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June 30, 2009

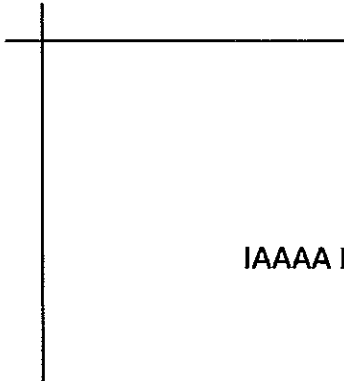
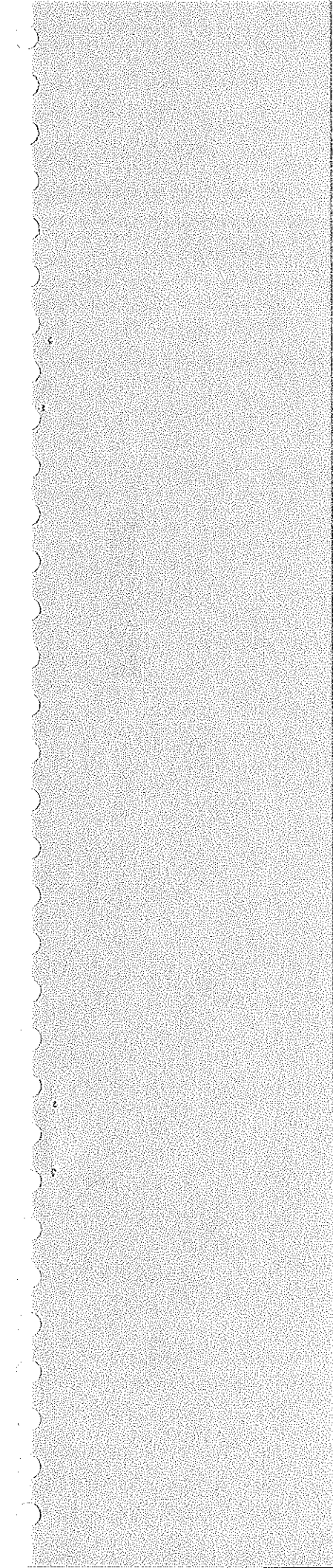
Board of Directors
IAAAA Education Institute, Inc.
9302 N. Meridian St., Ste. 200
Indianapolis, IN 46250

We have reviewed the audit report prepared by Clifton Gunderson, LLP, Independent Public Accountants, for the period July 1, 2006 to June 30, 2007. 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 IAAAA Education Institute, Inc., as of June 30, 2007, 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.

We call your attention to the findings in the report. Pages 12 and 13 contain two current audit findings.

STATE BOARD OF ACCOUNTS



IAAAA EDUCATION INSTITUTE, INC.
Indianapolis, Indiana

FINANCIAL STATEMENTS
June 30, 2007 and 2006

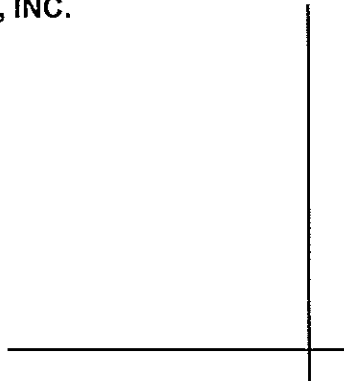


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Independent Auditor's Report

Board of Directors
IAAAA Education Institute, Inc.
Indianapolis, Indiana

We have audited the accompanying statements of financial position of IAAAA Education Institute, Inc. as of June 30, 2007 and 2006, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of IAAAA Education Institute, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits. The prior year summarized comparative information has been derived from IAAAA Education Institute, Inc.'s 2006 financial statements and, in our report dated September 7, 2006, we expressed an unqualified opinion on those financial statements.

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 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 IAAAA Education Institute, Inc. as of June 30, 2007 and 2006, and the changes in its net assets and 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 29, 2008, on our consideration of IAAAA Education Institute, Inc.'s internal control over financial reporting and on 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 *Government Auditing Standards* and should be considered in assessing the results of our audit.

Clifton Gunderson LLP

Indianapolis, Indiana
February 29, 2008

IAAAA EDUCATION INSTITUTE, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2007 and 2006

ASSETS		<u>2007</u>	<u>2006</u>
CURRENT ASSETS			
Cash and cash equivalents	\$	163,333	\$ 100,485
Accounts receivable, net of allowance of \$2,268 and \$1,960 in 2007 and 2006, respectively		3,293	4,661
Grants receivable		80,649	93,684
Prepaid expenses		<u>1,360</u>	<u>-</u>
Total current assets		248,635	198,830
PROPERTY AND EQUIPMENT, NET			
Equipment and furniture		2,818	4,037
Less: accumulated depreciation		<u>2,255</u>	<u>2,422</u>
Total property and equipment, net		<u>563</u>	<u>1,615</u>
TOTAL ASSETS	\$	<u>249,198</u>	\$ <u>200,445</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	\$	2,674	\$ -
Due to Indiana Association of Area Agencies on Aging, Incorporated		<u>20,016</u>	<u>-</u>
Total current liabilities		22,690	-
NET ASSETS			
Unrestricted		<u>226,508</u>	<u>200,445</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u>249,198</u>	\$ <u>200,445</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

IAAAA EDUCATION INSTITUTE, INC.
STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
REVENUE AND CONTRIBUTED SUPPORT		
Grant revenue	\$ 449,408	\$ 528,793
Conference fees	46,116	48,148
Interest income	3,006	-
Sponsorships	<u>8,885</u>	<u>14,055</u>
Total revenue and contributed support	507,415	590,996
 EXPENSES		
Program expenses	430,933	515,341
Administrative expenses	<u>50,419</u>	<u>56,741</u>
Total expenses	<u>481,352</u>	<u>572,082</u>
 CHANGE IN NET ASSETS	26,063	18,914
 NET ASSETS, BEGINNING OF YEAR	<u>200,445</u>	<u>181,531</u>
 NET ASSETS, END OF YEAR	<u>\$ 226,508</u>	<u>\$ 200,445</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

IAAAA EDUCATION INSTITUTE, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2007
With Comparative Totals for 2006

	ABC	Medicare Fraud Prevention	Advocacy Training	Case Management Conference	Case Management Orientation	Continuing CM Training
Personnel costs	\$ 3,698	\$ 68,842	\$ 6,291	\$ 18,000	\$ 16,500	\$ 3,000
Professional fees	5,000	60,711	3,032	9,643	3,843	3,637
Materials and supplies	-	17,177	7,248	8,551	12,554	1,011
Telephone and website	300	2,013	-	-	-	-
Postage	-	2,313	-	-	-	-
Occupancy	500	7,180	-	-	-	-
Equipment rental and maintenance	-	-	732	3,111	-	20
Equipment	-	-	-	-	-	-
Dues, fees and subscriptions	-	-	-	-	-	-
Printing	-	27,624	-	-	-	-
Meetings and travel	86	1,727	13,697	1,630	317	841
Sponsorships	-	225	-	-	-	-
Insurance	-	1,154	-	-	-	-
Conference	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Bad debts	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Totals for 2007	<u>\$ 9,584</u>	<u>\$ 188,966</u>	<u>\$ 31,000</u>	<u>\$ 40,935</u>	<u>\$ 33,214</u>	<u>\$ 8,509</u>
Totals for 2006	<u>\$ -</u>	<u>\$ 178,934</u>	<u>\$ 31,034</u>	<u>\$ 40,932</u>	<u>\$ 34,399</u>	<u>\$ 8,509</u>

IAAAA EDUCATION INSTITUTE, INC.
 STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)
 For the Year Ended June 30, 2007
 With Comparative Totals for 2006

	Directors Training	Information and Referral Training	Nutrition Training	Ombudsman Training	PAS Training
Personnel costs	\$ 1,000	\$ 4,552	\$ 2,776	\$ 7,681	\$ 500
Professional fees	279	1,133	3,800	5,368	-
Materials					
and supplies	1,006	2,849	1,121	8,834	-
Telephone					
and website	-	-	-	-	-
Postage	-	-	-	-	-
Occupancy	-	-	-	-	-
Equipment rental					
and maintenance	-	70	275	232	-
Equipment	-	-	-	-	-
Dues, fees and					
subscriptions	-	-	-	-	-
Printing	-	-	-	-	-
Meetings					
and travel	415	933	2,328	12,113	-
Sponsorships	-	-	-	-	-
Insurance	-	-	-	-	-
Conference	-	-	-	-	-
Depreciation	-	-	-	-	-
Bad debts	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Totals for 2007	<u>\$ 2,700</u>	<u>\$ 9,537</u>	<u>\$ 10,300</u>	<u>\$ 34,228</u>	<u>\$ 500</u>
Totals for 2006	<u>\$ 2,692</u>	<u>\$ 9,244</u>	<u>\$ 10,280</u>	<u>\$ 34,264</u>	<u>\$ 979</u>

IAAAA EDUCATION INSTITUTE, INC.
STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)
For the Year Ended June 30, 2007
With Comparative Totals for 2006

	Other Training	Senior ESP 2	Total Program Expenses	Administration Expenses	Total 2007 Expenses	Summary 2006 Total
Personnel costs	\$ -	\$ 13,296	\$ 146,136	\$ 316	\$ 146,452	\$ 171,528
Professional fees	2,851	14,203	113,500	3,295	116,795	148,990
Materials					-	
and supplies	3,582	10,888	74,821	52	74,873	117,563
Telephone						
and website	-	45	2,358	2,445	4,803	4,118
Postage	51	407	2,771	1,111	3,882	4,855
Occupancy	-	-	7,680	5,848	13,528	15,202
Equipment rental						
and maintenance	1,345	-	5,785	-	5,785	7,363
Equipment	-	-	-	-	-	272
Dues, fees and						
subscriptions	-	-	-	195	195	441
Printing	958	10,956	39,538	1,335	40,873	14,370
Meetings						
and travel	219	2,309	36,615	614	37,229	43,901
Sponsorships	-	350	575	-	575	1,046
Insurance	-	-	1,154	1,079	2,233	2,268
Conference	-	-	-	32,530	32,530	37,398
Depreciation	-	-	-	686	686	807
Bad debts	-	-	-	308	308	1,960
Miscellaneous	-	-	-	605	605	-
Totals for 2007	<u>\$ 9,006</u>	<u>\$ 52,454</u>	<u>\$ 430,933</u>	<u>\$ 50,419</u>	<u>\$ 481,352</u>	<u>\$ 572,082</u>
Totals for 2006	<u>\$ 1,751</u>	<u>\$ 117,645</u>	<u>\$ 515,341</u>	<u>\$ 56,741</u>	<u>\$ 572,082</u>	

These financial statements should be read only in connection with the
accompanying notes to financial statements

IAAAA EDUCATION INSTITUTE, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 26,063	\$ 18,914
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	686	807
Bad debt expense	308	1,960
Loss on disposal	366	-
Effect of changes in assets and liabilities:		
Accounts receivable	1,060	(3,446)
Grants receivable	13,035	50,873
Prepaid expenses	(1,360)	-
Accounts payable	2,674	(93,825)
Due to Indiana Association of Area Agencies on Aging, Incorporated	<u>20,016</u>	<u>(21,109)</u>
Net cash provided by (used in) operating activities	<u>62,848</u>	<u>(45,826)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	62,848	(45,826)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>100,485</u>	<u>146,311</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 163,333</u>	<u>\$ 100,485</u>

These financial statements should be read only in connection with the accompanying notes to financial statements.

IAAAA EDUCATION INSTITUTE, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2007 and 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

IAAAA Education Institute, Inc. (Institute) was originally organized in April 1978 as The Indiana Association of Area Agency Directors, Inc., an Indiana non-profit corporation. The Institute's name changed in 1985 and again in August 2000 to its current name. The Institute's primary mission is to assist those who work with aging and disabled persons through education and training. The Institute primarily serves local Area Agencies on Aging across the state of Indiana. The Institute is primarily funded from grants, conference revenues and sponsorships.

BASIS OF PRESENTATION

The 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, the financial statements report the changes in total and of each of the net asset classes, based upon donor restrictions, as applicable. Net assets are to be classified as unrestricted, temporarily restricted, and permanently restricted. The Institute had only unrestricted net assets as of June 30, 2007 and 2006.

CASH AND CASH EQUIVALENTS

For purposes of the statements of cash flows, the Institute considers only bank demand deposits to be cash and cash equivalents.

ACCOUNTS RECEIVABLE

Accounts receivable consist of uncollateralized amounts due from Area Agencies for services that are not yet paid. The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of specific amounts that will not be collected.

GOVERNMENT GRANTS AND GRANTS RECEIVABLE

Government grants are reimbursement-type grants; therefore, revenue is recorded as expenses are incurred. At June 30, 2007 and 2006 grants receivable was comprised of amounts due primarily from state agencies for expenses incurred but not yet reimbursed.

IAAAA EDUCATION INSTITUTE, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2007 and 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

PROPERTY AND EQUIPMENT

Expenditures for property and equipment and items that substantially increase the useful lives of existing assets are capitalized at cost. The policy of the Institute is to capitalize items that exceed \$500 in value per unit and have a useful life exceeding two years. The Institute provides for depreciation on the straight-line method for equipment and furniture over their estimated useful life of five years.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles 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.

FUNCTIONAL ALLOCATION OF EXPENSES

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

INCOME TAXES

The Institute is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and accordingly has made no provision for federal income taxes in the accompanying financial statements. In addition, the Institute has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for the years ended June 30, 2007 and 2006.

IAAAA EDUCATION INSTITUTE, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2007 and 2006

NOTE 2 - SUMMARY OF GRANTS/CONTRACTS FUNDING

The Institute received funds through the following grants for the period July 1, 2006 to June 30, 2007.

<u>Funding Source</u>	<u>Grant Contract Number</u>	<u>Grant Contract Period</u>	<u>Total Grant</u>	<u>Recognized Support</u>
State				
Indiana Family & Social Services Administration Division of Disability, Aging and Rehabilitative Services	49-06-CZ-0871	7/1/05-6/30/07	\$ 435,470	\$ 181,987
Federal				
U.S. Department of Health & Human Services- Administration on Aging	90AM2914	9/30/04-9/29/06	200,000	52,454
	90AM3074/01	7/1/06-5/31/07	180,000	177,167
	90AM3074/02	7/1/07-5/31/08	180,000	11,800
Miscellaneous			<u>26,000</u>	<u>26,000</u>
Total – All Grants			<u>\$ 1,021,470</u>	<u>\$ 449,408</u>

The Institute received funds through the following grants for the period July 1, 2005 to June 30, 2006.

State				
Indiana Family & Social Services Administration; Division of Disability, Aging and Rehabilitative Services	49-06-CZ-0871	7/1/05 to 6/30/07	\$ 435,470	\$ 218,762
Federal				
U.S. Department of Health & Human Services- Administration on Aging	90AM2914	09/30/04 to 9/29/06	200,000	117,645
	90AM2708/03	7/1/03 to 6/30/06	179,000	178,934
Miscellaneous			<u>-</u>	<u>13,452</u>
Total – All Grants			<u>\$ 814,470</u>	<u>\$ 528,793</u>

IAAAA EDUCATION INSTITUTE, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2007 and 2006

NOTE 3 – RELATED PARTY TRANSACTIONS

The Institute has a related Section 501(c)(6) organization, Indiana Association of Area Agencies on Aging, Incorporated (IAAAA). As specified by written agreement, the Institute reimburses IAAAA for expenses related to personnel, occupancy, and general and administrative charges incurred by the Institute but paid by IAAAA. At June 30, 2007 and 2006, \$20,016 and \$-0-, respectively in reimbursable expenses was due to IAAAA under this agreement. During the years ended June 30, 2007 and 2006, reimbursable expenses incurred under this agreement totaled \$184,776 and \$230,234, respectively.

The Board of Directors of the Institute is comprised of the directors of the sixteen Area Agencies on Aging located in Indiana. At June 30, 2007 and 2006, accounts receivable due from the Area Agencies was \$989 and \$643 respectively. During the years ended June 30, 2007 and 2006, registration fees of \$39,181 and \$44,577, respectively were collected from the Area Agencies. The Institute also incurred operating expenses paid directly to Area Agencies during the years ended June 30, 2007 and 2006 of \$48,814 and \$58,050, respectively.

NOTE 4 - CONCENTRATION OF CREDIT RISK

The Institute has a checking account at a regional bank and at June 30, 2007 and 2006 had general ledger cash deposits in excess of federally insured limits of \$120,741 and \$485, respectively.

This information is an integral part of the accompanying financial statements.

**Independent Auditor's 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
Management
IAAAA Education Institute, Inc.
Indianapolis, Indiana

We have audited the financial statements of IAAA Education Institute, Inc. as of and for the year ended June 30, 2007 and have issued our report thereon dated February 29, 2008. 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 IAAA Education Institute, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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. We consider the deficiencies to be significant deficiencies in internal control over financial reporting:

Preparation of Financial Statements

The Board of Directors and management share the ultimate responsibility for the Institute's internal control systems. While it is acceptable to outsource various accounting functions, the responsibility for internal control cannot be outsourced.

The Institute engages Clifton Gunderson to assist in preparing its financial statements and accompanying disclosures. However, as independent auditors, Clifton Gunderson cannot be considered part of the Institute's internal control systems. As part of its internal control over the preparation of its financial statements, including disclosures, the Institute will implement a comprehensive review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such review procedures should be performed by an individual possessing a thorough understanding of applicable generally accepted accounting principles and knowledge of the Institute's activities and operations. The Institute's personnel have not monitored recent

accounting developments to the extent necessary to enable them to review the Institute's financial statements and related disclosures, to provide a high level of assurance that potential omissions and other errors that are less than material, but more than inconsequential, would be identified and corrected.

Two Signature Requirement on Disbursements

For all checks written over \$2,500, the Institute's policy requires two signatures. During our testing of disbursements, we found three checks over the threshold that had only one signature. We recommend that this policy be strictly enforced since it will mitigate the segregation of duties issue and provide management with another level of control over disbursements.

We also noted there is no policy for dual signatures on checks written to the CEO. Presently the CEO is able to sign all checks written to herself. A second signature would provide another level of review and authoritative control over disbursements to the CEO.

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 the 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 the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether IAAA Education Institute, 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.

Clifton Gunderson LLP

Indianapolis, Indiana
February 29, 2008