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April 2, 2018

Board of Directors
Aging and In-Home Services of Northeast Indiana, Inc.
2927 Lake Avenue
Fort Wayne, IN 46805

We have reviewed the report prepared by Aging and In-Home Services of Northeast Indiana, Inc. and opined upon by Comer, Nowling and Associates, PC, Independent Public Accountants, for the period July 1, 2014 to June 30, 2015. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Aging and In-Home Services of Northeast Indiana, Inc. as of June 30, 2015 and the results of its operations for the period then ended, on the basis of accounting described in the report.

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

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


Paul D. Joyce, CPA
State Examiner

**Aging and In-Home Services
of Northeast Indiana, Inc.
And Affiliate**

=====
**Consolidated Financial Statements
For The Years Ended
June 30, 2015 and 2014
(With Single Audit Section)**

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INDUSTRY ESTABLISHED | FOCUSED ON QUALITY

Certified Public Accountants

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.
AND AFFILIATE
(Fort Wayne, Indiana)
CONSOLIDATED FINANCIAL STATEMENTS**

CONTENTS

INDEPENDENT AUDITOR’S REPORT	1
FINANCIAL STATEMENTS	
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	3
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS	4
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES	6
CONSOLIDATED STATEMENTS OF CASH FLOWS	8
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	9
SUPPLEMENTARY INFORMATION	
INDEPENDENT AUDITOR’S REPORT ON SUPPLEMENTARY INFORMATION	18
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION	19
CONSOLIDATING STATEMENTS OF ACTIVITIES	21
CONSOLIDATING STATEMENTS OF CASH FLOWS.....	25
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	27
SCHEDULE OF EXPENDITURES OF STATE AND LOCAL GRANTS	28
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	29
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	30
INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	31
INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY <i>OMB CIRCULAR A-133</i>	33
SCHEDULE OF FINDINGS AND QUESTIONED COSTS.....	35

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Aging and In-Home Services of Northeast Indiana, Inc. and Affiliate

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Aging and In-Home Services of Northeast Indiana, Inc. and Affiliate (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2015 and 2014, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal 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 of America and the standards applicable to financial audits contained *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Aging and In-Home Services of Northeast Indiana, Inc. and Affiliate as of June 30, 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 of America.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements of Aging and In-Home Services of Northeast Indiana, Inc. and Affiliate as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2015 on our consideration of Aging and In-Home Services of Northeast Indiana, Inc. and Affiliate's internal control over financial reporting and 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* and should be read in conjunction with this report in considering the results of our audit.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.

Indianapolis, Indiana

December 30, 2015

AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2015 AND 2014

ASSETS

CURRENT ASSETS:	<u>2015</u>	<u>2014</u>
Cash and cash equivalents	\$ 317,109	\$ 40,817
Grants and contributions receivable	1,774,827	2,127,587
Accounts receivable	35,947	33,685
Prepaid expenses	26,659	19,568
Total current assets	<u>2,154,542</u>	<u>2,221,657</u>
FIXED ASSETS:		
Land	208,425	208,425
Building	1,858,081	1,818,212
Equipment	565,122	673,496
	<u>2,631,628</u>	<u>2,700,133</u>
Less accumulated depreciation	<u>(1,182,071)</u>	<u>(1,169,829)</u>
	1,449,557	1,530,304
Equipment not yet placed in service	-	78,017
Total fixed assets, net	<u>1,449,557</u>	<u>1,608,321</u>
OTHER ASSETS		
Beneficial interest	25,519	29,467
Total assets	<u>\$ 3,629,618</u>	<u>\$ 3,859,445</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable	\$ 517,316	\$ 933,197
Accrued payroll, taxes, and related expenses	393,209	257,577
Lines of credit	-	298,739
Current portion - long term debt	110,335	109,120
Total current liabilities	<u>1,020,860</u>	<u>1,598,633</u>
LONG TERM LIABILITIES		
Notes payable	827,621	933,491
Total liabilities	<u>1,848,481</u>	<u>2,532,124</u>
NET ASSETS:		
Unrestricted	1,672,869	1,214,701
Temporarily restricted	108,268	112,620
Total net assets	<u>1,781,137</u>	<u>1,327,321</u>
Total liabilities and net assets	<u>\$ 3,629,618</u>	<u>\$ 3,859,445</u>

See accompanying notes to consolidated financial statements.

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2015**

REVENUE AND OTHER SUPPORT	Unrestricted	Temporarily Restricted	2015 Totals
Grants and fees	\$ 8,971,270	\$ -	\$ 8,971,270
Program service revenue	124,385	-	124,385
Contributed cash	79,816	26,100	105,916
In-kind contributions	228,492	-	228,492
Other income	5,485	-	5,485
Gain (loss) on disposal of assets	(50,308)	-	(50,308)
Interest income	403	-	403
	<u>9,359,543</u>	<u>26,100</u>	<u>9,385,643</u>
Net assets released from restrictions	30,452	(30,452)	-
Total revenue and other support	<u>9,389,995</u>	<u>(4,352)</u>	<u>9,385,643</u>
OPERATING EXPENSES			
Nutrition	1,405,641	-	1,405,641
Aging direct services	2,917,694	-	2,917,694
Integrated services	3,693,084	-	3,693,084
Management and general	681,866	-	681,866
Fundraising	89,982	-	89,982
Affiliate	143,560	-	143,560
Total operating expenses	<u>8,931,827</u>	<u>-</u>	<u>8,931,827</u>
INCREASE (DECREASE) IN NET ASSETS	458,168	(4,352)	453,816
NET ASSETS - BEGINNING OF YEAR	<u>1,214,701</u>	<u>112,620</u>	<u>1,327,321</u>
NET ASSETS - END OF YEAR	<u>\$ 1,672,869</u>	<u>\$ 108,268</u>	<u>\$ 1,781,137</u>

See accompanying notes to consolidated financial statements.

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2014**

REVENUE AND OTHER SUPPORT	Unrestricted	Temporarily Restricted	2014 Totals
Grants and fees	\$ 7,667,134	\$ -	\$ 7,667,134
Program service revenue	163,235	-	163,235
Contributed cash	168,412	25,305	193,717
In-kind contributions	241,792	-	241,792
Other income	7,313	-	7,313
	<u>8,247,886</u>	<u>25,305</u>	<u>8,273,191</u>
Net assets released from restrictions	-	-	-
Total revenue and other support	<u>8,247,886</u>	<u>25,305</u>	<u>8,273,191</u>
OPERATING EXPENSES			
Nutrition	1,517,020	-	1,517,020
Aging direct services	2,667,670	-	2,667,670
Integrated services	3,065,198	-	3,065,198
Management and general	795,862	-	795,862
Fundraising	39,149	-	39,149
Affiliate	152,715	-	152,715
Total operating expenses	<u>8,237,614</u>	<u>-</u>	<u>8,237,614</u>
INCREASE (DECREASE) IN NET ASSETS	10,272	25,305	35,577
NET ASSETS - BEGINNING OF YEAR	<u>1,204,429</u>	<u>87,315</u>	<u>1,291,744</u>
NET ASSETS - END OF YEAR	<u>\$ 1,214,701</u>	<u>\$ 112,620</u>	<u>\$ 1,327,321</u>

See accompanying notes to consolidated financial statements.

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Nutrition</u>	<u>Aging Direct Services</u>	<u>Integrated Services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Affiliate</u>	<u>2015 Total</u>
OPERATING EXPENSES							
Personnel	\$ 452,298	\$ 504,102	\$ 2,959,960	\$ 540,996	\$ 29,604	\$ -	\$ 4,486,960
Food	629,019	160,283	-	-	-	-	789,302
Meal delivery	11,970	6,780	81	-	-	-	18,831
Home health care	-	846,207	10,809	110	-	-	857,126
Adult day care	-	85,209	-	-	-	-	85,209
Respite services	-	173,406	-	-	-	-	173,406
Transportation services	-	285,307	-	-	-	-	285,307
Other assistance	66	591,846	454	272	-	-	592,638
Occupancy	17,497	14,113	53,663	1,599	-	6,369	93,241
Telephone	6,763	4,577	21,027	274	-	-	32,641
Postage	5,233	3,598	21,534	321	-	-	30,686
Contracted services	73,340	48,159	231,385	2,339	-	-	355,223
Materials and supplies	31,731	17,380	77,536	2,549	2,312	-	131,508
Insurance	7,934	10,651	20,813	-	-	2,880	42,278
Equipment expense	25,697	20,083	90,897	712	-	-	137,389
Travel	12,734	12,028	145,968	9,262	11	-	180,003
Dues and subscriptions	5,431	13,367	24,387	3,099	-	-	46,284
Conferences and training	2,756	9,202	24,109	1,636	-	-	37,703
Depreciation	-	-	-	64,808	-	85,656	150,464
Interest	-	-	1	4,209	-	48,582	52,792
Other	123,172	111,396	10,460	49,680	58,055	73	352,836
Total operating expenses	<u>\$ 1,405,641</u>	<u>\$ 2,917,694</u>	<u>\$ 3,693,084</u>	<u>\$ 681,866</u>	<u>\$ 89,982</u>	<u>\$ 143,560</u>	<u>\$ 8,931,827</u>

See accompanying notes to consolidated financial statements.

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Nutrition</u>	<u>Aging Direct Services</u>	<u>Integrated Services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Affiliate</u>	<u>2014 Total</u>
OPERATING EXPENSES							
Personnel	\$ 438,463	\$ 389,231	\$ 2,440,098	\$ 500,404	\$ 3,052	\$ -	\$ 3,771,248
Food	674,386	64,996	6,498	6	-	-	745,886
Meal delivery	18,830	-	-	-	-	-	18,830
Home health care	-	702,018	4,253	-	-	-	706,271
Adult day care	-	86,250	-	-	-	-	86,250
Respite services	-	204,874	-	-	-	-	204,874
Transportation services	19	311,753	31	11	-	-	311,814
Other assistance	295	538,477	482	10,045	-	-	549,299
Occupancy	17,264	12,492	33,996	10,911	-	2,453	77,116
Telephone	13,241	8,266	14,620	2,832	-	-	38,959
Postage	10,605	7,982	15,858	2,646	-	-	37,091
Contracted services	96,822	91,880	145,647	50,240	-	2,000	386,589
Materials and supplies	86,191	48,169	44,737	6,811	209	-	186,117
Insurance	12,783	13,971	16,261	5,098	-	2,880	50,993
Equipment expense	16,917	21,861	83,018	7,379	-	-	129,175
Travel	4,877	9,822	99,187	8,781	90	-	122,757
Dues and subscriptions	8,995	6,275	10,268	4,172	-	-	29,710
Conferences and training	2,915	5,190	10,757	6,526	-	-	25,388
Depreciation	-	-	-	76,379	-	82,684	159,063
Interest	-	-	-	15,499	-	58,693	74,192
Other	114,417	144,163	139,487	88,122	35,798	4,005	525,992
	<u>\$ 1,517,020</u>	<u>\$ 2,667,670</u>	<u>\$ 3,065,198</u>	<u>\$ 795,862</u>	<u>\$ 39,149</u>	<u>\$ 152,715</u>	<u>\$ 8,237,614</u>
Total operating expenses	<u>\$ 1,517,020</u>	<u>\$ 2,667,670</u>	<u>\$ 3,065,198</u>	<u>\$ 795,862</u>	<u>\$ 39,149</u>	<u>\$ 152,715</u>	<u>\$ 8,237,614</u>

See accompanying notes to consolidated financial statements.

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	\$ 453,816	\$ 35,577
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation	150,464	159,063
(Gain) loss on assets and liabilities	60,249	-
Increase (decrease) in cash from changes in:		
Grants and contributions receivable	352,760	(358,732)
Accounts receivable	(2,262)	92,133
Prepaid expenses	(7,091)	(10,262)
Accounts payable	(415,881)	357,266
Accrued payroll, taxes and related expenses	135,632	(27,905)
Net cash provided by (used in) operating activities	727,687	247,140
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(51,949)	(153,082)
Net change in beneficial interest	3,948	(6,915)
Net cash provided by (used in) investing activities	(48,001)	(159,997)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from (payments on) line of credit	(298,739)	23,739
Principal payments against notes payable	(104,655)	(81,442)
Net cash provided by (used in) financing activities	(403,394)	(57,703)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	276,292	29,440
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	40,817	11,377
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 317,109	\$ 40,817
Supplemental disclosures of Cash Flow Information:		
Cash paid during the year for interest	\$ 52,792	\$ 74,192

See accompanying notes to consolidated financial statements.

AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

Aging and In-Home Services of Northeast Indiana, Inc. (the "Organization") is an Indiana nonprofit corporation whose mission is to promote dignity, independence, and advocacy for older adults and individuals with disabilities. As an Area Agency on Aging designated by the State of Indiana, the Organization is responsible for planning, funding and providing home and community-based services in a nine county area that includes Adams, Allen, DeKalb, Huntington, LaGrange, Noble, Steuben, Wells and Whitley. Building on the traditional base of services, the Organization has recently developed strategic alliances with both health and academic partners that have expanded its reach geographically to include central Indiana and western Ohio and expanded its work to include integrated care transitions and accomplish person-centered research projects to benefit our populations. The Organization's operations are funded through grants and contracts from federal and state governmental agencies, private foundations, the United Way and individual donors.

PRINCIPLES OF CONSOLIDATION

The accompanying consolidated financial statements include the accounts of Aging and In-Home Services of Northeast Indiana, Inc. and Area III Properties, Inc. (the "Affiliate") because the two organizations share the same Board of Directors and because Aging and In-Home Services of Northeast Indiana, Inc. has an economic interest in Area III Properties, Inc. Area III Properties, Inc. is an Indiana nonprofit corporation organized exclusively to hold property that it leases to Aging and In-Home Services of Northeast Indiana, Inc.

All material transactions and balances between the entities have been eliminated in these consolidated financial statements.

BASIS OF ACCOUNTING

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

INCOME TAX STATUS

Aging and In-Home Services of Northeast Indiana, Inc. is exempt from income tax under Internal Revenue Code Section 501(c)(3) and a similar section of the Indiana Code. Area III Properties, Inc. is exempt from income taxes under Internal Revenue Code Section 501(c)(2) and a similar section of the Indiana Code. Consequently, the accompanying financial statements do not generally include any provision for income taxes. The Internal Revenue Service classifies both entities as other than private foundations under internal Revenue Code Section 509(a)(1).

The Organization recognizes a tax benefit only if it is more likely than not the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized will be the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax benefit will be recorded. The Organization has examined this issue and has determined there are no material contingent tax liabilities.

AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

FINANCIAL STATEMENT PRESENTATION

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board. Per the applicable standards, Aging and In-Home Services of Northeast Indiana, Inc. is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. A description of the unrestricted, temporarily and permanently restricted net asset classes follows:

Unrestricted net assets represent the portion of net assets of Aging and In-Home Services of Northeast Indiana, Inc. that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations. Unrestricted net assets include expendable funds available for the support of the Organization.

Temporarily restricted net assets represent contributions and other inflows of assets whose use by Aging and In-Home Services of Northeast Indiana, Inc. is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of Aging and In-Home Services of Northeast Indiana, Inc. pursuant to those stipulations.

Temporarily restricted net assets also include, pursuant to Indiana law, cumulative appreciation and reinvested gains on permanently restricted net assets, which has not been appropriated by the Board of Directors.

Permanently restricted net assets represent contributions and other inflows of assets whose use by Aging and In-Home Services of Northeast Indiana, Inc. is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

For the years ended June 30, 2015 and 2014, the Organization had no permanently restricted net assets. See Note 4 for additional disclosure regarding temporarily restricted net assets.

CASH AND CASH EQUIVALENTS

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

GRANTS, CONTRIBUTIONS AND ACCOUNTS RECEIVABLE

Grants and contributions receivable consist of reimbursements due under government cost-reimbursement awards and unconditional promises to give to the Organization. All amounts are due within one year, and no allowance for uncollectibles is considered necessary. Accounts receivable consist primarily of amounts due for services rendered, and no allowance for uncollectibles is considered necessary.

AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

REVENUE RECOGNITION

The majority of the Organization's revenue is earned under cost-reimbursement awards from governmental agencies. Revenues are recognized under such awards when costs allowable under the terms of the awards are incurred. Advances received in excess of allowable costs are reported as liabilities.

The Organization reports grants and contributions of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions. However, contributions received with donor-imposed restrictions in which the restrictions are satisfied in the same reporting period are reported as unrestricted support.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Amortization of the discounts is included in contributions revenue. Conditional promises to give are not recognized as revenue until the conditions are substantially met.

Fees for services are recognized as revenue when the services are substantially performed. Fees received in advance of substantial performance are reported as liabilities.

Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance non-financial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated. The value of contributed services meeting the criteria for recognition and recognized in the accompanying financial statements was \$114,347 and \$135,484 for the years ended June 30, 2015 and 2014, respectively. Management estimates the value of contributed services received during the year ended June 30, 2015 and 2014 that did not meet the criteria for recognition to be \$8,591 and \$22,101, respectively.

The Organization uses certain facilities for its Nutrition program without charge or at reduced charge. The difference between the fair value for the use of these facilities and their cost are recognized as revenue and expense. The Organization recognized \$80,742 and \$59,818 of revenue for contributed facilities in the accompanying consolidated financial statements during the years ended June 30, 2015 and 2014, respectively.

The Organization received certain goods for its Nutrition and Transportation programs without charge or at reduced charge. The difference between the fair value for the use of these facilities and their cost are recognized as revenue and expense. The Organization recognized \$33,403 and \$46,490 of revenue for contributed goods in the accompanying consolidated financial statements during the years ended June 30, 2015 and 2014, respectively.

AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

PROPERTY AND EQUIPMENT

Property and equipment is stated at cost, if acquired, or at fair value at the date of receipt, if donated, less accumulated depreciation. Equipment with a unit cost below \$5,000 is expensed in the period acquired. Depreciation is computed by the straight-line method over the estimated useful lives of the assets, which are generally as follows:

Building	10-40 years
Equipment.....	5-10 years

Substantially all of the Organization's equipment has been purchased with governmental grant funds. Disposition of these assets, as well as the ownership of any sale proceeds, is subject to funding source and other regulatory directives. When property is sold, retired or otherwise disposed of, the related cost and accumulated depreciation are eliminated from the accounts and any resulting gain or loss is credited or charged to income. Expenditures for maintenance and repairs are expensed when incurred.

The depreciation expense incurred by the Organization on corporate owned property and equipment totaled \$64,808 and \$76,379 for the years ended June 30, 2015 and 2014, respectively. The depreciation expense incurred by the Affiliate totaled \$85,656 and \$82,684 for the years ended June 30, 2015 and 2014, respectively.

USE OF ESTIMATES

The process of preparing consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the consolidated financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Significant estimates used in the accompanying consolidated financial statements include:

- Revenue earned from cost-reimbursement awards. The majority of the Organization's revenue is earned on such awards from governmental agencies that are governed by cost principles and other administrative and programmatic regulations and are subject to audit by regulatory authorities. It is at least reasonably possible that revenue earned under such awards will be adjusted upon audit.
- The valuation of contributed facilities, which is based on rents for comparable facilities.
- The allocations of costs among programs and the supporting services, which are based on time and facility usage studies and other cost allocation methods.

AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

COST ALLOCATION

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses.

Joint costs (including general and administrative costs) are allocated to programs, grants and contracts using a base that is most appropriate to those particular costs. Considerations in determining an appropriate base include:

- The relative benefit
- The materiality of the cost
- The amount of time and cost to perform the allocation.

Cost allocation methods are as follows:

- All allowable direct costs are charged directly whenever possible.
- All allowable joint or shared costs are allocated to the benefiting programs using a rationale most appropriate for that cost. Some costs will be further allocated to multiple funding sources, when applicable.
- All other allowable general and administrative costs are allocated using an appropriate rationale which fairly allocates costs based on benefits to the particular program.

The Organization's cost allocation plan is revised if significant changes occur during the year. Examples necessitating a revision include if programs are added, terminated or substantially changed. In addition, if square footage is substantially changed during the year, a revision will be made.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The FASB Accounting Standards Codification topic "Fair Value Measurements" defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the Organization's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The standard establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

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

AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

FAIR VALUE OF FINANCIAL INSTRUMENTS – (continued)

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

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement the entire fair value measurement in the hierarchy.

The fair value of endowment fund held by the Community Foundation of Greater Fort Wayne is based on the Organization's proportionate share of the Foundations' pooled investment portfolios. Management reviews the valuations and returns but does not receive a detailed listing of the portfolios. The Organization does not have the ability to redeem the funds on a short-term basis. Withdrawals are limited to the terms of the agreement with the foundation. The endowment fund is classified as a Level 2 investment.

RECLASSIFICATION

Certain prior year financial information has been reclassified to conform to the current year presentation.

SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 30, 2015, which is the date the financial statements were available to be issued.

The Organization and the Affiliate had an inter-entity note payable and investment in Affiliate. The balance on this note was \$202,159 as of June 30, 2014, however, subsequent to June 30, 2015, the Organization's Board of Directors agreed to forgive the inter-entity debt and adjust the investment in Affiliate balance to zero. As a result, these accounts are reflected with a zero balance for the year ended June 30, 2015.

AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 2 – CONCENTRATION OF RISK

The Organization maintains its cash balance at multiple banks. The accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for the years ended June 30, 2015 and 2014. At June 30, 2015 and 2014, bank balances were not in excess of FDIC coverage in place.

All of the Organization's programs and activities occur in Northeast Indiana. Consequently, its sources of support and revenue may be affected by conditions in that area. In addition, for the year ended June 30, 2015 approximately 93% of total revenues were received from state and federal governmental sources, with approximately 55% of total revenues received from Indiana Family and Social Services Administration and for the year ended June 30, 2014 approximately 92% of total revenues were received from state and federal governmental sources, with approximately 66% of total revenues received from Indiana Family and Social Services Administration.

Financial instruments that expose the Organization to concentrations of credit risk consist primarily of cash and cash equivalents and grants and contributions receivable.

Grants and contributions receivable are due primarily from Indiana Family and Social Services Administration under contracts and cost-reimbursement grants, which represent a concentration of credit risk.

NOTE 3 – LONG-TERM DEBT

The Organization's and Affiliate's long-term debt is summarized below:

	<u>2015</u>	<u>2014</u>
Note payable to bank, due in monthly payments of \$10,735, including interest at 4.937%, through December 2022. Collateralized by a mortgage on the Affiliate's facility.	\$ 808,804	\$ 894,776
Note payable to bank, obtained in February 2014, with an initial rate of 4.937%, variable 5 yr U.S. Treasury security index, due in monthly payments of \$1,302, through March 2024. Secured by a building.	110,774	120,657
Note payable to bank, due in monthly payments of \$733, including interest at 1.750 points over the independent index, with an initial rate of 5.00%, through July 2017.	<u>18,378</u>	<u>27,178</u>
	937,956	1,042,611
Less current portion	<u>(110,335)</u>	<u>(109,120)</u>
Long-term debt (net of current portion)	<u>\$ 827,621</u>	<u>\$ 933,491</u>

AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 3 – LONG-TERM DEBT (continued)

The Organization has a \$750,000 line of credit with a bank bearing interest at the Wall Street Journal prime rate and was collateralized by substantially all assets of the Organization. This line of credit was renewed in 2015. Amounts borrowed under this agreement bear interest at the prime rate but no lower than 4%. The line is secured by the Organization's inventory and equipment. The balance outstanding at June 30, 2015 and 2014 amounted to \$0 and \$298,739, respectively.

The Organization and the Affiliate have an inter-entity note payable and investment in Affiliate. The balance on this note was \$202,159 as of June 30, 2015 and 2014 and is eliminated on the consolidated financial statements.

Maturities of debt at June 30, 2015 for each of the next five years and in the aggregate are as follows:

2016	\$ 110,335
2017	115,463
2018	112,828
2019	117,709
2020	123,653
Thereafter	<u>357,968</u>
	<u>\$ 937,956</u>

NOTE 4 – RESTRICTED NET ASSETS

Temporarily restricted net assets of \$108,268 and \$112,620 were available for use in the Organization's Meals-on-Wheels nutrition program, strategic restructuring for the ACCOA merger, and other time and purpose restrictions at June 30, 2015 and 2014. Net assets were released from restrictions during the years ended June 30, 2015 and 2014 by incurring expenses satisfying restricted purposes specified by donors for both the Meals-on-Wheels program and ACCOA mergers.

NOTE 5 – RETIREMENT AND 457(b) PLANS

The Organization maintains a defined-contribution tax-deferred annuity pension plan covering substantially all of its employees. Retirement plan costs are funded in the period that they accrue. Retirement expense was \$66,760 and \$52,480 for the years ended June 30, 2015 and 2014, respectively.

The Organization instituted a contributory 457(b) plan in August 2014 for a select group of management. The 457(b) plan is funded in the period that they accrue. The plan also allows participants to contribute the value of their accumulated vacation pay to the plan. The Organization contributed \$15,688 to the 457(b) plan for the year ended June 30, 2015.

AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 6 – OPERATING LEASES

Aging and In-Home Services of Northeast Indiana, Inc. leases two buildings from Area III Properties, Inc. Rent expense for these buildings for the years ended June 30, 2015 and 2014 was \$187,200 and \$171,600, respectively. This expense and related income is eliminated from the consolidated financial statements.

Aging and In-Home Services of Northeast Indiana, Inc. leases a copier and a postage meter for use in the operation of its programs. Future minimum lease payments on leases having non-cancelable terms beyond June 30, 2015 are as follows:

2016	\$ 23,038
2017	15,374
2018	13,575
2019	10,181
2020 and thereafter	<u>-</u>
Total	<u>\$ 62,168</u>

NOTE 7 –RELATED PARTY TRANSACTIONS

During the years ended June 30, 2015 and 2014, the Organization employed a spouse of a member of management. For the years ended June 30, 2015 and 2014, amounts paid to this related party were \$41,623 and \$18,733, respectively.

SUPPLEMENTARY INFORMATION

Independent Auditor's Report on Supplementary Information

Board of Directors
Aging and In-Home Services of Northeast Indiana, Inc. and Affiliate
Fort Wayne, Indiana

Our report on our audits of the consolidated financial statements of Aging and In-Home Services of Northeast Indiana, Inc. and Affiliate of June 30, 2015 and 2014 appears on page one. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information (shown on pages 19 through 26) is presented for purposes of additional analysis of the consolidated financial statements rather than to present the statements of financial position and results of activities of the individual organizations. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole for the years ended June 30, 2015 and 2014.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.
December 30, 2015

SINGLE AUDIT SECTION

AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2015

ASSETS

	Parent	Affiliate	Eliminations	2015 Consolidated Total
CURRENT ASSETS:				
Cash and cash equivalents	\$ 245,530	\$ 71,579	\$ -	\$ 317,109
Grants and contributions receivable	1,774,827	-	-	1,774,827
Accounts receivable	35,947	31,200	(31,200)	35,947
Prepaid expenses	26,659	-	-	26,659
Total current assets	<u>2,082,963</u>	<u>102,779</u>	<u>(31,200)</u>	<u>2,154,542</u>
FIXED ASSETS:				
Land	-	208,425	-	208,425
Building	-	1,858,081	-	1,858,081
Furniture and Equipment	559,292	5,830	-	565,122
	559,292	2,072,336	-	2,631,628
Less accumulated depreciation	(306,272)	(875,799)	-	(1,182,071)
	253,020	1,196,537	-	1,449,557
Fixed assets not yet placed in service	-	-	-	-
Total fixed assets, net	<u>253,020</u>	<u>1,196,537</u>	<u>-</u>	<u>1,449,557</u>
OTHER ASSETS				
Beneficial interest	25,519	-	-	25,519
Investment in affiliate	-	-	-	-
	<u>25,519</u>	<u>-</u>	<u>-</u>	<u>25,519</u>
Total assets	<u>\$ 2,361,502</u>	<u>\$ 1,299,316</u>	<u>\$ (31,200)</u>	<u>\$ 3,629,618</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:				
Accounts payable	\$ 524,669	\$ 23,847	\$ (31,200)	\$ 517,316
Accrued payroll, taxes, and related expenses	393,209	-	-	393,209
Lines of credit	-	-	-	-
Current portion - long term debt	8,800	101,535	-	110,335
Total current liabilities	<u>926,678</u>	<u>125,382</u>	<u>(31,200)</u>	<u>1,020,860</u>
LONG TERM LIABILITIES				
Notes payable	9,578	818,043	-	827,621
Total liabilities	<u>936,256</u>	<u>943,425</u>	<u>(31,200)</u>	<u>1,848,481</u>
NET ASSETS:				
Unrestricted	1,316,978	355,891	-	1,672,869
Temporarily restricted	108,268	-	-	108,268
Total net assets	<u>1,425,246</u>	<u>355,891</u>	<u>-</u>	<u>1,781,137</u>
Total liabilities and net assets	<u>\$ 2,361,502</u>	<u>\$ 1,299,316</u>	<u>\$ (31,200)</u>	<u>\$ 3,629,618</u>

See Independent Auditor's Report on Supplementary Information on page 18.

AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2014

ASSETS				2014
				Consolidated
	Parent	Affiliate	Eliminations	Total
CURRENT ASSETS:				
Cash and cash equivalents	\$ 28,931	\$ 11,886	\$ -	\$ 40,817
Grants and contributions receivable	2,127,587	-	-	2,127,587
Accounts receivable	33,685	63,533	(63,533)	33,685
Prepaid expenses	19,568	-	-	19,568
Total current assets	<u>2,209,771</u>	<u>75,419</u>	<u>(63,533)</u>	<u>2,221,657</u>
FIXED ASSETS:				
Land	-	208,425	-	208,425
Building	-	1,818,212	-	1,818,212
Furniture and Equipment	667,666	5,830	-	673,496
	667,666	2,032,467	-	2,700,133
Less accumulated depreciation	<u>(379,686)</u>	<u>(790,143)</u>	-	<u>(1,169,829)</u>
	287,980	1,242,324	-	1,530,304
Fixed assets not yet placed in service	78,017	-	-	78,017
Total fixed assets, net	<u>365,997</u>	<u>1,242,324</u>	<u>-</u>	<u>1,608,321</u>
OTHER ASSETS				
Beneficial interest	29,467	-	-	29,467
Investment in affiliate	202,159	-	(202,159)	-
	231,626	-	(202,159)	29,467
Total assets	<u>\$ 2,807,394</u>	<u>\$ 1,317,743</u>	<u>\$ (265,692)</u>	<u>\$ 3,859,445</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES:				
Accounts payable	996,730	-	(63,533)	933,197
Accrued payroll, taxes, and related expenses	257,577	-	-	257,577
Lines of credit	298,739	-	-	298,739
Current portion - long term debt	8,800	100,320	-	109,120
Total current liabilities	<u>1,561,846</u>	<u>100,320</u>	<u>(63,533)</u>	<u>1,598,633</u>
LONG TERM LIABILITIES				
Notes payable	18,378	1,117,272	(202,159)	933,491
Total liabilities	<u>1,580,224</u>	<u>1,217,592</u>	<u>(265,692)</u>	<u>2,532,124</u>
NET ASSETS:				
Unrestricted	1,114,550	100,151	-	1,214,701
Temporarily restricted	112,620	-	-	112,620
Total net assets	<u>1,227,170</u>	<u>100,151</u>	<u>-</u>	<u>1,327,321</u>
Total liabilities and net assets	<u>\$ 2,807,394</u>	<u>\$ 1,317,743</u>	<u>\$ (265,692)</u>	<u>\$ 3,859,445</u>

See Independent Auditor's Report on Supplementary Information on page 18.

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2015**

	Parent		
	Unrestricted	Temporarily Restricted	2015 Total
REVENUE AND OTHER SUPPORT			
Grants and fees	\$ 8,971,270	\$ -	\$ 8,971,270
Program service revenue	124,385	-	124,385
Contributed cash	79,816	26,100	105,916
In-kind contributions	228,492	-	228,492
Rent income	-	-	-
Other income	5,485	-	5,485
Gain (loss) on disposal of assets and forgiveness of liabilities	(262,408)	-	(262,408)
Interest income	403	-	403
	<u>9,147,443</u>	<u>26,100</u>	<u>9,173,543</u>
Net assets released from restrictions	30,452	(30,452)	-
Total revenue and other support	<u>9,177,895</u>	<u>(4,352)</u>	<u>9,173,543</u>
OPERATING EXPENSES			
Nutrition	1,448,697	-	1,448,697
Aging direct services	3,030,014	-	3,030,014
Integrated services	3,724,908	-	3,724,908
Management and general	681,866	-	681,866
Fundraising	89,982	-	89,982
Affiliate	-	-	-
Total operating expenses	<u>8,975,467</u>	<u>-</u>	<u>8,975,467</u>
INCREASE (DECREASE) IN NET ASSETS	202,428	(4,352)	198,076
NET ASSETS - BEGINNING OF YEAR	<u>1,114,550</u>	<u>112,620</u>	<u>1,227,170</u>
NET ASSETS - END OF YEAR	<u>\$ 1,316,978</u>	<u>\$ 108,268</u>	<u>\$ 1,425,246</u>

See Independent Auditor's Report on Supplementary Information on page 18.

2015		
Affiliate	Eliminations	Consolidated Total
\$ -	\$ -	\$ 8,971,270
-	-	124,385
-	-	105,916
-	-	228,492
187,200	(187,200)	-
-	-	5,485
212,100	-	(50,308)
-	-	403
399,300	(187,200)	9,385,643
-	-	-
399,300	(187,200)	9,385,643
-	(43,056)	1,405,641
-	(112,320)	2,917,694
-	(31,824)	3,693,084
-	-	681,866
-	-	89,982
143,560	-	143,560
143,560	(187,200)	8,931,827
255,740	-	453,816
100,151	-	1,327,321
\$ 355,891	\$ -	\$ 1,781,137

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2014**

	Parent		2014 Total
	Unrestricted	Temporarily Restricted	
REVENUE AND OTHER SUPPORT			
Grants and fees	\$ 7,667,134	\$ -	\$ 7,667,134
Program service revenue	163,235	-	163,235
Contributed cash	168,412	25,305	193,717
In-kind contributions	241,792	-	241,792
Rent income	-	-	-
Other income	7,313	-	7,313
	<u>8,247,886</u>	<u>25,305</u>	<u>8,273,191</u>
Net assets released from restrictions	-	-	-
Total revenue and other support	<u>8,247,886</u>	<u>25,305</u>	<u>8,273,191</u>
OPERATING EXPENSES			
Nutrition	1,555,081	-	1,555,081
Aging direct services	2,710,659	-	2,710,659
Integrated services	3,127,137	-	3,127,137
Management and general	824,473	-	824,473
Fundraising	39,149	-	39,149
Affiliate	-	-	-
	<u>8,256,499</u>	<u>-</u>	<u>8,256,499</u>
INCREASE (DECREASE) IN NET ASSETS	(8,613)	25,305	16,692
NET ASSETS - BEGINNING OF YEAR	<u>1,123,163</u>	<u>87,315</u>	<u>1,210,478</u>
NET ASSETS - END OF YEAR	<u>\$ 1,114,550</u>	<u>\$ 112,620</u>	<u>\$ 1,227,170</u>

See Independent Auditor's Report on Supplementary Information on page 18.

2014		
Affiliate	Eliminations	Consolidated Total
\$ -	\$ -	\$ 7,667,134
-	-	163,235
-	-	193,717
-	-	241,792
171,600	(171,600)	-
-	-	7,313
171,600	(171,600)	8,273,191
-	-	-
171,600	(171,600)	8,273,191
-	(38,061)	1,517,020
-	(42,989)	2,667,670
-	(61,939)	3,065,198
-	(28,611)	795,862
-	-	39,149
152,715	-	152,715
152,715	(171,600)	8,237,614
18,885	-	35,577
81,266	-	1,291,744
<u>\$ 100,151</u>	<u>\$ -</u>	<u>\$ 1,327,321</u>

AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015

	Parent	Affiliate	Eliminations	2015 Consolidated Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Increase in net assets	\$ 198,076	\$ 255,740	\$ -	\$ 453,816
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:				
Depreciation	64,808	85,656	-	150,464
(Gain) loss on disposal of assets and forgiveness of liabilities	262,408	(202,159)	-	60,249
Increase (decrease) in cash from changes in:				
Grants and contributions receivable	352,760	-	-	352,760
Accounts receivable	(2,262)	32,333	(32,333)	(2,262)
Prepaid expenses	(7,091)	-	-	(7,091)
Accounts payable	(472,061)	23,847	32,333	(415,881)
Accrued payroll, taxes, and related expenses	135,632	-	-	135,632
Net cash provided by (used in) operating activities	<u>532,270</u>	<u>195,417</u>	<u>-</u>	<u>727,687</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of property and equipment	(12,080)	(39,869)	-	(51,949)
Net change in beneficial interest	3,948	-	-	3,948
Net cash provided by (used in) investing activities	<u>(8,132)</u>	<u>(39,869)</u>	<u>-</u>	<u>(48,001)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Net proceeds (repayments) on line of credit	(298,739)	-	-	(298,739)
Principal payments against notes payable	(8,800)	(95,855)	-	(104,655)
Net cash provided by (used in) financing activities	<u>(307,539)</u>	<u>(95,855)</u>	<u>-</u>	<u>(403,394)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	216,599	59,693	-	276,292
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	28,931	11,886	-	40,817
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 245,530</u>	<u>\$ 71,579</u>	<u>\$ -</u>	<u>\$ 317,109</u>
Supplemental disclosures of Cash Flow Information:				
Cash paid during the year for interest	\$ 4,210	\$ 48,582	\$ -	\$ 52,792

See Independent Auditor's Report on Supplementary Information on page 18.

AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014

	Parent	Affiliate	Eliminations	2014 Consolidated Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Increase in net assets	\$ 16,692	\$ 18,885	\$ -	\$ 35,577
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:				
Depreciation	76,379	82,684	-	159,063
Increase (decrease) in cash from changes in:				
Grants and contributions receivable	(358,732)	-	-	(358,732)
Accounts receivable	(8,617)	76,829	23,921	92,133
Prepaid expenses	(10,262)	-	-	(10,262)
Accounts payable	448,392	(67,205)	(23,921)	357,266
Accrued payroll, taxes, and related expenses	(27,905)	-	-	(27,905)
Net cash provided by (used in) operating activities	<u>135,947</u>	<u>111,193</u>	<u>-</u>	<u>247,140</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of property and equipment	(115,085)	(37,997)	-	(153,082)
Net change in beneficial interest	(6,915)	-	-	(6,915)
Net cash provided by (used in) investing activities	<u>(122,000)</u>	<u>(37,997)</u>	<u>-</u>	<u>(159,997)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from line of credit	23,739	-	-	23,739
Principal payments against notes payable	(8,755)	(72,687)	-	(81,442)
Net cash provided by (used in) financing activities	<u>14,984</u>	<u>(72,687)</u>	<u>-</u>	<u>(57,703)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	28,931	509	-	29,440
CASH, BEGINNING OF YEAR	-	11,377	-	11,377
CASH, END OF YEAR	<u>\$ 28,931</u>	<u>\$ 11,886</u>	<u>\$ -</u>	<u>\$ 40,817</u>
Supplemental disclosures of Cash Flow Information:				
Cash paid during the year for interest	<u>\$ 15,499</u>	<u>\$ 58,693</u>	<u>\$ -</u>	<u>\$ 74,192</u>

See Independent Auditor's Report on Supplementary Information on page 18.

AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

FEDERAL GRANTOR AGENCY Passthrough Agency Program Title	Federal CFDA Number	Grant or Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through the Indiana Department of Family and Social Services (FSSA):			
Aging Cluster:			
Title IIIA Administration	93.044	02-14-0V-1531-07	\$ 183,126
Title IIIB Grants for Supportive Services and Senior Centers	93.044	02-14-0V-1531-08	506,666
Title IIIC-1 Congregate Nutrition Services	93.045	02-14-0V-1531-09	465,708
Title IIIC-2 Home Delivered Meal Nutrition Services	93.045	02-14-0V-1531-10	429,036
Nutrition Services Incentive Program	93.053	02-14-02-1531-02	<u>93,330</u>
Total aging cluster			<u>1,677,866</u>
Title VII - Long Term Care Ombudsman Services for Older Individuals	93.042	02-14-2V-1531-04	<u>28,918</u>
Special Program for the Aging-Disease Prevention and Health Promotion Services	93.043	02-14-0V-1531-11	<u>34,698</u>
National Family Caregiver Support, Title IIIE	93.052	02-14-0V-1531-12	<u>205,624</u>
Social Services Block Grant	93.667	02-14-0G-1531-02	<u>774,973</u>
Total Schedule of Expenditures of Federal Awards			<u><u>\$ 2,722,079</u></u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.
 SCHEDULE OF EXPENDITURES OF STATE AND LOCAL GRANTS
 FOR THE YEAR ENDED JUNE 30, 2015**

STATE/LOCAL GRANTOR AGENCY Program Title	Grant or Identifying Number	State and Local Awards
Indiana Department of Family and Social Services (FSSA):		
CHOICE	02-14-10-1531-02	\$ 1,699,629
CHOICE Medicaid Waiver Administration	02-14-10-1531-02	530,828
Assisted Living Ombudsman	02-14-2V-1531-03	28,918
Older Hoosier Act	02-14-0M-1531-02	139,199
ADRC Enhanced	02-14-77-1531-02	89,094
		<u>2,487,668</u>
Indiana Department of Insurance:		
State Health Insurance Assistance Program	A43-13-IDOI-AISNI	<u>11,600</u>
Total Expenditures of State and Local Grants		<u><u>\$ 2,499,268</u></u>

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015**

Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Aging and In-Home Services of Northeast Indiana, Inc. and is presented in accordance with the requirements of *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule Expenditures of Federal Awards 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*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2015

Section II – Financial Statement Findings

There were no financial statement findings for the year ended June 30, 2014.

Section III – Federal Award Findings and Questioned Costs

FA-2014-01 – Ineligible services provided to 2 (two) SSBG program participants

U.S. Department of Health and Human Services – Passed through Indiana Department of Family and Social Services – Grant number: 02-14-OV-1531
CFDA Number 93.667 – Social Services Block Grant

Condition: During the income eligibility testing of 25 SSBG clients, a client was found to be over the 300% poverty limit for SSBG services. A further test was performed for all SSBG clients and another client was found to be over the income limit.

Criteria: FSSA Aging Contract, Exhibit 10, Social Services Block Grant (SSBG), Scope of Work and Reporting Requirements states “Financial need exists when the client’s and the family’s incomes fall below 300% of the poverty level...”

Cause: After the acquisition of Allen County Council on Aging on July 1, 2012, the Organization was allowed to provide Title III-B Homemaker services for one year. At the end of that year, all clients had to be transferred to another funding source. As part of Title III-B, there was no income limitation as eligibility is based on the age of the participant. When this group of clients was transferred to SSBG, a clerical oversight caused the clients to be transferred to SSBG when they did not meet the income requirement.

Effect: Two clients out of 198 SSBG clients had incomes over 300% of poverty level.

Recommendation: Procedures should be implemented to ensure clients who are switched between funding sources meet all requirements of the new funding source.

Management’s Corrective Action: AIHS has corrected the funding source of the two clients who received services. Additionally procedures have been implemented that include running reports quarterly to ensure no clients are receiving services for a funding source that has an income eligibility requirement if they do not meet that requirement.

Auditor’s Update: We have not noted any errors of this nature during the audit for the year ended June 30, 2015.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
Aging and In-Home Services of Northeast Indiana, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America 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 Aging and In-Home Services of Northeast Indiana, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, 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 December 30, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Aging and In-Home Services of Northeast Indiana, 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 Aging and In-Home Services of Northeast Indiana, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the organization'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the organization'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 Aging and In-Home Services of Northeast Indiana, 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 the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.

Indianapolis, Indiana

December 30, 2015

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133**

To the Board of Directors
Aging and In-Home Services of Northeast Indiana, Inc.

Report on Compliance for Each Major Federal Program

We have audited Aging and In-Home Services of Northeast Indiana, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Aging and In-Home Services of Northeast Indiana, Inc.'s major federal programs for the year ended June 30, 2015. Aging and In-Home Services of Northeast Indiana, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Aging and In-Home Services of Northeast Indiana, Inc.'s major federal programs 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 of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Aging and In-Home Services of Northeast Indiana, 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 each major federal program. However, our audit does not provide a legal determination of Aging and In-Home Services of Northeast Indiana, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Aging and In-Home Services of Northeast Indiana, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control over Compliance

Management of Aging and In-Home Services of Northeast Indiana, 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 Aging and In-Home Services of Northeast Indiana, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each 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 OMB Circular A-133, 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 Aging and In-Home Services of Northeast Indiana, Inc.'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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.
Indianapolis, Indiana
December 30, 2015

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

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? Yes No
- Significant deficiencies identified? Yes No

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified? Yes No

Type of auditor’s report issued: Unmodified

Any audit findings disclosed required to be reported in
Accordance with Section 510(a) of Circular A-133 Yes No

Programs tested as major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.044*	U.S. Department of Health and Human Services—Special Programs for the Aging—Title III, Part B—Grants for Supportive Services and Senior Centers
93.045*	U.S. Department of Health and Human Services—Special Programs for the Aging—Title III, Part C-Nutrition Services
93.053*	U.S. Department of Health and Human Services—Nutrition Services Incentive Program
93.667	U.S. Department of Health and Human Services—Social Services Block Grant

*Denotes program cluster. A cluster of programs is treated as a single program for the purpose of meeting the audit requirements of OMB Circular A-133.

Dollar threshold used to distinguish between type A and type B programs \$300,000

Auditee qualified as low-risk auditee? Yes No

AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

Section II – Financial Statement Findings

There were no financial statement findings for the year ended June 30, 2015.

Section III – Federal Award Findings and Questioned Costs

There were no compliance findings for the year ended June 30, 2015.