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B46270

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

May 5, 2016

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, 2015 to December 31, 2015. 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, 2015, 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, 2015 and 2014**

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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, 2015 and 2014, 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.

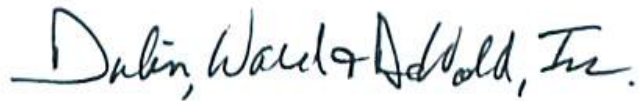
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**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, 2015 and 2014, 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 government funds received on page 12 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.

A handwritten signature in cursive script that reads "Dublin, Ward & Adbold, Inc.".

Fort Wayne, Indiana  
April 12, 2016

**NOBLE COUNTY COUNCIL ON AGING, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2015 and 2014

	<b>2015</b>	<b>2014</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 91,939	\$ 104,013
Certificate of deposit	300,825	200,001
Grants receivable	48,148	60,454
Accounts receivable	3,728	3,065
Fixed assets - net	<u>743,436</u>	<u>188,140</u>
<b>Total Assets</b>	<u><u>\$ 1,188,076</u></u>	<u><u>\$ 555,673</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable	\$ -	\$ 5,872
Accrued expenses and withholdings	<u>15,596</u>	<u>12,678</u>
<b>Total Liabilities</b>	15,596	18,550
Net Assets - unrestricted	<u>1,172,480</u>	<u>537,123</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 1,188,076</u></u>	<u><u>\$ 555,673</u></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, 2015 and 2014

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>2015 Total</b>	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>2014</b>
<b>CHANGES IN NET ASSETS</b>						
<b>Support, Revenues and Gains:</b>						
United Way	\$ 4,000	\$ -	\$ 4,000	\$ 4,000	\$ -	\$ 4,000
Contributions	28,663	-	28,663	26,725	-	26,725
In-kind contributions	472,986	-	472,986	-	-	-
Grants - government	467,107	138,729	605,836	469,938	33,830	503,768
Medicaid	196,589	-	196,589	241,049	-	241,049
Transportation fees	86,623	-	86,623	58,646	-	58,646
Advertising income	7,176	-	7,176	8,871	-	8,871
Miscellaneous	1,994	-	1,994	8,144	-	8,144
Interest	835	-	835	185	-	185
Gain on disposal of fixed asset	975	-	975	500	-	500
<b>Net Assets Released From Restrictions:</b>						
Satisfaction of purchase requirements	138,729	(138,729)	-	33,830	(33,830)	-
<b>Total Support, Revenues and Gains</b>	<b>1,405,677</b>	<b>-</b>	<b>1,405,677</b>	<b>851,888</b>	<b>-</b>	<b>851,888</b>
<b>Expenses:</b>						
Transportation	661,524	-	661,524	639,856	-	639,856
Homemaker	50,743	-	50,743	52,893	-	52,893
Management and general	55,697	-	55,697	79,360	-	79,360
Fundraising	2,356	-	2,356	2,364	-	2,364
<b>Total Expenses</b>	<b>770,320</b>	<b>-</b>	<b>770,320</b>	<b>774,473</b>	<b>-</b>	<b>774,473</b>
<b>CHANGE IN NET ASSETS</b>	<b>635,357</b>	<b>-</b>	<b>635,357</b>	<b>77,415</b>	<b>-</b>	<b>77,415</b>
<b>NET ASSETS - beginning of year</b>	<b>537,123</b>	<b>-</b>	<b>537,123</b>	<b>459,708</b>	<b>-</b>	<b>459,708</b>
<b>NET ASSETS - end of year</b>	<b>\$ 1,172,480</b>	<b>\$ -</b>	<b>\$ 1,172,480</b>	<b>\$ 537,123</b>	<b>\$ -</b>	<b>\$ 537,123</b>

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, 2015

	Transportation	Homemaker	Management and General	Fund- raising	Total Expenses
Salaries	\$ 365,639	\$ 34,054	\$ 25,929	\$ 2,139	\$ 427,761
Payroll taxes	30,209	2,470	899	174	33,752
Employment benefits	8,264	854	172	43	9,333
	<u>404,112</u>	<u>37,378</u>	<u>27,000</u>	<u>2,356</u>	<u>470,846</u>
<b>Total Salaries and Related Expenses</b>	<b>404,112</b>	<b>37,378</b>	<b>27,000</b>	<b>2,356</b>	<b>470,846</b>
Fuels and lubricants	60,727	-	-	-	60,727
Casualty and liability costs	38,346	-	6,314	-	44,660
Materials and supplies consumed	26,870	496	1,985	-	29,351
Other services	9,543	502	7,887	-	17,932
Custodial services	13,508	-	264	-	13,772
Taxes	11,882	-	854	-	12,736
Miscellaneous	698	25	5,744	-	6,467
Travel and meetings	968	5,423	65	-	6,456
Utilities	2,448	-	2,447	-	4,895
Professional and tech services	4,246	223	-	-	4,469
Telephone	3,353	226	188	-	3,767
Advertising services	1,625	-	-	-	1,625
Bad debt expense	-	-	176	-	176
	<u>578,326</u>	<u>44,273</u>	<u>52,924</u>	<u>2,356</u>	<u>677,879</u>
<b>Total Expenses Before Depreciation</b>	<b>578,326</b>	<b>44,273</b>	<b>52,924</b>	<b>2,356</b>	<b>677,879</b>
Depreciation	83,198	6,470	2,773	-	92,441
	<u>83,198</u>	<u>6,470</u>	<u>2,773</u>	<u>-</u>	<u>92,441</u>
<b>Total Expenses</b>	<b>\$ 661,524</b>	<b>\$ 50,743</b>	<b>\$ 55,697</b>	<b>\$ 2,356</b>	<b>\$ 770,320</b>

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, 2014

	<b>Transportation</b>	<b>Homemaker</b>	<b>Management and General</b>	<b>Fund- raising</b>	<b>Total Expenses</b>
Salaries	\$ 317,946	\$ 39,683	\$ 47,699	\$ 2,147	\$ 407,475
Payroll taxes	25,417	3,317	3,884	174	32,792
Employment benefits	<u>6,374</u>	<u>793</u>	<u>956</u>	<u>43</u>	<u>8,166</u>
<b>Total Salaries and Related Expenses</b>	349,737	43,793	52,539	2,364	448,433
Fuels and lubricants	82,143	-	-	-	82,143
Casualty and liability costs	33,303	-	3,709	-	37,012
Materials and supplies consumed	29,509	292	1,167	-	30,968
Custodial services	16,629	-	1,036	-	17,665
Other services	4,506	-	10,695	-	15,201
Professional and tech services	13,157	-	-	-	13,157
Taxes	11,375	1,430	-	-	12,805
Miscellaneous	7,190	91	369	-	7,650
Travel and meetings	545	5,538	1	-	6,084
Utilities	2,309	-	2,309	-	4,618
Telephone	3,485	235	196	-	3,916
Advertising services	721	-	-	-	721
Bad debt expense	<u>-</u>	<u>-</u>	<u>524</u>	<u>-</u>	<u>524</u>
<b>Total Expenses Before Depreciation</b>	554,609	51,379	72,545	2,364	680,897
Depreciation	<u>85,247</u>	<u>1,514</u>	<u>6,815</u>	<u>-</u>	<u>93,576</u>
<b>Total Expenses</b>	<u><u>\$ 639,856</u></u>	<u><u>\$ 52,893</u></u>	<u><u>\$ 79,360</u></u>	<u><u>\$ 2,364</u></u>	<u><u>\$ 774,473</u></u>

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, 2015 and 2014

	<b>2015</b>	<b>2014</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 635,357	\$ 77,415
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	92,441	93,576
Provision for bad debts	176	524
In-kind contribution of fixed assets	(472,987)	-
Reinvested interest	(824)	(176)
Gain on disposal of fixed asset	(975)	(500)
Change in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(839)	679
Grants receivable	12,306	(45,469)
Increase (decrease) in:		
Accounts payable	(5,872)	4,919
Accrued expenses and withholdings	2,918	3,828
	<u>261,701</u>	<u>134,796</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(174,775)	(34,302)
Proceeds from sale of fixed assets	1,000	500
Purchase of certificate of deposit	(100,000)	(105,245)
	<u>(273,775)</u>	<u>(139,047)</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(12,074)	(4,251)
<b>CASH AND CASH EQUIVALENTS - beginning of year</b>	<u>104,013</u>	<u>108,264</u>
<b>CASH AND CASH EQUIVALENTS - end of year</b>	<u>\$ 91,939</u>	<u>\$ 104,013</u>

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

**NOBLE COUNTY COUNCIL ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015 and 2014

**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. However, under certain Internal Revenue Code regulations, profitable, unrelated business income is subject to federal and state income tax. Such income arises from the sale of advertising. The Council has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code.

**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**

Grants receivable are due from government and other significant funding sources. Based upon historical collection experience with these agencies, no allowance is deemed necessary.

If necessary, the Council provides an allowance for uncollectible accounts on its accounts receivable, 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. All items with a cost in excess of \$3,000 and a useful life in excess of one year are capitalized.

**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, land, building and equipment and services are recognized at their fair market value as of the date received.

**Advertising**

Advertising costs are charged to operations when incurred.

**Reclassification**

Certain reclassifications have been made to conform prior years' financial statements to the current presentation. These reclassifications have no effect on previously reported operating results.

**Subsequent Events**

Management has evaluated subsequent events through April 12, 2016, 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 (87% in 2015 and 89% in 2014). A significant reduction in the level of this support, if this were to occur, may have an effect on the Council's programs and activities.

The Council maintains cash accounts in a local bank. Cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. As of December 31, 2015, deposits in excess of the insured amount totaled \$163,023.

## 3. FIXED ASSETS

Fixed assets consist of the following:

	<b>2015</b>	<b>2014</b>
Transportation equipment	\$ 776,553	\$ 645,462
Office equipment	99,074	99,074
Land, building and improvements	<u>564,112</u>	<u>119,112</u>
	1,439,739	863,648
Accumulated depreciation	<u>696,303</u>	<u>675,508</u>
	<u>\$ 743,436</u>	<u>\$ 188,140</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

Cash used in operating activities includes income taxes paid of \$1,683 in 2015 and \$2,989 in 2014.

Noncash investing activities include donated fixed assets in the amount of \$473,987 in 2015.

**5. ADVERTISING COSTS**

Advertising costs are charged to operations when incurred. The cost of advertising charged to operations was \$1,625 for 2015 and \$721 for 2014.

**6. IN-KIND CONTRIBUTIONS**

During 2015, the Council received a gift of land and a building with an appraisal value of \$445,000. The property is to be renovated and used for the Council's programs in future years.

The Council also received a contribution of transportation equipment in the amount of \$27,987.

**NOBLE COUNTY COUNCIL ON AGING, INC.**  
**SCHEDULE OF GOVERNMENT FUNDS RECEIVED**  
Year Ended December 31, 2015

<b>Federal or State Grantor/ Pass-Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Revenue Recognized</b>
Department of Transportation:		
Passed through Indiana Department of Transportation:		
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	<u>\$ 27,986</u>
<b>In-kind contributions</b>		27,986
Department of Transportation:		
Passed through Noble County Treasurer:		
Formula Grants for Rural Areas	20.509	531,877
Indiana Family and Social Service Administration:		
Vendor Memorandum with Aging and In Home Services, Inc.:		
Title 3B	N/A	39,038
Choice	N/A	3,060
Social Service Block Grant	N/A	6,861
Noble County Commissioners	N/A	<u>25,000</u>
<b>Grants - government</b>		<u>605,836</u>
<b>Total Government Funds Received</b>		<u><u>\$ 633,822</u></u>

See independent auditors' report.