

COUNCIL FOR OLDER ADULTS
Delaware County, Ohio

AUDIT REPORT

For the Year ended December 31, 2013



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, 2013 through December 31, 2013. 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

July 23, 2014

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COUNCIL FOR OLDER ADULTS
DELAWARE COUNTY
AUDIT REPORT
For the Year Ended December 31, 2013

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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, 2013 and 2012, 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 opinion.

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, 2013 and 2012, 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

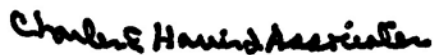
Supplementary and Other Information

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 30, 2014 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 30, 2014

**Council for Older Adults
Statement of Financial Position
December 31, 2013 and 2012**

Assets		
	<u>2013</u>	<u>2012</u>
Current Assets		
Cash	\$ 1,379,020	\$ 1,126,487
Investments	2,532,773	2,508,824
Accounts Receivable	91,808	91,602
Inventory	38,458	41,908
Prepaid Expense	<u>70,993</u>	<u>43,610</u>
Total Current Assets	4,113,052	3,812,431
Property and Equipment		
Furniture & Equipment	673,296	614,380
Leasehold Improvements	695,127	573,877
Vehicles	94,911	94,911
Accumulated Depreciation	<u>(736,321)</u>	<u>(615,693)</u>
Property & Equip. net of Depreciation	727,013	667,475
Other Assets		
Other Assets	2,500	2,500
Beneficial Interest in Assets	<u>29,547</u>	<u>25,252</u>
Total Other Assets	<u>32,047</u>	<u>27,752</u>
Total Assets	<u>\$ 4,872,112</u>	<u>\$ 4,507,658</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	161,679	197,553
Accrued Payroll and related Liabilities	158,569	131,082
Grants Payable	34,219	54,118
Unearned Revenue	<u>4,544</u>	<u>-</u>
Total Current Liabilities	359,011	382,753
Net Assets		
Unrestricted:		
Designated by the Board for Capital improvements	1,163,695	1,129,621
Undesignated	<u>3,349,406</u>	<u>2,995,284</u>
Total Net Assets	<u>4,513,101</u>	<u>4,124,905</u>
Total Liabilities and Net Assets	<u>\$ 4,872,112</u>	<u>\$ 4,507,658</u>

See Accompanying Notes to the Basic Financial Statements.

Council for Older Adults
Statement of Activities
For the years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Changes in Unrestricted Net Assets:		
<u>Revenue and Support:</u>		
Property Tax Levy	\$4,884,304	\$4,749,400
Intergovernmental	\$641,234	\$627,136
Grants	562,075	560,591
Donations	163,461	180,153
Service Fees	286,520	243,663
Interest	48,307	47,716
Gain / Loss on Marketable Securities	(16,622)	7,595
Other	195,085	266,751
Total Revenue and Support	6,764,364	6,683,005
<u>Expenses:</u>		
Program Services:		
Senior Choices	3,795,304	3,744,166
Senior Citizens and Facility Subsidy	555,844	572,770
Transportation, Counseling, Home Repair and Other Grants	611,609	638,239
Outreach and Communications	676,951	704,805
Hospitality and Event Services	123,520	159,198
Total Program Services	5,763,228	5,819,178
Management and General	612,940	585,630
Total Expenses	6,376,168	6,404,808
Change in Net Assets	388,196	278,197
Net Assets - Beginning of Year	4,124,905	3,846,708
Net Assets - End of Year	\$4,513,101	\$4,124,905

See Accompanying Notes to the Basic Financial Statements.

**Council for Older Adults
Statement of Functional Expenses
For the Year Ended December 31, 2013**

	Senior Choices	Senior Citizens, Inc. Facility Subsidy	Transport, Counseling, Home Repair and Other Grants	Communications, and Outreach	Hospitality and Event Services	Total Program Services	Management and General	2013 Total Expenses	2012 Total Expenses
Salaries	\$1,220,773	\$72,756	-	\$316,662	\$46,775	\$1,656,966	\$382,319	\$2,039,285	\$1,932,777
Payroll Taxes and Fringe Benefits	395,207	24,054	-	149,916	17,616	586,793	132,227	719,020	666,583
Total Personnel Costs	1,615,980	96,810	-	466,578	64,391	2,243,759	514,546	2,758,305	2,599,360
Contract Services	1,394,108	-	-	-	-	1,394,108	-	1,394,108	1,459,458
Grants	-	-	\$611,609	-	-	611,609	-	611,609	638,239
Management Fee	-	275,000	-	-	-	275,000	-	275,000	310,000
Raw Food / Kitchen Supplies	424,878	-	-	-	48,611	473,489	-	473,489	524,532
General Supplies	26,032	6,640	-	24,209	936	57,817	7,009	64,826	87,806
Utilities	63,380	51,792	-	9,702	1,409	126,283	11,924	138,207	131,020
Operating Service Fees	59,842	36,828	-	27,688	3,567	127,925	16,293	144,218	131,075
Depreciation & Amortization	50,203	52,096	-	8,858	1,370	112,527	10,396	122,923	125,096
Repairs, Maintenance & Auto Operating	39,049	30,854	-	4,045	422	74,370	5,010	79,380	69,536
Professional	15,399	-	-	27,581	38	43,018	18,721	61,739	54,391
Printing	6,715	343	-	31,217	27	38,302	1,375	39,677	64,251
Advertising	4,937	1,505	-	38,877	1,872	47,191	523	47,714	39,830
Travel and Meals	13,373	38	-	6,849	11	20,271	5,537	25,808	27,865
Insurance	25,656	-	-	6,856	134	32,646	8,427	41,073	39,374
Small Equipment & Rental	18,263	3,066	-	5,053	637	27,019	4,951	31,970	34,991
Telephone	19,532	68	-	2,262	51	21,913	2,667	24,580	22,314
Postage	9,022	-	-	3,841	38	12,901	2,411	15,312	12,892
Training	2,835	-	-	2,041	-	4,876	883	5,759	8,546
Dues and Subscriptions	1,690	804	-	3,584	6	6,084	2,267	8,351	9,483
Sponsorships	-	-	-	7,588	-	7,588	-	7,588	10,472
Other	4,410	-	-	122	-	4,532	-	4,532	4,277
Total Expenses	\$3,795,304	\$555,844	\$611,609	\$676,951	\$123,520	\$5,763,228	\$612,940	\$6,376,168	\$6,404,808

**Council for Older Adults
Statement of Cash Flows
For the years Ended December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
Cash Flows from Operating Activities:		
Excess of Revenue Over/(Under) Expenses	\$388,196	\$278,197
Adjustments to Reconcile to Net Cash Provided by Operating Activities:		
Depreciation & Amortization	122,923	125,096
Loss on Disposal of Property and Equipment	-	1,026
Decrease (increase) in assets:		
Accounts Receivable	(206)	(42,007)
Inventory	3,450	2,703
Prepaid Expenses	(27,383)	(17,682)
Other Assets	-	(2,500)
Increase (decrease) in liabilities:		
Accounts Payable and Accrued Expense	(3,844)	28,628
Grants Payable	(19,899)	18,172
Net Cash Provided from Operating Activities	463,237	391,633
Cash Flows from Investing Activities:		
Purchase of Capital Assets	(182,461)	(70,324)
Purchase of Investments	(638,272)	(763,000)
Proceeds from Maturing Investments	638,272	767,826
Interest Earnings on Investments	(44,865)	(45,226)
(Gain)Loss on Marketable Securities	16,622	(7,595)
Net Cash Provided from (used by) Investing Activities	(210,704)	(118,319)
Net Change in Cash and Cash Equivalents	252,533	273,314
Cash and Cash Equivalents - Beginning of the Year	1,126,487	853,173
Cash and Cash Equivalents - End of the Year	\$1,379,020	\$1,126,487

See Accompanying Notes to the Basic Financial Statements.

Council for Older Adults
Delaware County
Notes to the Financial Statements
December 31, 2013 and 2012

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 1.2 mil levy was approved by Delaware County voters in May 2013. This levy began generating proceeds for the Council beginning in 2014 and will expire at the end of 2018.

The Council provides services and funds the provision of in-home and community based services throughout the county. Many of these services are designed to enable older adults to remain living safely at home while other services are designed to promote good health and wellness, community engagement and successful aging. In-home services include: case management, meals on wheels, nutritional supplements, medical transportation, minor home repair, chore services, adult day care, personal care, homemaker services, respite, emergency response, nursing and durable medical equipment. The Council also is responsible for a large senior enrichment center which offers a fitness center, a warm water exercise pool, arts, education, travel and numerous regular programs and activities. Additionally, the Council provides community outreach, special events, a bi-monthly newsletter, hospitality services and many volunteer opportunities.

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, 2013 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, 2013 and 2012

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, 2013 and 2012

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, 2013 and December 31, 2012.

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, 2013 and December 31, 2012:

	2013	2012
Certificate of Deposit	\$1,526,616	\$1,726,442
Bonds	635,574	752,119
Cash	370,583	30,263
Total Investments	\$2,532,773	\$2,508,824

4. NET ASSETS

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

5. LEASES

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

The terms of the lease agreement specify that leased premises shall be used to provide services to improve the quality of life of older adults in Delaware County, Ohio. In addition the Council is required to maintain compliance with all provisions set forth in applicable Bond Financing Certificates issued by Delaware County. (Delaware County Commissioners issued Capital Facilities Refunding Bonds, series 2013, in the amount of \$7,245,000, for the purpose of paying the costs of refunding bonds previously issued by the County to purchase land and construction at 800 Cheshire Road, Delaware Ohio, for the purpose of providing a facility for senior citizens. The Commissioners previously issued Capital Facilities Bonds, series 2005A, in the amount of \$12,000,000).

Council for Older Adults
 Delaware County
 Notes to the Financial Statements
 December 31, 2013 and 2012

5. LEASES – (continued)

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:

2014 - \$10,738
 2015 - \$ 5,391

6. PROPERTY AND EQUIPMENT

The following schedule summarizes the changes in property and equipment for the year ended December 31, 2013.

	January 1 2013	Additions	Disposals	December 31 2013
Equipment, Furniture and Fixtures	\$614,380	\$61,211	\$(2,295)	\$673,296
Leasehold Improvements	573,877	121,250	-	695,127
Vehicles	94,911	-	-	94,911
Less Accumulated Depreciation	(615,693)	(122,923)	2,295	(736,321)
Totals	\$667,475	\$59,538	\$ -	\$727,013

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, 2013 and 2012

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

The market value of the Fund at December 31, 2013 was \$29,547, 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, 2013 for services provided through December 31, 2013.

Alzheimer's Association	\$ 487
Catholic Social Services	2,243
Central Ohio Area Agency on Aging	1,500
Delaware Area Transit Authority	8,488
Delaware County Juvenile Court	1,833
Delaware County Health District	808
Delaware Speech and Hearing	2,237
Grady Memorial Hospital / DRIVE	5,800
Help Line of Delaware and Morrow Counties, Inc	
Connections & Companions	6,005
National Church Residences /Heritage Day	2,870
Life Care Alliance	<u>1,948</u>
Total	<u>\$34,219</u>

The following grants have been awarded by the Council for the term to begin in 2014:

Delaware Area Transit Agency	\$177,168
Help Line of Delaware and Morrow Counties, Inc	
Connections & Companions	86,726
Delaware Speech & Hearing	72,086
Alzheimer's Association	51,700
National Church Residences Center for Senior Health	30,700
Catholic Social Services	27,966
Delaware General Health District	25,601
Central Ohio Area Agency on Aging	10,000
People in Need	10,000
Employment for Seniors	9,526
Community Action Org. of Madison & Union County	9,000
The Ohio Health Foundation- D.R.I.V.E.	5,920
Delaware County Juvenile Court	4,600
AARP	<u>4,249</u>
Total	<u>\$525,242</u>

Council for Older Adults
Delaware County
Notes to the Financial Statements
December 31, 2013 and 2012

9. GRANTS

The Council provided grants to the following organizations during 2013 and 2012. Although the 2013 Grant Awards totaled \$625,205, only \$611,609 was remitted to Grantees due to actual costs being less than projected budgets.

	<u>2013</u>	<u>2012</u>
Delaware Area Transit Agency	\$292,604	\$295,598
Alzheimer's Association	51,700	51,700
Help Line of Delaware and Morrow Counties, Inc		
Connections & Companions	79,835	79,834
Delaware Speech & Hearing	45,395	45,395
Delaware County Job and Family Services	32,064	25,099
Community Action Organization of Delaware and Madison Counties	-	23,997
Catholic Social Services	27,966	27,966
Life Care Alliance	26,496	27,820
Heritage Day Health Centers	20,626	20,680
Delaware General Health District	11,048	14,316
Grady Memorial Hospital DRIVE Program	7,605	1,730
Home Reach Telehealth Program	-	9,600
People in Need	6,000	6,000
Central Ohio Area Agency on Aging	6,000	6,000
Delaware County Juvenile Court	4,270	2,504
Total	<u>\$611,609</u>	<u>\$638,239</u>

Council for Older Adults
Delaware County
Notes to the Financial Statements
December 31, 2013 and 2012

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>2013</u>	<u>2012</u>
Adena	\$3,975	\$14,975
Alia Healthcare Services / Sabco of Ohio Incorporated	75,691	108,917
Arbors / Delaware Care LLC	4,516	2,432
Bed Bug Burners LLC	2,055	-
Brightstar / Advanced Home Health Care	944	10,884
Central Ohio Mental Health	5,877	675
Client Use of Ensure / Abbot Supply	42,377	42,823
ComForCare Senior Services / H.M. Miller & Associates	8,377	11,426
Critical Signal Technologies	32,333	19,663
Custom Staffing Incorporated	11,777	13,806
Delaware Area Transit Authority	44,046	39,622
Delaware Court Healthcare Center / Levering Management	3,960	11,705
Delaware Developers LLC	6,400	9,430
Dhulmar Transportation	10,076	32,680
Duralin Medical Products, Incorporated	118,371	139,225
Farmers Market	45,852	44,118
First Response Monitoring of Ohio Incorporated	28,647	29,282
Friendly Care Agency / LBS International Incorporated	112,399	2,461
Giving Peace of Mind LLC / Home Helpers	71,193	79,011
Guardian Medical Monitoring Incorporated	36,676	33,085
Heritage Health Care Services Inc.	21,131	29,269
Home Instead Senior Care / Central Ohio Senior Care	116,422	143,330
Home Reach Home Care	30,527	45,139
In Home Elder Care / Comfort Keepers	13,132	33,284
Interim Healthcare of Ohio Incorporated	113,242	73,473
J & J Mobility LTD	16,286	13,251
Miracle Method of Columbus / The Sayles Company LLC	1,460	1,085
National Church Residences / Heritage Day Health Centers	107,637	129,788
Peterson Professional Services	875	1,275
Philips Lifeline / Lifeline Systems Company	1,120	400
Phoenix Home Health Services	7,314	3,302
Pro Health Care Services	4,838	3,770
RRAD Enterprise Ltd. / Right at Home	147,897	108,080
Rural Metro of Northern Ohio Incorporated	18,192	21,510
Senior Independence	10,964	26,497
Senior Services for Independent Living	-	60,440
United Patient Care	5,375	3,539

Council for Older Adults
 Delaware County
 Notes to the Financial Statements
 December 31, 2013 and 2012

10. CONTRACT SERVICES - continued

	<u>2013</u>	<u>2012</u>
Valued Relationships, Inc	29,691	33,126
Volunteer Drivers	76,171	81,017
Willowbrook Christian Village	3,920	-
Other	<u>2,372</u>	<u>1,635</u>
Total	<u>\$1,394,108</u>	<u>\$1,459,458</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, the agreement provides for a base salary, life insurance, professional development benefits and annual increases. The employment agreement was due to expire on December 31, 2013, however it was extended an additional 5 years through December 31, 2018.

13. RETIREMENT PLAN

The Council has a defined contribution pension plan (Section 403(b) plan) for the benefit of its employees. All employees who meet the age, length of service and hours worked requirements are eligible to participate. Under the program, an employee may elect to contribute up to the extent allowable by law. In addition, the Council contributes 4% of each eligible employee's annual wages and matches employee contributions to the plan up to 4% of each eligible employee's wages. The Council can vary these percentages from year to year at its discretion.

In addition the Council has a Deferred Compensation Plan under (Section 457(b) plan) for the benefit of selected employees. At the current time 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 \$152,878 for 2013 and \$125,529 for 2012.

Council for Older Adults
Delaware County
Notes to the Financial Statements
December 31, 2013 and 2012

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>
2013	44,772	\$844,856
2012	46,899	\$884,988

15. SUBSEQUENT EVENTS

On November 25, 2013, Council for Older Adults (Council) entered into a merger agreement with Senior Citizens Incorporated of Delaware County, an Ohio nonprofit corporation, effective January 1, 2014. Senior Citizens Inc. merged into the Council and the Council is the surviving corporation. The surviving corporation's activities shall continue to be the same as prior to the merger. The members of the Board of Directors of the Council prior to the merger continue as board members of the surviving corporation with the addition of three members of the Senior Citizens former Board of Directors. The net assets of Senior Citizens Inc. shall be accounted for in a restricted fund known as the Legacy Fund. In addition an advisory board was established known as the "Enrichment Center Program Board". Expenditures from the Legacy Fund require prior approval from the advisory board.

Subsequent events were evaluated through May 30, 2014. No other material items were noted.

Council for Older Adults
Schedule of Federal, State and Local Funding Received
For the years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<u>Delaware County:</u>		
Delaware County Senior Services Levy	\$4,884,304	\$4,749,400
Intergovernmental Receipts	641,234	627,136
<u>Central Ohio Area Agency on Aging:</u>		
Title III-E National Family Caregiver Support Program	49,034	49,034
Title III-C / USDA	215,221	241,819
Title III-B Service Coordinator	59,536	20,756
PASSPORT	119,502	126,896
Other	1,350	1,190
<u>United Way:</u>		
Delaware County Senior Nutrition - Under 60	105,762	109,764
<u>Other</u>		
Mid-Ohio Foodbank	8,420	8,482
	<u>\$6,084,363</u>	<u>\$5,934,477</u>

INDEPENDENT AUDITOR'S 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, 2013, and the related notes to the financial statements, as noted in the table of contents and have issued our report thereon dated May 30, 2014.

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.

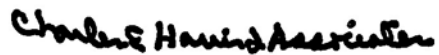
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies 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 30, 2014

**COUNCIL FOR OLDER ADULTS
DELAWARE COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2013**

The prior report, for the year ending December 31, 2012, reported no material citations or recommendations.



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
AUGUST 5, 2014**