

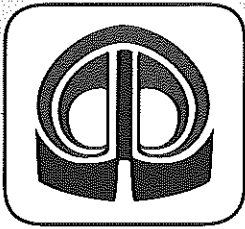
Audited Financial Statements
LONG TERM CARE OMBUDSMAN
December 31, 2009

LONG TERM CARE OMBUDSMAN

INDEX

December 31, 2009

	<u>PAGE NUMBER</u>
INDEPENDENT AUDITOR'S REPORT	1
<u>AUDITED FINANCIAL STATEMENTS</u>	
STATEMENT OF FINANCIAL POSITION	2
STATEMENT OF ACTIVITIES	3
STATEMENT OF FUNCTIONAL EXPENSES	4
STATEMENT OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6



Dingus and Daga, Inc.
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Long Term Care Ombudsman
Cleveland, Ohio

We have audited the accompanying statement of financial position of Long Term Care Ombudsman (Organization) as of December 31, 2009 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization'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. 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 Long Term Care Ombudsman as of December 31, 2009 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Dingus and Daga, Inc.

Shaker Heights, Ohio
October 5, 2010

LONG TERM CARE OMBUDSMAN

STATEMENT OF FINANCIAL POSITION

December 31, 2009

(with summary financial information for December 31, 2008)

ASSETS	Unrestricted	Temporarily Restricted	Totals	
			2009	2008
Cash and cash equivalents	\$ 116,757		\$ 116,757	\$ 221,328
Unconditional Promise to give:				
United Way Service Allocation		\$ 17,497	17,497	20,202
Foundations and others				30,408
Receivable - governmental	61,875		61,875	
Deposit	2,141		2,141	2,141
Property and equipment, net	25,935		25,935	
TOTAL ASSETS	<u>\$ 206,708</u>	<u>\$ 17,497</u>	<u>\$ 224,205</u>	<u>\$ 274,079</u>
LIABILITIES AND NET ASSETS				
Accounts payable	\$ 903		\$ 903	\$ 3,061
Accrued Expenses	5,573		5,573	11,385
Refundable Advance				2,710
TOTAL LIABILITIES	<u>6,476</u>		<u>6,476</u>	<u>17,156</u>
NET ASSETS				
Unrestricted	200,232		200,232	206,313
Temporarily restricted		\$ 17,497	17,497	50,610
TOTAL NET ASSETS	<u>200,232</u>	<u>17,497</u>	<u>217,729</u>	<u>256,923</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 206,708</u>	<u>\$ 17,497</u>	<u>\$ 224,205</u>	<u>\$ 274,079</u>

The accompanying notes are an integral part of these financial statements.

LONG TERM CARE OMBUDSMAN

STATEMENT OF ACTIVITIES

Year Ended December 31, 2009
 (with summary financial information for December 31, 2008)

	Unrestricted	Temporarily Restricted	Totals	
			2009	2008
PUBLIC SUPPORT AND REVENUE				
Allocation from United Way Services, Inc.	\$ 17,496	\$ 17,497	\$ 34,993	\$ 40,404
Fees and grants from governmental agencies	610,758		608,758	621,021
Contributions	15,921		15,921	19,623
Home Choice Revenue			2,000	3,000
Interest income	68		68	269
Miscellaneous income	1,157		1,157	10,773
Reclassification of Net Assets	50,610	(50,610)	-	
TOTAL PUBLIC SUPPORT AND REVENUE	696,010	(33,113)	662,897	695,090
EXPENSES				
Program Services	590,372		590,372	659,907
Management and General	111,719		111,719	84,966
TOTAL EXPENSES	702,091		702,091	744,873
CHANGE IN NET ASSETS	(6,081)	(33,113)	(39,194)	(49,783)
NET ASSETS AT BEGINNING OF YEAR	206,313	50,610	256,923	306,706
NET ASSETS AT END OF YEAR	\$ 200,232	\$ 17,497	\$ 217,729	\$ 256,923

The accompanying notes are an integral part of these financial statements.

LONG TERM CARE OMBUDSMAN

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2009
 (with summary financial information for December 31, 2008)

	Program Services	Supporting Services	Totals	
		Management and General	2009	2008
Salaries	\$ 392,855	\$ 58,455	\$ 451,310	\$ 481,114
Employee health and retirement benefits	55,832	8,308	64,140	95,582
Payroll taxes	32,784	4,878	37,662	42,758
Total salaries and related expenses	481,471	71,641	553,112	619,454
Professional Fees	19,005	2,339	21,344	9,070
Supplies	6,396	7,512	13,908	9,189
In-house copying	1,410	210	1,620	1,879
Telephone	7,131	1,061	8,192	9,864
Postage and shipping	4,748	706	5,454	4,673
Office rent and electricity	53,990	8,033	62,023	54,577
Repairs and maintenance	391	58	449	733
Equipment Rental	3,164	471	3,635	3,166
Publications	292	44	336	139
Outside Printing	1,945	6,226	8,171	4,448
Advertising	-	498	498	931
Travel Reimbursement	2,048	7,505	9,553	14,778
Workshop, Conference and Meeting	3,992	4,389	8,381	7,181
Insurance	2,710	403	3,113	2,843
Depreciation	1,612	240	1,852	
Miscellaneous	-	373	373	1,380
Interest	67	10	77	568
Total expenses	\$ 590,372	\$ 111,719	\$ 702,091	\$ 744,873

The accompanying notes are an integral part of these financial statements.

LONG TERM CARE OMBUDSMAN

STATEMENT OF CASH FLOWS

Year Ended December 31, 2009
 (with summary financial information for December 31, 2008)

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ (39,194)	\$ (49,783)
Depreciation	1,852	
Change in operating assets and liabilities:		
Decrease in unconditional promises to give	2,705	2,700
Decrease in accounts receivable - foundation and others	30,408	204,591
Increase in receivable - governmental	(61,875)	
Decrease in accounts payable and accrued expenses	(7,970)	
Decrease in deferred revenue	<u>(2,710)</u>	<u>(5,187)</u>
Net Cash provided/(used) by Operating Activities	(76,784)	152,321
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	<u>(27,787)</u>	
Net Cash used by Investing Activities	<u>(27,787)</u>	
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(104,571)	152,321
BEGINNING CASH AND CASH EQUIVALENTS	<u>221,328</u>	<u>69,007</u>
ENDING CASH AND CASH EQUIVALENTS	<u>\$ 116,757</u>	<u>\$ 221,328</u>

The accompanying notes are an integral part of these financial statements.

LONG TERM CARE OMBUDSMAN
NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2009

Note 1. Summary of Significant Accounting Policies:

Nature of Activities – Long Term Care Ombudsman (Organization) was organized to be advocates for long term care consumers. The Organization serves as a “voice” of residents of nursing homes, residential and adult care facilities, and consumers of in-home long term care services. It provides the following services for long term care consumers: complaint investigation, general information, facility selection assistance, advocacy, community education and volunteer services in the Cuyahoga, Geauga, Lake, Lorain and Medina counties of Ohio. The Organization is funded primarily by federal and state of Ohio funds which flow through the Western Reserve Area Agency on Aging and other foundations.

Property and Equipment - Property and equipment is recorded at cost at the date of acquisition. Donated assets are stated at their fair market value at the date of the gift. Depreciation is calculated on a straight-line basis over the estimated useful life (5 years) of the equipment.

The Organization's policy is to capitalize assets with estimated useful lives greater than one year and an acquisition cost of \$2,000 or greater.

Financial Statement Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting. The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

Contributions - Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Contributions are recognized when the donor makes an unconditional promise to give a specified amount to the Organization. Most donor funds are received with no restrictions.

All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

LONG TERM CARE OMBUDSMAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended December 31, 2009

Note 1. Summary of Significant Accounting Policies (continued):

Cash and Cash Equivalents - Cash and cash equivalents consist primarily of cash in a checking account with a financial institution and minor amounts with United Way Services.

Grant Revenue - The Organization accrues grant revenue in the period that expenses are incurred to be reimbursed under terms of the grants.

Fair Value of Financial Instruments - The carrying value of financial instruments, including cash and cash equivalents, receivables, unconditional promises to give, grants receivable and accounts payable approximates fair value due to the short-term nature of these instruments.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

Income Tax Status - The Organization is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code as other than a private foundation.

Subsequent Events - The Organization has evaluated subsequent events for potential recognition and/or disclosure through October 5, 2010, the date the financial statements were available to be issued. A new five year lease was executed between the Organization and its landlord in June 2010 as described in Footnote 4.

Note 2. Property and equipment:

Property and equipment consist of:

Furniture and fixtures	\$ 51,351
Software	27,787
Accumulated depreciation	(53,203)
Property and equipment, net	<u>\$ 25,935</u>

LONG TERM CARE OMBUDSMAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended December 31, 2009

Note 3. Retirement Plan:

The Organization provides a 403(b) plan for the benefit of its employees. Total pension expense for the year ended December 31, 2009 amounted to \$19,039.

Note 4. Operating Leases:

The Organization was obligated under an operating lease for the rental of office space, payment of utilities, and parking thorough February 28, 2011. This was subsequently canceled and new lease effective through June 30, 2015 was executed in its place. The lease includes base rental for the facilities, a fee for a certain number of parking spaces and included utilities.

The total rent expense, including utilities, for the year ended December 31, 2009 amounted to \$62,023.

Future minimum lease payments (excluding utilities) for the next five years are as follows:

Year ending <u>December 31</u>	
2010	\$44,168
2011	42,908
2012	44,120
2013	45,380
2014	46,687

The Organization is also obligated under a direct financing lease for a copier for thirty six months. The lease is secured by the leased equipment. The required minimum rental payment is \$247 per month. Lease expense under this arrangement amounted to \$2,964 for the year ended December 31, 2009.

Note 5. Temporarily Restricted Net Assets:

Temporarily restricted net assets are available for the benefit of the next program year.

LONG TERM CARE OMBUDSMAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended December 31, 2009

Note 6. Concentration of Credit Risk:

The Organization maintains cash balances at a financial institution located in Cleveland, Ohio. Accounts at the institution are insured up to \$250,000 by the Federal Deposit Insurance Corporation. The Organization had no uninsured balances at December 31, 2009.

Note 7. Line of Credit:

The Organization has a \$25,000 line of credit with a financial institution located in Cleveland, Ohio. The line of credit is secured by assets of the Organization and bears a variable interest rate at the institution's prime commercial rate (3.25 percent at December 31, 2009). The Organization had no outstanding balances on this line of credit at December 31, 2009.

Note 8. Summarized Information:

The financial statements include prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Agency's financial statements for the year ended December 31, 2008, from which the summarized information was derived.