



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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February 6, 2015

Board of Directors  
Noble County Council on Aging, Inc.  
111 Cedar Street  
Kendallville, IN 46755

We have reviewed the audit report prepared by Dulin, Ward & DeWald, Inc., for the period January 1, 2012 to December 31, 2012. 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 Noble County Council on Aging, Inc., as of December 31, 2012, 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.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

**Noble County Council on Aging, Inc.**

**FINANCIAL STATEMENTS**

**Year Ended December 31, 2012**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Noble County Council on Aging, Inc.  
Kendallville, Indiana

We have audited the accompanying financial statements of Noble County Council on Aging, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2012, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Noble County Council on Aging, Inc. as of December 31, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Other Matters**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of governmental funds received on page 10 is presented for purposes of additional analysis as required by the Indiana State Board of Accounts and is not a required part of the basic financial statements of Noble County Council on Aging, Inc. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Aulin, Ward + DeWald, Inc.*

Fort Wayne, Indiana  
July 31, 2013

NOBLE COUNTY COUNCIL ON AGING, INC.  
STATEMENT OF FINANCIAL POSITION  
December 31, 2012

ASSETS

Cash and cash equivalents	\$ 164,846
Grants receivable	52,078
Accounts receivable	6,448
Prepaid expenses	620
Fixed assets - net	<u>219,713</u>
<b>Total Assets</b>	<u><u>\$ 443,705</u></u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 386
Accrued expenses and withholdings	<u>24,144</u>
<b>Total Liabilities</b>	24,530
Net Assets - unrestricted	<u>419,175</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 443,705</u></u>

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

NOBLE COUNTY COUNCIL ON AGING, INC.  
 STATEMENT OF ACTIVITIES  
 Year Ended December 31, 2012

**CHANGES IN UNRESTRICTED NET ASSETS**

**Support and Revenues:**

United Way	\$ 2,928
Contributions	36,228
Grants - government	382,531
Medicaid	197,180
Transportation fees	52,759
Advertising income	3,745
Miscellaneous	31,959
Interest	<u>545</u>

**Total Support and Revenues** 707,875

**Expenses:**

Transportation	653,478
Homemaker	47,802
Management and general	65,381
Fundraising	<u>4,329</u>

**Total Expenses** 770,990

**CHANGE IN UNRESTRICTED NET ASSETS** (63,115)

**NET ASSETS - January 1, 2012 - as previously stated** 272,239

**ADJUSTMENT FOR UNDERSTATEMENT OF  
FIXED ASSETS** 210,051

**NET ASSETS - January 1, 2012 - as restated** 482,290

**NET ASSETS - December 31, 2012** \$ 419,175

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

NOBLE COUNTY COUNCIL ON AGING, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
Year Ended December 31, 2012

	Transportation	Homemaker	Management and General	Fund- raising
Salaries	\$ 349,502	\$ 35,728	\$ 33,357	\$ 3,935
Payroll taxes	28,853	2,950	2,754	324
Employment benefits	5,996	613	917	70
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Salaries and Related Expenses</b>	384,351	39,291	37,028	4,329
Gasoline expense	86,817	-	-	-
Van operating expenses	27,822	-	-	-
Insurance	24,579	-	543	-
Other services	11,322	596	5,677	-
Materials and supplies	12,676	212	849	-
Fuel tax	9,998	-	-	-
Professional services	371	-	7,389	-
Occupancy	5,695	-	633	-
Travel expenses	59	5,866	4	-
Custodial services	3,931	-	437	-
Miscellaneous	1,019	170	2,663	-
Telephone	3,318	223	186	-
Advertising fees	-	-	2,249	-
Bad debt expense	-	-	1,227	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Expenses Before Depreciation</b>	571,958	46,358	58,885	4,329
Depreciation	81,520	1,444	6,496	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Expenses</b>	<u>\$ 653,478</u>	<u>\$ 47,802</u>	<u>\$ 65,381</u>	<u>\$ 4,329</u>

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

Total  
Expenses

\$ 422,522  
34,881  
7,596

464,999

86,817  
27,822  
25,122  
17,595  
13,737  
9,998  
7,760  
6,328  
5,929  
4,368  
3,852  
3,727  
2,249  
1,227

681,530

89,460

\$ 770,990

NOBLE COUNTY COUNCIL ON AGING, INC.  
STATEMENT OF CASH FLOWS  
Year Ended December 31, 2012

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ (63,115)
Adjustments to reconcile change in net assets to cash flows from operating activities:	
Depreciation	89,460
Provision for bad debts	1,227
Change in assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	423
Grants receivable	50,650
Prepaid expenses	(29)
Increase (decrease) in:	
Accounts payable	(507)
Accrued expenses and withholdings	<u>(3,222)</u>
 <b>Cash Flows From Operating Activities</b>	 <u>74,887</u>
 <b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	  74,887
 <b>CASH AND CASH EQUIVALENTS - January 1, 2012</b>	  <u>89,959</u>
 <b>CASH AND CASH EQUIVALENTS - December 31, 2012</b>	  <u><u>\$ 164,846</u></u>

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

**NOBLE COUNTY COUNCIL ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2012

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Noble County Council on Aging, Inc. (Council) is a voluntary health and welfare organization established to serve adults age 60 and over to foster independence and improve quality of life. Through transportation and homemaker programs, the Council attempts to meet the needs of seniors who want to remain active in their communities.

The Council is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, and qualifies for the 50% charitable contributions deduction limitation. The Council has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code. The Council's income tax filings are subject to audit by various taxing authorities. The Council's is no longer subject to income tax examinations by taxing authorities for tax years ending on or before December 31, 2008. The Council's management has determined that there are no events that would more likely than not cause the above tax position to change within the next twelve months.

**Estimates**

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Council considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

**Allowance for Uncollectible Accounts**

If necessary, the Council provides an allowance for uncollectible accounts, which is based on historical collection experience and management's estimate of the losses that will be incurred in the collection of all receivables.

(continued)

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Fixed Assets**

Fixed assets are stated at cost or, if received by donation, at market value on the date received. The cost of fixed assets is depreciated over the estimated useful lives of the related assets. Depreciation is computed on the straight-line method. It is not the Council's policy to imply time restrictions expiring over the useful life of donated assets.

**Contributions**

All contributions are considered to be available for the general programs of the Council unless specifically restricted by the donor. The Council reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit their use. When the 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. Donor-imposed contributions are recorded in the temporarily restricted class for restrictions expiring during the fiscal year, and then reclassified to the unrestricted class.

**In-kind Contributions**

No amounts have been reported in the financial statements for donated services from local volunteers because they do not meet the accounting guidelines for reporting; however, a substantial number of volunteers donate significant amounts of time in providing the Council's services and fund raising activities.

In-kind contributions of materials, equipment and services are recognized at their fair market value as of the date received.

**Advertising**

Advertising costs are charged to operations when incurred.

**Subsequent Events**

Management has evaluated subsequent events through July 31, 2013, the date which the financial statements were available for issue.

**2. CONCENTRATIONS AND CREDIT RISK**

The Council receives a substantial amount of its support from government entities (81% in 2012). A significant reduction in the level of this support, if this were to occur, may have an effect on the Organization's programs and activities.

3. **FIXED ASSETS**

Fixed assets consist of the following:

Transportation equipment	\$ 518,061
Office equipment	92,511
Land, building and improvements	<u>119,112</u>
	729,684
Accumulated depreciation	<u>509,971</u>
	<u>\$ 219,713</u>

The Council receives transportation equipment through federally funded grants. The equipment is owned by the Council while used in the program for which it was purchased or in other future authorized programs. Disposition of this equipment and any proceeds from dispositions are subject to regulations of the funding source.

4. **RESTATEMENT**

Net assets at January 1, 2012 have been restated to correct an error in the application of generally accepted accounting principles to purchases of fixed assets made with grant funds in prior years. The restatement, which was to increase net fixed assets and increase unrestricted net assets by \$210,051, resulted in a \$78,676 decrease in the change in net assets for 2011.

NOBLE COUNTY COUNCIL ON AGING, INC.  
 SCHEDULE OF GOVERNMENT GRANTS  
 Year Ended December 31, 2012

Federal or State Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Revenue Recognized
Department of Transportation:		
Passed through Noble County Treasurer:		
Formula Grants for Other Than Urbanized Areas	20.509	\$ 313,992
Indiana Family and Social Service Administration:		
Vendor Memorandum with Aging and In Home Services, Inc.:		
Title 3B	N/A	44,798
Choice	N/A	4,644
Social Service Block Grant	N/A	9,097
Noble County Commissioners	N/A	<u>10,000</u>
		<u>\$ 382,531</u>

See independent auditors' report.