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January 26, 2010

Board of Directors
Hancock County Senior Services, Inc.
312 E. Main St., Ste. A
Greenfield, IN 46140

We have reviewed the audit report prepared by Dunbar, Cook & Shepard, PC, Independent Public Accountants, for the period January 1, 2008 to December 31, 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 Hancock County Senior Services, Inc., as of December 31, 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



AUDITED FINANCIAL STATEMENTS
December 31, 2008 and 2007

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Hancock County Senior Services, Inc.
Greenfield, Indiana

We have audited the accompanying statements of financial position of Hancock County Senior Services, Inc. (a nonprofit organization), as of December 31, 2008 and 2007, and the related statements of activities, functional expenses, and cash flows for the years 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 audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 audits provide 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 Hancock County Senior Services, Inc., as of December 31, 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.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on pages 11 and 12 is presented for the purpose of additional analysis and is not a required part of the basic 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 financial statements taken as a whole.

April 9, 2009

Dunbar, Cook & Shepard, P.C.

HANCOCK COUNTY SENIOR SERVICES, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2008 and 2007

<u>ASSETS</u>	<u>2008</u>	<u>2007</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 118,112	\$ 159,223
Accounts receivable	-	256
Grants receivable	28,920	42,199
Prepaid expenses	29,010	3,094
Deposits	<u>1,300</u>	<u>1,300</u>
TOTAL CURRENT ASSETS	177,342	206,072
PROPERTY AND EQUIPMENT		
Furniture and fixtures	8,452	8,452
Equipment	73,390	64,790
Automobiles	251,088	186,928
Leasehold improvements	<u>1,798</u>	<u>1,798</u>
	334,728	261,968
Less accumulated depreciation	<u>(174,425)</u>	<u>(138,937)</u>
TOTAL PROPERTY AND EQUIPMENT	160,303	123,031
OTHER ASSETS		
Investment in CD	30,000	-
Beneficial interest in Hancock County Community Foundation	<u>22,295</u>	<u>29,399</u>
TOTAL ASSETS	<u>\$ 389,940</u>	<u>\$ 358,502</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 927	\$ 1,996
Accrued payroll and payroll taxes	<u>39,860</u>	<u>32,820</u>
TOTAL LIABILITIES	40,787	34,816
NET ASSETS		
Unrestricted	<u>349,153</u>	<u>323,686</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 389,940</u>	<u>\$ 358,502</u>

HANCOCK COUNTY SENIOR SERVICES, INC.
STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
UNRESTRICTED REVENUE AND SUPPORT		
United Way funding	\$ 119,834	\$ 122,168
CICOA funding		
Federal funding	53,343	87,214
State funding	12,500	1,166
Medicaid	31,466	22,548
Indiana Department of Transportation - Sec. 5310	64,160	31,623
Indiana Department of Transportation - Sec. 5311	164,232	114,055
Local Government grants	71,800	69,300
Foundation grants	14,764	69,500
Program donations	73,359	66,505
Contributions	6,495	8,271
Fundraising income	11,331	14,171
Investment income (loss)	(5,271)	5,680
State fuel tax refund	<u>1,323</u>	<u>1,647</u>
TOTAL UNRESTRICTED REVENUE AND SUPPORT	619,336	613,848
 EXPENSES		
Program services	522,822	432,275
Management and general	58,409	88,108
Fundraising	<u>12,638</u>	<u>15,846</u>
TOTAL EXPENSES	<u>593,869</u>	<u>536,229</u>
INCREASE IN NET ASSETS	25,467	77,619
 NET ASSETS, Beginning of Year	 <u>323,686</u>	 <u>246,067</u>
NET ASSETS - END OF YEAR	<u>\$ 349,153</u>	<u>\$ 323,686</u>

HANCOCK COUNTY SENIOR SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2008

	Program Services										Fund Raising	Total
	Trans- portation	Outreach/ I & R	Homemaker	Volunteer Services	Handyman	Telephone Reassurance	Respite/ Assisted Care	Total Program Services	Management and General			
Salaries and wages	\$ 190,910	\$ 35,368	\$ 41,272	\$ 2,789	\$ 5,668	\$ -	\$ 31,510	\$ 307,517	\$ 40,042	\$ 5,834	\$ 353,393	
Payroll taxes	14,984	2,776	3,239	219	445	-	2,473	24,136	3,142	458	27,736	
Employee benefits	16,913	1,483	1,731	117	238	-	1,321	21,803	1,678	245	23,726	
Insurance	15,750	1,616	1,887	127	259	75	1,440	21,154	1,832	267	23,253	
Contract services	7,327	1,421	1,658	112	228	66	1,266	12,078	1,608	234	13,920	
Telephone	5,382	386	450	30	62	18	344	6,672	436	64	7,172	
Rent	10,571	2,240	2,614	177	359	104	1,996	18,061	2,536	370	20,967	
Materials and supplies	6,608	834	1,021	97	244	78	767	9,649	943	138	10,730	
Equipment	691	123	144	10	20	-	110	1,098	138	20	1,256	
Postage	904	203	236	16	32	9	181	1,581	230	33	1,844	
Repairs and maintenance	12,843	176	205	14	249	-	157	13,644	199	29	13,872	
Gasoline	22,792	-	-	-	339	-	-	23,131	-	-	23,131	
Staff travel	899	237	13,320	34	1,952	-	5,734	22,176	239	45	22,460	
Conferences, dues and subscriptions	2,334	47	55	4	8	-	42	2,490	52	8	2,550	
Printing	540	69	80	5	11	3	61	769	79	11	859	
Fundraising	-	-	-	-	-	-	-	-	-	4,116	4,116	
Miscellaneous	3,488	695	812	55	111	-	620	5,781	787	115	6,683	
Advertising	327	84	98	7	13	-	75	604	95	14	713	
Depreciation	17,744	3,862	4,507	305	619	-	3,441	30,478	4,373	637	35,488	
TOTAL EXPENSES	\$ 331,007	\$ 51,620	\$ 73,329	\$ 4,118	\$ 10,857	\$ 353	\$ 51,538	\$ 522,822	\$ 58,409	\$ 12,638	\$ 593,869	

See accompanying notes and auditors' report.

HANCOCK COUNTY SENIOR SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2000

	Program Services										Total	Management and General	Fund Raising	Total
	Trans- portation	Outreach/ I & R	Homemaker	Volunteer Services	Handyman	Telephone Reassurance	Respite/ Assisted Care	Program Services	Management and General	Fund Raising				
Salaries and wages	\$ 160,112	\$ 33,250	\$ 40,055	\$ 2,804	\$ 6,417	\$ -	\$ 33,886	\$ 276,524	\$ 39,948	\$ 8,357	\$ 324,829			
Payroll taxes	12,951	2,690	3,240	227	519	-	2,741	22,368	3,231	676	26,275			
Group insurance	10,347	4,321	-	-	-	-	-	14,668	3,178	939	18,785			
Insurance	7,112	3,017	3,879	647	862	216	2,586	18,319	2,802	431	21,552			
Contract services	1,938	798	1,596	570	1,482	228	1,596	8,208	3,076	114	11,398			
Telephone and internet	1,086	447	894	319	830	128	894	4,598	1,725	64	6,387			
Rent	3,564	1,468	2,935	1,048	2,726	419	2,935	15,095	5,662	210	20,967			
Materials and supplies	1,045	430	861	307	799	123	861	4,426	1,662	61	6,149			
Equipment	-	-	-	-	349	-	-	349	615	-	964			
Postage	396	163	326	117	303	47	326	1,678	629	23	2,330			
Repairs and maintenance	6,534	-	-	-	296	-	-	6,830	3,398	-	10,228			
Gasoline	17,861	-	-	-	157	-	-	18,018	-	-	18,018			
Staff travel	113	328	11,621	77	1,538	-	5,763	19,440	590	23	20,053			
Conferences, dues and subscriptions	329	329	329	329	-	-	-	1,316	740	-	2,056			
Printing	162	325	204	204	204	204	204	1,507	383	138	2,028			
Fundraising	-	-	-	-	-	-	-	-	-	4,810	4,810			
Miscellaneous	-	-	-	-	-	-	-	-	5,077	-	5,077			
Depreciation	18,931	-	-	-	-	-	-	18,931	15,392	-	34,323			
TOTAL EXPENSES	\$ 242,481	\$ 47,566	\$ 65,940	\$ 6,649	\$ 16,482	\$ 1,365	\$ 51,792	\$ 432,275	\$ 88,108	\$ 15,846	\$ 536,229			

See accompanying notes and auditors' report.

HANCOCK COUNTY SENIOR SERVICES, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from grants and contributors	\$ 638,142	\$ 554,622
Investment income (loss)	(5,271)	5,680
Cash paid to suppliers	(231,973)	(187,253)
Cash paid to employees	<u>(346,353)</u>	<u>(322,653)</u>
NET CASH FROM OPERATING ACTIVITIES	54,545	50,396
 CASH FLOWS FROM INVESTING ACTIVITIES		
Cash paid for property and equipment	(72,760)	(31,646)
Cash paid for investments	<u>(22,896)</u>	<u>(1,974)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(95,656)</u>	<u>(33,620)</u>
NET INCREASE (DECREASE) IN CASH	(41,111)	16,776
 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>159,223</u>	<u>142,447</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 118,112</u>	<u>\$ 159,223</u>
 SUPPLEMENTARY DISCLOSURE		
Schedule of non-cash investing and operating activity		
Property and equipment provided at less than fair market value	<u>\$ -</u>	<u>\$ 25,299</u>
 RECONCILIATION OF INCREASE IN NET ASSETS TO NET CASH FROM OPERATING ACTIVITIES		
INCREASE IN NET ASSETS	\$ 25,467	\$ 77,619
Adjustments to reconcile increase in net assets to net cash from operating activities:		
Depreciation	35,488	34,323
Non-cash activity	-	(25,299)
(Increase) decrease in accounts and grants receivable	13,535	(28,247)
(Increase) decrease in prepaid expenses and deposits	(25,916)	(838)
Increase (decrease) in accounts payable	(1,069)	(8,787)
Increase (decrease) in accrued expenses	<u>7,040</u>	<u>1,625</u>
TOTAL ADJUSTMENTS	<u>29,078</u>	<u>(27,223)</u>
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 54,545</u>	<u>\$ 50,396</u>

HANCOCK COUNTY SENIOR SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES - Hancock County Senior Services, Inc. (the Organization) located in Greenfield, Indiana, is a community based not-for-profit organization which is committed to providing comprehensive support services to Hancock County residents who are 60 years and older or under 60 and disabled in order for them to remain independent and prevent premature institutionalization. The Organization receives support from CICOA, Aging & In-home Services; Indiana Department of Transportation; United Way of Central Indiana; the towns, county and townships of Hancock County – Indiana; private contributions; client fees and donations. Following is a brief description of the program services provided by the Organization:

Transportation - The Organization provides non-emergency transportation for persons needing to access services. Special arrangements can also be made for seniors who need to leave the county for doctors' appointments. Transportation is provided for residents under 60 years of age for a nominal fee.

Outreach/Information and Referral- Staff provide assistance in accessing appropriate special service programs, running errands, and helping seniors file medical insurance claims. Trained personnel make appropriate referrals to community programs.

Homemaker - Homemaker services assist seniors by performing light housekeeping, laundry, and cooking. A nominal fee is charged for this service.

Volunteer Services - Community volunteers provide companionship and assistance with daily household personal management for the frail, homebound, or disabled residents.

Handyman - Handyman services include lawn mowing, yard maintenance, wheelchair ramp construction, minor house repairs and small painting jobs.

Telephone Reassurance - Telephone Reassurance provides companionship telephone calls to isolated and frail individuals. Calls are especially important during weather extremes.

Respite/Assisted Care - Assistants provide in-home supervision to frail or disabled seniors to relieve the regular caregiver or to help seniors who need assistance with daily activities. A nominal fee is charged for this service.

BASIS OF ACCOUNTING - The Organization records income and expenses using the accrual method of accounting, recognizing income when earned and expenses when incurred.

CASH AND CASH EQUIVALENTS - For the purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

CREDIT RISK CONCENTRATION - The Organization maintains cash balances at two financial institutions. These total balances at December 31, 2008 and 2007 exceeded the federally insured limits by \$-0- and \$67,024, respectively.

HANCOCK COUNTY SENIOR SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS CONTINUED
December 31, 2008 and 2007

NOTE A - CONTINUED

GRANTS RECEIVABLE - The Organization recognizes reimbursement grants for services in the period the services are provided. All receivables are considered collectible because they represent actual amounts received after December 31, 2008 and 2007 and, therefore, no allowance for uncollectible accounts has been established.

PROPERTY AND EQUIPMENT - Property and equipment are stated at cost or, if donated, at the approximate fair market value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. The Organization's policy is to capitalize items of \$500 and greater. Depreciation expense was \$35,488 and \$34,323 for 2008 and 2007, respectively. Depreciation expense is computed using the straight-line method over the estimated useful lives of the related assets, as follows:

Furniture and fixtures	5 years
Equipment	5 years
Automobiles	5 years
Leasehold improvements	15 years

The Organization had five vans at December 31, 2008 and three vans at December 31, 2007, received through the INDOT Section 5311 program. INDOT maintains a lien on grant vehicles until they reach 100,000 miles.

DISPLAY OF NET ASSETS BY CLASS - The net assets of the Organization will be reported in each of the following three classes: (1) unrestricted net assets, (2) temporarily restricted net assets, and (3) permanently restricted net assets.

RESTRICTED NET ASSETS - Net assets of the temporarily or permanently restricted classes are created only by donor-imposed restrictions on their use. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Donor restrictions met in the same year are classified as unrestricted net assets. At December 31, 2008 and 2007, the Organization had no temporarily restricted or permanently restricted net asset categories. All net assets, including board-designated or appropriated amounts, are legally unrestricted, and are reported as part of the unrestricted class. Unrestricted net assets are net assets that are not subject to donor restrictions.

EXPENSE CLASSIFICATIONS AND ALLOCATION - The primary functions of the Organization are as follows: transportation, outreach/I & R, homemaker, volunteer services, handyman, telephone reassurance, respite/assisted care, management and general, and fundraising. The expenses directly related to these programs are presented in corresponding classifications, combined with allocation of certain common costs of the Organization, such as administrative services, which are allocated based on time incurred.

INCOME TAXES - The Organization is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision is made for federal income taxes on the Organization's exempt activities.

HANCOCK COUNTY SENIOR SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS CONTINUED
December 31, 2008 and 2007

NOTE A - CONTINUED

USE OF ESTIMATES - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

RECENT ACCOUNTING PRONOUNCEMENTS - In September 2006, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 157, *Fair Value Measurements*. The Statement became effective January 1, 2008. This Statement defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurement. This Statement clarifies that the term fair value is intended to mean a market-based measure, not an entity-specific measure. In measuring fair value for a financial statement item, the Statement sets forth a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair market value in three broad levels. The highest priority is given to quoted prices in active markets and the lowest priority to unobservable inputs. There is no material impact on the Organization's financial position resulting from the adoption of this Statement.

NOTE B - OPERATING LEASE COMMITMENT

The Organization entered into an agreement with the Hancock County Community Foundation to lease office space under an operating lease agreement for a three-year period beginning July 1, 2006. Lease expense was \$20,967 for the years ended December 31, 2008 and 2007. Future minimum lease payments are as follows:

2009	\$ 10,483
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NOTE C - BENEFICIAL INTEREST IN THE HANCOCK COUNTY COMMUNITY FOUNDATION

During 1996, the Foundation entered into a fund agreement with the Hancock County Community Foundation establishing a fund that receives contributions from Hancock County Senior Services, Inc., and others. Amounts transferred from Hancock County Senior Services, Inc., are reflected as an asset titled, "Beneficial Interest in Hancock County Community Foundation." The beneficial interest will be increased by contributions and investment income, and will be decreased by distributions and expenses.

The fund amounts received from other sources directly by the Hancock County Community Foundation are not considered the assets of Hancock County Senior Services, Inc., because the Hancock County Community Foundation has variance power over those amounts (the right to redirect). Income related to these other amounts will be recorded by Hancock County Senior Services, Inc., when distributed by Hancock County Community Foundation.

HANCOCK COUNTY SENIOR SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS CONTINUED
December 31, 2008 and 2007

NOTE C – CONTINUED

The Hancock County Community Foundation determines each year the amount to be distributed from fund earnings; the distribution is available for general purposes. The beneficial interest increased (decreased) by (\$7,367) and \$2,496 at December 31, 2008 and 2007, respectively, from income (loss) attributable to the beneficial interest and distributions from endowment amounts received from other sources. Hancock County Senior Services, Inc., paid expenses relating to the beneficial interest of \$381 and \$1,087 in 2008 and 2007, respectively. Hancock County Senior Services, Inc., contributed \$644 and \$565 to the endowment fund during the years ended December 31, 2008 and 2007, respectively.

If Hancock County Senior Services, Inc., ceases to exist, the Hancock County Community Foundation holds the right to use the funds to support other organizations as outlined in its governing instrument for charitable or other exempt purposes that most nearly approximate the original purpose of the fund.

The following is a summary of the Hancock County Community Foundation endowment fund:

	<u>2008</u>	<u>2007</u>
Beneficial Interest in the Hancock County Community Foundation		
Balance at January 1	\$ 29,399	\$ 27,425
Contributions	644	565
Pro-rata portion of investment income (loss)	(6,805)	2,496
Distribution	(562)	-
Expenses paid	<u>(381)</u>	<u>(1,087)</u>
	22,295	29,399
Assets of the Hancock County Community Foundation		
Balance at January 1	8,428	8,169
Contributions	-	333
Pro-rata portion of investment income (loss)	(1,941)	725
Distributions	-	(565)
Expenses paid	<u>(106)</u>	<u>(234)</u>
	<u>6,381</u>	<u>8,428</u>
Balance at December 31	<u>\$ 28,676</u>	<u>\$ 37,827</u>

NOTE D - INVESTMENTS

The Organization has acquired a certificate of deposit with a maturity date of August 29, 2009 and an interest rate of 3.95 percent at December 31, 2008. This investment is carried at market.

Interest earned but not received on the certificate of deposit was \$305 at December 31, 2008.

HANCOCK COUNTY SENIOR SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS CONTINUED
December 31, 2008 and 2007

NOTE E - FAIR VALUE MEASUREMENTS

<u>Other Assets</u>	<u>Quoted Prices in Active Markets for Identical Assets (level 1)</u>	<u>Total</u>
Investment in CD	\$ 30,000	\$ 30,000
Beneficial interest in Hancock County Community Foundation	<u>22,295</u>	<u>22,295</u>
	<u>\$ 52,295</u>	<u>\$ 52,295</u>

Fair values for investments are determined by reference to quoted prices and other relevant information generated by market transactions.

NOTE F - RECLASSIFICATION

During the audit of the 2008 financial statements, it was discovered that accrued vacation at December 31, 2007 was overstated by \$22,655. The following amounts were restated in 2007: accrued liabilities were decreased \$22,655 and salaries expense was decreased \$22,655.

SUPPLEMENTARY INFORMATION

HANCOCK COUNTY SENIOR SERVICES, INC.
SCHEDULE OF FUNCTIONAL UNRESTRICTED REVENUE AND SUPPORT
For the Year Ended December 31, 2008

	<u>Transportation</u>	<u>Outreach/ I & R</u>	<u>Homemaker</u>	<u>Volunteer Services</u>	<u>Handyman</u>	<u>Telephone Reassurance</u>	<u>Respite/ Assisted Care</u>	<u>Total</u>
United Way of Central Indiana, Inc.								
Contract allocation	\$ 4,000	\$ 20,000	\$ 50,000	\$ 4,164	\$ 5,002	\$ 379	\$ 20,000	\$ 103,545
Donor-designated	-	10,000	-	-	-	-	6,289	16,289
Central Indiana Council on Aging	37,118	9,924	7,927	-	-	-	10,874	65,843
Local governmental assistance	20,000	10,000	-	10,000	10,000	1,800	20,000	71,800
Indiana Department of Transportation - Section 5310	64,160	-	-	-	-	-	-	64,160
Indiana Department of Transportation - Section 5311	164,232	-	-	-	-	-	-	164,232
Medicaid and Medicaid waiver	28,174	-	3,292	-	-	-	-	31,466
Foundations	2,764	4,000	1,000	500	500	-	6,000	14,764
Contributions	-	6,495	-	-	-	-	-	6,495
Program donations	29,052	419	26,382	164	2,225	-	15,117	73,359
State fuel tax refund	1,323	-	-	-	-	-	-	1,323
Fundraising	2,000	2,000	2,000	1,000	2,000	331	2,000	11,331
Investment income	<u>(2,000)</u>	<u>(500)</u>	<u>(1,000)</u>	<u>(271)</u>	<u>(1,000)</u>	<u>-</u>	<u>(500)</u>	<u>(5,271)</u>
TOTAL UNRESTRICTED REVENUE AND SUPPORT	350,823	62,338	89,601	15,557	18,727	2,510	79,780	619,336
Total expenses by program	<u>(331,007)</u>	<u>(51,620)</u>	<u>(73,329)</u>	<u>(4,118)</u>	<u>(10,857)</u>	<u>(353)</u>	<u>(51,538)</u>	<u>(522,822)</u>
PROGRAM INCOME	\$ 19,816	\$ 10,718	\$ 16,272	\$ 11,439	\$ 7,870	\$ 2,157	\$ 28,242	\$ 96,514

See auditors' report.

HANCOCK COUNTY SENIOR SERVICES, INC.
SCHEDULE OF FUNCTIONAL UNRESTRICTED REVENUE AND SUPPORT
For the Year Ended December 31, 2007

	<u>Transportation</u>	<u>Outreach/ I & R</u>	<u>Homemaker</u>	<u>Volunteer Services</u>	<u>Handyman</u>	<u>Telephone Reassurance</u>	<u>Respite/ Assisted Care</u>	<u>Total</u>
United Way of Central Indiana, Inc.								
Contract allocation	\$ 47,368	\$ 10,056	\$ 14,466	\$ 1,323	\$ 3,705	\$ 265	\$ 11,026	\$ 88,209
Donor-designated	-	1,591	2,289	209	8,082	42	1,746	13,959
Targeted initiative	20,000	-	-	-	-	-	-	20,000
Central Indiana Council on Aging	49,585	10,033	8,697	-	-	-	20,065	88,380
Local governmental assistance	24,214	19,900	11,365	1,040	2,911	1,271	8,599	69,300
Indiana Department of Transportation - Section 5310	31,623	-	-	-	-	-	-	31,623
Indiana Department of Transportation - Section 5311	114,055	-	-	-	-	-	-	114,055
Medicaid and Medicaid waiver	22,548	-	-	-	-	-	-	22,548
Foundations	50,000	1,000	3,500	-	3,000	-	12,000	69,500
Contributions	-	5,385	1,356	124	347	25	1,034	8,271
Program donations	25,644	355	25,342	140	2,300	-	12,724	66,505
State fuel tax refund	1,647	-	-	-	-	-	-	1,647
Fundraising	-	4,725	4,824	1,213	595	1,043	1,771	14,171
Investment income	-	1,763	-	3,917	-	-	-	5,680
TOTAL UNRESTRICTED REVENUE AND SUPPORT	386,684	54,808	71,839	7,966	20,940	2,646	68,965	613,848
Total expenses by program	(242,481)	(47,566)	(65,940)	(6,649)	(16,482)	(1,365)	(51,792)	(432,275)
PROGRAM INCOME	\$ 144,203	\$ 7,242	\$ 5,899	\$ 1,317	\$ 4,458	\$ 1,281	\$ 17,173	\$ 181,573

See auditors' report.

April 9, 2009

To the Board of Directors
Hancock County Senior Services, Inc.

We have audited the financial statements of Hancock County Senior Services, Inc., for the year ended December 31, 2008, and have issued our report thereon dated April 9, 2009. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated December 24, 2008, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute, assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

As part of our audit, we considered the internal control of Hancock County Senior Services, Inc. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Hancock County Senior Services, Inc. are described in Note A to the financial statements. As described in Note A, the Organization changed the accounting policy related to Fair Value Measurements by adopting Statement of Financial Accounting Standard No. 157, *Fair Value Measurements*. We noted no transactions entered into by the Organization during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Management's estimate of the collectibility of accounts receivable is based on historical collection rates and an analysis of the collectibility of balances due. We evaluated the key factors and assumptions used in determining that it is reasonable in relation to the financial statements taken as a whole.

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the Organization's financial reporting process (that is, cause future financial statements to be materially misstated). The following audit adjustments, in our judgment, indicate matters that could have a significant effect on the Organization's financial reporting process.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

This information is intended solely for the use of the Audit Committee, the Board of Directors, and management of Hancock County Senior Services, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Dunbar, Cook & Shepard, P.C.

April 30, 2009

Dunbar, Cook & Shepard, P.C.
8250 Woodfield Crossing Blvd. Suite 300
Indianapolis, IN 46250

RE: Audit Management Response Letter

The Executive Committee has reviewed the 2008 audit information and letters. It is noted that the Organization had no transactions during the year that were significant and unusual or for which there was a lack of authoritative guidance or consensus. DCS experienced no disagreements with management during the course of the audit and encountered no difficulties in dealing with management in performing the audit. Management had no "second opinion" consultations with other accountants.

We understand that there were operational matters that involve reportable conditions. Concerning the prior year, DCS corrected the accounting method used for the receipt of INDOT vehicles, which had been recorded in a manner previously recommended by our auditor. Concerning the current year, changes have been made to improve the internal controls. All recording changes have been established for 2009 and forward.

It is believed that these changes have made the Organization compliant with the new account standards for this not-for-profit 501(c)(3) agency. The committee and staff are confident that though the new audit standards have been challenging for smaller organizations as HCSSI, overall this has been accomplished to make future audits less cumbersome. The Organization will continue to strive to meet the challenge of rapid growth, while utilizing resources efficiently and effectively to accomplish its mission to the county residents, who depend on the agency's vital services.

Sincerely,

Michael Clancy
Board Chair

Kelly Kane
Board Vice Chair

Mark Drewes
Treasurer

Donna Kraus
Secretary