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April 2, 2018

Board of Directors
Area IV Agency on Aging and Community Action Programs, Inc.
660 N. 36th Street
Lafayette, IN 47903

We have reviewed the report prepared by Area IV Agency on Aging and Community Action Programs, Inc. and opined upon by Wipfli LLP, Independent Public Accountants, for the period January 1, 2016 to December 31, 2016. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Area IV Agency on Aging and Community Action Programs, 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, Wipfli LLP 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

**Area IV Agency on Aging and
Community Action Programs, Inc.**

Lafayette, Indiana

Financial Statements and Supplementary Information
Years Ended December 31, 2016 and 2015

Area IV Agency on Aging and Community Action Programs, Inc.

Financial Statements and Supplementary Information
Years Ended December 31, 2016 and 2015

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Independent Auditor's Report

Board of Directors
Area IV Agency on Aging and
Community Action Programs, Inc.
Lafayette, Indiana

Report on the Financial Statements

We have audited the accompanying financial statements of Area IV Agency on Aging and Community Action Programs, Inc., which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities 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; 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Area IV Agency on Aging and Community Action Programs, 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 accordance with accounting principles generally accepted in the United States.

Other Matters

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of program activity and schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis, and are not required parts 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. Such 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. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 10, 2017, on our consideration of Area IV Agency on Aging and Community Action Programs, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Area IV Agency on Aging and Community Action Programs, Inc.'s internal control over financial reporting and compliance.



Wipfli LLP

August 10, 2017
Madison, Wisconsin

Area IV Agency on Aging and Community Action Programs, Inc.

Statements of Financial Position

December 31, 2016 and 2015

<i>Assets</i>	2016	2015
Current assets:		
Cash and cash equivalents	\$ 342,887	\$ 485,733
Grants receivable	1,132,310	924,734
Loans receivable - current portion	10,926	8,912
Prepaid expenses	12,651	10,984
Total current assets	1,498,774	1,430,363
Long-term assets:		
Loans receivable - long-term portion	26,190	26,827
Beneficial interest in assets held by others	32,815	29,517
Total long-term assets	59,005	56,344
Property and equipment, net	33,520	55,391
TOTAL ASSETS	\$ 1,591,299	\$ 1,542,098
<i>Liabilities and Net Assets</i>		
Current liabilities:		
Accounts payable	\$ 578,084	\$ 439,691
Accrued payroll and related expenses	228,011	240,140
Grant funds received in advance	129,474	111,519
Total current liabilities	935,569	791,350
Net assets:		
Unrestricted	578,642	676,958
Temporarily restricted	53,683	50,735
Permanently restricted	23,405	23,055
Total net assets	655,730	750,748
TOTAL LIABILITIES AND NET ASSETS	\$ 1,591,299	\$ 1,542,098

See accompanying notes to financial statements.

Area IV Agency on Aging and Community Action Programs, Inc.

Statements of Activities

Years Ended December 31, 2016 and 2015

	2016			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Revenue:				
Grant revenue	\$ 7,202,118	\$ 0	\$ 0	\$ 7,202,118
Program income	708,807	0	0	708,807
Cash contributions	46,755	0	350	47,105
Special events	48,124	0	0	48,124
Change in beneficial interest in assets held by others	0	2,948	0	2,948
In-kind contributions	20,993	0	0	20,993
Net assets released from restrictions	0	0	0	0
Total revenue	8,026,797	2,948	350	8,030,095
Expenses:				
Program activities:				
Energy assistance	1,794,379	0	0	1,794,379
Weatherization	896,388	0	0	896,388
Housing	912,507	0	0	912,507
Case management	1,112,446	0	0	1,112,446
Transportation	58,870	0	0	58,870
Head Start	0	0	0	0
Community Services	430,857	0	0	430,857
Other programs	2,181,965	0	0	2,181,965
Total program expenses	7,387,412	0	0	7,387,412
Supportive services:				
Management and general	737,701	0	0	737,701
Total expenses	8,125,113	0	0	8,125,113
Changes in net assets	(98,316)	2,948	350	(95,018)
Net assets - Beginning of year	676,958	50,735	23,055	750,748
Net assets - End of year	\$ 578,642	\$ 53,683	\$ 23,405	\$ 655,730

See accompanying notes to financial statements.

Area IV Agency on Aging and Community Action Programs, Inc.

Statements of Activities (Continued)

Years Ended December 31, 2016 and 2015

	2015			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Revenue:				
Grant revenue	\$ 8,119,450	\$ 0	\$ 0	\$ 8,119,450
Program income	567,223	44,273	0	611,496
Cash contributions	11,510	0	250	11,760
Special events	49,007	0	0	49,007
Change in beneficial interest in assets held by others	0	(1,582)	0	(1,582)
In-kind contributions	235,551	0	0	235,551
Net assets released from restrictions	115,000	(106,956)	(8,044)	0
Total revenue	9,097,741	(64,265)	(7,794)	9,025,682
Expenses:				
Program activities:				
Energy assistance	2,066,401	0	0	2,066,401
Weatherization	929,791	0	0	929,791
Housing	899,967	0	0	899,967
Case management	1,335,224	0	0	1,335,224
Transportation	41,322	0	0	41,322
Head Start	922,975	0	0	922,975
Community Services	299,464	0	0	299,464
Other programs	1,913,692	0	0	1,913,692
Total program expenses	8,408,836	0	0	8,408,836
Supportive services:				
Management and general	781,721	0	0	781,721
Total expenses	9,190,557	0	0	9,190,557
Changes in net assets	(92,816)	(64,265)	(7,794)	(164,875)
Net assets - Beginning of year	769,774	115,000	30,849	915,623
Net assets - End of year	\$ 676,958	\$ 50,735	\$ 23,055	\$ 750,748

See accompanying notes to financial statements.

Area IV Agency on Aging and Community Action Programs, Inc.

Statements of Cash Flows

Years Ended December 31, 2016 and 2015

	2016	2015
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Changes in net assets	(\$ 95,018)	(\$ 164,875)
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Change in value of beneficial interest in assets held by others	(2,948)	1,582
Depreciation	21,871	29,627
Loss on disposal of property and equipment	0	30,000
Changes in operating assets and liabilities:		
Grants receivable	(207,576)	105,952
Accounts receivable	0	1,019
Prepaid expenses	(1,667)	(3,565)
Accounts payable	138,393	11,561
Accrued payroll and related expenses	(12,129)	(20,387)
Grant funds received in advance	17,955	(147,716)
Net cash used in operating activities	(141,119)	(156,802)
Cash flows from investing activities:		
Purchase of property and equipment	0	(38,409)
Issuance of loans receivable	(10,000)	(10,000)
Collections on loans receivable	8,623	6,615
Transfers to Community Foundation	(350)	(250)
Net cash used in investing activities	(1,727)	(42,044)
Changes in cash and cash equivalents	(142,846)	(198,846)
Cash and cash equivalents - Beginning of year	485,733	684,579
Cash and cash equivalents - End of year	\$ 342,887	\$ 485,733

See accompanying notes to financial statements.

Area IV Agency on Aging and Community Action Programs, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Nature of Operations

Area IV Agency on Aging and Community Action Programs, Inc. (the “Organization”) is an Indiana nonprofit corporation administering programs that assist older adults and low-income persons in mid-northwest Indiana. Its operations are supported primarily by grants from, and contracts with, government agencies. Revenues from governmental sources were approximately 95% and 90% of total revenue for the years ended December 31, 2016 and 2015, respectively. In addition, for the years ended December 31, 2016 and 2015, respectively, approximately 48% and 47% of total revenues were received from Indiana Housing and Community Development Authority and approximately 31% and 32% of total revenue were received from Indiana Family and Social Services Administration.

Basis of Presentation

All financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

Classification of Net Assets

Net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations and donor-imposed stipulations that are met in the year of the contribution.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or may not be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are transferred to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

Use of Estimates

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

Area IV Agency on Aging and Community Action Programs, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

The Organization considers all time deposits, certificates of deposit, and all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Loans Receivable

The Organization operates a loan fund that provides assistance to business owners in its service area. The assistance provided is in the form of low-interest deferred payment or installment loans and the loans are secured by property owned by the business owners. The assistance provided is recorded as a loan receivable with a corresponding increase in temporarily restricted net assets. Any loans subsequently repaid will reduce the loan receivable and provide funds for loans or other assistance to other eligible participants. Loan receivables are stated at the amount of unpaid principal.

Management has the intent and ability to hold all loans for the foreseeable future or until maturity or pay-off generally and has reported the loans at the outstanding unpaid principal balances adjusted for charge-offs and the allowance for expected loan losses. Interest income is accrued on the unpaid principal balance. Loan origination fees, net of certain direct origination costs, are recognized as income or expense when received or incurred since capitalization of these fees or costs would not have a significant impact on the financial statements.

Allowance for Loan Losses

The allowance for loan losses is a valuation allowance for probable incurred credit losses based on an evaluation of the outstanding loans. Loans losses are charged against the allowance when management believes the collectability of the principal is unlikely. Subsequent recoveries, if any, are credited to the allowance.

Management regularly evaluates the allowance for loan losses taking into consideration such factors as historical loss experience, changes in the nature and volume of the loan portfolio, overall portfolio quality, and review of specific problem loans, and current economic conditions that may affect the borrower's ability to pay. The management of the Organization has determined an allowance for loan losses is not necessary as of December 31, 2016 and 2015.

Property and Equipment

Property and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful life of the asset. The Organization capitalizes property and equipment purchased with a cost greater than \$5,000 and a useful life of more than one year. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. If there are no donor restrictions, regarding how long a donated asset must be maintained, the Organization reports expirations of donor restrictions when the donated assets are placed in service.

Area IV Agency on Aging and Community Action Programs, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Property and Equipment (Continued)

Property and equipment purchased with grant funds are owned by the Organization while used in the program for which they were purchased or in other future authorized programs. However, the various funding sources have a reversionary interest in the property and equipment purchased with grant funds. Its disposition, as well as the ownership of any proceeds therefrom, is subject to funding source regulations. The net book value of property and equipment purchased with grant funds is \$33,520 and \$55,391 at December 31, 2016 and 2015, respectively. These assets are included in the property and equipment shown on the statements of financial position.

Beneficial Interest in Assets Held by Others

The Organization recognizes its beneficial rights in assets held by others unless the donor has granted the recipient organization variance power. However, if the Organization is both the donor and the beneficiary of the assets, those rights are recognized even if the recipient organization has been granted variance power.

The beneficial interest in assets held by others is stated at fair value, based on the value of the underlying assets, as provided by the Community Foundation that holds the assets, which approximates the present value of expected future distributions. Changes in the value of the beneficial interest are included in revenue in the statements of activities.

Revenue Recognition

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions. When a restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statements of activities as released from restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Program income represent amounts contributed by program beneficiaries, individuals, or organizations. The income is to help defray the cost of a specific program. The income is recognized as temporarily restricted revenue and the income is used in the specific program when there is a stipulation by the donor. When a restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statements of activities as released from restriction. If the restriction is satisfied in the period the income is received, the income is recorded as unrestricted revenue.

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

Area IV Agency on Aging and Community Action Programs, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

A. Grant Awards That Are Contributions

Grants that qualify as contributions are recorded as invoiced to the funding sources. Revenue is recognized in the accounting period when the related allowable expenses are incurred. Amounts received in excess of expenses are reflected as grant funds received in advance.

B. Grant Awards That Are Exchange Transactions

Exchange transactions reimburse based on a predetermined rate for services performed. The revenue is recognized in the period the service is performed.

Energy Assistance Payments

Indiana Housing and Community Development Authority (“IHCDA”) makes energy assistance payments for participants in the Low Income Home Energy Assistance Program directly to the energy providers on behalf of all entities administering the program. Because the Organization performs all intake functions and is liable for errors made in determining participant eligibility, such payments made by IHCDA to the providers are recorded as both grant revenue and energy assistance expense in the accompanying financial statements. The Organization recognized \$1,539,877 and \$1,755,767 of revenue and expense during the years ended December 31, 2016 and 2015, for such payments made by IHCDA.

Special Events Revenue

Special events revenue consists of amounts received related to a special event. The revenue is recognized in the period the special event takes place and any services have been substantially performed.

In-Kind Contributions

The Organization recognizes in-kind contributions for space, donated materials, and professional services in the statements of activities in accordance with a financial accounting standard related to accounting for contributions received and contributions made. The Organization recognized in-kind contributions for space, donated materials, and professional services of \$20,993 and \$235,551 during the years ended December 31, 2016 and 2015. This standard requires that only contributions of services received that create or enhance a nonfinancial asset or require specialized skill by the individual possessing those skills and would typically need to be purchased if not provided by donation be recorded. The requirements of this standard are different than the in-kind requirements of several of the Organization’s grant awards. The Organization has received contributions of nonprofessional volunteers in the amounts of \$84,900 and \$101,615 during the years ended December 31, 2016 and 2015, predominantly in the Aging programs and Head Start program, which are not recorded on the statements of activities.

Area IV Agency on Aging and Community Action Programs, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Cost Allocation

The Organization utilizes various cost allocation formulas to distribute certain direct and shared costs to its programs. Costs, which are common to more than one program, have been identified and classified into cost pools. These cost pools have been allocated to the programs based on formulas developed by the Organization, which approximate the benefits each program derives from the costs.

Income Taxes

The Organization has been granted exemption from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is exempt from Indiana state tax as well.

The Organization is required to assess whether it is more likely than not that a tax position will be sustained upon examination on the technical merits of the position assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the financial statements. The Organization has determined there are no amounts to record as assets or liabilities related to uncertain tax positions.

Subsequent Events

Subsequent events have been evaluated through August 10, 2017, which is the date the financial statements were available to be issued.

Note 2: Concentration of Credit Risk

The Organization maintains cash balances at three financial institutions. Balances in the bank accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times during the year, balances in these accounts may exceed the insurance limits. Management believes these financial institutions have strong credit ratings and the credit risk related to these deposits is minimal.

Note 3: Grants Receivable

The Organization had grants receivable as of December 31 from the following sources:

	2016	2015
Indiana Family and Social Services Administration	\$ 793,492	\$ 652,630
Indiana Housing and Community Development Authority	236,661	200,979
Other sources	102,157	71,125
Totals	\$ 1,132,310	\$ 924,734

Area IV Agency on Aging and Community Action Programs, Inc.

Notes to Financial Statements

Note 4: Loans Receivable

The Organization operates a loan fund that provides assistance to business owners in the Organization's service area. The assistance is provided in the form of low-interest deferred payment or installment loans. As of December 31, 2016 and 2015, respectively, the Organization had outstanding loan balances of \$37,116 and \$35,739, all of which were current on their loan payments.

The Organization regularly evaluates attributes of loans to determine the appropriateness of the allowance for loan losses. Business development loans are generally evaluated based on whether or not the loan is performing according to the contractual terms of the loan.

Information regarding the credit quality indicators as of December 31, 2016, is as follows:

	Performing	Non-performing	Totals
Business development loans credit exposure:			
Business development loans	\$ 37,116	\$ 0	\$ 37,116

Information regarding the credit quality indicators as of December 31, 2015, is as follows:

	Performing	Non-performing	Totals
Business development loans credit exposure:			
Business development loans	\$ 35,739	\$ 0	\$ 35,739

Note 5: Property and Equipment

The following summarizes the Organization's property and equipment as of December 31:

	2016	2015
Vehicles	\$ 347,745	\$ 347,745
Program equipment	75,785	75,785
Subtotal	423,530	423,530
Accumulated depreciation	(390,010)	(368,139)
Property and equipment, net	\$ 33,520	\$ 55,391

Area IV Agency on Aging and Community Action Programs, Inc.

Notes to Financial Statements

Note 6: Beneficial Interest in Assets Held by Others

The Organization is the beneficiary of an endowment fund held by Greater Lafayette Community Foundation (the "Community Foundation"), to which members of the community contributed to the fund through the Organization or donated directly to the Community Foundation. The Organization and donors have granted the Community Foundation variance power in the determination of annual distributions and transfer of the accounts to other community organizations in certain circumstances. The contributions made through the Organization total \$23,405. The value of the portion of the fund attributable to contributions made through the Organization at December 31, 2016 and 2015 is \$32,815 and \$29,517, respectively, which is reported as beneficial interest in assets held by others in the accompanying statements of financial position. The changes in the value of the fund were an increase of \$2,948 in 2016, and a decrease of \$1,582 in 2015, and are reported as such in the accompanying statements of activities. There were no distributions received from the fund in 2016 or 2015.

The value of the portion of the fund attributable to direct contributions by others at December 31, 2016 and 2015, was \$39, which is not reported as an asset in the accompanying financial statements.

There were no grants from the portion of the fund attributable to contributions by others during 2016 or 2015.

Note 7: Line of Credit

The Organization has a \$250,000 line of credit from a bank that is collateralized by deposit accounts. At December 31, 2016, the interest rate was 3.75%. There was no outstanding balance on the line of credit for the years ended December 31, 2016 and 2015.

Note 8: Grant Funds Received in Advance

The Organization had grant funds received in advance of the following as of December 31:

	2016	2015
Medicaid waiver program	\$ 67,680	\$ 79,095
Other programs	61,794	32,424
Totals	\$ 129,474	\$ 111,519

Note 9: Temporarily Restricted Net Assets

Temporarily restricted net assets consisted of the following as of December 31:

	2016	2015
Revolving loan program	\$ 44,273	\$ 44,273
Beneficial interest – investment earnings	9,410	6,462
Totals	\$ 53,683	\$ 50,735

Area IV Agency on Aging and Community Action Programs, Inc.

Notes to Financial Statements

Note 10: Related Party

The Organization is related through common management to Area IV Development, Inc. (“Area IV Development”), an Indiana nonprofit corporation exempt from income tax under Internal Revenue Code Section 501(c)(3). Under Area IV Development’s bylaws, the Organization appoints both one-third of Area IV Development’s Board of Directors and its President, who must also be the Organization’s Executive Director. Area IV Development provides affordable housing projects that benefit low and moderate-income persons, older adults, disabled, and homeless persons.

For the year ended December 31, 2016, the Organization recorded revenue of \$23,413 for shared personnel and administrative services, and there were no amounts subcontracted to Area IV Development. At December 31, 2016, the Organization had an amount receivable from Area IV Development of \$7,428 and an amount payable to Area IV Development of \$4,297.

For the year ended December 31, 2015, the Organization recorded revenue of \$17,543 for shared personnel and administrative services, and recognized expenses of \$28,711 for services subcontracted to Area IV Development. At December 31, 2015, the Organization had an amount receivable from Area IV Development of \$2,782 and an amount payable to Area IV Development of \$2,701.

Note 11: Fair Value Measurements

Generally accepted accounting principles require disclosure of the measurement of assets and liabilities at fair value. In general, the Organization determines fair values determined by Level 1 inputs utilizing quoted market prices in active markets. Fair values determined by Level 2 inputs utilize market information that is observable, such as quoted market prices for similar items, broker/dealer quotes, or models using market interest rates or yield curves. Fair values determined by Level 3 inputs are based on valuation models or methodologies that incorporate at least one significant assumption that cannot be corroborated by observable market data. Level 3 measurements reflect the Organization’s estimates about assumptions market participants would use in measuring fair value of the asset or liability.

Some assets and liabilities are measured at fair value on a recurring basis under accounting principles generally accepted in the United States. Other assets and liabilities are measured at fair value on a nonrecurring basis. The Organization does not have any assets measured at fair value on a nonrecurring basis or liabilities that are measured at fair value.

Area IV Agency on Aging and Community Action Programs, Inc.

Notes to Financial Statements

Note 11: Fair Value Measurements (Continued)

Information regarding the fair value of assets measured at fair value on a recurring basis as of December 31, 2016, is as follows:

	Assets Measured at Fair Value	Recurring Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Beneficial interest in assets held by others	\$ 32,815	\$ 0	\$ 0	\$ 32,815
Totals	\$ 32,815	\$ 0	\$ 0	\$ 32,815

Information regarding the fair value of assets measured at fair value on a recurring basis as of December 31, 2015, is as follows:

	Assets Measured at Fair Value	Recurring Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Beneficial interest in assets held by others	\$ 29,517	\$ 0	\$ 0	\$ 29,517
Totals	\$ 29,517	\$ 0	\$ 0	\$ 29,517

The following is a description of the valuation methodology used for the asset measured at fair value on a recurring basis:

- Beneficial interest in assets held by others is valued based on the market value of the underlying assets, consisting mainly of equity securities and fixed-income securities, which are valued based on quoted market prices, based on recent trading activity and other observable market data.

Information regarding the fair value of assets measured at fair value on a recurring basis using Level 3 inputs as of December 31, 2016 and 2015, is as follows:

	2016	2015
Balance at beginning of year	\$ 29,517	\$ 30,849
Contributions	350	250
Change in value	2,948	(1,582)
Balance at end of year	\$ 32,815	\$ 29,517

Area IV Agency on Aging and Community Action Programs, Inc.

Notes to Financial Statements

Note 12: Endowment

The Organization's endowment consist of a fund established for the furtherance of the purpose and work of the Organization. The Organization's endowment is a donor restricted endowment. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as adopted by the State of Indiana, as requiring the Organization to preserve the fair value of the donor's original gift, as of the date of the gift, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of the donor's gifts to the permanent endowment, (b) the original value of a donor's subsequent gifts to the permanent restricted endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment funds that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

The investment and spending policies for this fund are established by the Community Foundation's governing body and are not under the control of the Organization.

Interest, dividends, and net appreciation in fair value of the endowment fund or donor-restricted endowment funds are classified as temporarily restricted.

The change in the endowment for the year ended December 31, is as follows:

	2016		
	Temporarily Restricted	Permanently Restricted	Total
Balance at beginning	\$ 6,462	\$ 23,055	\$ 29,517
Contributions	0	350	350
Change in value	2,948	0	2,948
Released from restriction	0	0	0
Balance at end	\$ 9,410	\$ 23,405	\$ 32,815

Area IV Agency on Aging and Community Action Programs, Inc.

Notes to Financial Statements

Note 12: Endowment (Continued)

	2015		
	Temporarily Restricted	Permanently Restricted	Total
Balance at beginning	\$ 0	\$ 30,849	\$ 30,849
Contributions	0	250	250
Change in value	(1,582)	0	(1,582)
Released from restriction	8,044	(8,044)	0
Balance at end	\$ 6,462	\$ 23,055	\$ 29,517

Note 13: Operating Leases

The Organization leases various facilities for operation of its programs. Rent expense for the year ended December 31, 2016 and 2015 was \$139,561 and \$175,914, respectively. Future minimum lease payments beyond December 31, 2016, are as follows:

2017	\$ 104,687
2018	106,761
2019	106,761
2020	106,761
2021	71,174
Total	\$ 496,144

Note 14: Retirement Plan

The Organization has a defined contribution retirement plan covering substantially all employees who meet certain eligibility requirements. The Organization contributes 3% of the gross salaries of employees who have provided at least two years of continuous service. The Organization's contribution to the plan was \$41,417 and \$49,140 for the years ended December 31, 2016 and 2015, respectively.

Note 15: Grant Awards

As of December 31, 2016, the Organization had received commitments for future funding under various grant awards of approximately \$3,600,000. These commitments are not recognized in the accompanying financial statements as they are conditional awards.

Supplementary Information

Area IV Agency on Aging and Community Action Programs, Inc.

Schedule A-1

Schedule of Program Activity

Year Ended December 31, 2016

	FEDERAL PROGRAMS						
	Department of Agriculture				HUD	DOT	
	10.558		10.559		14.871	20.507	
	Total	Child & Adult Care Food (1)	Child & Adult Care Food (2)	10.558 Subtotal	Child Nutrition (3)	Section 8 Housing (4)	Federal Transit Formula Grants (5)
REVENUE							
Grant revenue	\$ 7,202,118	\$ 12,662	\$ 6,036	\$ 18,698	\$ 11,606	\$ 870,350	\$ 51,071
Program income	708,807	0	0	0	0	0	0
Cash contributions	47,105	0	0	0	10,000	340	164
Special events	48,124	0	0	0	0	0	0
Change in beneficial interest	2,948	0	0	0	0	0	0
In-kind contributions	20,993	0	0	0	0	0	40,789
CSBG transfers	0	0	0	0	0	35,001	5,039
Older Hoosier transfers	0	0	0	0	0	0	0
Other transfers	0	0	0	0	217	449	10,786
Total Revenue	8,030,095	12,662	6,036	18,698	21,823	906,140	107,849
EXPENSES							
Salaries	2,414,349	0	0	0	15,156	96,715	34,213
Fringe	509,670	0	0	0	552	23,363	9,560
Contract services	96,783	0	0	0	305	2,038	1,539
Travel	78,478	0	0	0	408	1,872	10,982
Space	224,849	0	0	0	266	5,484	2,765
Consumable supplies	624,417	12,662	6,036	18,698	3,948	3,912	708
Equipment lease	4,461	0	0	0	72	45	48
Direct client assistance	3,979,917	0	0	0	0	767,506	10
Other operational	171,196	0	0	0	1,116	5,205	7,235
In-kind expense	20,993	0	0	0	0	0	40,789
Total Expenses	8,125,113	12,662	6,036	18,698	21,823	906,140	107,849
Change in Net Assets	(95,018)	0	0	0	0	0	0
Net assets - Beginning of year	750,748	0	0	0	0	0	0
NET ASSETS - End of year	\$ 655,730	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Area IV Agency on Aging and Community Action Programs, Inc.

Schedule A-2

Schedule of Program Activity

Year Ended December 31, 2016

	FEDERAL PROGRAMS						
	Department of Energy			Department of Health and Human Services			
	81.042			93.042		93.043	
	Weatherization	Weatherization	81.042	Title VII	Title VII	93.042	Title III
(6)	(7)	Subtotal	Long Term	Long Term	Subtotal	Prevention	
			Care	Care		(10)	
			(8)	(9)			
REVENUE							
Grant revenue	\$ 71,680	\$ 190,616	\$ 262,296	\$ 6,250	\$ 6,250	\$ 12,500	\$ 8,228
Program income	0	0	0	0	0	0	0
Cash contributions	0	335	335	0	0	0	362
Special events	0	0	0	0	0	0	0
Change in beneficial interest	0	0	0	0	0	0	0
In-kind contributions	0	0	0	0	0	0	0
CSBG transfers	0	0	0	0	0	0	7,160
Older Hoosier transfers	0	0	0	0	0	0	0
Other transfers	(7,913)	97	(7,816)	0	0	0	318
Total Revenue	63,767	191,048	254,815	6,250	6,250	12,500	16,068
EXPENSES							
Salaries	22,733	55,453	78,186	0	0	0	11,814
Fringe	3,117	15,761	18,878	0	0	0	430
Contract services	1,579	2,543	4,122	0	0	0	585
Travel	364	1,263	1,627	0	0	0	207
Space	2,845	4,403	7,248	0	0	0	548
Consumable supplies	576	963	1,539	0	0	0	282
Equipment lease	68	67	135	0	0	0	18
Direct client assistance	29,430	105,965	135,395	6,250	6,250	12,500	728
Other operational	3,055	4,630	7,685	0	0	0	1,456
In-kind expense	0	0	0	0	0	0	0
Total Expenses	63,767	191,048	254,815	6,250	6,250	12,500	16,068
Change in Net Assets	0	0	0	0	0	0	0
Net assets - Beginning of year	0	0	0	0	0	0	0
NET ASSETS - End of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Area IV Agency on Aging and Community Action Programs, Inc.

Schedule A-3

Schedule of Program Activity

Year Ended December 31, 2016

	FEDERAL PROGRAMS						
	Department of Health and Human Services						
	93.043		93.044				
	Title III Prevention (11)	93.043 Subtotal	Title III Admin Services (12)	Title III Admin Services (13)	Title III Supportive Services (14)	Title III Supportive Services (15)	93.044 Subtotal
REVENUE							
Grant revenue	\$ 8,481	\$ 16,709	\$ 44,010	\$ 44,629	\$ 121,241	\$ 125,964	\$ 335,844
Program income	0	0	0	0	0	0	0
Cash contributions	365	727	1,779	0	9,460	406	11,645
Special events	0	0	0	0	0	0	0
Change in beneficial interest	0	0	0	0	0	0	0
In-kind contributions	0	0	16,791	2,914	2,177	0	21,882
CSBG transfers	18,745	25,905	0	0	5,002	42,714	47,716
Older Hoosier transfers	0	0	0	0	36,468	11,293	47,761
Other transfers	0	318	6,082	60	(3,261)	11,754	14,635
Total Revenue	27,591	43,659	68,662	47,603	171,087	192,131	479,483
EXPENSES							
Salaries	21,920	33,734	33,409	31,388	60,285	76,407	201,489
Fringe	1,124	1,554	6,620	6,297	11,625	21,739	46,281
Contract services	516	1,101	2,036	1,731	2,427	2,942	9,136
Travel	269	476	60	179	3,018	4,183	7,440
Space	267	815	3,155	3,579	6,552	7,353	20,639
Consumable supplies	509	791	744	536	3,137	2,156	6,573
Equipment lease	17	35	74	52	89	55	270
Direct client assistance	870	1,598	1,745	3	75,299	74,786	151,833
Other operational	2,099	3,555	4,028	924	6,478	2,510	13,940
In-kind expense	0	0	16,791	2,914	2,177	0	21,882
Total Expenses	27,591	43,659	68,662	47,603	171,087	192,131	479,483
Change in Net Assets	0	0	0	0	0	0	0
Net assets - Beginning of year	0	0	0	0	0	0	0
NET ASSETS - End of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Area IV Agency on Aging and Community Action Programs, Inc.

Schedule A-4

Schedule of Program Activity

Year Ended December 31, 2016

	FEDERAL PROGRAMS						
	Department of Health and Human Services						
	93.045			93.053			Aging Cluster Subtotal
	Title III Nutrition Services (16)	Title III Nutrition Services (17)	93.045 Subtotal	Incentive Program (18)	Incentive Program (19)	93.053 Subtotal	
REVENUE							
Grant revenue	\$ 197,411	\$ 222,398	\$ 419,809	\$ 36,288	\$ 33,656	\$ 69,944	\$ 825,597
Program income	56	24,126	24,182	0	0	0	24,182
Cash contributions	0	0	0	0	0	0	11,645
Special events	0	0	0	0	0	0	0
Change in beneficial interest	0	0	0	0	0	0	0
In-kind contributions	0	35,503	35,503	0	0	0	57,385
CSBG transfers	0	0	0	0	0	0	47,716
Older Hoosier transfers	14,205	21,685	35,890	0	0	0	83,651
Other transfers	(105)	21,891	21,786	0	(21,845)	(21,845)	14,576
Total Revenue	211,567	325,603	537,170	36,288	11,811	48,099	1,064,752
EXPENSES							
Salaries	6,775	14,544	21,319	0	0	0	222,808
Fringe	1,141	3,917	5,058	0	0	0	51,339
Contract services	980	1,345	2,325	0	0	0	11,461
Travel	4	3	7	0	0	0	7,447
Space	2,813	4,606	7,419	0	0	0	28,058
Consumable supplies	197,627	265,350	462,977	36,288	11,811	48,099	517,649
Equipment lease	41	17	58	0	0	0	328
Direct client assistance	0	2	2	0	0	0	151,835
Other operational	2,186	316	2,502	0	0	0	16,442
In-kind expense	0	35,503	35,503	0	0	0	57,385
Total Expenses	211,567	325,603	537,170	36,288	11,811	48,099	1,064,752
Change in Net Assets	0	0	0	0	0	0	0
Net assets - Beginning of year	0	0	0	0	0	0	0
NET ASSETS - End of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Area IV Agency on Aging and Community Action Programs, Inc.

Schedule A-5

Schedule of Program Activity

Year Ended December 31, 2016

	FEDERAL PROGRAMS							
	Department of Health and Human Services							
	93.052			93.568				
	Family Caregiver Support (20)	Family Caregiver Support (21)	93.052 Subtotal	EAP LIHEAP (22)	EAP LIHEAP (23)	Weatherization HEAP (24)	Weatherization HEAP (25)	93.568 Subtotal
REVENUE								
Grant revenue	\$ 79,293	\$ 49,372	\$ 128,665	\$ 1,273,833	\$ 440,533	\$ 521,586	\$ 55,846	\$ 2,291,798
Program income	0	0	0	0	0	0	0	0
Cash contributions	412	225	637	3,740	0	572	0	4,312
Special events	0	0	0	0	0	0	0	0
Change in beneficial interest	0	0	0	0	0	0	0	0
In-kind contributions	955	3,750	4,705	0	0	0	0	0
CSBG transfers	8,267	6,006	14,273	40,364	0	0	0	40,364
Older Hoosier transfers	178	0	178	0	0	0	0	0
Other transfers	2,688	4	2,692	3,180	0	20,686	0	23,866
Total Revenue	91,793	59,357	151,150	1,321,117	440,533	542,844	55,846	2,360,340
EXPENSES								
Salaries	57,876	39,995	97,871	139,583	54,749	147,816	11,864	354,012
Fringe	13,726	10,043	23,769	18,558	6,183	33,562	2,694	60,997
Contract services	1,279	1,364	2,643	10,752	2,984	5,245	1,686	20,667
Travel	9	10	19	4,212	1,208	8,497	520	14,437
Space	3,631	2,676	6,307	17,526	6,692	11,797	3,142	39,157
Consumable supplies	5,908	391	6,299	7,529	2,726	3,465	348	14,068
Equipment lease	44	30	74	1,359	459	195	45	2,058
Direct client assistance	6,174	451	6,625	1,106,674	364,728	319,122	35,032	1,825,556
Other operational	2,191	647	2,838	14,924	804	13,145	515	29,388
In-kind expense	955	3,750	4,705	0	0	0	0	0
Total Expenses	91,793	59,357	151,150	1,321,117	440,533	542,844	55,846	2,360,340
Change in Net Assets	0	0	0	0	0	0	0	0
Net assets - Beginning of year	0	0	0	0	0	0	0	0
NET ASSETS - End of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Area IV Agency on Aging and Community Action Programs, Inc.

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Schedule of Program Activity

Year Ended December 31, 2016

	FEDERAL PROGRAMS					
	Department of Health and Human Services					
	93.569	93.667			93.778	
	CSBG (26)	Social Services Block Grant (27)	Social Services Block Grant (28)	93.667 Subtotal	Medical Assistance (29)	Medical Assistance (30)
REVENUE						
Grant revenue	\$ 467,559	\$ 212,608	\$ 230,654	\$ 443,262	\$ 131,748	\$ 1,991
Program income	0	0	0	0	0	0
Cash contributions	283	620	0	620	748	0
Special events	0	0	0	0	0	0
Change in beneficial interest	0	0	0	0	0	0
In-kind contributions	0	0	0	0	0	0
CSBG transfers	(357,341)	0	0	0	0	0
Older Hoosier transfers	0	0	0	0	0	0
Other transfers	62	1,290	193	1,483	12,275	8,527
Total Revenue	110,563	214,518	230,847	445,365	144,771	10,518
EXPENSES						
Salaries	65,941	99,013	108,280	207,293	100,243	4,331
Fringe	14,626	22,954	27,243	50,197	20,705	1,321
Contract services	10,609	2,913	4,102	7,015	2,747	738
Travel	122	3,629	2,688	6,317	2,757	121
Space	8,667	8,772	11,555	20,327	11,282	3,110
Consumable supplies	1,600	1,902	2,224	4,126	2,210	346
Equipment lease	248	106	66	172	105	21
Direct client assistance	3,197	67,605	72,084	139,689	0	5
Other operational	5,553	7,624	2,605	10,229	4,722	525
In-kind expense	0	0	0	0	0	0
Total Expenses	110,563	214,518	230,847	445,365	144,771	10,518
Change in Net Assets	0	0	0	0	0	0
Net assets - Beginning of year	0	0	0	0	0	0
NET ASSETS - End of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Area IV Agency on Aging and Community Action Programs, Inc.

Schedule A-7

Schedule of Program Activity

Year Ended December 31, 2016

	FEDERAL PROGRAMS		
	DHHS		
	93,778		
	Waiver Intake (31)	93,778 Subtotal	Total Federal Programs
REVENUE			
Grant revenue	\$ 93,414	\$ 227,153	\$ 5,627,264
Program income	0	0	24,182
Cash contributions	0	748	29,811
Special events	0	0	0
Change in beneficial interest	0	0	0
In-kind contributions	0	0	102,879
CSBG transfers	0	0	(189,043)
Older Hoosier transfers	0	0	83,829
Other transfers	26,020	46,822	93,455
Total Revenue	119,434	274,723	5,772,377
EXPENSES			
Salaries	84,990	189,564	1,395,493
Fringe	21,821	43,847	298,682
Contract services	2,273	5,758	67,258
Travel	2,082	4,960	48,667
Space	6,359	20,751	139,845
Consumable supplies	932	3,488	576,826
Equipment lease	21	147	3,362
Direct client assistance	5	10	3,043,921
Other operational	951	6,198	95,444
In-kind expense	0	0	102,879
Total Expenses	119,434	274,723	5,772,377
Change in Net Assets	0	0	0
Net assets - Beginning of year	0	0	0
NET ASSETS - End of year	\$ 0	\$ 0	\$ 0

Area IV Agency on Aging and Community Action Programs, Inc.

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Schedule of Program Activity

Year Ended December 31, 2016

STATE AND LOCAL PROGRAMS								
	Older Hoosier			Assisted Living	Aging and	Section 5311 Grant	Medicaid	Tobacco
	Act	CHOICE	CHOICE	Ombudsman	Disability	State Portion	Waiver	Prevention and
	(32)	(33)	(34)	(35)	Resource Center	(37)	A& D	Cessation
					(36)		(38)	(39)
REVENUE								
Grant revenue	\$ 83,829	\$ 619,760	\$ 540,804	\$ 12,500	\$ 49,487	\$ 10,208	\$ 0	\$ 41,984
Program income	0	0	0	0	0	0	444,660	0
Cash contributions	0	2,789	1,103	0	0	0	0	0
Special events	0	0	0	0	0	0	0	0
Change in beneficial interest	0	0	0	0	0	0	0	0
In-kind contributions	0	0	0	0	0	0	0	0
CSBG transfers	0	0	0	0	0	0	0	0
Older Hoosier transfers	(83,829)	0	0	0	0	0	0	0
Other transfers	0	28,271	(724)	0	1,096	(10,208)	(46,491)	0
Total Revenue	0	650,820	541,183	12,500	50,583	0	398,169	41,984
EXPENSES								
Salaries	0	199,187	107,168	0	41,151	0	279,265	30,216
Fringe	0	42,114	21,387	0	3,059	0	65,527	2,686
Contract services	0	7,154	5,104	0	169	0	6,819	1,775
Travel	0	2,161	1,807	0	597	0	10,271	108
Space	0	21,047	16,148	0	1	0	19,285	1,916
Consumable supplies	0	8,058	6,007	0	5,235	0	4,208	868
Equipment lease	0	243	112	0	0	0	155	10
Direct client assistance	0	354,214	380,154	12,500	0	0	5,222	2,073
Other operational	0	16,642	3,296	0	371	0	7,417	2,332
In-kind expense	0	0	0	0	0	0	0	0
Total Expenses	0	650,820	541,183	12,500	50,583	0	398,169	41,984
Change in Net Assets	0	0	0	0	0	0	0	0
Net assets - Beginning of year	0	0	0	0	0	0	0	0
NET ASSETS - End of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

See Independent Auditor's Report.

Area IV Agency on Aging and Community Action Programs, Inc.

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Schedule of Program Activity

Year Ended December 31, 2016

	STATE AND LOCAL PROGRAMS						
	Learning Center (40)	Share the Warmth (41)	Vectren DSM (42)	State LIHEAP (43)	State Weatherization HEAP (44)	Organizational Payee (45)	IDA Program (46)
REVENUE							
Grant revenue	\$ 7,973	\$ 37,479	\$ 0	\$ 80,939	\$ 66,478	\$ 0	\$ 0
Program income	95,756	0	8,561	0	0	60,412	0
Cash contributions	1,594	0	0	0	0	32	0
Special events	0	0	0	0	0	0	0
Change in beneficial interest	0	0	0	0	0	0	0
In-kind contributions	225	0	0	125	0	0	0
CSBG transfers	139,718	0	0	0	0	47,449	5,883
Older Hoosier transfers	0	0	0	0	0	0	0
Other transfers	8,045	77	0	6	1,732	0	0
Total Revenue	253,311	37,556	8,561	81,070	68,210	107,893	5,883
EXPENSES							
Salaries	184,557	2,856	0	3,267	22,891	81,064	4,314
Fringe	34,500	507	0	501	5,441	12,518	1,167
Contract services	2,647	6	0	87	236	2,724	42
Travel	655	0	0	0	73	187	34
Space	16,196	3	0	41	71	4,854	122
Consumable supplies	10,390	23	0	(11)	171	4,835	104
Equipment lease	396	0	0	1	0	79	0
Direct client assistance	1,355	34,076	8,181	76,856	38,579	0	0
Other operational	2,390	85	380	203	748	1,632	100
In-kind expense	225	0	0	125	0	0	0
Total Expenses	253,311	37,556	8,561	81,070	68,210	107,893	5,883
Change in Net Assets	0	0	0	0	0	0	0
Net assets - Beginning of year	0	0	0	0	0	0	0
NET ASSETS - End of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

See Independent Auditor's Report.

Area IV Agency on Aging and Community Action Programs, Inc.

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Schedule of Program Activity

Year Ended December 31, 2016

	STATE AND LOCAL PROGRAMS				DISCRETIONARY		
	Beed Loan Operations (47)	Revolving Loans Receivable (48)	Beneficial Interest in Assets (49)	Total State & Local	Other Activities (50)	GAAP Adjustments (51)	TOTAL DISCRETIONARY
REVENUE							
Grant revenue	\$ 0	\$ 0	\$ 0	1,551,441	\$ 23,413	\$ 0	\$ 23,413
Program income	4,011	0	0	613,400	71,225	0	71,225
Cash contributions	0	0	350	5,868	11,426	0	11,426
Special events	0	0	0	0	48,124	0	48,124
Change in beneficial interest	0	0	2,948	2,948	0	0	0
In-kind contributions	0	0	0	350	2,664	(84,900)	(82,236)
CSBG transfers	(4,007)	0	0	189,043	0	0	0
Older Hoosier transfers	0	0	0	(83,829)	0	0	0
Other transfers	1	0	0	(18,195)	(101,255)	25,995	(75,260)
Total Revenue	5	0	3,298	2,261,026	55,597	(58,905)	(3,308)
EXPENSES							
Salaries	0	0	0	955,936	62,920	0	62,920
Fringe	0	0	0	189,407	17,457	4,124	21,581
Contract services	0	0	0	26,763	2,762	0	2,762
Travel	0	0	0	15,893	13,918	0	13,918
Space	0	0	0	79,684	5,320	0	5,320
Consumable supplies	1	0	0	39,889	7,702	0	7,702
Equipment lease	0	0	0	996	103	0	103
Direct client assistance	4	0	0	913,214	22,782	0	22,782
Other operational	0	0	0	35,596	18,285	21,871	40,156
In-kind expense	0	0	0	350	2,664	(84,900)	(82,236)
Total Expenses	5	0	0	2,257,728	153,913	(58,905)	95,008
Change in Net Assets	0	0	3,298	3,298	(98,316)	0	(98,316)
Net assets - Beginning of year	0	44,273	29,517	73,790	676,958	0	676,958
NET ASSETS - End of year	\$ 0	\$ 44,273	\$ 32,815	\$ 77,088	\$ 578,642	\$ 0	\$ 578,642

See Independent Auditor's Report.

Area IV Agency on Aging and Community Action Programs, Inc.

Schedule B-1
 Schedule of Expenditures of Federal Awards
 Year Ended December 31, 2016

Federal Grantor/Pass-Through Entity/Program Title	CFDA Number	Contract or Agreement Number	Passed through to Subrecipients	Federal Expenditures
DEPARTMENT OF AGRICULTURE				
Passed-Through Indiana Department of Education				
(1) Child and Adult Care Food Program	10.558	1790160	\$ 0	\$ 12,662
(2) Child and Adult Care Food Program	10.558	1790160	0	6,036
Total Federal Expenditures CFDA 10.558			0	18,698
Child Nutrition Cluster:				
(3) Summer Food Service Program for Children	10.559	1790160	0	11,606
Total Federal Expenditures CFDA 10.559 Child Nutrition Cluster			0	11,606
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed-Through Indiana Housing and Community Development Authority				
(4) Section 8 Housing Choice Vouchers	14.871	HVC-016-03	0	870,350
DEPARTMENT OF TRANSPORTATION				
Passed-Through Indiana Department of Transportation				
Federal Transit Cluster:				
(5) Federal Transit - Formula Grants	20.507	A249-16-G150132	0	51,071
Total Federal Expenditures CFDA 20.507 Federal Transit Cluster			0	51,071
DEPARTMENT OF ENERGY				
Passed-Through Indiana Housing and Community Development Authority				
(6) Weatherization	81.042	WX-015-003	0	71,680
(7) Weatherization	81.042	WX-016-003	0	190,616
Total Federal Expenditures CFDA 81.042			0	262,296
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed-Through Indiana Family and Social Services Administration				
(8) Special Programs for the Aging -Title VII-Long Term Care Ombudsman Services for Older Individuals	93.042	79-16-2V-1541-03	6,250	6,250
(9) Special Programs for the Aging -Title VII-Long Term Care Ombudsman Services for Older Individuals	93.042	79-16-2V-1541-04	6,250	6,250
Total Federal Expenditures CFDA 93.042			12,500	12,500
(10) Special Programs for the Aging -Title III, Part D - Disease Prevention and Health Promotion Services	93.043	79-16-0V-1541-09	0	8,228
(11) Special Programs for the Aging -Title III, Part D - Disease Prevention and Health Promotion Services	93.043	79-16-0V-1541-10	0	8,481
Total Federal Expenditures CFDA 93.043			0	16,709

Area IV Agency on Aging and Community Action Programs, Inc.

Schedule B-2
 Schedule of Expenditures of Federal Awards
 Year Ended December 31, 2016

	<u>Federal Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Contract or Agreement Number</u>	<u>Passed through to Subrecipients</u>	<u>Federal Expenditures</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)					
Passed-Through Indiana Family and Social Services Administration					
Aging Cluster					
(12)	Special Programs for the Aging-Title III, Part A-Grants for Administrative Services	93.044	79-16-0V-1541-01	\$ 0	\$ 44,010
(13)	Special Programs for the Aging-Title III, Part A-Grants for Administrative Services	93.044	79-16-0V-1541-02	0	44,629
(14)	Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	93.044	79-16-0V-1541-03	55,043	121,241
(15)	Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	93.044	79-16-0V-1541-04	<u>17,128</u>	<u>125,964</u>
	Total Federal Expenditures CFDA 93.044			<u>72,171</u>	<u>335,844</u>
(16)	Special Programs for the Aging-Title III, Part C-Nutrition Services	93.045	79-14-0V-1541-09/ 79-14-0V-1541-10	197,411	197,411
(17)	Special Programs for the Aging-Title III, Part C-Nutrition Services	93.045	79-16-0V-1541-05/ 79-16-0V-1541-07	<u>222,398</u>	<u>222,398</u>
	Total Federal Expenditures CFDA 93.045			<u>419,809</u>	<u>419,809</u>
(18)	Nutritional Services Incentive Program	93.053	79-14-02-1541-02	36,288	36,288
(19)	Nutritional Services Incentive Program	93.053	79-16-02-1541-01	<u>11,811</u>	<u>33,656</u>
	Total Federal Expenditures CFDA 93.053			<u>48,099</u>	<u>69,944</u>
	Total Federal Expenditures Aging Cluster			<u>540,079</u>	<u>825,597</u>
(20)	National Family Caregiver Support, Title III, Part E	93.052	79-14-0V-1541-12	0	79,293
(21)	National Family Caregiver Support, Title III, Part E	93.052	79-16-0V-1541-11	<u>0</u>	<u>49,372</u>
	Total Federal Expenditures CFDA 93.052			<u>0</u>	<u>128,665</u>
Passed-Through Indiana Housing and Community Development Authority					
(22)	Low-Income Home Energy Assistance	93.568	LI-016-003	0	1,273,833
(23)	Low-Income Home Energy Assistance	93.568	LI-017-003	0	440,533
(24)	Low-Income Home Energy Assistance-Weatherization	93.568	WL-016-003	0	521,586
(25)	Low-Income Home Energy Assistance-Weatherization	93.568	WL-017-003	<u>0</u>	<u>55,846</u>
	Total Federal Expenditures CFDA 93.568			<u>0</u>	<u>2,291,798</u>
(26)	Community Services Block Grant	93.569	CS-016-003	<u>0</u>	<u>467,559</u>
Passed-Through Indiana Family and Social Services Administration					
(27)	Social Services Block Grant	93.667	79-14-0G-1541-02	0	212,608
(28)	Social Services Block Grant	93.667	79-16-0G-1541-01	<u>0</u>	<u>230,654</u>
	Total Federal Expenditures CFDA 93.667			<u>0</u>	<u>443,262</u>

Area IV Agency on Aging and Community Action Programs, Inc.

Schedule B-3
 Schedule of Expenditures of Federal Awards
 Year Ended December 31, 2016

<u>Federal Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Contract or Agreement Number</u>	<u>Passed through to Subrecipients</u>	<u>Federal Expenditures</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
Passed-Through Indiana Family and Social Services Administration				
Medicaid Cluster				
(29) Medical Assistance Program	93.778	79-14-70-1541-02	\$ 0	\$ 131,748
(30) Medical Assistance Program	93.778	79-16-70-1541-01	0	1,991
(31) Waiver Intake	93.778	N/A	0	93,414
Total Federal Expenditures CFDA 93.778 Medicaid Cluster			0	227,153
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 552,579	\$ 5,627,264

Notes to Schedule of Expenditures of Federal Awards

Note 1 - Basis of Presentation

The Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of Area IV Agency on Aging and Community Action Programs, Inc. under programs of the federal government for the year ended December 31, 2016. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Area IV Agency on Aging and Community Action Programs, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Area IV Agency on Aging and Community Action Programs, Inc.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3 - Indirect Cost Rate

Area IV Agency on Aging and Community Action Programs, Inc. has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.



Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Board of Directors
Area IV Agency on Aging and Community Action Programs, Inc.
Lafayette, Indiana

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Area IV Agency on Aging and Community Action Programs, Inc., which comprise the statement of financial position as of December 31, 2016, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 10, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Area IV Agency on Aging and Community Action Programs, Inc.’s internal control over financial reporting (“internal control”) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Area IV Agency on Aging and Community Action Programs, Inc.’s internal control. Accordingly, we do not express an opinion on the effectiveness of Area IV Agency on Aging and Community Action Programs, Inc.’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Area IV Agency on Aging and Community Action Programs, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of Area IV Agency on Aging and Community Action Programs, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Area IV Agency on Aging and Community Action Programs, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Wipfli LLP".

Wipfli LLP

August 10, 2017
Madison, Wisconsin



Independent Auditor's Report on Compliance for the Major Federal Program and on Internal Control Over Compliance

Board of Directors
Area IV Agency on Aging and Community Action Programs, Inc.
Lafayette, Indiana

Report on Compliance for the Major Federal Program

We have audited Area IV Agency on Aging and Community Action Programs, Inc.'s compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2016. Area IV Agency on Aging and Community Action Programs, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility for Compliance

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Area IV Agency on Aging and Community Action Programs, Inc.'s major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Area IV Agency on Aging and Community Action Programs, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide legal determination on Area IV Agency on Aging and Community Action Programs, Inc.'s compliance.

Opinion

In our opinion, Area IV Agency on Aging and Community Action Programs, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2016.

Report on Internal Control Over Compliance

The management of Area IV Agency on Aging and Community Action Programs, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Area IV Agency on Aging and Community Action Programs, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Area IV Agency on Aging and Community Action Programs, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Wipfli LLP

August 10, 2017
Madison, Wisconsin

Area IV Agency on Aging and Community Action Programs, Inc.

Schedule of Findings and Questioned Costs

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued?	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	No

Type of auditor’s report issued on compliance for major program Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance [2 CFR 200.516(a)]? No

Identification of major federal programs:

<u>Name of Federal Major Program or Cluster</u>	<u>CFDA No.</u>
Low-Income Home Energy Assistance	93.568

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Area IV Agency on Aging and Community Action Programs, Inc.

Schedule of Findings and Questioned Costs

Section IV - Summary Schedule of Prior Year Findings

Cost Allocation (2015-001)

Current Year Status

Corrective action was taken to resolve finding 2015-001. No similar findings were noted during the December 31, 2016 audit.