Foodbank	8,482	8,278
Walmart Foundation	-	22,311
Other	650	250
	<u>\$5,937,127</u>	<u>\$6,161,951</u>

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

INDEPENDENT AUDITORS' 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, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Council of Older Adults, Delaware County, (the Council) as of and for the year ended December 31, 2012, and the related notes to the financial statements, as noted in the table of contents and have issued our report thereon dated May 28, 2013.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Council's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Council's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Council's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

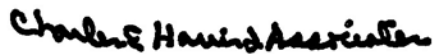
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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 grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Council's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Charles E. Harris and Associates, Inc.
May 28, 2013

**COUNCIL FOR OLDER ADULTS
DELAWARE COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2012**

The prior report, for the year ending December 31, 2011, 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
JULY 11, 2013**