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January 18, 2018

Board of Directors
Hancock County Senior Services, Inc.
1870 Fields Blvd.
Greenfield, IN 46140

We have reviewed the report prepared by Hancock County Senior Services, Inc. and opined upon by Bogdanoff Dages & Co., PC, Independent Public Accountants, for the period January 1, 2015 to December 31, 2015. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Hancock County Senior Services, 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.

In our opinion, Bogdanoff Dages & Co., PC prepared all required independent auditor's reports in accordance with generally accepted auditing standards and guidelines established by the State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

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

**HANCOCK COUNTY SENIOR SERVICES, INC.
(A NON PROFIT ORGANIZATION)**

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014



HANCOCK COUNTY SENIOR SERVICES, INC
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Hancock county Senior Services, Inc.
Greenfield, Indiana

Report on Financial Statements

We have audited the accompanying financial statements of Hancock County Senior Services, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2015, 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 control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 from 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 misstatement 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 Hancock County Senior Services, Inc. as of December 31, 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Year Financial Statements

The 2014 financial statements of Hancock County Senior Services, Inc. were audited by other accountants whose report dated April 8, 2015, stated that based on their procedures, they are not aware of any material modifications that should be made to those financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Bogdanoff Dwyer and Co., P.C.

Indianapolis, Indiana
June 9, 2016

**HANCOCK COUNTY SENIOR SERVICES, INC.
STATEMENTS OF FINANCIAL POSITION**

ASSETS

	December 31,	
	2015	2,014
Current Assets		
Cash and Cash Equivalents	\$ 126,514	\$ 123,521
Cash Reserved for Building	14,434	34,929
Investment in CD	32,115	32,063
Accounts Receivable	349	567
Grants Receivable	53,033	56,988
Pledges Receivable, Net	0	4,917
Prepaid Expenses	12,011	18,193
Total Current Assets	238,456	271,178
 Property and Equipment		
Land	250,250	250,250
Furniture and Fixtures	8,452	8,452
Equipment	83,750	78,808
Vehicles	351,552	346,580
Building	1,156,386	1,156,386
	1,850,390	1,840,476
Less: Accumulated Depreciation	(382,389)	(342,876)
Total Property and Equipment	1,468,001	1,497,600
 Other Assets		
Beneficial Interest in the Hancock County Community Foundation	31,301	33,657
Total Assets	\$ 1,737,758	\$ 1,802,435

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts Payable	\$ 2,027	\$ 2,320
Accrued Payroll and Payroll Taxes	33,432	39,799
Current Portion of Long-Term Debt	24,507	24,075
Total Current Liabilities	59,966	66,194
 Long-Term Liabilities		
Notes Payable, Net of Current Portion	16,719	46,224
Total Liabilities	76,685	112,418
 Net Assets		
Unrestricted	1,615,337	1,621,431
Unrestricted - Board Designated	14,434	34,929
Total Unrestricted	1,629,771	1,656,360
Temporarily Restricted	4,414	6,769
Permanently Restricted	26,888	26,888
Total Net Assets	1,661,073	1,690,017
Total Liabilities and Net Assets	\$ 1,737,758	\$ 1,802,435

**HANCOCK COUNTY SENIOR SERVICES, INC.
STATEMENT OF ACTIVITIES**

	For the Year Ended December 31, 2015				Total
	Undesignated	Board Designated	Temporarily Restricted	Permanently Restricted	
Revenue and Other Support					
United Way Funding	\$ 89,307				\$ 89,307
CIOA Federal Funding	49,802				49,802
Local Government Grants	70,750				70,750
Indiana Department of Transportation - Sec. 5311	169,364				169,364
Indiana Department of Transportation - PMTF	58,200				58,200
Indiana Department of Transportation - Vehicle Funding	27,410				27,410
Medicaid	29,717				29,717
Foundation Grants	12,268				12,268
Contributions	22,000				22,000
Program Donations	76,743				76,743
State Fuel Tax Refund	1,824				1,824
Fundraising Income	13,392				13,392
Other Revenue	1,076				1,076
Endowment Distribution	10,833				10,833
Endowment Income	0		(2,355)		(2,355)
Interest Income	143				143
Gain on Disposal of Asset	446				446
Net Assets Reclassified from Restrictions	20,495	(20,495)			0
Total Revenue and Support	<u>653,770</u>	<u>(20,495)</u>	<u>(2,355)</u>		<u>630,920</u>
Expenses					
Program Services	596,130				596,130
Management and General	57,494				57,494
General Fundraising	6,240				6,240
Total Expenses	<u>659,864</u>				<u>659,864</u>
Change in Net Assets	(6,094)	(20,495)	(2,355)		(28,944)
Net Assets - Beginning of Year	<u>1,621,431</u>	<u>34,929</u>	<u>6,769</u>	<u>26,888</u>	<u>1,690,017</u>
Net Assets - End of Year	<u>\$ 1,615,337</u>	<u>\$ 14,434</u>	<u>\$ 4,414</u>	<u>\$ 26,888</u>	<u>\$ 1,661,073</u>

HANCOCK COUNTY SENIOR SERVICES, INC.
STATEMENT OF ACTIVITIES

	For the Year Ended December 31, 2014				Total
	Undesignated	Board Designated	Temporarily Restricted	Permanently Restricted	
Revenue and Other Support					
United Way Funding	\$ 99,098				\$ 99,098
CICOA Federal Funding	47,283				47,283
Local Government Grants	54,350				54,350
Indiana Department of Transportation - Sec. 5311	244,328				244,328
Medicaid	28,596				28,596
Foundation Grants	11,800				11,800
Contributions	21,888				21,888
Program Donations	76,241				76,241
State Fuel Tax Refund	2,112				2,112
Fundraising Income	10,920				10,920
Other Revenue	3,676				3,676
Endowment Distribution	8,684				8,684
Investment Income	134		2,769		2,903
Gain on Disposal of Asset	5,508				5,508
Net Assets Released from Restriction	207,507	(204,484)	(3,023)		0
Total Revenue and Support	<u>822,125</u>	<u>(204,484)</u>	<u>(254)</u>	<u>0</u>	<u>617,387</u>
Expenses					
Program Services	561,767				561,767
Management and General	41,821				41,821
General Fundraising	4,256				4,256
Fundraising Capital Campaign	3,540				3,540
Total Expenses	<u>611,384</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>611,384</u>
Change in Net Assets	210,741	(204,484)	(254)	0	6,003
Net Assets - Beginning of Year	<u>1,410,690</u>	<u>239,413</u>	<u>7,023</u>	<u>26,888</u>	<u>1,684,014</u>
Net Assets - End of Year	<u>\$ 1,621,431</u>	<u>\$ 34,929</u>	<u>\$ 6,769</u>	<u>\$ 26,888</u>	<u>\$ 1,690,017</u>

**HANCOCK COUNTY SENIOR SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES**

December 31, 2015

	Program Services							Total Program Services	Management and General	General Fundraising	Total
	Trans- portation	Outreach	I&R	Homemaker	Volunteer Services	Handyman	Respite/ Assisted Care				
Salaries and Wages	\$ 261,930	\$ 13,485	\$ 31,311	\$ 29,090	\$ 8,524	\$ 5,576	\$ 18,393	\$ 368,309	\$ 35,156	\$ -	\$ 403,465
Payroll Taxes	21,139	1,088	2,527	2,348	688	449	1,484	29,723	2,838		32,561
Insurance	21,766	948	2,201	2,045	599	220	1,293	29,072	2,460	184	31,716
Contract Services	12,567	823	1,912	1,776	521	341	1,123	19,063	1,906	241	21,210
Uncollectible Pledges											
Telephone and Internet	5,648	117	272	253	74	48	160	6,572	271	34	6,877
Materials and Supplies	3,129	563	1,308	2,065	483	573	822	8,943	1,304	164	10,411
Equipment									355	45	400
Postage	13	229	532	494	145	95	312	1,820	530	67	2,417
Repairs and Maintenance	18,822	724	1,681	1,562	458	299	988	24,534	1,677	211	26,422
Utilities	1,673	289	865	937	434	284	937	5,419	1,590	201	7,210
Gasoline	21,882					76		21,958			21,958
Staff Travel	302	139		8,657	388	489	3,584	13,559	525	66	14,150
Conferences, Dues, and Subscriptions	955	91	212	197	58	38	125	1,676	211	27	1,914
Fundraising										1,876	1,876
In-Kind Expense	1,007			194	194	39		1,434	246	31	1,711
Interest Expense		141	328	305	89	59	193	1,115	329	41	1,485
Miscellaneous		75	175	162	48	31	103	594	173	22	789
Advertising	337	153	355	329	97	63	208	1,542	353	45	1,940
Donor Recognition										2,030	2,030
Depreciation	35,002	3,270	7,592	7,054	2,067	1,352	4,460	60,797	7,570	955	69,322
Total Expenses	\$ 406,172	\$ 22,135	\$ 51,271	\$ 57,468	\$ 14,867	\$ 10,032	\$ 34,185	\$ 596,130	\$ 57,494	\$ 6,240	\$ 659,864

See accompanying notes.

**HANCOCK COUNTY SENIOR SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES**

December 31, 2014

	Program Services							Total Program Services	Management and General	General Fundraising	Fundraising Capital Campaing	Total
	Trans- portation	Outreach	I&R	Homemaker	Volunteer Services	Handyman	Respite/ Assisted Care					
Salaries and Wages	\$ 240,525	\$ 14,268	\$ 24,325	\$ 34,647	\$ 7,813	\$ 5,152	\$ 19,718	\$ 346,448	\$ 23,705		\$ 3,013	\$ 373,166
Payroll Taxes	20,078	1,191	2,031	2,892	652	430	1,646	28,920	1,979		252	31,151
Insurance	13,038	2,107	3,592	5,117	1,154	761	2,912	28,681	3,500	445		32,626
Contract Services	14,258	338	577	822	185	122	468	16,770	563	71		17,404
Uncollectible Pledges								0			275	275
Telephone and Internet	3,777	316	539	768	173	114	437	6,124	527	67		6,718
Materials and Supplies	2,848	394	671	983	236	257	567	5,956	655	83		6,694
Equipment		27	47	67	15	17	38	211	45	6		262
Postage	206	142	243	346	78	51	197	1,263	237	30		1,530
Repairs and Maintenance	15,837	787	1,341	1,911	431	284	1,087	21,678	1,308	166		23,152
Utilities		755	1,287	1,833	413	273	1,043	5,604	1,253	159		7,016
Gasoline	29,214					582		29,796				29,796
Staff Travel	409	64		9,736	411	805	2,810	14,235	694	10		14,939
Conferences, Dues, and Subscriptions	739	107	183	260	59	39	148	1,535	177	23		1,735
Fundraising								0		2,285		2,285
In-Kind Expense		72	122	174	39	26	99	532	120	15		667
Interest Expense		257	438	625	141	93	355	1,909	428	54		2,391
Miscellaneous		197	336	479	108	71	272	1,463	328	42		1,833
Advertising	333	81	138	196	44	29	111	932	134	17		1,083
Depreciation	22,148	3,713	6,329	9,015	2,033	1,341	5,131	49,710	6,168	783		56,661
Total Expenses	\$ 363,410	\$ 24,816	\$ 42,199	\$ 69,871	\$ 13,985	\$ 10,447	\$ 37,039	\$ 561,767	\$ 41,821	\$ 4,256	\$ 3,540	\$ 611,384

**HANCOCK COUNTY SENIOR SERVICES, INC.
STATEMENTS OF CASH FLOWS**

	Years Ended December 31,	
	2015	2014
Cash Flows from Operating Activities		
Cash Received from Grants and Contributors	\$ 632,562	\$ 639,903
Investment and Interest Income	143	134
Cash Paid to Suppliers	(178,341)	(182,902)
Cash Paid to Employees	(403,465)	(384,136)
	<u>50,899</u>	<u>72,999</u>
 Cash Flows from Investing Activities		
Purchase of Property and Equipment	(43,244)	(2,502)
Proceeds from the Sale of Property and Equipment	2,260	5,920
Distributions from Beneficial Interest in Hancock County Community Foundation	1,656	3,023
Contributions to Beneficial interest in Hancock County Community Foundation		
Purchase of Investments		(53)
	<u>(39,328)</u>	<u>6,388</u>
 Cash Flows from Financing Activities		
Proceeds from Note Payable		
Payments on Note Payable	(29,073)	(38,167)
	<u>(29,073)</u>	<u>(38,167)</u>
 Net cash from (Used in) Investing Activities	(39,328)	6,388
 Net cash from (Used in) Financing Activities	(29,073)	(38,167)
 Net Increase (Decrease) in Cash	(17,502)	41,220
 Cash and Cash Equivalents at Beginning of Year	158,450	117,230
 Cash and Cash Equivalents at End of Year	\$ 140,948	\$ 158,450

**HANCOCK COUNTY SENIOR SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Hancock County Senior Services, Inc. (the Organization) located in Greenfield, Indiana, is a community based nonprofit organization which is committed to providing comprehensive support services to Hancock County residents who are 60 years or older, or less than 60 and disabled, in order to remain independent and delay institutionalization. The Organization receives support from CICOA, Aging & In-home Services; Indiana Department of Transportation; United Way of Central Indiana; the towns, county and townships of Hancock County – Indiana; private contributions; client fees and donations. Following is a brief description of the program services provided by the Organization:

Transportation – The Organization provides non-emergency transportation for persons needing to access services. Arrangements can also be made for residents who need to leave the county for medical destinations. Transportation is provided for residents less than 60 years of age for a nominal fee.

Outreach – Staff provide assistance with insurance and Medicaid information, and errands.

Information and Referral (I&R) – Staff provides assistance in accessing appropriate special service programs. Trained personnel make appropriate referrals to community programs.

Homemaker – Homemaker services assist seniors by performing light housekeeping, laundry, and cooking. A nominal fee is charged for this service.

Volunteer Services – Community volunteers provide companionship and assistance for frail, homebound, or disabled residents. Volunteers also provide companionship telephone calls to isolated and frail individuals. Calls are especially important during weather extremes.

Handyman – Handyman services include yard maintenance, minor house repairs and small painting jobs.

Respite/Assisted Care – Assistants provide in-home supervision to frail or disabled seniors to relieve the regular caregiver or to help seniors who need assistance with daily activities. A nominal fee is charged for this service.

Basis of Accounting

The Organization records income and expenses using the accrual method of accounting, recognizing income when earned and expenses when incurred.

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Certain estimates relate to unsettled transactions and events as of the date of the financial statements. Other estimates relate to assumptions about the ongoing operations and may impact future periods. Accordingly, upon settlement, actual results may differ from estimated amounts.

Grants Receivable

The Organization recognizes reimbursement grants for services in the period the services are provided. If a grant is not a reimbursement type grant, the receivable is recorded when the grant is awarded and it is recognized as temporarily restricted income until the grant purpose is fulfilled. All receivables are considered collectible because they represent actual amounts received after December 31, 2015 and 2014 and, therefore, no allowance for uncollectible accounts has been established.

Property and Equipment

Property and equipment are stated at cost or, if donated, at the approximate fair market value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. The Organization's policy is to capitalize items of \$500 and greater. Depreciation expense is computed using the straight-line method over the estimated useful lives of the related assets, as follows:

Furniture and fixtures	5 years
Equipment	5 years
Vehicles	5-10 years
Building	40 years

The Organization had 12 vehicles at December 31, 2015 and 12 vehicles at December 31, 2014.

Display of Net Assets by Class

The net assets of the Organization will be reported in each of the following three classes: (1) unrestricted net assets, (2) temporarily restricted net assets, and (3) permanently restricted net assets. Unrestricted or Undesignated net assets are those

assets of the organization that have no restrictions and are used for the general operations of the organization. Unrestricted – Board Designated net assets are those assets that have been designated for a specific purpose by the Board. The designation can be removed at the Boards discretion.

Restricted Net assets

Net assets of the temporarily or permanently restricted classes are created only by donor-imposed restrictions on their use. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Donor restrictions met in the same year are classified as unrestricted net assets. At December 31, 2015 and 2014, the Organization had \$4,414 and \$6,769, respectively, held in temporarily restricted net assets and \$26,888 held in permanently restricted net assets. Board-designated net assets or appropriated amounts are legally unrestricted and are reported as part of the unrestricted class. Unrestricted net assets are net assets that are not subject to donor restrictions.

Temporarily Restricted Net Assets

Temporarily restricted net assets at December 31, 2015 and 2014 are as follows:

	<u>2015</u>	<u>2014</u>
Beneficial Interest in Hancock County Community Foundation	\$4,414	\$6,769

Permanently Restricted Net Assets

Permanently restricted net assets at December 31, 2015 and 2014 are as follows:

	<u>2015</u>	<u>2014</u>
Beneficial Interest in Hancock County Community Foundation	\$26,888	\$26,888

In-Kind Support

The Organization records in-kind support including contributed professional services at fair market value. Recognition of contributed background screening services is described in the Related Party Activity note. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The amounts reflected in the accompanying financial statements as in-kind support are offset by like amounts included in expenses.

Expense Classifications and Allocation

The primary functions of the Organization are as follows: transportation, outreach, I&R, homemaker, volunteer services, handyman, respie/assisted care, manangement and general, and fundraising. The expenses directly related to these programs are presented in corresponding classifications, combined with allocation of certain common costs of the Organization, such as administrative services, which are allocated on time incurred.

Income Taxes

The Organization is exempt from federal income tax under Section 501 (C)(3) of the Internal Revenue Code. It is also exempt from Indiana income taxes. However, should the Organization ever have income from certain activities not directly related to its tax-exempt purpose, that income would be subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classfied as an organization other than a private foundation under Section 509(a)(2). The Organization's policy is to include interest and penalties related to its tax positions in income tax expense.

The Organization files annual returns in the U.S. Federal and Indiana jurisdictions. Currently, the three prior tax years are open and subject to examination by the Internal Revenue Service and the Indiana Department of Revenue. However, the Organization is not currently under audit nor has it been contacted by these jurisdictions. Based on the eveluation of the Organization's tax positions, management believes all significant postions taken would be upheld under examination.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements. These amounts are presented on the Statements of Financial Position in the Unrestricted – Board Designated. The amounts represent funds that the Board has decided to hold out for the payment of the mortgage on the building as well as any building repairs that may be needed. Amounts reclassified was \$34,929 from Unrestricted to Unrestricted – Board Designated for the year ended 12/31/14. Total Assets, Liabilities, Net Assets, Revenues or Expenses were unchanged.

Subsequent events

Management has evaluated subsequent events through June 9, 2016 which is the

date the financial statements were available to be issued.

NOTE 2 – CASH AND CASH FLOW INFORMATION

For the purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

The Organization maintains cash balances at two financial institutions. For the years ended December 31, 2015 and 2014, no funds were held in excess of the FDIC Insured limit.

The Organization had noncash operating activities as follows:

	Years Ended December 31,	
	<u>2015</u>	<u>2014</u>
Contribution of Background Screening	<u>\$ 1,711</u>	<u>\$ 667.</u>

Reconciliation of Changes in Net Assets to Net Cash from Operating Activities

Changes in Net Assets	\$ (28,944)	\$ 6,003
Adjustments to Reconcile Changes in Net Assets to Net Cash from Operating Activities:		
Depreciation	69,322	56,661
(Gain) Loss on Disposal of Assets	(446)	(5,508)
(Gain) Loss on Beneficial Interest in the Hancock County Community Foundation	2,355	(2,769)
Uncollectible Pledges	0	275
Cash from(for) Operating Assets and Liabilities:		
Accounts Receivable	218	(567)
Grants Receivable	3,955	(7,505)
Pledges Receivable	4,917	39,666
Prepaid Expenses and Deposits	6,182	(1,853)
Accounts Payable	(293)	(434)
Accrued Expenses	<u>(6,367)</u>	<u>(10,970)</u>
Total Adjustments	<u>79,843</u>	<u>66,996</u>
Net Cash from Operating Activities	\$ 50,899	\$ 72,999

NOTE 3 – INVESTMENTS

The Organization has acquired a certificate of deposit with a maturity date of November 9, 2016 and an interest rate of 0.15% at December 31, 2015. This

investment is carried at fair value.

NOTE 4 – BENEFICIAL INTEREST IN THE HANCOCK COUNTY COMMUNITY FOUNDATION

During 1996, the Organization entered into a fund agreement with the Hancock County Community Foundation (the Foundation) establishing a fund that receives contributions from the Organization and others. Amounts transferred from the Organization are reflected as an asset titled, “Beneficial Interest in Hancock county Community Foundation.” The beneficial interest will be increased by contributions and investment income, and will be decreased by distributions and expenses.

The contributions received from other sources directly by the Foundation are not considered the assets of the Organization because the Foundation has variance power over those amounts (the right to redirect). Income related to these other amounts will be recorded by the Organization when distributed by the Foundation to the Organization in the form of grants. During the years December 31, 2015 and 2014, the Organization recognized income or (expense) of \$(699) and \$367, respectively, from grants distributed by the Foundation.

If the Organization ceases to exist, the Foundation holds the right to use the funds to support other organizations as outlined in its governing instrument for charitable or other exempt purposes that most nearly approximate the original purpose of the fund.

The following is a summary of the Foundation endowment fund:

	<u>2015</u>	<u>2014</u>
Beneficial Interest in the Hancock County Community Foundation		
Balance at January 1	\$ 33,657	\$ 33,911
Pro-rata Portion of Investment Income (Loss)	(507)	2,853
Contributions	0	0
Distributions	(1,266)	(2,656)
Expenses Paid	<u>(582)</u>	<u>(451)</u>
	31,302	33,657
Assets of the Hancock County Community Foundation		
Balance at January 1	10,396	11,095
Pro-rata Portion of Investment Income (Loss)	(126)	(294)
Contributions	22,411	100
Distributions	(390)	(367)

Expenses Paid	<u>(214)</u>	<u>(138)</u>
	<u>32,077</u>	<u>10,396</u>
Balance at December 31	<u>\$ 63,378</u>	<u>\$ 44,053</u>

NOTE 5 – FAIR VALUE MEASUREMENTS

Accounting Standards define fair value as the price that would be received for an asset, or paid to transfer a liability (an exit price), in the Organization’s principle; or most advantageous market for the asset or liability, in an orderly transaction between market participants, on the measurement date. A fair value hierarchy has been established which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The following are the three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity’s own assumptions about the assumptions that market participants would use in pricing and asset or liability. In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The Organization holds an investment in a certificate of deposit that is classified as Level 1 investments. This investment has publicly traded daily values which may be obtained.

The fair value of the beneficial interest in the foundation is based on a valuation model that calculates the present value of estimated distributed income. The valuation model incorporates assumptions that market participants would use in estimating future distributed income/payments. The Organization is able to compare the valuation model inputs and results to widely available published industry data for reasonableness (Level 2 inputs). If not readily comparable to published data, then the Organization would have to develop a model similar to the above for Level 3 input.

Investments measured at fair value on a recurring basis at December 31, 2015 are summarized below:

	Fair Value Measurements at December 31, 2015		
	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment in CD	\$ 32,115		
Beneficial Interest in Foundation		31,302	
Total	\$ 32,115	\$ 31,302	

Investments measured at fair value on a recurring basis at December 31, 2014 are summarized below:

	Fair Value Measurements. at December 31, 2014		
	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment in CD	\$ 32,063		
Beneficial Interest in Foundation		33,657	
Total	\$ 32,063	\$ 33,657	

NOTE 6 – PLEDGES RECEIVABLE

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of

the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promise becomes unconditional.

The Organization purchased property in 2012 and began construction on a new office building and garage. The cost of this project was anticipated to be approximately \$1,438,000 with a final cost of \$1.1 million for the building and \$250,250 for the land. This brings the total cost of the project to \$1,350,250. During the first quarter of 2011, the Organization began a capital campaign for funding the new facility. In addition they submitted and received contingent approval for a matching grant from Lilly Endowment through the United Way of Central Indiana. The grant was awarded in 2012 in the amount of \$735,925. Should the use or the ownership of the buildings change within 5 years of completion of the project that has been purchased with the grant, the Organization will be expected to make a partial or total refund of the grant, to be negotiated with the Capital Projects Fund Committee.

Conditional promises to give (pledges) relating to the building capital campaign are as follows at December 31, 2015:

	<u>2015</u>	<u>2014</u>
Receivable in less than one year	\$ 0	\$5,000
Receivable in one to five years		
Total Unconditional Promises to Give	0	5,000
Less Present Value Effect at 4%	<u>0</u>	<u>(83)</u>
		\$4,917
Less Allowance for Uncollectible Promises	<u>0</u>	<u>0</u>
Net Pledges Receivable	<u>\$ 0</u>	<u>\$4,917</u>

NOTE 7 – NOTE PAYABLE

The Organization has a note payable with a bank, secured by leases and rents along with the new building, with an interest rate of 2.5%. This note was obtained on June 11, 2013 in the amount of \$120,000. The note is due in monthly principal and interest payments of \$2,130. The final payment on the note is due on June 11, 2018. The remaining maturities on this note payable are as follows:

2016	\$ 24,507
2017	<u>16,719</u>
	<u>\$ 42,226</u>

The Organization incurred interest expense of \$1,485 and \$2,391 on this note payable at December 31, 2015 and 2014, respectively.

NOTE 8 – LINE OF CREDIT

The Organization has available a \$30,000 line of credit with a bank, secured by leases and rents along with the mortgage on the building, at an interest rate of 2.5%. The line of credit expires in June 2016. There were no borrowings on this line of credit at December 31, 2015.

NOTE 9 – RELATED PARTY ACTIVITY

The Organization received donated background screening services by an entity in which a board member had controlling interest. The estimated fair value of the donation was \$1,711 and \$667 during the years ended December 31, 2015 and 2014, respectively.

Note 10 – CONTRIBUTION CONCENTRATIONS

The Organization received funding from the Indiana Department of Transportation in 2015 and 2014 of \$254,974 and \$244,328, respectively. These contributions represented 40% in 2015 and 40% in 2014 of total revenue and other support, respectively.

The Organization received funding from the United Way of Central Indiana in 2015 and 2014 of \$89,307 and \$99,098, respectively. These contributions represented 14% and 16% of total revenue and other support in 2015 and 2014, respectively.

**INDEPENDENT AUDITORS' REPORT ON SUPPLEMENATRY
INFORMATION**

To the Board of Directors
Hancock County Senior Services, Inc.
Greenfield, Indiana

We have audited the financial statements of Hancock County Senior Services, Inc. as of and for the year ended December 31, 2015, and have issued our report thereon dated June 9, 2016, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Activities by Function are presented for the purpose of additional analysis and are 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 audit 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.

Boydanoff Deys and Co., P.C.

Indianapolis, Indiana
June 9, 2016

HANCOCK COUNTY SENIOR SERVICES, INC.
SCHEDULE OF ACTIVITIES BY FUNCTION

December 31, 2015

	Transportation	Outreach	I&R	Homemaker	Volunteer Services	Handyman	Respite/ Assited Care	Rainy Day Savings	Total
Revenue and Other Support									
United Way of Central Indiana, Inc.									
Contract Allocation	\$ 33,584	\$ 6,584	\$ 16,583	\$ 12,584	\$ 2,167	\$ 1,000	\$ 8,584		\$ 81,086
Donor Designated	1,175	0	1,175	1,174	1,175	1,174	2,348		8,221
Central Indiana Council on Aging	25,379		8,795	1,995			13,633		49,802
Local Government Assistance	16,108	9,000	21,000	10,535	2,000	7,000	5,107		70,750
Indiana Department of Transportation - Section 5311	169,364								169,364
Indiana Department of Transportation - PMTF Funds	58,200								58,200
Indiana Department of Transportation - Vehicle Funding	27,410								27,410
Medicaid and Medicaid Waiver	28,712			1,005					29,717
Foundations	5,538	788	788	1,788	789	789	1,788		12,268
Contributions		5,000	4,000	6,000	3,000		3,950	50	22,000
Endowment Distribution	1,078					578		9,177	10,833
Endowment Income(Loss)						(1,060)		(1,295)	(2,355)
Program Donations	46,308	847		21,355	960	2,135	5,138		76,743
State Fuel Tax Refund	1,824								1,824
Fundraising		3,000	2,500	500	7,392				13,392
Other Revenue			1,076						1,076
Investment Income			143						143
Gain on Disposal of Assets	446								446
Total Revenue and Other Support	415,126	25,219	56,060	56,936	17,483	11,616	40,548	7,932	630,920
Total Expenses by Program	(406,172)	(22,135)	(51,271)	(57,468)	(14,867)	(10,032)	(34,185)		(596,130)
Program Net Income	\$ 8,954	\$ 3,084	\$ 4,789	\$ (532)	\$ 2,616	\$ 1,584	\$ 6,363	\$ 7,932	\$ 34,790