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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, 2013 to December 31, 2013. 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, 2013, 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

Years Ended December 31, 2013 and 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 statements of financial position as of December 31, 2013 and 2012, and the related statements of activities, functional expenses and cash flows for the years 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 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 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.

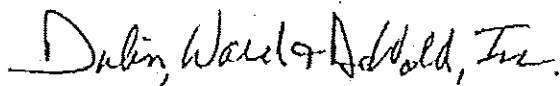
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2013 and 2012, 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.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of governmental funds received on page 11 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. The schedule of service cost allocation is also presented for purposes of additional analysis and is not a required part of the financial statements. 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.



Fort Wayne, Indiana
May 28, 2014

NOBLE COUNTY COUNCIL ON AGING, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2013 and 2012

	2013	2012
ASSETS		
Cash and cash equivalents	\$ 202,844	\$ 164,846
Grants receivable	14,985	52,078
Accounts receivable	4,268	6,448
Prepaid expenses	-	620
Fixed assets - net	<u>247,414</u>	<u>219,713</u>
Total Assets	<u>\$ 469,511</u>	<u>\$ 443,705</u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 953	\$ 386
Accrued expenses and withholdings	<u>8,850</u>	<u>24,144</u>
Total Liabilities	9,803	24,530
Net Assets - unrestricted	<u>459,708</u>	<u>419,175</u>
Total Liabilities and Net Assets	<u>\$ 469,511</u>	<u>\$ 443,705</u>

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

NOBLE COUNTY COUNCIL ON AGING, INC.
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2013 and 2012

	2013	2012
CHANGES IN UNRESTRICTED NET ASSETS		
Support and Revenues:		
United Way	\$ 3,187	\$ 2,928
Contributions	29,435	36,228
Grants - in-kind	66,672	-
Grants - government	442,047	382,531
Medicaid	199,426	197,180
Transportation fees	58,888	52,759
Advertising income	8,823	3,745
Miscellaneous	12,193	31,959
Interest	129	545
	820,800	707,875
Expenses:		
Transportation	644,020	653,478
Homemaker	56,879	47,802
Management and general	76,996	65,381
Fundraising	2,372	4,329
	780,267	770,990
CHANGE IN UNRESTRICTED NET ASSETS	40,533	(63,115)
NET ASSETS - beginning of year - as previously stated	419,175	272,239
ADJUSTMENT FOR UNDERSTATEMENT OF FIXED ASSETS	-	210,051
NET ASSETS - beginning of year - as restated	419,175	482,290
NET ASSETS - end of year	\$ 459,708	\$ 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, 2013

	Transportation	Homemaker	Management and General	Fund- raising	Total Expenses
Salaries	\$ 326,395	\$ 40,741	\$ 31,285	\$ 2,164	\$ 400,585
Payroll taxes	25,165	3,141	2,412	167	30,885
Employment benefits	6,684	767	2,136	41	9,628
Total Salaries and Related Expenses	358,244	44,649	35,833	2,372	441,098
Gasoline expense	86,297	-	-	-	86,297
Insurance	30,818	-	986	-	31,804
Van operating expenses	29,272	-	-	-	29,272
Other services	10,799	-	6,350	-	17,149
Materials and supplies	11,228	53	4,723	-	16,004
Fuel tax	10,474	-	200	-	10,674
Professional services	461	-	9,854	-	10,315
Travel expenses	277	5,574	212	-	6,063
Bad debt expense	-	-	5,791	-	5,791
Occupancy	2,653	-	2,654	-	5,307
Custodial services	2,293	-	2,293	-	4,586
Telephone	2,094	-	2,093	-	4,187
Advertising fees	2,024	-	2,025	-	4,049
Miscellaneous	1,000	-	2,515	-	3,515
Total Expenses Before Depreciation	547,934	50,276	75,529	2,372	676,111
Depreciation	96,086	6,603	1,467	-	104,156
Total Expenses	\$ 644,020	\$ 56,879	\$ 76,996	\$ 2,372	\$ 780,267

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	Total Expenses
Salaries	\$ 349,502	\$ 35,728	\$ 33,357	\$ 3,935	\$ 422,522
Payroll taxes	28,853	2,950	2,754	324	34,881
Employment benefits	5,996	613	917	70	7,596
Total Salaries and Related Expenses	384,351	39,291	37,028	4,329	464,999
Gasoline expense	86,817	-	-	-	86,817
Insurance	24,579	-	543	-	25,122
Van operating expenses	27,822	-	-	-	27,822
Other services	11,322	596	5,677	-	17,595
Materials and supplies	12,676	212	849	-	13,737
Fuel tax	9,998	-	-	-	9,998
Professional services	371	-	7,389	-	7,760
Travel expenses	59	5,866	4	-	5,929
Bad debt expense	-	-	1,227	-	1,227
Occupancy	5,695	-	633	-	6,328
Custodial services	3,931	-	437	-	4,368
Telephone	3,318	223	186	-	3,727
Advertising fees	-	-	2,249	-	2,249
Miscellaneous	1,019	170	2,663	-	3,852
Total Expenses Before Depreciation	571,958	46,358	58,885	4,329	681,530
Depreciation	81,520	1,444	6,496	-	89,460
Total Expenses	\$ 653,478	\$ 47,802	\$ 65,381	\$ 4,329	\$ 770,990

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

NOBLE COUNTY COUNCIL ON AGING, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2013 and 2012

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 40,533	\$ (63,115)
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	104,156	89,460
Provision for bad debts	5,791	1,227
In-kind grant of fixed assets	(66,672)	-
Change in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(3,611)	423
Grants receivable	37,093	50,650
Prepaid expenses	620	(29)
Increase (decrease) in:		
Accounts payable	567	(507)
Accrued expenses and withholdings	(15,294)	(3,222)
Cash Flows From Operating Activities	<u>103,183</u>	<u>74,887</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	<u>(65,185)</u>	<u>-</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	37,998	74,887
CASH AND CASH EQUIVALENTS - beginning of year	<u>164,846</u>	<u>89,959</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 202,844</u>	<u>\$ 164,846</u>

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

NOBLE COUNTY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2013 and 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 is no longer subject to income tax examinations by taxing authorities for tax years ending on or before December 31, 2009. 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 May 28, 2014, 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 (78% in 2013 and 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:

	2013	2012
Transportation equipment	\$ 643,356	\$ 518,061
Office equipment	99,074	92,511
Land, building and improvements	<u>119,112</u>	<u>119,112</u>
	861,542	729,684
Accumulated depreciation	<u>614,128</u>	<u>509,971</u>
	<u>\$ 247,414</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. STATEMENT OF CASH FLOWS SUPPLEMENTAL DISCLOSURES

Noncash investing and financing activities include donated fixed assets in the amount of \$66,672 in 2013.

5. PRIOR PERIOD ADJUSTMENT

Net assets at January 1, 2012 have been adjusted to correct an error in the application of generally accepted accounting principles to record purchases of fixed assets made with grant funds in prior years. The error had no effect on the change in net assets for 2012.

NOBLE COUNTY COUNCIL ON AGING, INC.
SCHEDULE OF GOVERNMENT GRANTS
 Year Ended December 31, 2013

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	\$ 366,797
Indiana Family and Social Service Administration:		
Vendor Memorandum with Aging and In Home Services, Inc.:		
Title 3B	N/A	38,388
Choice	N/A	3,470
Social Service Block Grant	N/A	8,392
Noble County Commissioners	N/A	<u>25,000</u>
		<u>\$ 442,047</u>

See independent auditors' report.

NOBLE COUNTY COUNCIL ON AGING, INC.
SCHEDULE OF SERVICE COST ALLOCATION
Year Ended December 31, 2013

	Direct Costs		Total Direct Costs
	Trans- portation	Home- makers	
Salaries	\$ 203,856	\$ 24,393	\$ 228,249
Payroll taxes	15,718	1,881	17,599
Employment benefits	3,838	459	4,297
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Total Salaries and Related Expenses	223,412	26,733	250,145
Gasoline expense	86,297	-	86,297
Insurance	29,832	-	29,832
Van operating expenses	29,272	-	29,272
Other services	10,799	-	10,799
Materials and supplies	4,445	53	4,498
Fuel tax	10,273	-	10,273
Professional services	-	-	-
Travel expenses	2	5,574	5,576
Bad debt expense	-	-	-
Occupancy	-	-	-
Custodial services	-	-	-
Telephone	-	-	-
Advertising fees	2,024	-	2,024
Miscellaneous	-	-	-
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Total Expenses Before Depreciation	396,356	32,360	428,716
Depreciation	89,482	-	89,482
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Total Expenses	<u>\$ 485,838</u>	<u>\$ 32,360</u>	<u>\$ 518,198</u>

See independent auditors' report.

Allocation of Indirect Transportation Costs				Total	Total
Trans- portation	Home- makers	Admini- stration	Fund- raising	Indirect Transportation	Expenses
\$ 122,539	\$ 16,348	\$ 31,285	\$ 2,164	\$ 172,336	\$ 400,585
9,447	1,260	2,412	167	13,286	30,885
2,846	308	2,136	41	5,331	9,628
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134,832	17,916	35,833	2,372	190,953	441,098
-	-	-	-	-	86,297
986	-	986	-	1,972	31,804
-	-	-	-	-	29,272
-	-	6,350	-	6,350	17,149
6,783	-	4,723	-	11,506	16,004
201	-	200	-	401	10,674
461	-	9,854	-	10,315	10,315
275	-	212	-	487	6,063
-	-	5,791	-	5,791	5,791
2,653	-	2,654	-	5,307	5,307
2,293	-	2,293	-	4,586	4,586
2,094	-	2,093	-	4,187	4,187
-	-	2,025	-	2,025	4,049
1,000	-	2,515	-	3,515	3,515
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151,578	17,916	75,529	2,372	247,395	676,111
6,604	6,603	1,467	-	14,674	104,156
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<u>\$ 158,182</u>	<u>\$ 24,519</u>	<u>\$ 76,996</u>	<u>\$ 2,372</u>	<u>\$ 262,069</u>	<u>\$ 780,267</u>