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April 2, 2018

Board of Directors  
Northwest Indiana Community Action Corporation  
5240 Fountain Dr.  
Crown Point, IN 46307

We have reviewed the report prepared by Northwest Indiana Community Action Corporation and opined upon by Wipfli LLP, Independent Public Accountants, for the period January 1, 2015 to December 31, 2015. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Northwest Indiana Community Action Corporation as of December 31, 2015 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, 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*  
Paul D. Joyce, CPA  
State Examiner

# **Northwest Indiana Community Action Corporation**

Crown Point, Indiana

Financial Statements and Supplementary Information  
Years Ended December 31, 2015 and 2014

# Northwest Indiana Community Action Corporation

Financial Statements and Supplementary Information  
Years Ended December 31, 2015 and 2014

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## **Independent Auditor's Report**

Board of Directors  
Northwest Indiana Community Action Corporation  
Crown Point, Indiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Northwest Indiana Community Action Corporation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2015 and 2014, 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 Northwest Indiana Community Action Corporation as of December 31, 2015 and 2014, 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 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*, and the schedule of expenses are presented for purposes of additional analysis, and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. 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 29, 2016, on our consideration of Northwest Indiana Community Action Corporation'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 Northwest Indiana Community Action Corporation's internal control over financial reporting and compliance.

*Wipfli LLP*

Wipfli LLP

August 29, 2016

Madison, Wisconsin

# Northwest Indiana Community Action Corporation

## Statements of Financial Position

December 31, 2015 and 2014

<i>Assets</i>	2015	2014
Current assets:		
Cash	\$ 1,090,042	\$ 574,466
Grants receivable	1,910,216	2,979,511
Total current assets	3,000,258	3,553,977
Property and equipment, net	215,591	170,383
<b>TOTAL ASSETS</b>	<b>\$ 3,215,849</b>	<b>\$ 3,724,360</b>
<i>Liabilities and Net Assets</i>		
Current liabilities:		
Accounts payable	\$ 1,585,728	\$ 2,214,196
Accrued payroll and related expenses	228,573	324,550
Grant funds received in advance	215,750	354,362
Total liabilities	2,030,051	2,893,108
Unrestricted net assets	1,185,798	831,252
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,215,849</b>	<b>\$ 3,724,360</b>

See accompanying notes to financial statements.

# Northwest Indiana Community Action Corporation

## Statements of Activities

Years Ended December 31, 2015 and 2014

	2015	2014
Revenue:		
Grant revenue	\$ 24,255,373	\$ 22,728,363
Other income	207,205	212,822
Total revenue	24,462,578	22,941,185
Expenses:		
Program activities:		
Community services	7,579,880	7,293,094
Elderly services	7,891,348	7,887,199
Energy services	7,101,034	6,079,596
Total program activities	22,572,262	21,259,889
Management and general	1,535,770	1,582,058
Total expenses	24,108,032	22,841,947
Changes in unrestricted net assets	354,546	99,238
Unrestricted net assets at beginning of year	831,252	732,014
Unrestricted net assets at end of year	\$ 1,185,798	\$ 831,252

See accompanying notes to financial statements.

# Northwest Indiana Community Action Corporation

## Statements of Cash Flows

Years Ended December 31, 2015 and 2014

	2015	2014
Increase (decrease) in cash:		
Cash flows from operating activities:		
Changes in net assets	\$ 354,546	\$ 99,238
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	22,070	44,496
Changes in operating assets and liabilities:		
Grants receivable	1,069,295	338,449
Accounts payable	( 628,468)	( 380,622)
Payable to IHEDA	0	( 238,459)
Accrued payroll and related expenses	( 95,977)	38,371
Grant funds received in advance	( 138,612)	330,719
Net cash provided by operating activities	582,854	232,192
Cash flows from investing activities		
Purchase of property and equipment	( 67,278)	0
Net cash used in investing activities	( 67,278)	0
Changes in cash	515,576	232,192
Cash at beginning of year	574,466	342,274
Cash at end of year	\$ 1,090,042	\$ 574,466

See accompanying notes to financial statements.

# Northwest Indiana Community Action Corporation

## Notes to Financial Statements

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### **Note 1          Summary of Significant Accounting Policies**

#### **Nature of Operations**

Northwest Indiana Community Action Corporation (NWICA) is a designated area agency on aging and community action agency that was incorporated in 1965. NWICA's mission is to help people be independent and advocate for those who can't. This mission is accomplished by providing a wide array of services focused on two principal program areas: 1) Community Services, and 2) Elderly Services. NWICA is primarily supported through grants funded by the State of Indiana, of which approximately 29% and 19%, respectively, of total revenue is received from the Low-Income Home Energy Assistance Program and Housing Choice Voucher Program, funded by the Indiana Housing and Community Development Authority (IHCDA) for the year ended December 31, 2015. For the year ended December 31, 2014, approximately 27% and 19%, respectively, of total revenue was received from the Low-Income Home Energy Assistance Program and Housing Choice Voucher Program, funded by IHCDA.

A basic description of the programs is as follows:

Community Services - Provides assistance to income-eligible persons in ameliorating the causes and consequences of poverty. Primary areas of support include energy and weatherization assistance, Section 8 housing, WIC, asset building, provide information and assistance, and other services to the residents of the six-county area located in northwest Indiana. Funding for these services is received from IHCDA, which serves as a pass-through grantor of federal funds received from the U.S. Department of Health and Human Services (DHHS), U.S. Department of Housing and Urban Development (HUD), and the U.S. Department of Energy (DOE) and the Indiana State Department of Health, which serves as a pass-through grantor of federal funds received from the U.S. Department of Agriculture Food and Nutrition Service.

Elderly Services - Provides help to older and disabled persons to secure and maintain maximum independence and dignity in a home environment, remove barriers to independence for older persons, provide information and assistance, and provide continuing care for vulnerable elderly and disabled persons. Funding for these programs is received principally from Indiana Family and Social Services Administration (IFSSA), which serves as a pass-through grantor of funds received from DHHS.

#### **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 ("GAAP").

# Northwest Indiana Community Action Corporation

## Notes to Financial Statements

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### **Note 1      Summary of Significant Accounting Policies (Continued)**

#### **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 NWICA and changes therein are classified and reported as follows:

**Unrestricted Net Assets** - Net assets that are not subject to donor-imposed stipulations or where donor-imposed stipulations 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 NWICA 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 restriction. If the restriction is satisfied in the year of contribution, the net asset is recorded as unrestricted. Currently, NWICA does not have any temporarily restricted net assets.

**Permanently Restricted Net Assets** - Net assets subject to donor-imposed stipulations that they be maintained permanently by NWICA. Generally, the donors of these assets permit NWICA to use all or part of the income earned on any related investments for general or specific purposes. Currently, NWICA does not have any permanently restricted net assets.

#### **Use of Estimates**

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

#### **Revenue Recognition**

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. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions.

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

# Northwest Indiana Community Action Corporation

## Notes to Financial Statements

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### **Note 1**      **Summary of Significant Accounting Policies (Continued)**

#### **Revenue Recognition (Continued)**

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

#### **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 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.

#### **Property and Equipment**

Property and equipment are capitalized at cost and depreciated over their estimated useful lives using the straight-line method. NWICA considers property and equipment to be items with a cost of \$5,000 or more and a useful life of over one year.

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, NWICA reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

Property and equipment acquired are owned by NWICA while used in the programs 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; therefore, the disposition of buildings or equipment, as well as the ownership of any proceeds therefrom, are subject to funding source regulations. The net book value of property and equipment purchased with grant funds was \$60,551 and \$0 at December 31, 2015 and 2014.

# Northwest Indiana Community Action Corporation

## Notes to Financial Statements

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### **Note 1**      **Summary of Significant Accounting Policies (Continued)**

#### **In-Kind Contributions**

Accounting principles generally accepted in the United States require in-kind contributions for space and professional services to be recorded in the statements of activities as revenue and expenses in the period they are received. During the years ended December 31, 2015 and 2014, NWICA received no such contributions for its programs; however, NWICA received contributions of nonprofessional volunteer services during the years ended December 31, 2015 and 2014, with a fair value of approximately \$614,000 and \$573,000, respectively, to fulfill match requirements. These amounts are not recognized as in-kind revenue and expense, as they do not qualify for recording under accounting principles generally accepted in the United States.

#### **Expense Allocation**

Costs incurred for the benefit of organization programs that are not specifically attributable to any program, consisting primarily of management and general and common costs, are allocated to programs based on actual program costs in relation to total organization costs.

#### **Income Taxes**

NWICA is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. NWICA is also exempt from Indiana income taxes.

NWICA 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. NWICA 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 29, 2016, which is the date the financial statements were available to be issued.

# Northwest Indiana Community Action Corporation

## Notes to Financial Statements

### Note 2 Concentration of Risk

NWICA maintains their cash balance in three accounts at one financial institution which is 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 the financial institution has a strong credit rating and credit risk related to these deposits is minimal.

### Note 3 Grants Receivable

The grants receivable balance at December 31 represents amounts due from the various funding sources as follows:

	2015	2014
Federal programs	\$ 1,156,941	\$ 2,051,868
State and other programs	753,275	927,643
<b>Totals</b>	<b>\$ 1,910,216</b>	<b>\$ 2,979,511</b>

### Note 4 Property and Equipment

NWICA's property and equipment as of December 31 is as follows:

	2015	2014
Land	\$ 55,992	\$ 55,992
Buildings and improvements	585,103	585,103
Furnishings and equipment	271,111	249,495
Computer equipment	109,296	109,296
Vehicles	116,599	153,156
Subtotal property and equipment	1,138,101	1,153,042
Accumulated depreciation	( 922,510)	( 982,659)
<b>Property and equipment, net</b>	<b>\$ 215,591</b>	<b>\$ 170,383</b>

### Note 5 Employee Benefits

NWICA maintains a 401(k) defined contribution plan for the benefit of NWICA employees. NWICA's contribution consists of a matching contribution of the lesser of the employee's contribution or 4% of the employee's wages. NWICA's contribution to the plan was \$123,543 and \$117,659 for the years ended December 31, 2015 and 2014, respectively.

# Northwest Indiana Community Action Corporation

## Notes to Financial Statements

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### **Note 6      Operating Leases**

NWICA has several cancelable and noncancelable operating leases for space, vehicles, and office equipment. The lease agreement for the main administrative building contains renewal options for approximately 5 additional years starting in 2021. Rental expense for these leases totaled \$471,041 and \$443,301 for the years ended December 31, 2015 and 2014, respectively.

Minimum annual rental payments required under the operating leases, which have remaining terms in excess of one year as of December 31, 2015, are as follows:

2016	\$ 457,080
2017	388,119
2018	323,924
2019	243,883
2020	204,915
Thereafter	2,515
<hr/>	
Total	\$ 1,620,436

### **Note 7      Line of Credit**

NWICA carries an unsecured line of credit of \$550,000 from an area bank. The line of credit bears interest at the greater of the prime rate plus 1.50% or 4.75% (effective rate of 4.75% at December 31, 2015). No amounts were outstanding at December 31, 2015 and 2014. There is no specified maturity date for the line of credit and any outstanding principal could be due upon the lenders demand.

### **Note 8      Grant Awards**

At December 31, 2015, NWICA had received future funding commitments under various grants of approximately \$13,000,000. These commitments are not recognized in the accompanying financial statements as they are conditional awards.

# **Supplementary Information**

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# Northwest Indiana Community Action Corporation

## Schedule A

### Schedule of Expenditures of Federal Awards

Year Ended December 31, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor Number	Federal Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE FOOD AND NUTRITION SERVICE</b>			
<b>Passed-Through the Indiana State Department of Health</b>			
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	14473 A70-5-070657	<u>\$ 2,696,282</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
<b>Passed-Through the Indiana Housing &amp; Community Development Authority</b>			
Housing Choice Voucher Program	14.871	N/A	<u>4,671,357</u>
<b>U.S. DEPARTMENT OF THE TREASURY</b>			
<b>Volunteer Income Tax Assistance (VITA) Matching Grant Program</b>			
	21.009	16VITA0189 15VITA0189	<u>33,759</u>
<b>U.S. DEPARTMENT OF ENERGY</b>			
<b>Passed-Through the Indiana Housing &amp; Community Development Authority</b>			
Weatherization Assistance for Low-Income Persons	81.042	WX-015-018 WX-014-018	<u>240,449</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<b>Passed-Through the Indiana Family and Social Services Administration</b>			
Special Programs for the Aging - Title VII, Chapter 2, Long-Term Care Ombudsman Services for Older Individuals	93.042	45-16-0V-1511 45-14-0V-1511	<u>19,439</u>
Special Programs for the Aging - Title III, Part D, Disease Prevention and Health Promotion Services	93.043	45-16-0V-1511 45-14-0V-1511	<u>45,107</u>
Special Programs for the Aging - Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	45-16-0V-1511 45-14-0V-1511	<u>986,873</u>
Special Programs for the Aging - Title III, Part C, Nutrition Services	93.045	45-16-0V-1511 45-14-0V-1511	<u>1,258,524</u>
Nutrition Services Incentive Program	93.053	45-16-0V-1511 45-14-0V-1511	<u>154,037</u>
<b>Total IHHS Aging Cluster CFDA #93.044, #93.045 and #93.053</b>			<u>2,399,434</u>
National Family Caregiver Support - Title III, Part E	93.052	45-16-0V-1511 45-14-0V-1511	<u>281,724</u>

# Northwest Indiana Community Action Corporation

Schedule A (Continued)

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor Number	Federal Expenditures
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)</b>			
<b>Passed-Through the Indiana Housing &amp; Community Development Authority</b>			
Low-Income Home Energy Assistance	93.568	WL-016-018 WL-015-018 LI-016-018 LI-015-018	<u>7,057,532</u>
Community Services Block Grant	93.569	CS-015-018	<u>776,509</u>
<b>Passed-Through the Indiana Family and Social Services Administration</b>			
Social Services Block Grant	93.667	45-16-0V-1511 45-14-0V-1511	<u>1,165,963</u>
Medical Assistance Program	93.778	45-16-0V-1511 45-14-0V-1511	<u>410,560</u>
<b>TOTAL FEDERAL EXPENDITURES</b>			<b><u>\$ 19,798,115</u></b>

## Notes to Schedule of Expenditures of Federal Awards

### Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Northwest Indiana Community Action Corporation under programs of the federal government for the year ended December 31, 2015. 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 Northwest Indiana Community Action Corporation, it is not intended to and does not present the financial position, changes in net assets or cash flows of Northwest Indiana Community Action Corporation.

### 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 OMB Circular A-122, *Cost Principles for Non-Profit Organizations* or 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. Northwest Indiana Community Action Corporation did not elect to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

### Note 3 - Subrecipients

Northwest Indiana Community Action Corporation does not have any subrecipients and therefore has not incurred subrecipient expenditures.

# Northwest Indiana Community Action Corporation

## Schedule B

### Schedule of Expenses

Years Ended December 31, 2015 and 2014

	2015	2014
Salaries	\$ 4,813,742	\$ 4,709,896
Fringe benefits	1,560,273	1,669,783
Professional fees and contract service payments	91,870	52,274
Specific assistance to individuals	16,174,990	14,896,879
Supplies	103,689	210,760
Telephone	124,236	119,266
Insurance	48,262	68,803
Occupancy	353,231	346,816
Travel	116,409	115,641
Leases and rentals	304,841	277,101
Vehicle repairs, maintenance, and operations	11,596	12,841
Dues and registration	55,991	55,944
Board meetings	1,211	1,409
Postage	33,905	26,079
Printing	13,699	15,060
Employee development	19,628	9,169
Program equipment and repairs	254,855	180,019
Miscellaneous	3,534	29,711
Depreciation	22,070	44,496
Total expenses	\$ 24,108,032	\$ 22,841,947



## **Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters**

Board of Directors  
Northwest Indiana Community Action Corporation  
Crown Point, 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 Northwest Indiana Community Action Corporation, which comprise the statement of financial position as of December 31, 2015, and the related statements of activities and cash flows for the year ended December 31, 2015, and the related notes to the financial statements, and have issued our report thereon dated August 29, 2016.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Northwest Indiana Community Action Corporation'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 Northwest Indiana Community Action Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of Northwest Indiana Community Action Corporation'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 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 Northwest Indiana Community Action Corporation'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 Northwest Indiana Community Action Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Northwest Indiana Community Action Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Wipfli LLP*

Wipfli LLP

August 29, 2016  
Madison, Wisconsin



## **Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance**

Board of Directors  
Northwest Indiana Community Action Corporation  
Crown Point, Indiana

### **Report on Compliance for Each Major Federal Program**

We have audited Northwest Indiana Community Action Corporation'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, 2015. Northwest Indiana Community Action Corporation'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 Northwest Indiana Community Action Corporation'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 Northwest Indiana Community Action Corporation'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 each major federal program. However, our audit does not provide a legal determination on Northwest Indiana Community Action Corporation's compliance.

## **Opinion on Each Major Federal Program**

In our opinion, Northwest Indiana Community Action Corporation 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, 2015.

## **Report on Internal Control Over Compliance**

Management of Northwest Indiana Community Action Corporation 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 Northwest Indiana Community Action Corporation'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 each major federal program and to test and report on internal control over compliance in accordance with 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 Northwest Indiana Community Action Corporation's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance 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 of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Wipfli LLP*

Wipfli LLP

August 29, 2016  
Madison, Wisconsin

# Northwest Indiana Community Action Corporation

## Schedule of Findings and Questioned Costs

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### Section I - Summary of Auditor's Results

#### Financial Statements

Type of auditor's report issued? Unmodified

#### Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? No

Noncompliance material to financial statements noted? No

#### Federal Awards

#### Internal control over major federal programs:

Material weakness(es) identified? No

Significant deficiency(ies) 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 program:

<u>Name of Federal Major Program or Cluster</u>	<u>CFDA No.</u>
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Section 8 Housing Choice Vouchers	14.871
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Dollar threshold used to distinguish between Type A and Type B programs:  
Federal \$750,000

Auditee qualified as low-risk auditee? Yes

### Section II - Financial Statement Findings

None

### Section III - Federal and State Award Findings and Questioned Costs

None

### Section IV - Summary Schedule of Prior Year Findings

None