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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

January 26, 2018

Board of Directors
Boone County Senior Services, Inc.
515 Crownpointe Drive
Lebanon, IN 46052

We have reviewed the report prepared by Boone County Senior Services, Inc. and opined upon by Greenwalt CPA's, Independent Public Accountants, for the period January 1, 2016 to December 31, 2016. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Boone County Senior Services, Inc. as of December 31, 2016 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Greenwalt CPA's 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

BOONE COUNTY SENIOR SERVICES, INC.

FINANCIAL STATEMENTS

Together with Independent Auditors' Report

DECEMBER 31, 2016 AND 2015

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PH 317 241 2999

FAX 317 240 4485

Greenwalt CPAs, Inc.
5342 W. Vermont Street
Indianapolis, IN 46224
www.greenwaltcpas.com



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Boone County Senior Services, Inc.:

We have audited the accompanying financial statements of Boone County Senior Services, Inc. (BCSSI), which comprises the statement of financial position as of December 31, 2016, 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.

Auditors' 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 auditors' 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 BCSSI as of December 31, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited BCSSI's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 15, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Greenwalt CPAs, Inc.

June 21, 2017

BOONE COUNTY SENIOR SERVICES, INC.
 STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31, 2016 AND 2015

ASSETS

	<u>2016</u>	<u>2015</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 286,963	\$ 389,612
Short term investments	213,289	46,393
Grants receivable	59,832	107,918
Other receivables	4,894	3,245
Prepaid expenses	1,657	5,778
	<hr/>	<hr/>
<i>Total current assets</i>	566,635	552,946
LONG-TERM ASSETS		
Investments	124,447	241,092
Property and equipment, net	1,459,523	1,525,748
Vehicles held for use, net	23,255	54,261
	<hr/>	<hr/>
<i>Total long-term assets</i>	1,607,225	1,821,101
	<hr/>	<hr/>
<i>Total assets</i>	<u>\$ 2,173,860</u>	<u>\$ 2,374,047</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 4,600	\$ 3,062
Accrued payroll and related benefits	4,219	-
	<hr/>	<hr/>
<i>Total liabilities</i>	8,819	3,062
CONTINGENCY AND COMMITMENT (NOTES 5 AND 7)		
NET ASSETS		
Unrestricted	2,141,436	2,326,185
Temporarily restricted	23,605	44,800
	<hr/>	<hr/>
<i>Total net assets</i>	2,165,041	2,370,985
	<hr/>	<hr/>
<i>Total liabilities and net assets</i>	<u>\$ 2,173,860</u>	<u>\$ 2,374,047</u>

BOONE COUNTY SENIOR SERVICES, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2016

WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2016</u>	<u>2015</u>
REVENUES AND OTHER SUPPORT				
Direct public support-				
Special events revenue	\$ 98,728	\$ -	\$ 98,728	\$ 90,855
Special events expense	(15,495)	-	(15,495)	(9,991)
<i>Net special events</i>	83,233	-	83,233	80,864
Contributions and grants	46,346	1,500	47,846	130,534
Program service fees	128,304	-	128,304	134,755
In-kind donated vehicles and fuel	106,852	-	106,852	108,227
Professional volunteer services	57,039	-	57,039	60,305
Indirect public support-				
Allocated by United Way of Central Indiana, Inc.	71,468	-	71,468	66,270
<i>Total public support</i>	493,242	1,500	494,742	580,955
Fees and grants from governmental agencies	462,925	-	462,925	473,048
Net assets released from restrictions	22,695	(22,695)	-	-
Other revenue (loss)-				
Dividends and interest	11,894	-	11,894	2,723
Unrealized loss on investment	(2,428)	-	(2,428)	(3,210)
Gain on sale of vehicles	13,545	-	13,545	1,000
Rental income	5,482	-	5,482	2,475
Miscellaneous income	4,302	-	4,302	35,108
<i>Total other revenue (loss)</i>	32,795	-	32,795	38,096
<i>Total revenues and other support</i>	1,011,657	(21,195)	990,462	1,092,099
EXPENSES				
Program services-				
Transportation	640,342	-	640,342	566,382
Personal services	201,502	-	201,502	199,693
Outreach/Volunteer	172,358	-	172,358	168,429
Supporting services-				
Fundraising	41,874	-	41,874	34,443
Management and general	140,330	-	140,330	134,854
<i>Total expenses</i>	1,196,406	-	1,196,406	1,103,801
CHANGE IN NET ASSETS	(184,749)	(21,195)	(205,944)	(11,702)
NET ASSETS, BEGINNING OF YEAR	2,326,185	44,800	2,370,985	2,382,687
NET ASSETS, END OF YEAR	<u>\$ 2,141,436</u>	<u>\$ 23,605</u>	<u>\$ 2,165,041</u>	<u>\$ 2,370,985</u>

See accompanying notes to financial statements.

BOONE COUNTY SENIOR SERVICES, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2016 WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2015

	Program Services				Supporting Services		2016	2015
	Transportation	Personal Services	Outreach/ Volunteer	Total	Fundraising	Management and General		
Salaries and payroll taxes	\$ 303,525	\$ 129,295	\$ 76,431	\$ 509,251	\$ 30,455	\$ 80,036	\$ 619,742	\$ 601,989
Professional volunteer services	-	7,662	7,662	15,324	-	41,715	57,039	60,305
Employee benefits	3,447	2,902	1,943	8,292	656	5,621	14,569	13,529
Professional fees	4,793	3,798	6,485	15,076	-	3,624	18,700	18,200
Local transportation	1,257	17,493	1,662	20,412	-	444	20,856	25,878
Supplies	2,987	3,196	4,672	10,855	-	480	11,335	11,346
Telephone and utilities	8,821	5,847	9,448	24,116	1,212	1,600	26,928	25,209
Printing	161	91	5,445	5,697	-	12	5,709	5,658
Postage and shipping	1,243	1,218	1,833	4,294	-	609	4,903	4,399
Rental and maintenance of equipment	26,822	1,898	10,292	39,012	-	3,608	42,620	47,082
Conferences, conventions and meetings	1,176	660	862	2,698	-	363	3,061	2,147
Dues and subscriptions	114	820	962	1,896	89	-	1,985	1,622
Financial assistance to individuals	-	-	18,000	18,000	-	-	18,000	15,100
Insurance	122,000	9,592	4,116	135,708	6,423	609	142,740	51,001
Special events	-	-	-	-	15,495	-	15,495	9,991
In-kind donated vehicles and fuel	91,529	-	-	91,529	-	-	91,529	90,029
Contract services	11,658	1,561	2,793	16,012	-	-	16,012	15,644
Taxes	499	500	500	1,499	-	501	2,000	1,122
Bad debt	-	-	-	-	-	-	-	-
Miscellaneous	827	201	245	1,273	59	115	1,447	4,763
<i>Total functional expenses before depreciation and amortization</i>	580,859	186,734	153,351	920,944	54,389	139,337	1,114,670	1,005,014
Depreciation	28,477	14,768	19,007	62,252	2,980	993	66,225	67,849
Amortization	31,006	-	-	31,006	-	-	31,006	40,929
<i>Total functional expenses after depreciation and amortization</i>	640,342	201,502	172,358	1,014,202	57,369	140,330	1,211,901	1,113,792
Less direct expense of special events	-	-	-	-	(15,495)	-	(15,495)	(9,991)
<i>2016 functional expenses</i>	<u>\$ 640,342</u>	<u>\$ 201,502</u>	<u>\$ 172,358</u>	<u>\$ 1,014,202</u>	<u>\$ 41,874</u>	<u>\$ 140,330</u>	<u>\$ 1,196,406</u>	
<i>2015 functional expenses</i>	<u>\$ 566,382</u>	<u>\$ 199,693</u>	<u>\$ 168,429</u>	<u>\$ 934,504</u>	<u>\$ 34,443</u>	<u>\$ 134,854</u>		<u>\$ 1,103,801</u>

See accompanying notes to financial statements.

CHANGE IN CASH AND CASH EQUIVALENTS

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash and cash equivalents received from grantors and others	\$ 865,492	\$ 979,347
Cash and cash equivalents paid to suppliers and employees	(938,901)	(902,504)
Taxes paid	(2,000)	(1,122)
Investment income received	11,894	2,723
	<u>11,894</u>	<u>2,723</u>
<i>Net cash and cash equivalents provided by (used in) operating activities</i>	<u>(63,515)</u>	<u>78,444</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	-	(2,508)
Proceeds from sales of vehicles and insurance proceeds	13,545	1,000
Purchase of investments	(52,679)	(247,278)
Maturity of investments	-	212,002
	<u>-</u>	<u>212,002</u>
<i>Net cash and cash equivalents used in investing activities</i>	<u>(39,134)</u>	<u>(36,784)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(102,649)	41,660
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>389,612</u>	<u>347,952</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 286,963</u>	<u>\$ 389,612</u>

RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH
 AND CASH EQUIVALENTS PROVIDED BY (USED IN) OPERATING ACTIVITIES

	<u>2016</u>	<u>2015</u>
CHANGE IN NET ASSETS	<u>\$ (205,944)</u>	<u>\$ (11,702)</u>
ADJUSTMENTS TO RECONCILE CHANGES IN NET ASSETS TO NET CASH AND CASH EQUIVALENTS PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Depreciation and amortization	97,231	108,778
Gain on sale of vehicle	(13,545)	(1,000)
Donated vehicles held for use	-	(16,261)
Unrealized loss on investments	2,428	3,210
<i>(Increase) decrease in operating assets:</i>		
Grants receivable	48,086	60,239
Other receivables	(1,649)	2,324
Prepaid expenses	4,121	1,061
<i>Increase (decrease) in operating liabilities:</i>		
Accounts payable	1,538	(68,205)
Accrued payroll and related benefits	4,219	-
<i>Total adjustments</i>	<u>142,429</u>	<u>90,146</u>
NET CASH AND CASH EQUIVALENTS PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ (63,515)</u>	<u>\$ 78,444</u>

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF OPERATIONS

Boone County Senior Services, Inc. (BCSSI) was formed to provide services needed to assist senior citizens in leading meaningful, healthy lives. Through a variety of services, detailed below, BCSSI staff and volunteers provide for the emotional, social, physical, and educational well-being of Boone County residents over the age of 60. BCSSI maintains two offices in Lebanon and Zionsville, Indiana. BCSSI's main sources of revenue are support from the United Way of Central Indiana, contributions and fees, and grants from governmental agencies.

PROGRAM SERVICES

The following are descriptions of the program services provided by BCSSI:

Transportation – is a demand response service that provides door to door transportation services to the doctor's office, the grocery store, the bank and more.

Personal Services – is a program that provides older adults with homemaker services which include their cleaning, laundry and limited grocery shopping. Respite care provides temporary relief for the caregiver to leave the home. Personal Services also includes Home Health Aide, a program that provides custodial in-home personal care by certified health-care staff, and Guardianship, a program that provides assistance to those who need help with their financial matters and coping with life's issues.

Outreach/Volunteer – is a program that provides seniors with information about healthy living, educational opportunities, services and activities through newsletters, the senior pages in *The Reporter* and *Times Sentinel*, *WIRE* radio, special speakers and seminars. Outreach/Volunteer includes Friendly Visitor, a program in which volunteers make regular in-home visits to offer companionship and support to those who are alone.

BASIS OF ACCOUNTING AND USE OF ESTIMATES

These financial statements are presented on the accrual basis of accounting. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

SUMMARIZED COMPARATIVE INFORMATION

The financial statements include certain prior year summarized comparative information in total, but not by net asset or functional expense class. Such information does not include sufficient detail to constitute a presentation in conformity with Generally Accepted Accounting Principles. Accordingly, such information should be read in conjunction with BCSSI's financial statements for the year ended December 31, 2015, from which the summarized information was derived.

CASH AND CASH EQUIVALENTS

For purposes of the statements of cash flows, BCSSI considers certificates of deposit purchased with an original maturity of three months or less and money market accounts to be cash equivalents. There were cash equivalents in the amount of \$16,396 and \$8,642 at December 31, 2016 and 2015, respectively. At December 31, 2016, BCSSI maintained cash balances in excess of federally insured limits.

BOONE COUNTY SENIOR SERVICES, INC.
 COMBINED NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2016 AND 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

FAIR VALUE MEASUREMENTS

Accounting Standards for Fair Value Measurement define fair value as the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Those standards also establish a three-level fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, giving highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements).

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

Fair values measured on a recurring basis at December 31 are as follows:

		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>2016</u>	<u>Fair Value</u>			
Bonds	\$ 39,627	\$ 39,627	\$ -	\$ -
Mutual Funds	<u>84,820</u>	<u>84,820</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 124,447</u>	<u>\$ 124,447</u>	<u>\$ -</u>	<u>\$ -</u>

		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>2015</u>	<u>Fair Value</u>			
Bonds	\$ 42,761	\$ 42,761	\$ -	\$ -
Mutual Funds	<u>31,435</u>	<u>31,435</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 74,196</u>	<u>\$ 74,196</u>	<u>\$ -</u>	<u>\$ -</u>

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions. These valuation methods have not changed since the previous period.

INVESTMENTS

Consistent with Accounting Standards for Investments Held by Not-for-Profits, investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statements of financial position. All investments with an original maturity date of one year or less but greater than three months, have been considered short term investments. Unrealized gains and losses are based on the differences between cost and fair value of each classification of security and are reported in the statement of activities. Investments consisted of the following at December 31:

	<u>2016</u>	<u>2015</u>
Short term investments:		
Certificates of deposit	\$ 213,289	\$ 46,393
Long-term investments:		
Certificates of deposit	-	166,896
Bonds	39,627	42,761
Mutual funds	<u>84,820</u>	<u>31,435</u>
	<u>\$ 337,736</u>	<u>\$ 287,485</u>

The cost basis of the bonds was \$48,567 at December 31, 2016 and 2015. The cost basis of the mutual funds was \$88,019 and \$33,153 at December 31, 2016 and 2015, respectively.

BCSSI's certificates of deposit are recorded at cost at December 31, 2016 and 2015.

BCSSI's Edward Jones investment account offers a pre-approved line of credit (LOC) in the amount of \$42,409 at an interest rate of 6%. However, this LOC is simply an offer from Edward Jones in an attempt to make additional fee revenue and interest by having entities borrow against 50% of their investment portfolio. As shown on the 2016 year-end statement from Edward Jones, BCSSI has not drawn on the LOC, and they do not plan to do so in the future.

BOONE COUNTY SENIOR SERVICES, INC.
 COMBINED NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2016 AND 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	<u>2016</u>	<u>2015</u>
Land	\$ 200,000	\$ 200,000
Building and improvements	1,640,687	1,640,687
Vehicles and transportation equipment	398,133	486,954
Equipment	<u>178,206</u>	<u>178,206</u>
	2,417,026	2505,847
Accumulated depreciation	<u>(957,503)</u>	<u>(980,099)</u>
Property and equipment, net	<u>\$ 1,459,523</u>	<u>\$ 1,525,748</u>

BCSSI capitalizes expenditures for property and equipment over \$1,000 on the basis of cost. Donated property and equipment is reflected as a contribution in the financial statements at its estimated fair market value on the date of contribution and is treated as a non-cash transaction for purposes of the statement of cash flows. Depreciation is provided using the straight line method over the estimated useful lives of the assets. The estimated useful lives of the assets are as follows:

Building and improvements	15-40 years
Vehicles and equipment	5-7 years

The cost of assets sold, retired, or otherwise disposed of and the related allowance for depreciation are eliminated from the accounts and any resulting gain or loss is included in the statement of activities.

Expenditures for repairs and maintenance are expensed as incurred.

PUBLIC SUPPORT

In accordance with the Accounting Standards for Contributions Received and Contributions Made, contributions received are recorded as unrestricted or temporarily restricted, depending on the existence or nature of any donor restrictions. The contributions are recognized when the donor makes a promise to give to BCSSI and are recorded at their fair market value as revenues and assets in the period promised. Contributions restricted by the donor are reported as increases in the unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

EXPENSE ALLOCATION

Expenses have been classified as program services, fundraising, and management and general based on the actual direct expenditures and cost allocation based on estimates of time and usage by personnel and programs.

BOONE COUNTY SENIOR SERVICES, INC.
 COMBINED NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2016 AND 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

TAX STATUS

BCSSI is a non-profit corporation, exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code.

SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through June 21, 2017, which is the date the financial statements were available to be issued.

2. UNITED WAY REVENUE

At December 31, 2016 and 2015, a receivable of \$35,736 and \$34,653 has been recorded for the six months of United Way allocation to be received January – June 2017 and January - June 2016, respectively. The receivable is included in grants receivable on the statement of financial position.

3. DONATED SERVICES AND VEHICLES HELD FOR USE

During 2016 and 2015, BCSSI received donated professional services with a fair market value of \$57,039 and \$60,305, respectively. These donations have been recorded in the accompanying financial statements as support and as professional volunteer service expense. For purposes of the statements of cash flows, these non-cash transactions have been excluded.

During 2016 and 2015, BCSSI received additional volunteer hours for personal services, fundraising, and Board of Directors participation. The value of these services has not been reflected in the financial statements.

BCSSI has vehicles provided through government agencies at no cost. The value of use received for 2016 and 2015 was estimated to be \$36,000 and \$21,600, respectively. Certain vehicles were available for use through June 2015; however, BCSSI has kept the vehicles for their use. Other vehicles are available for use through 2017 or 100,000 miles, whichever comes first. At such time, BCSSI can keep the vehicles and transfer title to their name or BCSSI may choose to dispose of the vehicles in accordance with the granting agency's guidelines. The right to use these donated vehicles is recorded as vehicles held for use on the statement of financial position and will be amortized over the life of the grant or right to use, as applicable.

	<u>2016</u>	<u>2015</u>
Vehicles held for use	\$ 81,762	\$ 149,422
Accumulated amortization	<u>(58,507)</u>	<u>(95,161)</u>
Vehicles held for use, net	<u>\$ 23,255</u>	<u>\$ 54,261</u>

The value received for donated fuel by a government agency during 2016 and 2015 was \$32,542 and \$26,322 respectively.

These transactions have been treated as non-cash transactions and are excluded from the accompanying statements of cash flows.

4. NET ASSETS

The financial statements have been prepared in accordance with Accounting Standards for the Preparation of Financial Statements of Not-for-Profit Organizations. These standards require the financial statements to report the changes in and total of each of the net asset classes, based upon donor restrictions. Net assets are classified as unrestricted, temporarily restricted, and permanently restricted, as applicable.

Unrestricted net assets include revenue and expenses from the regular operations of BCSSI, which are at the discretion of management and the Board of Directors. The Board of Directors has designated a portion of unrestricted net assets as a contingency reserve of \$284,842 and \$263,372 as of December 31, 2016 and 2015, respectively.

Temporarily restricted net assets as of December 31, 2016 and 2015 were \$23,605 and \$44,800, respectively, as a result of vehicle grants received in 2015 and 2014 from government agencies and grants received which are restricted due to purpose or time.

5. FUTURE GRANT AUDITS

Under the terms of the federal grants, additional periodic audits are possible and certain costs may be challenged as to allowability under the terms of the grants. Such audits could lead to reimbursement to the grantor agency. At December 31, 2016, BCSSI does not believe any such reimbursement is likely.

6. RETIREMENT PLAN

BCSSI has a SIMPLE IRA for all employees who earned at least \$5,000 in compensation in each of the prior and current year. BCSSI matches employee contributions 100%, up to 3% of pay. Employee contributions may be made to the plan up to IRS limits. BCSSI's contributions for 2016 and 2015 were \$8,547 and \$8,203, respectively.

7. OPERATING LEASE

BCSSI leases a copier under an operating lease that expires in May 2018. Monthly payments for the lease are \$141.

Future minimum lease payments for the years ending December 31 are as follows:

2017	\$	1,693
2018		<u>706</u>
	\$	<u>2,399</u>

8. RECLASSIFICATION

Certain items in the 2015 financial statements have been reclassified to conform to the 2016 presentation. These reclassifications had no impact on net assets at December 31, 2015.

PH 317 241 2999

FAX 317 240 4485

Greenwalt CPAs, Inc.
5342 W. Vermont Street
Indianapolis, IN 46224
www.greenwaltcpas.com

GREENWALT CPAs

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors of
Boone County Senior Services, Inc.:

We have audited the financial statements of Boone County Senior Services, Inc. (BCSSI) as of and for the year ended December 31, 2016, and our report thereon dated June 21, 2017, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information shown in Exhibits I and II is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records and other records used to prepare the financial statements or to the financial statements themselves 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.

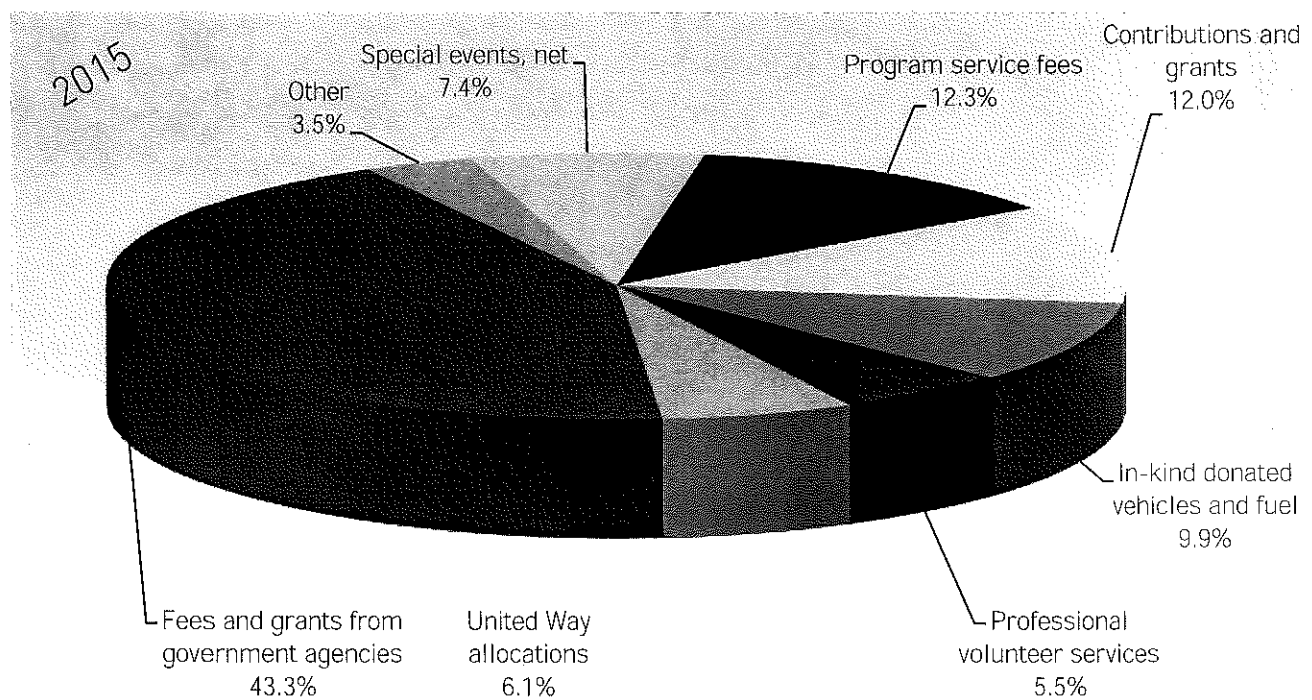
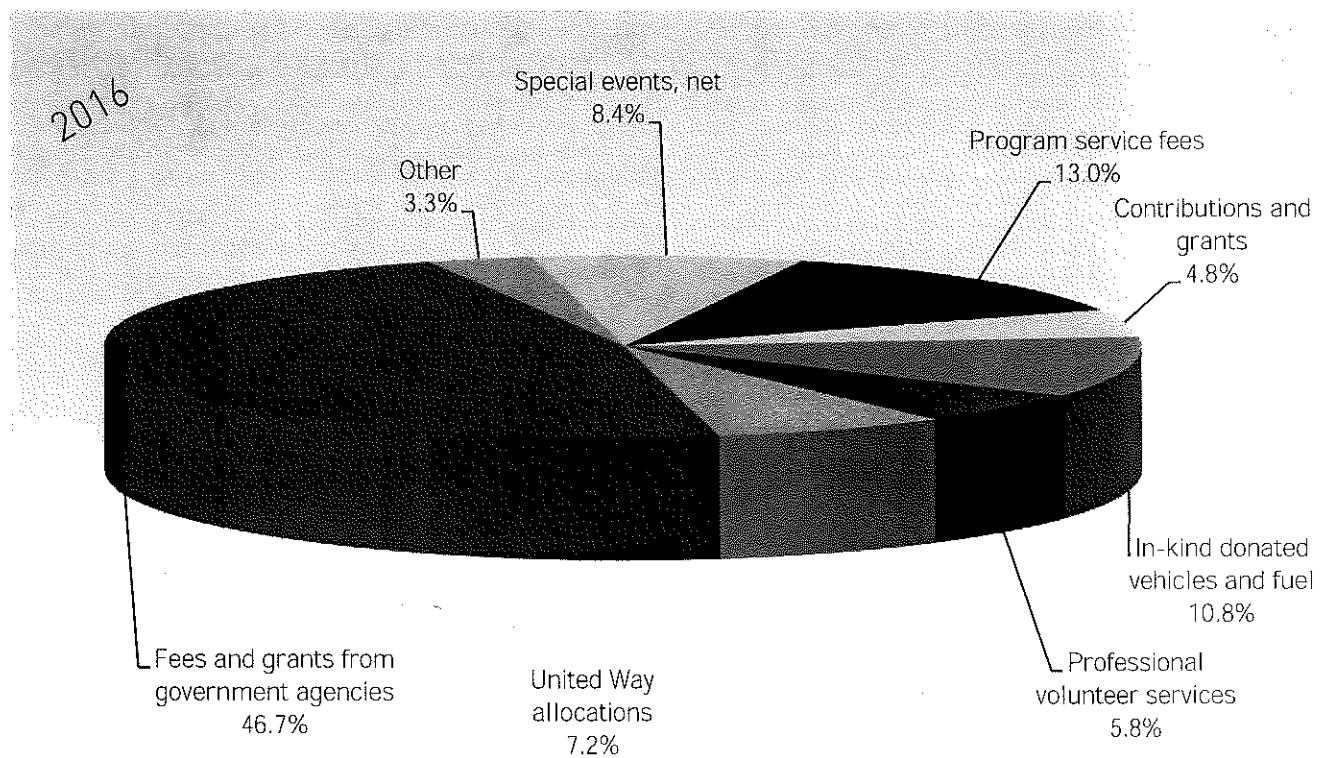
Information for the year ended December 31, 2015 was extracted from the financial statements for that year, on which an unmodified opinion dated June 15, 2016, was expressed.

June 21, 2017

Greenwalt CPAs, Inc.

BOONE COUNTY SENIOR SERVICES, INC.
 REVENUE GRAPHS
 FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

Exhibit I



BOONE COUNTY SENIOR SERVICES, INC.
 EXPENSE GRAPHS
 FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

Exhibit II

