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February 1, 2018

Board of Directors
Noble County Council On Aging, Inc.
111 Cedar Street
Kendallville, IN 46755

We have reviewed the report prepared by Noble County Council On Aging, Inc. and opined upon by Dulin, Ward & DeWald, Inc., 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 Noble County Council On Aging, 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, Dulin, Ward & DeWald, Inc. 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, CPA
State Examiner

**NOBLE COUNTY COUNCIL
ON AGING, INC.**

FINANCIAL STATEMENTS

Years Ended December 31, 2016 and 2015

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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, 2016 and 2015, 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.

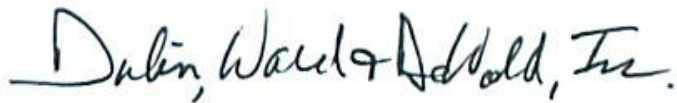
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2016 and 2015, 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.



Fort Wayne, Indiana
April 4, 2017

NOBLE COUNTY COUNCIL ON AGING, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2016 and 2015

	2016	2015
ASSETS		
Cash and cash equivalents	\$ 115,356	\$ 91,939
Certificates of deposit	352,185	300,825
Grants receivable	44,105	48,148
Accounts receivable	7,263	3,728
Prepaid expenses	2,801	-
Fixed assets - net	<u>709,467</u>	<u>743,436</u>
Total Assets	<u>\$ 1,231,177</u>	<u>\$ 1,188,076</u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 4,190	\$ -
Accrued expenses and withholdings	<u>17,916</u>	<u>15,596</u>
Total Liabilities	22,106	15,596
Net Assets - unrestricted	<u>1,209,071</u>	<u>1,172,480</u>
Total Liabilities and Net Assets	<u>\$ 1,231,177</u>	<u>\$ 1,188,076</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, 2016 and 2015

	Unrestricted	Temporarily Restricted	2016 Total	Unrestricted	Temporarily Restricted	2015
CHANGES IN NET ASSETS						
Support, Revenues and Gains:						
United Way	\$ 3,000	\$ -	\$ 3,000	\$ 4,000	\$ -	\$ 4,000
Contributions	29,682	-	29,682	28,663	-	28,663
In-kind contributions	-	14,368	14,368	445,000	27,986	472,986
Grants - government	477,618	28,426	506,044	467,107	138,729	605,836
Medicaid	193,734	-	193,734	196,589	-	196,589
Transportation fees	95,371	-	95,371	86,623	-	86,623
Advertising income	6,576	-	6,576	7,176	-	7,176
Miscellaneous	7,356	-	7,356	1,994	-	1,994
Interest	1,371	-	1,371	835	-	835
Gain on disposal of fixed asset	500	-	500	975	-	975
Net Assets Released From Restrictions:						
Satisfaction of purchase requirements	42,794	(42,794)	-	166,715	(166,715)	-
	<u>858,002</u>	<u>-</u>	<u>858,002</u>	<u>1,405,677</u>	<u>-</u>	<u>1,405,677</u>
Total Support, Revenues and Gains						
Expenses:						
Transportation	697,820	-	697,820	661,524	-	661,524
Homemaker	54,550	-	54,550	50,743	-	50,743
Management and general	67,516	-	67,516	55,697	-	55,697
Fundraising	1,525	-	1,525	2,356	-	2,356
	<u>821,411</u>	<u>-</u>	<u>821,411</u>	<u>770,320</u>	<u>-</u>	<u>770,320</u>
Total Expenses						
CHANGE IN NET ASSETS	36,591	-	36,591	635,357	-	635,357
NET ASSETS - beginning of year	<u>1,172,480</u>	<u>-</u>	<u>1,172,480</u>	<u>537,123</u>	<u>-</u>	<u>537,123</u>
NET ASSETS - end of year	<u>\$ 1,209,071</u>	<u>\$ -</u>	<u>\$ 1,209,071</u>	<u>\$ 1,172,480</u>	<u>\$ -</u>	<u>\$ 1,172,480</u>

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, 2016

	Transportation	Homemaker	Management and General	Fund- raising	Total Expenses
Salaries	\$ 384,267	\$ 34,622	\$ 32,135	\$ 1,389	\$ 452,413
Payroll taxes	30,279	2,773	2,505	109	35,666
Employment benefits	<u>7,500</u>	<u>687</u>	<u>620</u>	<u>27</u>	<u>8,834</u>
Total Salaries and Related Expenses	422,046	38,082	35,260	1,525	496,913
Fuels and lubricants	56,047	-	-	-	56,047
Casualty and liability costs	46,489	-	6,256	-	52,745
Materials and supplies consumed	32,326	736	2,944	-	36,006
Other services	14,787	739	5,805	-	21,331
Taxes	11,901	-	5,241	-	17,142
Custodial services	13,668	2,782	309	-	16,759
Travel and meetings	32	5,476	1,097	-	6,605
Miscellaneous	605	15	4,540	-	5,160
Utilities	2,075	-	2,076	-	4,151
Telephone	3,664	247	206	-	4,117
Professional and tech services	3,895	-	-	-	3,895
Advertising services	1,692	-	-	-	1,692
Bad debt expense	<u>-</u>	<u>-</u>	<u>41</u>	<u>-</u>	<u>41</u>
Total Expenses Before Depreciation	609,227	48,077	63,775	1,525	722,604
Depreciation	<u>88,593</u>	<u>6,473</u>	<u>3,741</u>	<u>-</u>	<u>98,807</u>
Total Expenses	<u><u>\$ 697,820</u></u>	<u><u>\$ 54,550</u></u>	<u><u>\$ 67,516</u></u>	<u><u>\$ 1,525</u></u>	<u><u>\$ 821,411</u></u>

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	<u>8,264</u>	<u>854</u>	<u>172</u>	<u>43</u>	<u>9,333</u>
Total Salaries and Related Expenses	404,112	37,378	27,000	2,356	470,846
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
Taxes	11,882	-	854	-	12,736
Custodial services	13,508	-	264	-	13,772
Travel and meetings	968	5,423	65	-	6,456
Miscellaneous	698	25	5,744	-	6,467
Utilities	2,448	-	2,447	-	4,895
Telephone	3,353	226	188	-	3,767
Professional and tech services	4,246	223	-	-	4,469
Advertising services	1,625	-	-	-	1,625
Bad debt expense	<u>-</u>	<u>-</u>	<u>176</u>	<u>-</u>	<u>176</u>
Total Expenses Before Depreciation	578,326	44,273	52,924	2,356	677,879
Depreciation	<u>83,198</u>	<u>6,470</u>	<u>2,773</u>	<u>-</u>	<u>92,441</u>
Total Expenses	<u><u>\$ 661,524</u></u>	<u><u>\$ 50,743</u></u>	<u><u>\$ 55,697</u></u>	<u><u>\$ 2,356</u></u>	<u><u>\$ 770,320</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, 2016 and 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 36,591	\$ 635,357
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	98,807	92,441
Provision for bad debts	41	176
In-kind contribution of fixed assets	(14,368)	(472,986)
Reinvested interest	(1,360)	(824)
Gain on disposal of fixed asset	(500)	(975)
Change in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(3,576)	(839)
Grants receivable	4,043	12,306
Prepaid expenses	(2,801)	-
Increase (decrease) in:		
Accounts payable	4,190	(5,872)
Accrued expenses and withholdings	2,320	2,918
	<u>123,387</u>	<u>261,702</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(50,470)	(174,776)
Proceeds from sale of fixed assets	500	1,000
Purchase of certificate of deposit	(50,000)	(100,000)
	<u>(99,970)</u>	<u>(273,776)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	23,417	(12,074)
CASH AND CASH EQUIVALENTS - beginning of year		
	<u>91,939</u>	<u>104,013</u>
CASH AND CASH EQUIVALENTS - end of year		
	<u>\$ 115,356</u>	<u>\$ 91,939</u>

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

NOBLE COUNTY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

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 located in Kendallville, Indiana.

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 4, 2017, 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 (83% in 2016 and 87% in 2015). 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, 2016, deposits in excess of the insured amount totaled \$223,555.

3. FIXED ASSETS

Fixed assets consist of the following:

	2016	2015
Transportation equipment	\$ 774,909	\$ 776,553
Office equipment	99,074	99,074
Land, building and improvements	<u>570,622</u>	<u>564,112</u>
	1,444,605	1,439,739
Accumulated depreciation	<u>735,138</u>	<u>696,303</u>
	<u>\$ 709,467</u>	<u>\$ 743,436</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 \$678 in 2016 and \$1,683 in 2015.

Noncash investing activities include donated fixed assets in the amount of \$14,368 in 2016 and \$472,986 in 2015.

5. ADVERTISING COSTS

Advertising costs are charged to operations when incurred. The cost of advertising charged to operations was \$1,692 for 2016 and \$1,625 for 2015.

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 received contributions of transportation equipment in the amounts of \$14,368 in 2016 and \$27,986 in 2015.

NOBLE COUNTY COUNCIL ON AGING, INC.
SCHEDULE OF GOVERNMENT FUNDS RECEIVED
Year Ended December 31, 2016

Federal or State Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Revenue Recognized
Department of Transportation:		
Passed through Indiana Department of Transportation:		
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	<u>\$ 14,368</u>
In-kind contributions		14,368
Department of Transportation:		
Passed through Noble County Treasurer:		
Formula Grants for Rural Areas	20.509	431,626
Indiana Family and Social Service Administration:		
Vendor Memorandum with Aging and In Home Services, Inc.:		
Title 3B	N/A	41,061
Choice	N/A	2,422
Social Service Block Grant	N/A	5,935
Noble County Commissioners	N/A	<u>25,000</u>
Grants - government		<u>506,044</u>
Total Government Funds Received		<u><u>\$ 520,412</u></u>

See independent auditors' report.