



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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July 7, 2009

Board of Directors
White County Council on Aging, Inc.
P.O. Box 421
Monticello, IN 47960

We have reviewed the audit report prepared by Cullar & Associates, PC, Independent Public Accountants, for the period January 1, 2007 to December 31, 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 White County Council on Aging, Inc., as of December 31, 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.

STATE BOARD OF ACCOUNTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
WHITE COUNTY COUNCIL ON AGING, INC.
Monticello, Indiana

We have audited the accompanying statements of assets, liabilities, and net assets – modified cash basis of WHITE COUNTY COUNCIL ON AGING, INC. (the "Organization") as of December 31, 2007 and 2006, and the related statements of revenues, expenses, and changes in net assets – modified cash basis, functional expenses – modified cash basis, and cash flows – modified cash basis 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 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.

As described in Note 1, these financial statements were prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of WHITE COUNTY COUNCIL ON AGING, INC. as of December 31, 2007 and 2006, and its revenues, expenses, and changes in net assets and its cash flows for the years then ended, on the basis of accounting described in Note 1 to the financial statements.

Cullar & Associates, P.C.

November 10, 2008

WHITE COUNTY COUNCIL ON AGING, INC.
STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS
December 31, 2007 and 2006

Assets:	<u>2007</u>	<u>2006</u>
Current Assets:		
Cash and cash equivalents	\$ 56,268	\$ 72,658
Cash held for others	<u>3,105</u>	<u>2,883</u>
<i>Total current assets</i>	<u>59,373</u>	<u>75,541</u>
Non-Current Assets:		
Property and Equipment	105,474	93,971
Beneficial interest in assets held by others	<u>5,002</u>	<u>-</u>
<i>Total non-current assets</i>	<u>110,476</u>	<u>93,971</u>
 <i>Total assets</i>	 <u>\$ 169,849</u>	 <u>\$ 169,512</u>
 Liabilities and Net Assets:		
Current Liabilities:		
Accrued payroll liabilities	\$ 57	\$ 4,498
Agency funds held for others	<u>3,105</u>	<u>2,883</u>
<i>Total current liabilities</i>	<u>3,162</u>	<u>7,381</u>
 Net Assets, unrestricted:		
General operating	161,685	162,131
Funds functioning as permanent endowment	<u>5,002</u>	<u>-</u>
<i>Total net assets, unrestricted</i>	<u>166,687</u>	<u>162,131</u>
 <i>Total liabilities and net assets</i>	 <u>\$ 169,849</u>	 <u>\$ 169,512</u>

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

WHITE COUNTY COUNCIL ON AGING, INC.
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS
Years Ended December 31, 2007 and 2006

	2007			2006		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues, Gains, and Other Support:						
Transportation grants	\$ 180,728	\$ -	\$ 180,728	\$ 136,734	\$ -	\$ 136,734
White County United Way grant	35,588	-	35,588	35,635	-	35,635
Other grants and contributions	24,914	31,140	56,054	40,297	4,275	44,572
Special events (net of direct donor benefits of \$1,800 in 2007)	705	-	705	-	-	-
Contributed occupancy and services	11,007	-	11,007	10,698	-	10,698
Service fees	40,291	-	40,291	47,881	-	47,881
Rent income	9,385	-	9,385	5,485	-	5,485
Investment income	393	-	393	1,304	-	1,304
(Loss) on sale of equipment	-	-	-	(1,033)	-	(1,033)
Other	1,620	-	1,620	762	-	762
Net assets released from restrictions	31,140	(31,140)	-	4,275	(4,275)	-
<i>Total revenues, gains, and other support</i>	<u>335,771</u>	<u>-</u>	<u>335,771</u>	<u>282,038</u>	<u>-</u>	<u>282,038</u>
Expenses:						
Transportation	246,878	-	246,878	207,953	-	207,953
Senior services	33,588	-	33,588	22,071	-	22,071
Management and general	50,749	-	50,749	43,759	-	43,759
<i>Total expenses</i>	<u>331,215</u>	<u>-</u>	<u>331,215</u>	<u>273,783</u>	<u>-</u>	<u>273,783</u>
Change in net assets						
Net assets, beginning of year	4,556	-	4,556	8,255	-	8,255
Net assets, end of year	<u>162,131</u>	<u>-</u>	<u>162,131</u>	<u>153,876</u>	<u>-</u>	<u>153,876</u>
	<u>\$ 166,687</u>	<u>\$ -</u>	<u>\$ 166,687</u>	<u>\$ 162,131</u>	<u>\$ -</u>	<u>\$ 162,131</u>

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

WHITE COUNTY COUNCIL ON AGING, INC.
STATEMENTS OF FUNCTIONAL EXPENSES -MODIFIED CASH BASIS
 Years Ended December 31, 2007 and 2006

	2007			2006			
	<u>Transportation</u>	<u>Senior Services</u>	<u>Management and General</u>	<u>Transportation</u>	<u>Senior Services</u>	<u>Management and General</u>	<u>Total</u>
Personnel	\$ 145,794	\$ 17,975	\$ 35,949	\$ 121,665	\$ 10,001	\$ 34,998	\$ 166,664
Vehicle operating expenses	37,120	-	-	26,047	-	-	26,047
Insurance	14,504	485	971	13,182	250	876	14,308
Occupancy	16,689	2,058	4,115	14,691	1,207	4,226	20,124
Occupancy - donated	2,400	6,000	540	2,400	6,000	540	8,940
Office supplies	2,403	296	593	2,240	184	644	3,068
Postage	482	59	119	388	32	112	532
Telephone	2,542	240	481	1,913	77	270	2,260
Equipment rent	1,931	238	476	2,124	176	610	2,910
Professional and contracted services	211	2,323	5,787	50	1,464	572	2,086
Professional services - donated	-	1,965	-	-	1,550	-	1,550
Advertising and promotion	886	-	-	1,294	263	64	1,621
Dues and subscriptions	215	300	140	190	275	105	570
Travel	-	-	-	-	-	31	31
Travel - donated	-	102	-	-	208	-	208
Depreciation	21,589	219	437	21,685	93	325	22,103
Other	112	1,328	1,141	84	291	386	761
Totals	\$ 246,878	\$ 33,588	\$ 50,749	\$ 207,953	\$ 22,071	\$ 43,759	\$ 273,783

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

WHITE COUNTY COUNCIL ON AGING, INC.
STATEMENTS OF CASH FLOWS - MODIFIED CASH BASIS
Years Ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 4,556	\$ 8,255
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	22,245	22,103
Loss on sale of equipment	-	1,033
(Increase) in beneficial interest in assets held by others	(2)	-
Increase (decrease) in accrued payroll liabilities	<u>(4,441)</u>	<u>853</u>
<i>Net cash provided by operating activities</i>	<u>22,358</u>	<u>32,244</u>
 Cash Flows from Investing Activities:		
Investment in beneficial interest in assets held by others	(5,000)	-
Proceeds from sale of equipment	-	1,500
Purchase of property and equipment	<u>(33,748)</u>	<u>(9,391)</u>
<i>Net cash (used in) investing activities</i>	<u>(38,748)</u>	<u>(7,891)</u>
 Net change in cash and cash equivalents	 (16,390)	 24,353
Cash and cash equivalents, beginning of year	<u>72,658</u>	<u>48,305</u>
<i>Cash and cash equivalents, end of year</i>	<u>\$ 56,268</u>	<u>\$ 72,658</u>

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

WHITE COUNTY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2007 and 2006

NOTE 1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

WHITE COUNTY COUNCIL ON AGING, INC. (the "Organization") is an Indiana nonprofit corporation organized to serve older adults in White County, Indiana. The Organization provides transportation services and personal support to older adults. Its operations are supported primarily by grants from governmental agencies and other nonprofit organizations and contributions from the public.

Significant Accounting Policies:

Basis of Accounting:

The Organization's accounts are maintained, and these statements are prepared, on a modified cash basis of accounting, under which only revenues collected, costs and expenses paid, assets and net assets arising from cash transactions, a provision for depreciation, and contributed support are recognized. Consequently, accounts receivable, prepaid expenses, deferred revenues, accounts payable, and accrued liabilities, which may be material, are not reflected, and the financial statements are not intended to present financial position and the results of operations in conformity with accounting principles generally accepted in the United States of America.

Use of estimates:

The process of preparing financial statements in conformity with the modified cash basis of accounting 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.

The costs of providing the programs and supporting services have been summarized on a functional basis in the statements of revenues, expenses, and changes in net assets – modified cash basis and functional expenses – modified cash basis. Accordingly, certain expenses have been allocated among the programs and supporting services benefited based on management's best estimates.

Net asset classes:

The Organization reports its activities and financial position by the following classes of net assets:

Unrestricted net assets are those currently available for use by the Organization.

Temporarily restricted net assets are those received with donor stipulations that limit the use of the donated assets. When stipulated time restrictions expire or purpose restrictions are accomplished, these net assets are reclassified to unrestricted net assets and reported in the statements of revenues, expenses, and changes in net assets – modified cash basis as net assets released from restrictions.

WHITE COUNTY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2007 and 2006

Cash and cash equivalents:

The Organization considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Property and equipment:

Property and equipment is generally stated at cost, if acquired, or at fair value at the date of receipt, if donated, less accumulated depreciation. Depreciation is computed by the straight-line method over the estimated useful lives of the assets, which are generally as follows:

Leasehold improvements	10 years
Vehicles.....	10 years
Office equipment.....	3-5 years

Beneficial interest in assets held by others:

The beneficial interest in assets held by others is stated at fair value, and realized and unrealized gains and losses are included in revenues. The Organization recognizes its beneficial rights in assets held by others unless the donor has granted the recipient organization variance power. However, those rights are recognized as assets even if the recipient organization has been granted variance power if the Organization is both the donor and the beneficiary of the assets.

Gifts and grants:

The Organization reports gifts and grants of cash and other assets as revenue when received, and considers such gifts to be available for unrestricted use unless specifically restricted by donor. When a donor restriction expires (that is, when a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of revenues, expenses, and changes in net assets – modified cash basis as net assets released from restrictions.

Contributed occupancy and materials are recorded at estimated fair values. Contributed services are recorded at their estimated fair market value if the services create or enhance non-financial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The Organization receives a substantial amount of contributed services from volunteers in carrying out its program and supporting services that have not have been recorded in the accompanying financial statements because the criteria for recognition have not been met. Included in revenue and expenses in the accompanying financial statements are contributed occupancy, nursing services, and travel valued at \$8,940, \$1,965, and \$102 for the year ending December 31, 2007 and \$8,940, \$1,550, and \$208 for the year ending December 31, 2006.

WHITE COUNTY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2007 and 2006

Income taxes:

The Organization is generally exempt from income tax under Internal Revenue Code Section 501(c)(3) and a similar section of the Indiana Code. Consequently, the accompanying financial statements contain no provision for income taxes. The Organization is classified by the Internal Revenue Service as other than a private foundation under Internal Revenue Code Section 509(a)(1).

NOTE 2. PROPERTY AND EQUIPMENT

The cost of property and equipment and the related accumulated depreciation are as follows at December 31, 2007 and 2006, respectively:

	<u>2007</u>	<u>2006</u>
Leasehold improvements	\$ 11,852	\$ 11,852
Vehicles	219,750	187,343
Office equipment	<u>6,458</u>	<u>5,117</u>
	238,060	204,312
Less accumulated depreciation	<u>(132,586)</u>	<u>(110,341)</u>
<i>Net property and equipment</i>	<u>\$ 105,474</u>	<u>\$ 93,971</u>

All of the Organization's vehicles have been purchased with governmental grant funds. Title to these vehicles is held in the funding source's name for the first five years after acquisition, during which they must be used in the program for which they were purchased or in other future authorized programs. Disposition of these vehicles, as well as the ownership of any sale proceeds, during this time is subject to funding source and other regulatory directives. Because management expects such vehicles to be used in accordance with the funding source's directives, the cost of the vehicles is recorded as an asset when they are acquired.

NOTE 3. BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

The Organization is the beneficiary of a fund held by Greater Lafayette Community Foundation ("Community Foundation"), for which the Organization was the donor. The Organization granted the Community Foundation variance power in the determination of annual distributions and transfer of the account to other community organizations. Total accumulated contributions by the Organization to the fund are \$5,000, all of which were made in 2007. The value of the fund at December 31, 2007 was \$5,002, which is reported as beneficial interest in assets held by others in the accompanying statements of assets, liabilities, and net assets – modified cash basis. This same amount is also reported as funds functioning as permanent endowment in the unrestricted net asset section of the same statement. The change in value of the fund for the year ended December 31, 2007 was \$2, which is included in investment income in the accompanying statements of revenues, expenses, and changes in net assets – modified cash basis. No distributions were received from the fund in 2007.

WHITE COUNTY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2007 and 2006

NOTE 4. RESTRICTED NET ASSETS

Net assets were released from restrictions by incurring expenses satisfying restricted purposes for the Organization's transportation and senior services programs.

NOTE 5. LEASE INFORMATION

The Organization leases its facilities under a month-to-month agreement with the City of Monticello for free. The Organization also leases a vehicle under an operating lease requiring monthly payments of \$220 through February 2009. Minimum future lease payments under this lease as of December 31, 2007 for each of the next two years and in the aggregate are as follows:

2008	\$ 2,640
2009	<u>440</u>
<i>Total minimum future lease payments</i>	<u>\$ 3,080</u>

For the years ended December 31, 2007 and 2006, total rent expense for the vehicle was \$2,645 and \$2,910, respectively, while the value of the contributed occupancy expense was \$8,940 for both years.

NOTE 6. CONCENTRATIONS

The Organization's activities and contributors are concentrated in White County, Indiana. Accordingly, its gifts, grants, and other sources of support and revenue may be affected by conditions in that area.

Of total revenues for the years ended December 31, 2007 and 2006, approximately 54% and 48%, respectively, were received from White County for programs funded by the Indiana Department of Transportation, and approximately 11% and 13% were received from United Way of White County.

Financial instruments that expose the Organization to concentrations of credit risk consist primarily of cash and cash equivalents. The Organization has cash on deposit with financial institutions that, at times, may exceed the insurance limit of the Federal Deposit Insurance Corporation.

NOTE 7. CASH FLOW INFORMATION

No interest or income taxes were paid for either year ended December 31, 2007 or 2006.