

3-7-11

PUBLIC INPUT SIGN UP SHEET

PUBLIC INPUT SHALL BE LIMITED TO
THREE (3) MINUTES PER PERSON.

EACH PERSON SHOULD:

- (1) STATE YOUR NAME
- (2) IN WHAT AREA OF THE COUNTY YOU LIVE
- (3) SPEAK IN A CLEAR AND COURTEOUS MANNER.

Please Print:

NAME

ADDRESS

ISSUE

1. _____

2. PAULA DeLORENZO 9 WHITE BIRCH MILLS RIVER CCPT

3. EVA Ritchey 1928 Brevard Rd ^{Hvile} Meats on Wheels

4. _____

5. _____

6. _____

7. _____

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11. _____

12. _____

13. _____

Eva L. Ritchey
1928 Brevard Road
Hendersonville, NC 27691

Meals on Wheels
Presentation to the HC Board of Commissioners
March 7, 2011

Dear Commissioners,

Nearly 1 in 3 people living in Henderson County are over the age of 60. (NC Office of State Budget and Management, 2009) If there is any one thing everyone in this room has in common, it is the fact that all of us will one day be included in that "1" number. Those of us who will be among the older generation will need help and assistance of some type. Which brings us to a very current problem—providing that help and assistance is getting increasingly expensive. Medicaid and Medicare are straining the limits of state budgets.

Yet, an organization that has worked diligently to maintain self sufficiency is being penalized for a technicality for so doing. Consider for a moment the benefit of Meals on Wheels to our elderly citizens and the cost savings to our social services budget:

1. Between July 1, 2009 and June 30, 2010, 89% of those who receive Meals on Wheels were able to remain living independently and out of institutional placement. That is especially important to families and public policy makers as 76% of nursing home reimbursements are provided by Medicare and Medicaid not private money. (<http://www.efmoody.com/longterm/nursingstatistics.html>). Meals on Wheels costs \$1,911 per year per person versus the average in NC of \$38,688 for assisted living and \$64,605 for skilled nursing. (US Dept of Health and Human Services). One year of Meals on Wheels costs 2.9% of what it costs us for one year in a skilled nursing facility. I say cost "us" because "...Two out of every three nursing home residents rely on Medicaid... Only one in four Americans can afford private nursing home care for one year. (Kincannon 2002)
2. Between 2006 and 2010 the Council on Aging performed 2,440 in-home assessments through the Meals on Wheels program. Are we prepared to offer those same services through public funding?
3. Between 2006 and 2010 the Council on Aging served 222, 021 meals through its Meals on Wheels program with the help of hundreds of compassionate volunteers.

The sensible stewardship of the Council on Aging has been brought into question by United Way, a contributor to the Meals on Wheels program. They withdrew \$79,563 or 10,825 meals whichever way you would like to look at it because of their funding formula. They said that the administrative costs for the Council on Aging were above their required 25%.

Eva L. Ritchey
1928 Brevard Road
Hendersonville, NC 27691

I'd like to hand each one of you a handout with information on the Meals on Wheels program. I'd like to ask you to turn to page 6, the second page of their 990 IRS return. I would like to use source material. On line 7, Why is the \$152,169 in the "Fundraising expense" category so large. The IRS form 990 requires that the thrift store's wage expenses be put in Column D "Fundraising expense" instead of Column B where some organizations can put them because the thrift store is considered an ongoing operation and not a program. In fact the thrift store doesn't really fit in either category—it is neither a program (Column B) or a fundraising expense (Column D). There is no separate category for an operation like a thrift store. But the closest category is "Fundraising Expense." The United Way formula requires that "Fundraising expense" be combined with "Functional Management" thus inflating the overhead of a non profit like Council on Aging. If you took the thrift store expenses out, as well you should, the true overhead expenses are only 15.6%, well below the required 25%. Certainly the formula that the United Way uses should be sophisticated enough to allow for these exceptions. Charity advisors like GuideStar and Charity Navigator caution against evaluations based only on ratios and balance sheets. The Council on Aging is a classic example of why. In these difficult economic times, do we want to discourage the jobs that are being provided at the thrift store and/or reduce the 31% of the total receipts of the Council on Aging to satisfy an outmoded one-size-fits-all method?

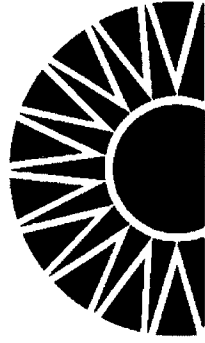
I am perplexed that United Way cannot see the issue and insists on using what is obviously an outdated formula. I am hopeful that they may take a second look at their process of evaluation. However, be that as it may, I hope you agree Commissioners that we cannot afford to lose the social services that this agency is providing.

To this end I am here to ask for your help in providing some of the funds that were lost to United Way's decision. I believe if Meals on Wheels can get a one time increase in the amount you give them, they can use it to help tide them over while they find and build funds for the 2012-2013 year and beyond. I know you generously allocate monies now but I truly believe that the citizens of Henderson County would want you to do more at this time. I will not make a suggestion as to amount but I leave it up to your discretion.

In closing, Meals on Wheels is literally a Godsend for hundreds of our elderly neighbors. This practical service has saved our social services budget hundreds of thousands of dollars. As the figures attest, it is well managed and responsibly overseen by its board of directors. Hundreds of generous citizens volunteer to make it possible. The need for nutritious home delivered meals has never been greater as we face an uncertain economic present and future.

Gregory Kirchoff's letter in today's Times News said it best. "Journey's end. What awaits, a facility where individuality, dignity and preferences are irrelevant? The pursuit of happiness must include the right of passing with dignity, nurturing and peace of mind."

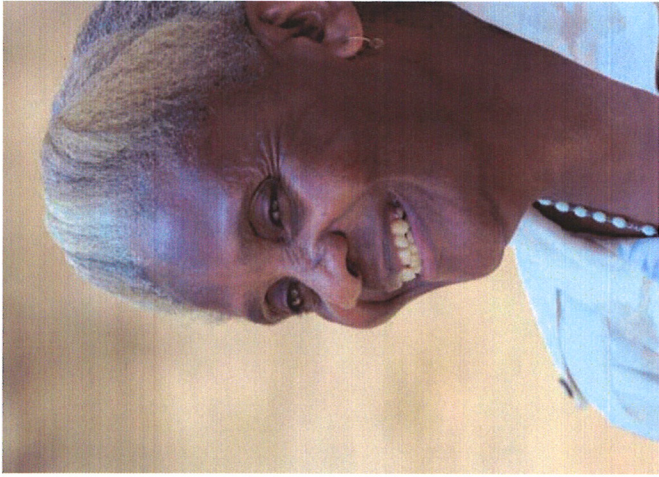
That's what the Meals on Wheels program does. I ask that you help them at this time.



COUNCIL ON AGING
for HENDERSON COUNTY

**Council on Aging:
Aging, We're All In This Together**

The Council on Aging for Henderson County provides and coordinates services to help older adults live independently.



“Thanks to the Meals on Wheels program, Grandmother was able to enjoy a higher quality of life and remain at home as long as possible. Actually, had it not been for the volunteers, my grandmother could have died a long time ago.”

-Family Member

January 20, 2011

Ruth Birge, UWHC Executive Director and Barbara Platz, UWHC Funds Distribution Committee Chair met with COA officials and presented a letter informing us that we are ineligible to apply for funding in 2011/2012.

January 24, 2011

The Council on Aging Board of Directors met and voted to move ahead without United Way funding and made the commitment to those we serve to continue services uninterrupted.

**This means a loss of \$79,563 (10,825 meals)
to the Meals on Wheels program!**

How is the United Way overhead percentage calculated?

The formula:
$$\frac{\text{Functional Management Expenses} + \text{Functional Fundraising Expenses}}{\text{Total Current Year Revenue}}$$

$$\frac{102,235 + 273,853}{1,132,969} = 33.2\%$$

Definitions:

Functional Management Expenses are defined as expenses that relate to the organization's overall operations and management. Overall management usually includes the salaries and expenses of the organization's chief executive officer, unless a part of their time is spent directly supervising program services or fundraising activities. In that case, their salaries and expenses should be allocated among management, fundraising and program services.

Functional Fundraising Expenses are defined as the expenses incurred in soliciting contributions, gifts and grants. Report as fundraising expenses all expenses, including allocable overhead costs, incurred in: (a) publicizing and conducting fundraising campaigns and (b) soliciting bequests and grants from foundations or other organizations, or government grants reported on Part VIII, line 1. This includes participating in federated fundraising campaigns; preparing and distributing fundraising manuals, instructions and other materials.

The figures above are taken directly from the 2008 IRS Form 990.

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No. 1545-0047
2008
Open to Public Inspection

For the 2009 calendar year, or tax year beginning 7/01/08, and ending 6/30/09

A For this 2009 calendar year, or tax year beginning 7/01/08, and ending 6/30/09

B Check if applicable: Please use IRS label or print or type Address change Name change Initial return Termination Amended return Application pending

C Name of organization: **HENDERSON COUNTY COUNCIL ON AGING, INC.**

D Employer identification number: **56-0936674**

E Telephone number: **828-692-4203**

F Name and address of principal officer: **105 KING CREEK BLVD. HENDERSONVILLE NC 28792**

G Gross receipts: **1,133,169**

H(a) Is this a group return for affiliates? Yes No

H(b) Are all affiliates included? Yes No

If "No," attach a list (see instructions)

H(c) Group description number: **NC**

I Tax-exempt status: 501(c) (3) (insert no.) 4947(a)(1) or 527

J Website: **COAHC.ORG**

K Type of organization: Corporation Trust Association Other

L Year of formation: **1969** **M** State of legal domicile: **NC**

Part I Summary

1 Briefly describe the organization's mission or most significant activities:
TO PROVIDE AND COORDINATE SERVICES TO KEEP OLDER ADULTS LIVING INDEPENDENTLY. PROVIDES MEALS ON WHEELS, CONGREGATE ACTIVITIES, RESOURCES FOR AGING-RELATED ISSUES.

2 Check this box if the organization discontinued its operations or disposed of more than 25% of its assets.

3 Number of voting members of the governing body (Part VI, line 1a)

4 Number of independent voting members of the governing body (Part VI, line 1b)

5 Total number of employees (Part V, line 2a)

6 Total number of volunteers (estimate if necessary)

7a Total gross unrelated business revenue from Part VIII, line 12, column (C)

7b Total unrelated business taxable income from Form 990-T, line 32

8 Contributions and grants (Part VIII, line 1h)

9 Program service revenue (Part VIII, line 2g)

10 Investment income (Part VIII, column (A), lines 3, 4, and 5)

11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9a, 10b, and 11)

12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)

13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)

14 Benefits paid to or for members (Part IX, column (A), line 4)

15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)

16a Professional fundraising fees (Part IX, column (A), line 11e)

b Total fundraising expenses (Part IX, column (D), line 25) **273,853**

17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)

18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)

19 Revenue less expenses. Subtract line 18 from line 12

20 Total assets (Part X, line 16)

21 Total liabilities (Part X, line 26)

22 Net assets or fund balances. Subtract line 21 from line 20

Line	Prior Year	Current Year
7a	0	0
7b	600,912	689,885
8	476,582	438,403
9	13,282	4,681
10		
11		
12	1,090,776	1,132,969
13		
14	713,793	763,293
15		
16a	636,950	459,994
16b	1,350,743	1,223,287
17	-259,967	-90,318
18	1,163,770	1,033,827
19	415,855	390,347
20	747,915	643,480
21		
22		

Part II Signature Block

Under penalties of perjury, I declare that I prepared this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature of officer: **LAURENCE F. GIBREATHLEY III, TREASURER** Date: **02-10-10**

Signature of preparer: **W. A. CARLAND** Date: **2/08/10**

Firm's name (or yours if self-employed), address, and ZIP + 4: **CARLAND & ANDERSEN INCORPORATED, PO BOX 179, HENDERSONVILLE, NC 28793**

Preparer's signature: **W. A. CARLAND** Date: **2/08/10**

Firm's name (or yours if self-employed), address, and ZIP + 4: **CARLAND & ANDERSEN INCORPORATED, PO BOX 179, HENDERSONVILLE, NC 28793**

Preparer's identifying number (see instructions): **P00925723**

EIN: **04-3729830**

Phone no: **828-692-2583**

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2008)

18 614

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. Organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	58,469	23,972	28,650	5,847
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	593,246	416,550	24,527	152,169
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	6,731	5,291	896	544
9 Other employee benefits	50,290	22,037	2,884	25,369
10 Payroll taxes	54,557	36,906	4,286	13,365
11 Fees for services (non-employees):				
a Management				
b Legal	9,265	6,856	2,409	
c Accounting				
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other				
12 Advertising and promotion	15,792	9,012	3,081	3,699
13 Office expenses	67,564	30,509	7,221	29,834
14 Information technology	25,655	19,278	6,377	
15 Royalties				
16 Occupancy	49,918	22,389	3,435	24,094
17 Travel	14,470	7,996	553	5,921
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	2,780	1,559	1,221	
20 Interest	17,436	12,875	2,734	1,827
21 Payments to affiliates	47,442	28,961	10,175	8,306
22 Depreciation, depletion, and amortization	18,884	13,318	2,888	2,678
23 Insurance				
24 Other expenses (itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below))				
a FOOD PURCHASES	189,131	189,131		
b PROF. DUES/PUBLICATIONS	955	559	196	200
c MISCELLANEOUS	702		702	
d				
e				
f All other expenses				
25 Total functional expenses. Add lines 1 through 24.	1,223,287	847,199	102,235	273,853
26 Joint Costs. Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

**Bob Ottehoff, President and CEO of
Guidestar (www.guidestar.com) notes,**

“Ratios can be extremely misleading. Guidestar has spent more than a decade educating the public about the dangers of judging an organization solely on its financial balance sheet. Our focus has always been on helping donors get a complete picture of a charity.”

Ken Berger, President and CEO of Charity Navigator (www.CharityNavigator.org) notes,

“There is a place for financial measures, but donors need a complete picture of a charity to make a smart choice. We believe that too many donors are paying too much attention to measures like overhead.”

What is not included on the Form 990?

The Council on Aging makes every dollar count and stretches those dollars as far as possible, while providing the highest quality service to older adults throughout Henderson County. Over 450 volunteers donate time and miles to support the programs and services of the Council on Aging. Since July 1, 2008 volunteers have contributed 35,526 hours to the Meals on Wheels program, worth an estimated value of \$428,088.30.

**There is no place to reflect this information
on the Form 990.**

Here is the rub...

All of our thrift store expenses must go into the “functional fundraising expenses” column on the Form 990. Since the thrift store is an ongoing operation of the Council on Aging, whose purpose is to raise funds, their expenses cannot be considered a “fundraising event” or program. Placing these expenses in the “functional fundraising expenses” column causes our overhead percentage to look inflated.

The Church Street and Etowah Thrift Stores are important to the COA and the community.

How exactly do the thrift stores help?

COA has worked diligently to create a plan to achieve and maintain self-sufficiency for our agency. The thrift stores are an integral part of that plan. Since 1987 revenues generated by our thrift stores have allowed us to remain focused on our mission. Community donations, time from devoted volunteers and a strong, loyal customer base allow both thrift store locations to be strong and successful. During this historic economic downturn while other revenue sources decreased the thrift stores have shown an increase in sales over the past three years. The annual net profits generated by both thrift store locations dramatically reduce the amount of funds we must request from the community.

The United Way of Henderson County is requiring the Council on Aging to make decisions that would not be in the best interest of the agency and those we serve.

We are responsible for doing what is in the best interest of those we serve, some of the most vulnerable and frail members of our community.

The Council on Aging Board of Directors will continue our services without any support from the United Way of Henderson County. Our Board, staff and volunteers will provide quality services without interruption.