



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

B35576

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

January 21, 2010

Board of Directors  
CICOA Aging & In-Home Solutions, Inc.  
and CICOA Foundation, Inc.  
4755 Kingsway Dr., Ste. 200  
Indianapolis, IN 46205

We have reviewed the audit report prepared by Crowe Horwath, LLP, Independent Public Accountants, for the period July 1, 2007 to June 30, 2008. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the CICOA Aging & In-Home Solutions, Inc. and CICOA Foundation, Inc., as of June 30, 2008, and the results of its operations for the period then ended, on the basis of accounting described in the report.

The Independent Public Accountants' report is filed with this letter in our office as a matter of public record.

STATE BOARD OF ACCOUNTS

**CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND  
CICOA FOUNDATION, INC.**

**COMBINED FINANCIAL STATEMENTS**  
June 30, 2008 and 2007

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
Indianapolis, Indiana

COMBINED FINANCIAL STATEMENTS  
June 30, 2008 and 2007

CONTENTS

REPORT OF INDEPENDENT AUDITORS.....	1
COMBINED FINANCIAL STATEMENTS	
COMBINED STATEMENTS OF FINANCIAL POSITION.....	2
COMBINED STATEMENT OF ACTIVITIES - 2008.....	3
COMBINED STATEMENT OF ACTIVITIES - 2007.....	4
COMBINED STATEMENT OF FUNCTIONAL EXPENSES - 2008.....	5
COMBINED STATEMENT OF FUNCTIONAL EXPENSES - 2007.....	6
COMBINED STATEMENTS OF CASH FLOWS.....	7
NOTES TO COMBINED FINANCIAL STATEMENTS.....	8
SUPPLEMENTARY INFORMATION	
COMBINING SCHEDULES OF FINANCIAL POSITION.....	15
COMBINING SCHEDULES OF ACTIVITIES.....	17
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.....	19
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.....	21
REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON THE INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133.....	23
SCHEDULE OF FINDINGS AND QUESTIONED COSTS.....	25
SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS.....	26



Crowe Horwath LLP  
Member Horwath International

## REPORT OF INDEPENDENT AUDITORS

Board of Directors  
CICOA Aging & In-Home Solutions, Inc.  
and CICOA Foundation, Inc.  
Indianapolis, Indiana

We have audited the accompanying combined statements of financial position of CICOA Aging & In-Home Solutions, Inc. and CICOA Foundation, Inc. (Organizations) as of June 30, 2008 and 2007, and the related combined statements of activities, functional expenses and cash flows for the years then ended. These combined financial statements are the responsibility of the Organizations' management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of CICOA Aging & In-Home Solutions, Inc. and CICOA Foundation, Inc. as of June 30, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2009, on our considerations of CICOA Aging & In-Home Solution, Inc.'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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audits were conducted for the purpose of forming an opinion on the combined financial statements taken as a whole. The accompanying supplementary schedules of combining information and the accompanying schedule of expenditures of federal awards required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic combined financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic combined financial statements taken as a whole.

*Crowe Horwath LLP*

Crowe Horwath LLP

Indianapolis, Indiana  
February 19, 2009

---

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
COMBINED STATEMENTS OF FINANCIAL POSITION  
June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 918,673	\$ 1,608,677
Cash held for others	6,485	43,869
Accounts receivable	4,937	600
Grant reimbursements receivable	1,710,092	1,161,543
Prepaid expenses	112,012	103,464
Beneficial interest in assets held by Central Indiana Community Foundation, Inc. (Note 3)	595,762	634,272
Property and equipment, net (Note 4)	<u>286,470</u>	<u>93,019</u>
	<u>\$ 3,634,431</u>	<u>\$ 3,645,444</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable	\$ 527,525	\$ 467,048
Accrued payroll and expenses	242,408	196,838
Accrued leave	232,288	211,426
Funds held for others	6,485	43,869
Due to funding source (Note 6)	221,634	49,543
Deferred revenue (Note 1)	<u>809,648</u>	<u>-</u>
Total liabilities	2,039,988	968,724
Net assets		
Unrestricted	1,313,532	1,248,823
Temporarily restricted	68,012	1,227,897
Permanently restricted	<u>212,899</u>	<u>200,000</u>
Total net assets	<u>1,594,443</u>	<u>2,676,720</u>
	<u>\$ 3,634,431</u>	<u>\$ 3,645,444</u>

See accompanying notes to combined financial statements.

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
COMBINED STATEMENT OF ACTIVITIES  
Year ended June 30, 2008

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	2008 <u>Total</u>
<b>Revenue</b>				
Federal and state grants	\$ 11,602,585	\$ -	\$ -	\$ 11,602,585
Other government grants	4,000	-	-	4,000
Project income	265,641	-	-	265,641
Medicaid service fees	1,824,676	-	-	1,824,676
Contributions and grants	189,839	68,012	12,875	270,726
Interest income	20,223	-	24	20,247
Loss on beneficial interest (Note 3)	(38,510)	-	-	(38,510)
Other income	48,686	-	-	48,686
In-kind contributions	21,600	-	-	21,600
Clarification in terms of FSSA waitlist funds (Note 1)	<u>-</u>	<u>(1,009,983)</u>	<u>-</u>	<u>(1,009,983)</u>
	13,938,740	(941,971)	12,899	13,009,668
Net assets released from restrictions	<u>217,914</u>	<u>(217,914)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>14,156,654</u>	<u>(1,159,885)</u>	<u>12,899</u>	<u>13,009,668</u>
<b>Expenses</b>				
Program services				
In-home services	7,075,109	-	-	7,075,109
Nutrition	3,175,620	-	-	3,175,620
Other (Note 7)	<u>2,243,912</u>	<u>-</u>	<u>-</u>	<u>2,243,912</u>
Total program services	12,494,641	-	-	12,494,641
Administration	1,464,190	-	-	1,464,190
Fund raising	<u>133,114</u>	<u>-</u>	<u>-</u>	<u>133,114</u>
Total expenses	<u>14,091,945</u>	<u>-</u>	<u>-</u>	<u>14,091,945</u>
Change in net assets	64,709	(1,159,885)	12,899	(1,082,277)
Net assets at beginning of year	<u>1,248,823</u>	<u>1,227,897</u>	<u>200,000</u>	<u>2,676,720</u>
<b>Net assets at end of year</b>	<u>\$ 1,313,532</u>	<u>\$ 68,012</u>	<u>\$ 212,899</u>	<u>\$ 1,594,443</u>

See accompanying notes to combined financial statements.

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
COMBINED STATEMENT OF ACTIVITIES  
Year ended June 30, 2007

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	2007 <u>Total</u>
<b>Revenue</b>				
Federal and state grants	\$ 10,990,070	\$ 1,009,983	\$ -	\$ 12,000,053
Other government grants	4,000	-	-	4,000
Project income	253,123	-	-	253,123
Medicaid service fees	1,446,173	-	-	1,446,173
Contributions and grants	138,652	217,914	-	356,566
Fund raising event	35,650	-	-	35,650
Interest income	21,488	-	-	21,488
Gain on beneficial interest (Note 3)	99,931	-	-	99,931
Other income	51,453	-	-	51,453
In-kind contributions	<u>31,429</u>	<u>-</u>	<u>-</u>	<u>31,429</u>
	13,071,969	1,227,897	-	14,299,866
Net assets released from restrictions	<u>45,249</u>	<u>(45,249)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>13,117,218</u>	<u>1,182,648</u>	<u>-</u>	<u>14,299,866</u>
<b>Expenses</b>				
Program services				
In-home services	6,543,239	-	-	6,543,239
Nutrition	2,901,167	-	-	2,901,167
Employment	89,874	-	-	89,874
Other (Note 7)	<u>2,092,994</u>	<u>-</u>	<u>-</u>	<u>2,092,994</u>
Total program services	11,627,274	-	-	11,627,274
Administration	1,261,372	-	-	1,261,372
Fund raising	<u>81,256</u>	<u>-</u>	<u>-</u>	<u>81,256</u>
Total expenses	<u>12,969,902</u>	<u>-</u>	<u>-</u>	<u>12,969,902</u>
Change in net assets	147,316	1,182,648	-	1,329,964
Net assets at beginning of year	<u>1,101,507</u>	<u>45,249</u>	<u>200,000</u>	<u>1,346,756</u>
<b>Net assets at end of year</b>	<u>\$ 1,248,823</u>	<u>\$ 1,227,897</u>	<u>\$ 200,000</u>	<u>\$ 2,676,720</u>

See accompanying notes to combined financial statements.

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
COMBINED STATEMENT OF FUNCTIONAL EXPENSES  
Year ended June 30, 2008

	In-Home <u>Services</u>	<u>Nutrition</u>	<u>Other</u>	Total Program <u>Services</u>	<u>Administration</u>	Fund <u>Raising</u>	Total <u>Expenses</u>
Personnel costs	\$ 2,901,140	\$ 1,128,456	\$ 526,064	\$ 4,555,660	\$ 1,136,795	\$ 104,979	\$ 5,797,434
Office rent	157,411	38,174	25,320	220,905	42,221	2,732	265,858
Other office costs	173,008	49,576	29,440	252,024	52,168	16,705	320,897
Contracted services	94,042	27,802	19,940	141,784	188,536	5,749	336,069
Food & related costs	-	1,919,381	-	1,919,381	-	-	1,919,381
Equipment & maintenance	26,832	11,348	6,290	44,470	14,092	2,949	61,511
Other community services	6,228	765	68,419	75,412	24,624	-	100,036
Sub-recipient disbursements							
and contracted services	3,675,888	-	1,566,130	5,242,018	-	-	5,242,018
Depreciation	<u>40,560</u>	<u>118</u>	<u>2,309</u>	<u>42,987</u>	<u>5,754</u>	<u>-</u>	<u>48,741</u>
	<u>\$ 7,075,109</u>	<u>\$ 3,175,620</u>	<u>\$ 2,243,912</u>	<u>\$ 12,494,641</u>	<u>\$ 1,464,190</u>	<u>\$ 133,114</u>	<u>\$ 14,091,945</u>

See accompanying notes to combined financial statements.

CICOA AGING & IN-HOME SOLUTIONS, INC.  
 AND CICOA FOUNDATION, INC.  
 COMBINED STATEMENT OF FUNCTIONAL EXPENSES  
 Year ended June 30, 2007

	<u>In-Home Services</u>	<u>Nutrition</u>	<u>Employment</u>	<u>Other</u>	<u>Total Program Services</u>	<u>Administration</u>	<u>Fund Raising</u>	<u>Total Expenses</u>
Personnel costs	\$ 2,273,161	\$ 1,056,868	\$ 86,580	\$ 448,259	\$ 3,864,868	\$ 1,056,765	\$ 67,639	\$ 4,989,272
Office rent	180,204	40,797	625	25,860	247,486	35,916	2,636	286,038
Other office costs	138,781	40,874	1,572	20,171	201,398	68,164	7,390	276,952
Contracted services	62,842	29,379	1,011	47,535	140,767	59,542	2,606	202,915
Food & related costs	-	1,713,570	-	-	1,713,570	-	-	1,713,570
Equipment & maintenance	53,879	13,295	86	11,221	78,481	24,280	985	103,746
Other community services	24,667	6,252	-	35,613	66,532	10,000	-	76,532
Sub-recipient disbursements and contracted services	3,789,826	-	-	1,500,464	5,290,290	-	-	5,290,290
Depreciation	<u>19,879</u>	<u>132</u>	<u>-</u>	<u>3,871</u>	<u>23,882</u>	<u>6,705</u>	<u>-</u>	<u>30,587</u>
	<u>\$ 6,543,239</u>	<u>\$ 2,901,167</u>	<u>\$ 89,874</u>	<u>\$ 2,092,994</u>	<u>\$ 11,627,274</u>	<u>\$ 1,261,372</u>	<u>\$ 81,256</u>	<u>\$ 12,969,902</u>

See accompanying notes to combined financial statements.

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
COMBINED STATEMENTS OF CASH FLOWS  
Years ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ (1,082,277)	\$ 1,329,964
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	48,741	30,587
Loss on disposal of property and equipment	6,928	-
(Gain)/loss on beneficial interest	38,510	(99,931)
Changes in assets and liabilities:		
Accounts receivable	(4,337)	1,284
Grant reimbursements receivable	(548,549)	5,100
Prepaid expenses	(8,548)	12,411
Accounts payable	60,477	(259,604)
Accrued payroll and expenses	45,570	(23,557)
Accrued leave	20,862	(13,215)
Due to funding source	172,091	(211,612)
Deferred revenue	<u>809,648</u>	<u>-</u>
Net cash from (used in) operating activities	<u>(440,884)</u>	<u>771,427</u>
 <b>Cash flows from investing activities</b>		
Purchase of property and equipment	<u>(249,120)</u>	<u>(93,075)</u>
Net cash used in investing activities	<u>(249,120)</u>	<u>(93,075)</u>
 <b>Cash flows from financing activities</b>		
Borrowings on line of credit	-	200,000
Repayments on line of credit	<u>-</u>	<u>(200,000)</u>
Net cash from financing activities	<u>-</u>	<u>-</u>
 Net change in cash and cash equivalents	(690,004)	678,352
 Cash and cash equivalents at beginning of year	<u>1,608,677</u>	<u>930,325</u>
 Cash and cash equivalents at end of year	<u>\$ 918,673</u>	<u>\$ 1,608,677</u>
 Supplemental disclosures of cash flow information		
Cash paid during the year for interest	\$ -	\$ 703

See accompanying notes to combined financial statements.

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
June 30, 2008 and 2007

---

**NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

General: The combined financial statements include the accounts of CICOA Aging & In-Home Solutions, Inc. (CICOA) and CICOA Foundation, Inc. (Foundation). CICOA commenced operations in January 1974 and the Foundation commenced operations in January 1992. Both entities are not-for-profit organizations under the laws of the State of Indiana. The mission of CICOA and the Foundation is to help build communities that enable older persons and those of any age with a disability to live with the greatest possible independence, dignity and quality of life. As the central Indiana area agency on aging, CICOA provides services to eligible residents of Boone, Hamilton, Hancock, Hendricks, Johnson, Marion, Morgan and Shelby counties in the State of Indiana.

CICOA and the Foundation have been combined for financial statement presentation purposes. All inter-company accounts and transactions have been eliminated in the combination. The combined financial statements have been prepared on the accrual basis of accounting wherein revenues and expenses are recognized in the period earned and incurred, respectively.

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 the revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Income Taxes: CICOA and the Foundation are exempt from income taxes on income from related activities under Section 501(c)(3) of the U. S. Internal Revenue Code and corresponding state tax law. Accordingly, no provision has been made for federal or state income taxes. Additionally, neither organization has been determined to be a private foundation under Section 509(a) of the Internal Revenue Code.

Cash and Cash Equivalents: Cash and cash equivalents consist of bank deposits in accounts that are federally insured up to \$250,000 per financial institution. For purposes of the combined statements of cash flows, CICOA considers all highly liquid debt instruments, if any, purchased with an original maturity of three months or less to be cash equivalents.

Grants and Accounts Receivable: CICOA's grants and accounts receivable balances consist of amounts billed or billable for services provided or contracted, net of an allowance for doubtful accounts. CICOA does not accrue interest on any of its grants and accounts receivables.

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
June 30, 2008 and 2007

---

**NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Allowance for Uncollectible Accounts: The allowance for uncollectible accounts is determined by management based upon CICOA's historical losses, specific circumstances and general economic conditions. Periodically, management reviews accounts receivable and records an allowance based on current circumstances, and charges off the receivable against the allowance when all attempts to collect the receivable are deemed to have failed in accordance with the organization's collection policy. At June 30, 2008 and 2007, management estimated that no material allowance was needed.

Property and Equipment: Property and equipment with a cost of \$500 or greater are recorded at cost, except for donated items, which are recorded at fair market value at donation date. Depreciation is computed using the straight-line method over the assets' estimated useful lives, which range from three to ten years. Equipment acquired with government grants has been capitalized for financial statement purposes but was expensed by CICOA for grant reporting purposes. If program services are discontinued, disposition of fixed assets acquired with federal or state funding is subject to guidelines as set forth by the grantor.

Accounts Payable: In addition to trade accounts payable, CICOA's accounts payable balances include amounts due to various vendors for the provision of grant funded services to clients. The payables exist due to time lags between the dates of service and grantor payments to CICOA.

Funds Held for Others: The Foundation serves as the fiscal agent for Indy Creative Aging, Inc. in receipt of a grant from the Central Indiana Community Foundation, Inc. This grant will be managed solely in support of the activities of Indy Creative Aging, Inc. The Foundation also serves as the fiscal agent for the Senior Games. The Foundation has no financial obligation to Indy Creative Aging, Inc. or Senior Games beyond holding funds.

Deferred Revenue: Deferred revenue consists of funds received from Indiana Family and Social Services Administration (FSSA) in 2007 for reducing the size of CICOA's client waiting list that have not yet been spent on specific allowable expenses. If the funds are not spent on allowable costs by June 30, 2009, repayment to FSSA may be required.

Net Asset Classifications: The combined financial statements have been prepared in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. SFAS No. 117 requires, among other things, that the combined financial statements report the changes in and total of each of the net asset classes, based upon the donor restrictions, as applicable. Net assets are to be classified as unrestricted, temporarily restricted or permanently restricted. The following classes of net assets are maintained:

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
June 30, 2008 and 2007

---

**NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Unrestricted Net Assets - This net asset class includes general and board designated assets and liabilities of CICOA and the Foundation. The unrestricted net assets may be used at the discretion of management to support CICOA's and the Foundation's purposes and operations.

Temporarily Restricted Net Assets - This net asset class includes assets of CICOA and the Foundation related to gifts with explicit donor-imposed restrictions that have not been met as to specified purpose, or to later periods of time or after specified dates. The temporarily restricted net assets have been restricted by donors for waiting list management, quality assurance services and other program activities. Amounts are released from restriction when used for satisfaction of the donors' restrictions.

Permanently Restricted Net Assets - This net asset class includes assets of the Foundation for which the donors have stipulated that the contributions be maintained in perpetuity. Donor-imposed restrictions limiting the use of the assets or their economic benefit neither expire with the passage of time nor can be removed by satisfying a specific purpose.

Functional Expenses: The costs of providing various programs and other activities have been summarized on a functional basis in the combined statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Support and Revenue: CICOA reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, CICOA reports the support as unrestricted.

Government Grants: Support funded by grants is recognized as CICOA performs the contracted services under grant agreements. Grant revenue is recognized as earned as the eligible expenses are incurred. Grant expenditures are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

Contributions: Contributions received and unconditional promises to give are recorded as unrestricted, temporarily restricted, or permanently restricted revenue depending on the existence of donor restrictions and the nature of such restrictions, if they exist.

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
June 30, 2008 and 2007

---

**NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. There were no outstanding unconditional promises as of June 30, 2008 and 2007.

Donated Services and In-Kind Contributions: Contributions of services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Donated services of \$21,600 and \$31,429 are recorded as in-kind revenue for the years ended June 30, 2008 and 2007, respectively, consisting of free space for congregate meals and various types of professional services.

In addition, a substantial number of volunteers have donated significant amounts of their time in relation to the organizations' program services; however, no amounts have been reflected in the accompanying financial statements for the value of these donated services because they do not meet the recognition criteria.

Other revenue: Project income, service fees and other revenues are recognized as earned.

Clarification in terms of FSSA wait list funds: During 2007, CICOA received \$1,036,500 from FSSA for reducing the size of its client waiting list. In the absence of specific spending or timing requirements, CICOA recorded this amount as a temporarily restricted contribution in the 2007 statement of activities. During 2008, FSSA provided clarifying information which indicated that these funds are to be spent only on specific allowable expenses, and should be earned on a cost-reimbursement basis. Any funds not spent as of June 30, 2009, may require repayment to FSSA. Based on this clarification during 2008, CICOA has removed the unspent funds as of July 1, 2007 from temporarily restricted net assets, and is now reflecting the unspent portion as deferred revenue at June 30, 2008.

**NOTE 2 - GOVERNMENT GRANT ACTIVITIES**

CICOA receives a majority of its federal and state grant funding from a third party, FSSA, by submitting claims to the third party for approval and payment. CICOA depends significantly on this third party for funding to carry out its program activities.

The grant amounts are appropriated each year by federal and state agencies. If significant budget cuts are made at the federal and/or state level, the amount of funds that CICOA receives could be reduced significantly and have an adverse impact on its operations.

---

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
June 30, 2008 and 2007

---

**NOTE 2 - GOVERNMENT GRANT ACTIVITIES (Continued)**

CICOA uses certain funds received under federal and state grants to issue its own contracts to subrecipients and service providers. Although the expenditures made and units of service performed by these subrecipients and service providers are certified as bona fide, documentation of the purpose of such expenditures and units of service performed are subject to audit and review by funding sources. Some of the contracts include a local cost sharing provision similar to those which apply to contracts awarded to CICOA. CICOA could become liable for funds required to be returned to the federal agency issuing the contract if a subrecipient or service provider would be unable to adequately document expenditures, substantiate its local cost sharing requirement, document the units of services performed, or if they are unable to refund any unearned federal funds.

**NOTE 3 - BENEFICIAL INTEREST IN ASSETS HELD BY CENTRAL INDIANA COMMUNITY FOUNDATION, INC.**

The Foundation previously transferred \$446,000 to the Central Indiana Community Foundation, Inc. (CICF) for investment in CICF's pooled endowment. Variance power was transferred to CICF. The Foundation may withdraw up to 5% of the fund's investment earnings annually, as long as the withdrawal would not lower the fund's balance below the original corpus. This asset transfer is recorded in accordance with FASB Statement 136, and accordingly is recorded as a beneficial interest in assets held by CICF in the accompanying statements of financial position. Fair value is reported based upon CICF's valuation of CICOA's portion of the pooled fund. The fair value of this beneficial interest at June 30, 2008 and 2007, is \$595,762 and \$634,272, respectively. Gains (losses) of \$(38,510) and \$99,931 on this beneficial interest are included in the combined statements of activities at June 30, 2008 and 2007, respectively.

**NOTE 4 - PROPERTY AND EQUIPMENT**

CICOA's property and equipment at June 30, 2008 and 2007, are as follows:

	<u>2008</u>	<u>2007</u>
Furnishings and equipment	\$ 502,223	\$ 348,839
Computer equipment	417,930	420,886
Electronic equipment	<u>79,303</u>	<u>14,290</u>
	999,456	784,015
Accumulated depreciation	<u>(712,986)</u>	<u>(690,996)</u>
	<u>\$ 286,470</u>	<u>\$ 93,019</u>

---

CICOA AGING & IN-HOME SOLUTIONS, INC.  
 AND CICOA FOUNDATION, INC.  
 NOTES TO COMBINED FINANCIAL STATEMENTS  
 June 30, 2008 and 2007

---

**NOTE 5 - OPERATING LEASES**

CICOA leases office space and equipment under noncancelable operating lease arrangements. These leases expire at various dates through May 31, 2012. Rental expense for these leases included in the combined statements of activities was \$324,564 and \$345,200 for the years ended June 30, 2008 and 2007, respectively.

Minimum annual rental payments required under operating leases are as follows at June 30:

2009		\$ 231,480
2010		236,232
2011		228,324
2012		<u>194,799</u>
		<u>\$ 890,835</u>

**NOTE 6 - DUE TO FUNDING SOURCE**

The amount of unexpended contract funds and settlements related to grant reviews are payable to the funding source. As of June 30, 2008 and 2007 this amount was \$221,634 and \$49,543, respectively. These amounts are payable to the FSSA.

**NOTE 7 - OTHER PROGRAM EXPENSES**

Other program expenses relate to the following programs at June 30, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Social services	\$ 1,357,838	\$ 1,344,634
Elder solutions	350,837	276,769
Information and assistance	535,237	465,970
Housing	<u>-</u>	<u>5,621</u>
	<u>\$ 2,243,912</u>	<u>\$ 2,092,994</u>

---

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
June 30, 2008 and 2007

---

**NOTE 8 - LINE OF CREDIT**

At June 30, 2008 and June 30, 2007, CICOA had an available line of credit of \$2,000,000 with Regions Bank. Interest is payable monthly at the prime rate, which was 5.00% and 8.25%, at June 30, 2008 and June 30, 2007, respectively. This line is secured by the assets of CICOA and the Foundation. The line expires on September 20, 2009. The agreement also contains various loan covenants. At June 30, 2008, CICOA reported compliance with all covenants.

There were no outstanding borrowings on the line at June 30, 2008 and 2007.

**NOTE 9 - EMPLOYEE BENEFITS**

CICOA has a Section 403(b) employees' savings plan that is available to all employees. The employer matches contributions of eligible employees. Employees who have completed one year of employment at 1,000 or more hours, and who are regularly scheduled to work more than 19 hours per week are eligible for a matching contribution from CICOA. The maximum match expense is five percent for employees who have from one to eleven years of service, and employees with more than eleven years of service are eligible for an eight percent match of their compensation. All amounts are deposited in the employees' custodial accounts. The expense for the years ended June 30, 2008 and 2007 was \$147,386 and \$138,255, respectively.

CICOA also maintains a discretionary Section 457(b) deferred compensation plan for the benefit of the Chief Executive Officer (CEO). The maximum match expense is three percent of the CEO's compensation, provided the CEO contributes at least five percent into the 403(b) employees' savings plan and three percent into the 457(b) deferred compensation plan. All amounts are deposited in the CEO's custodial account. CICOA's discretionary contributions to this 457(b) plan totaled \$12,316 and \$4,814 for the years ended June 30, 2008 and 2007, respectively.

**SUPPLEMENTARY INFORMATION**

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
COMBINING SCHEDULE OF FINANCIAL POSITION  
June 30, 2008

	CICOA Aging & In- Home Solutions, <u>Inc.</u>	CICOA Foundation, <u>Inc.</u>	<u>Eliminations</u>	Combined <u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 43,012	\$ 875,661	\$ -	\$ 918,673
Cash held for others	-	6,485	-	6,485
Accounts receivable	4,937	-	-	4,937
Grant reimbursements receivable	1,710,092	-	-	1,710,092
Prepaid expenses	112,012	-	-	112,012
Beneficial interest in assets held by Central Indiana Community Foundation, Inc.	-	595,762	-	595,762
Property and equipment, net	<u>286,470</u>	<u>-</u>	<u>-</u>	<u>286,470</u>
	<u>\$ 2,156,523</u>	<u>\$ 1,477,908</u>	<u>\$ -</u>	<u>\$ 3,634,431</u>
<b>LIABILITIES AND NET ASSETS</b>				
Liabilities				
Accounts payable	\$ 522,776	\$ 4,749	\$ -	\$ 527,525
Accrued payroll and expenses	242,408	-	-	242,408
Accrued leave	232,288	-	-	232,288
Funds held for others	-	6,485	-	6,485
Due to funding source	221,634	-	-	221,634
Deferred revenue	<u>809,648</u>	<u>-</u>	<u>-</u>	<u>809,648</u>
Total liabilities	2,028,754	11,234	-	2,039,988
Net assets				
Unrestricted	127,769	1,185,763	-	1,313,532
Temporarily restricted	-	68,012	-	68,012
Permanently restricted	<u>-</u>	<u>212,899</u>	<u>-</u>	<u>212,899</u>
Total net assets	<u>127,769</u>	<u>1,466,674</u>	<u>-</u>	<u>1,594,443</u>
	<u>\$ 2,156,523</u>	<u>\$ 1,477,908</u>	<u>\$ -</u>	<u>\$ 3,634,431</u>

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
COMBINING SCHEDULE OF FINANCIAL POSITION  
June 30, 2007

	CICOA Aging & In- Home Solutions, <u>Inc.</u>	CICOA Foundation, <u>Inc.</u>	<u>Eliminations</u>	Combined <u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 506,770	\$ 1,101,907	\$ -	\$ 1,608,677
Cash held for others	-	43,869	-	43,869
Accounts receivable	600	-	-	600
Grant reimbursements receivable	1,161,543	-	-	1,161,543
Prepaid expenses	103,464	-	-	103,464
Beneficial interest in assets held by Central Indiana Community Foundation, Inc.	-	634,272	-	634,272
Property and equipment, net	<u>93,019</u>	<u>-</u>	<u>-</u>	<u>93,019</u>
	<u>\$ 1,865,396</u>	<u>\$ 1,780,048</u>	<u>\$ -</u>	<u>\$ 3,645,444</u>
<b>LIABILITIES AND NET ASSETS</b>				
Liabilities				
Accounts payable	\$ 461,375	\$ 5,673	\$ -	\$ 467,048
Accrued payroll and expenses	196,838	-	-	196,838
Accrued leave	211,426	-	-	211,426
Funds held for others	-	43,869	-	43,869
Due to funding source	<u>49,543</u>	<u>-</u>	<u>-</u>	<u>49,543</u>
Total liabilities	919,182	49,542	-	968,724
Net assets				
Unrestricted	(63,769)	1,312,592	-	1,248,823
Temporarily restricted	1,009,983	217,914	-	1,227,897
Permanently restricted	<u>-</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Total net assets	<u>946,214</u>	<u>1,730,506</u>	<u>-</u>	<u>2,676,720</u>
	<u>\$ 1,865,396</u>	<u>\$ 1,780,048</u>	<u>\$ -</u>	<u>\$ 3,645,444</u>

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
COMBINING SCHEDULE OF ACTIVITIES  
Year ended June 30, 2008

	CICOA Aging & In- Home Solutions, <u>Inc.</u>	CICOA Foundation, <u>Inc.</u>	<u>Eliminations</u>	Combined <u>Total</u>
<b>Revenue</b>				
Federal and state grants	\$ 11,602,585	\$ -	\$ -	\$ 11,602,585
Other government grants	4,000	-	-	4,000
Project income	265,641	-	-	265,641
Medicaid service fees	1,824,676	-	-	1,824,676
Contributions and grants	-	270,726	-	270,726
Interest income	-	29,377	(9,130)	20,247
Loss on beneficial interest	-	(38,510)	-	(38,510)
Other income	510,711	-	(462,025)	48,686
In-kind contributions	21,600	-	-	21,600
Clarification in terms of FSSA waitlist funds	<u>(1,009,983)</u>	<u>-</u>	<u>-</u>	<u>(1,009,983)</u>
Total revenue	<u>13,219,230</u>	<u>261,593</u>	<u>(471,155)</u>	<u>13,009,668</u>
<b>Expenses</b>				
<b>Program services</b>				
In-home services	7,075,109	-	-	7,075,109
Nutrition	3,175,588	138,718	(138,686)	3,175,620
Other	<u>2,224,592</u>	<u>181,195</u>	<u>(161,875)</u>	<u>2,243,912</u>
Total program services	12,475,289	319,913	(300,561)	12,494,641
Administration	1,453,071	20,000	(8,881)	1,464,190
Fund raising	<u>109,315</u>	<u>185,512</u>	<u>(161,713)</u>	<u>133,114</u>
Total expenses	<u>14,037,675</u>	<u>525,425</u>	<u>(471,155)</u>	<u>14,091,945</u>
Change in net assets	(818,445)	(263,832)	-	(1,082,277)
Net assets at beginning of year	<u>946,214</u>	<u>1,730,506</u>	<u>-</u>	<u>2,676,720</u>
<b>Net assets at end of year</b>	<u>\$ 127,769</u>	<u>\$ 1,466,674</u>	<u>\$ -</u>	<u>\$ 1,594,443</u>

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
COMBINING SCHEDULE OF ACTIVITIES  
Year ended June 30, 2007

	CICOA Aging & In- Home Solutions, <u>Inc.</u>	CICOA Foundation, <u>Inc.</u>	<u>Eliminations</u>	Combined <u>Total</u>
<b>Revenue</b>				
Federal and state grants	\$ 12,000,053	\$ -	\$ -	\$ 12,000,053
Other government grants	4,000	-	-	4,000
Project income	253,123	-	-	253,123
Medicaid service fees	1,446,173	-	-	1,446,173
Contributions and grants	-	356,566	-	356,566
Fund raising event	-	35,650	-	35,650
Interest income	-	50,127	(28,639)	21,488
Gain on beneficial interest	-	99,931	-	99,931
Other income	279,322	-	(228,097)	51,225
In-kind contributions	<u>31,657</u>	<u>-</u>	<u>-</u>	<u>31,657</u>
Total revenue	<u>14,014,328</u>	<u>542,274</u>	<u>(256,736)</u>	<u>14,299,866</u>
<b>Expenses</b>				
Program services				
In-home services	6,543,239	137,391	(137,391)	6,543,239
Nutrition	2,896,750	21,683	(17,266)	2,901,167
Employment	89,874	-	-	89,874
Other	<u>2,087,374</u>	<u>5,620</u>	<u>-</u>	<u>2,092,994</u>
Total program services	11,617,237	164,694	(154,657)	11,627,274
Administration	1,280,012	13,876	(32,516)	1,261,372
Fund raising	<u>72,798</u>	<u>78,021</u>	<u>(69,563)</u>	<u>81,256</u>
Total expenses	<u>12,970,047</u>	<u>256,591</u>	<u>(256,736)</u>	<u>12,969,902</u>
Change in net assets	1,044,281	285,683	-	1,329,964
Net assets at beginning of year	<u>(98,067)</u>	<u>1,444,823</u>	<u>-</u>	<u>1,346,756</u>
<b>Net assets at end of year</b>	<u>\$ 946,214</u>	<u>\$ 1,730,506</u>	<u>\$ -</u>	<u>\$ 2,676,720</u>

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended June 30, 2008

Federal Grantor/ Pass-through Grantor/ <u>Program or Cluster Title</u>	Federal CFDA <u>Number</u>	Grant or Pass-through <u>Number</u>	<u>Expenditures</u>	Amounts Awarded to <u>Subrecipients</u>
<u>U.S. Department of Health and Human Services:</u>				
Pass-through programs				
Indiana Family and Social Services				
Administration:				
Aging Cluster:				
Title III-A				
Administration	93.unk	49-08-02-1581-01	394,357	-
Title III-B Supportive				
Services	93.044	49-08-02-1581-01	1,099,075	727,133
Title III-C Nutrition				
Services	93.045	49-08-02-1581-01	1,769,396	-
Nutrition Services				
Incentive Program	93.053	49-08-02-1581-01	<u>185,287</u>	<u>-</u>
Total Aging Cluster			3,448,115	727,133
Social Services Block Grant	93.667	49-08-02-1581-01	1,509,469	-
Title III-D Preventive Health	93.043	49-08-02-1581-01	104,697	104,697
Title III-E Family Caregiver	93.052	49-08-02-1581-01	659,457	280,578
			-	-
Title VII Long-Term Care				
Ombudsman Services	93.042	49-08-02-1581-01	66,676	66,676
Medical Assistance Program	93.778	49-08-02-1581-01	401,231	-
Centers for Medicare and				
Medicaid Services (CMS)				
Research, Demonstrations				
and Evaluations	93.779	49-08-3N-1581-01	<u>10,947</u>	<u>-</u>
			<u>\$ 6,200,592</u>	<u>\$ 1,179,084</u>

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
June 30, 2008

---

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of CICOA Aging & In-Home Solutions, Inc., for the year ended June 30, 2008, and is presented in conformity with accounting principles generally accepted in the United States of America. CICOA Foundation did not expend any federal awards during the year ended June 30, 2008. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the combined financial statements.



Crowe Horwath LLP  
Member Horwath International

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

Board of Directors  
CICOA Aging & In-Home Solutions, Inc.  
and CICOA Foundation, Inc.  
Indianapolis, Indiana

We have audited the combined financial statements of CICOA Aging & In-Home Solutions, Inc. as of and for the year ended June 30, 2008, and have issued our report thereon dated February 19, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered CICOA Aging & In-Home Solutions, Inc. internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of CICOA Aging & In-Home Solutions, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of CICOA Aging & In-Home Solution's internal control over financial reporting.

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

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

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

#### Compliance and Other Matters

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

This report is intended solely for the information and use of the Board of Directors, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Crowe Horwath LLP

Crowe Horwath LLP

Indianapolis, Indiana  
February 19, 2009



Crowe Horwath LLP  
Member Horwath International

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND ON THE INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors  
CICOA Aging & In-Home Solutions, Inc.  
and CICOA Foundation, Inc.  
Indianapolis, Indiana

Compliance

We have audited the compliance of CICOA Aging & In-Home Solutions, Inc. with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2008. CICOA Aging & In-Home Solutions, Inc.'s major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of CICOA Aging & In-Home Solutions, Inc.'s management. Our responsibility is to express an opinion on CICOA Aging & In-Home Solutions, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about CICOA Aging & In-Home Solutions, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on CICOA Aging & In-Home Solutions, Inc.'s compliance with those requirements.

In our opinion, CICOA Aging & In-Home Solutions, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

## Internal Control Over Compliance

The management of CICOA Aging & In-Home Solutions, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered CICOA Aging & In-Home Solutions, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of CICOA Aging & In-Home Solutions, Inc.'s internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

This report is intended for the information and use of the Board of Directors, management and federal awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Crowe Horwath LLP*

Crowe Horwath LLP

Indianapolis, Indiana  
February 19, 2009

CICOA AGING & IN-HOME SOLUTIONS, INC.  
 AND CICOA FOUNDATION, INC.  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 Year ended June 30, 2008

---

**SECTION I - SUMMARY OF AUDITORS' RESULTS:**

***Financial Statements***

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ Yes \_\_\_\_\_ x No

Significant deficiencies identified not considered to be material weaknesses? \_\_\_\_\_ Yes \_\_\_\_\_ x None Reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes \_\_\_\_\_ x No

***Federal Awards***

Internal Control over major programs:

Material Weakness(es) identified? \_\_\_\_\_ Yes \_\_\_\_\_ x No

Significant deficiencies identified not considered to be material weaknesses? \_\_\_\_\_ Yes \_\_\_\_\_ x None Reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133? \_\_\_\_\_ Yes \_\_\_\_\_ x No

Identification of major programs:

CFDA Number(s)	<u>Name of Federal Program or Cluster</u>
93.667	Dept. of Health and Human Services: Pass through Indiana Family and Social Services Administration: Social Services Block Grant
93.778	Dept. of Health and Human Services: Pass through Indiana Family and Social Services Administration: Medical Assistance Program

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ x Yes \_\_\_\_\_ No

---

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS  
June 30, 2008

---

No findings or questioned costs for federal awards including audit findings as defined in OMB circular A-133 section 510(a) were reported in the prior period.