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June 11, 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, 2016 to June 30, 2017. 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, 2017 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 Affiliates**

=====  
**Consolidated Financial Statements  
For The Years Ended  
June 30, 2017 and 2016  
(With Single Audit Section)**

COMER  NOWLING

INDUSTRY ESTABLISHED | FOCUSED ON QUALITY

*Certified Public Accountants*

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

**CONTENTS**

	<b>Page</b>
<b>INDEPENDENT AUDITOR’S REPORT .....</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
Consolidated Statements of Financial Position.....	3
Consolidated Statements of Activities and Changes in Net Assets .....	5
Consolidated Statements of Functional Expenses .....	7
Consolidated Statements of Cash Flows.....	11
Notes to Consolidated Financial Statements.....	12
<b>SUPPLEMENTARY INFORMATION</b>	
Independent Auditor’s Report on Supplementary Information .....	22
Consolidating Statements of Financial Position .....	23
Consolidating Statements of Activities.....	25
Consolidating Statements of Cash Flows .....	29
<b>SINGLE AUDIT SECTION</b>	
Schedule of Expenditures of Federal Awards.....	31
Schedule of Expenditures of State and Local Awards.....	32
Notes to Schedule of Expenditures of Federal Awards .....	33
Summary Schedule of Prior Audit Findings.....	34
Independent Auditor’s Report on Internal Control over Financial Report and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	35
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the <i>Uniform Guidance</i> .....	37
Schedule of Findings and Questioned Costs.....	39



## INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying consolidated financial statements of Aging and In-Home Services of Northeast Indiana, Inc. and Affiliates (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2017 and 2016, 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 Affiliates as of June 30, 2017 and 2016, 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 Affiliates as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statements. The schedule of expenditures of state and local awards is presented for informational purposes only. 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 October 8, 2017 on our consideration of Aging and In-Home Services of Northeast Indiana, Inc. and Affiliates' 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

October 8, 2017

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.  
AND AFFILIATES  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2017 AND 2016**

**ASSETS**

<b>CURRENT ASSETS:</b>	<u>2017</u>	<u>2016</u>
Cash and cash equivalents	\$ 761,277	\$ 607,302
Grants and contributions receivable	1,497,707	1,507,635
Accounts receivable	80,049	360,233
Prepaid expenses	72,307	32,590
	<hr/>	<hr/>
Total current assets	2,411,340	2,507,760
	<hr/>	<hr/>
<b>FIXED ASSETS:</b>		
Land	208,425	208,425
Building	1,891,857	1,881,086
Construction in progress	15,496	-
Equipment	557,210	565,121
	<hr/>	<hr/>
	2,672,988	2,654,632
Less accumulated depreciation	(1,466,104)	(1,326,193)
	<hr/>	<hr/>
Total fixed assets, net	1,206,884	1,328,439
	<hr/>	<hr/>
<b>OTHER ASSETS</b>		
Beneficial interest	26,539	24,243
	<hr/>	<hr/>
Total assets	\$ 3,644,763	\$ 3,860,442
	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes to consolidated financial statements.

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.  
AND AFFILIATES  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)  
JUNE 30, 2017 AND 2016**

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES:</b>	<u><b>2017</b></u>	<u><b>2016</b></u>
Accounts payable	\$ 422,262	\$ 538,621
Accrued payroll, taxes, and related expenses	262,227	422,354
Current portion - long term debt	<u>112,050</u>	<u>115,463</u>
Total current liabilities	<u>796,539</u>	<u>1,076,438</u>
 <b>LONG TERM LIABILITIES</b>		
Notes payable	<u>600,984</u>	<u>713,068</u>
Total liabilities	<u>1,397,523</u>	<u>1,789,506</u>
 <b>NET ASSETS:</b>		
Unrestricted	2,160,987	1,929,183
Unrestricted - board designated	45,000	90,000
Temporarily restricted	<u>41,253</u>	<u>51,753</u>
Total net assets	<u>2,247,240</u>	<u>2,070,936</u>
Total liabilities and net assets	<u><u>\$ 3,644,763</u></u>	<u><u>\$ 3,860,442</u></u>

See accompanying notes to consolidated financial statements.

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.  
AND AFFILIATES  
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2017**

<b>REVENUE AND OTHER SUPPORT</b>	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>2017 Totals</b>
Federal grants	\$ 2,951,660	\$ -	\$ 2,951,660
State and local grants and fees	5,340,786	-	5,340,786
Other grants	66,395	-	66,395
Program service revenue	110,735	-	144,485
Contributed cash	56,766	8,000	64,766
In-kind contributions	267,609	-	267,609
Other income	74,554	-	74,554
	<u>8,868,805</u>	<u>8,000</u>	<u>8,910,555</u>
Net assets released from restrictions	18,500	(18,500)	-
Total revenue and other support	<u>8,887,305</u>	<u>(10,500)</u>	<u>8,910,555</u>
<b>OPERATING EXPENSES</b>			
Nutrition	1,399,859	-	1,399,859
Aging direct services	2,925,987	-	2,925,987
Integrated services	3,857,263	-	3,857,263
Management and general	323,607	-	323,607
Fundraising	52,407	-	52,407
Affiliates	148,931	-	175,128
Total operating expenses	<u>8,708,054</u>	<u>-</u>	<u>8,734,251</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	179,251	(10,500)	176,304
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>2,019,183</u>	<u>51,753</u>	<u>2,070,936</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 2,198,434</u>	<u>\$ 41,253</u>	<u>\$ 2,247,240</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, 2016**

<b>REVENUE AND OTHER SUPPORT</b>	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>2016 Totals</b>
Federal grants	\$ 2,925,183	\$ -	\$ 2,925,183
State and local grants and fees	6,490,205	-	6,490,205
Other grants	297,189	-	297,189
Program service revenue	111,541	-	111,541
Contributed cash	117,512	18,500	136,012
In-kind contributions	256,297	-	256,297
Other income	65,733	-	65,733
	<u>10,263,660</u>	<u>18,500</u>	<u>10,282,160</u>
Net assets released from restrictions	75,015	(75,015)	-
Total revenue and other support	<u>10,338,675</u>	<u>(56,515)</u>	<u>10,282,160</u>
<b>OPERATING EXPENSES</b>			
Nutrition	1,477,623	-	1,477,623
Aging direct services	2,968,851	-	2,968,851
Integrated services	4,566,608	-	4,566,608
Management and general	724,703	-	724,703
Fundraising	85,036	-	85,036
Affiliate	169,540	-	169,540
Total operating expenses	<u>9,992,361</u>	<u>-</u>	<u>9,992,361</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	346,314	(56,515)	289,799
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>1,672,869</u>	<u>108,268</u>	<u>1,781,137</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 2,019,183</u>	<u>\$ 51,753</u>	<u>\$ 2,070,936</u>

See accompanying notes to consolidated financial statements.

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.  
AND AFFILIATES  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Nutrition</u>	<u>Aging Direct Services</u>	<u>Integrated Services</u>	<u>Management &amp; General</u>
<b>OPERATING EXPENSES</b>				
Personnel	\$ 515,316	\$ 668,297	\$ 3,268,122	\$ 130,553
Food	629,038	229,764	5,067	-
Meal delivery	13,580	1,569	137	-
Home health care	-	816,966	30,324	3,469
Adult day care	-	26,625	-	-
Respite services	-	106,509	-	1,833
Transportation services	-	281,326	-	-
Other assistance	126	555,123	1,592	1,465
Occupancy	13,063	19,447	52,826	5,026
Telephone	6,001	6,876	24,334	1,394
Postage	3,861	4,563	15,653	606
Contracted services	29,313	53,745	186,738	11,619
Materials and supplies	22,981	25,161	79,536	9,185
Insurance	7,730	8,145	15,930	776
Equipment expense	18,565	19,695	41,914	2,876
Travel	7,413	18,992	104,807	17,907
Dues and subscriptions	6,684	7,619	19,408	2,426
Conferences and training	1,586	3,500	10,550	3,197
Depreciation	-	-	-	56,458
Interest	-	-	-	146
Other	124,602	72,065	325	74,671
	<u>124,602</u>	<u>72,065</u>	<u>325</u>	<u>74,671</u>
Total operating expenses	<u>\$ 1,399,859</u>	<u>\$ 2,925,987</u>	<u>\$ 3,857,263</u>	<u>\$ 323,607</u>

See accompanying notes to consolidated financial statements.

<u>Fundraising</u>	<u>Area III Properties, Inc.</u>	<u>Community Living Resources, LLC</u>	<u>2017 Total</u>
\$ 1,032	\$ -	\$ 26,077	\$ 4,609,397
-	-	-	863,869
-	-	-	15,286
-	-	-	850,759
-	-	-	26,625
-	-	-	108,342
-	-	-	281,326
-	-	-	558,306
-	-	-	90,362
-	-	-	38,605
-	-	-	24,683
-	-	-	281,415
3,291	15,725	-	155,879
-	3,323	-	35,904
-	-	-	83,050
99	-	-	149,218
-	-	-	36,137
47,934	-	-	66,767
-	91,364	-	147,822
-	38,519	-	38,665
51	-	120	271,834
<u>\$ 52,407</u>	<u>\$ 148,931</u>	<u>\$ 26,197</u>	<u>\$ 8,734,251</u>

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.  
AND AFFILIATES  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Nutrition</u>	<u>Aging Direct Services</u>	<u>Integrated Services</u>	<u>Management &amp; General</u>
<b>OPERATING EXPENSES</b>				
Personnel	\$ 517,755	\$ 404,097	\$ 3,732,615	\$ 531,781
Food	713,380	188,064	22,466	-
Meal delivery	11,981	2,504	231	1,676
Home health care	-	1,133,757	19,475	386
Adult day care	-	53,536	-	-
Respite services	-	141,149	-	-
Transportation services	-	285,864	-	-
Other assistance	196	527,751	1,790	60
Occupancy	6,087	16,878	74,696	2,981
Telephone	3,579	4,351	30,674	768
Postage	4,394	2,805	25,176	151
Contracted services	25,773	24,049	180,641	32,410
Materials and supplies	18,792	12,159	86,605	4,794
Insurance	7,704	7,748	23,545	755
Equipment expense	26,686	20,136	120,260	2,759
Travel	8,006	11,258	183,287	16,286
Dues and subscriptions	3,516	3,146	24,223	4,582
Conferences and training	1,833	6,141	22,751	1,642
Depreciation	-	-	-	55,971
Interest	-	-	-	1,482
Other	127,941	123,458	18,173	66,219
	<u>127,941</u>	<u>123,458</u>	<u>18,173</u>	<u>66,219</u>
Total operating expenses	<u>\$ 1,477,623</u>	<u>\$ 2,968,851</u>	<u>\$ 4,566,608</u>	<u>\$ 724,703</u>

See accompanying notes to consolidated financial statements.

<u>Fundraising</u>	<u>Area III Properties, Inc.</u>	<u>2016 Total</u>
\$ 25,243	\$ -	\$ 5,211,491
-	-	923,910
-	-	16,392
-	-	1,153,618
-	-	53,536
-	-	141,149
-	-	285,864
-	-	529,797
-	31,108	131,750
-	-	39,372
-	-	32,526
-	1,000	263,873
7,385	-	129,735
-	3,188	42,940
-	2,280	172,121
1,250	-	220,087
-	-	35,467
-	-	32,367
-	88,151	144,122
-	43,813	45,295
51,158	-	386,949
<u>\$ 85,036</u>	<u>\$ 169,540</u>	<u>\$ 9,992,361</u>

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.  
AND AFFILIATES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

	<b>2017</b>	<b>2016</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase in net assets	\$ 176,304	\$ 289,799
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation	147,822	144,122
Increase (decrease) in cash from changes in:		
Grants and contributions receivable	9,928	267,192
Accounts receivable	280,184	(324,286)
Prepaid expenses	(39,717)	(5,931)
Accounts payable	(116,359)	21,305
Accrued payroll, taxes and related expenses	(160,127)	29,145
Net cash provided by (used in) operating activities	298,035	421,346
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	(26,268)	(23,006)
Net change in beneficial interest	(2,296)	1,276
Net cash provided by (used in) investing activities	(28,564)	(21,730)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principal payments against notes payable	(115,496)	(109,423)
Net cash provided by (used in) financing activities	(115,496)	(109,423)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	153,975	290,193
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	607,302	317,109
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 761,277	\$ 607,302
<b>Supplemental disclosures of Cash Flow Information:</b>		
Cash paid during the year for interest	\$ 38,665	\$ 45,295

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.  
AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016**

**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., Area III Properties, Inc., and Community Living Resources, LLC (the "Affiliates") because the three 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. and Community Living Resources, LLC. 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. Community Living Resources, LLC is an Indiana for-profit company and provides a corporate arm for Aging and In-Home Services to expand its work in the field of integrated medical and social care with an emphasis on building alliances, partnerships and new ventures with health care partners.

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).

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.  
AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016**

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

**INCOME TAX STATUS (continued)**

In addition, since Community Living Resources, LLC is wholly owned by Aging and In-Home Services, Inc., per Internal Revenue Code, this LLC is considered to be a “disregarded entity” for tax purposes, meaning that all revenues and expenses of the LLC are reported as part of the Aging and In-Home Services, Inc. corporate tax return. No income tax return is required to be prepared for the sole-member LLC.

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.

**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.

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.  
AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016**

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

**FINANCIAL STATEMENT PRESENTATION (continued)**

For the years ended June 30, 2017 and 2016, 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.

**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 received 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

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.  
AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016**

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

**REVENUE RECOGNITION(continued)**

recognized in the accompanying financial statements was \$267,609 and \$256,297 for the years ended June 30, 2017 and 2016, respectively. Management estimates the value of contributed services received during the year ended June 30, 2017 and 2016 that did not meet the criteria for recognition to be \$5,868 and \$8,527, 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 \$53,835 and \$65,670 of revenue for contributed facilities in the accompanying consolidated financial statements during the years ended June 30, 2017 and 2016, 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 \$39,861 and \$49,393 of revenue for contributed goods in the accompanying consolidated financial statements during the years ended June 30, 2017 and 2016, respectively.

**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 \$56,458 and \$55,971 for the years ended June 30, 2017 and 2016, respectively. The depreciation expense incurred by the Affiliates totaled \$91,364 and \$88,151 for the years ended June 30, 2017 and 2016, respectively.

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.  
AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016**

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

**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.

**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.

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.  
AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016**

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

**COST ALLOCATION(continued)**

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.

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 an 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.

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.  
AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016**

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

**RECLASSIFICATION**

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

**SUBSEQUENT EVENTS**

Subsequent events have been evaluated through October 8, 2017, which is the date the financial statements were available to be issued.

**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, 2017 and 2016. At June 30, 2017 and 2016, bank balances at one bank were in excess of FDIC coverage by \$467,278 and \$322,922, respectively.

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, 2017 approximately 93% of total revenues were received from state and federal governmental sources, with approximately 65% of total revenues received from Indiana Family and Social Services Administration and for the year ended June 30, 2016 approximately 92% of total revenues were received from state and federal governmental sources, with approximately 51% 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, as well as, 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.

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.  
AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016**

**NOTE 3 – LONG-TERM DEBT**

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

	<u>2017</u>	<u>2016</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.	\$ 623,534	\$ 718,533
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.	89,500	100,420
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.	-	9,578
	713,034	828,531
Less current portion	(112,050)	(115,463)
Long-term debt (net of current portion)	<u>\$ 600,984</u>	<u>\$ 713,068</u>

The Organization has a \$500,000 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 2017. 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. There was no outstanding balance at June 30, 2017 and 2016.

Maturities of debt at June 30, 2017 for each of the next five years and in the aggregate are as follows:

<u>Year</u>	<u>Amount</u>
2018	\$ 112,050
2019	117,709
2020	123,653
2021	129,898
2022	136,458
Thereafter	93,266
	<u>\$ 713,034</u>

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.  
AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016**

**NOTE 4 –NET ASSETS**

Temporarily restricted net assets of \$41,253 and \$51,753 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, 2017 and 2016. Net assets were released from restrictions during the years ended June 30, 2017 and 2016 by incurring expenses satisfying restricted purposes specified by donors and time restrictions.

The Board of Directors designated \$45,000 and \$90,000 as of June 30, 2017 and 2016, respectively, of net assets for employee retention.

**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 \$110,115 and \$110,782 for the years ended June 30, 2017 and 2016, 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 \$21,878 and \$20,669 to the 457(b) plan for the years ended June 30, 2017 and 2016, respectively.

**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, 2017 and 2016 was \$211,644 and \$192,398, 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, a postage meter, and certain computer equipment for use in the operation of its programs. Future minimum lease payments on leases having non-cancelable terms beyond June 30, 2017 are as follows:

<u>Year</u>	<u>Amount</u>
2018	\$ 25,478
2019	22,084
2020	11,902
2021	8,558
2022	467
Thereafter	-
Total	<u>\$ 68,489</u>

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.  
AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016**

**NOTE 7 –RELATED PARTY TRANSACTIONS**

During the year ended June 30, 2016, the Organization employed a spouse of a member of management and paid \$43,281 for those services. During the year ended June 30, 2017, the Organization employed the sister of a member of management and paid \$23,297 for those services.

**SUPPLEMENTARY INFORMATION**



## INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

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

Our report on our audits of the consolidated financial statements of Aging and In-Home Services of Northeast Indiana, Inc. and Affiliates of June 30, 2017 and 2016 appears on page one. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information (shown on pages 23 through 30) 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 audits 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, 2017 and 2016.

*Comer, Nowling And Associates, P.C.*

Comer, Nowling And Associates, P.C.  
October 8, 2017

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.  
AND AFFILIATES  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2017**

	ASSETS				2017 Consolidated Total
	Aging and In-Home Services	Area III Properties, Inc.	Community Living Resources, LLC	Eliminations	
<b>CURRENT ASSETS:</b>					
Cash and cash equivalents	\$ 697,733	\$ 53,818	\$ 9,726	\$ -	\$ 761,277
Grants and contributions receivable	1,497,707	-	-	-	1,497,707
Accounts receivable	83,110	35,274	8,130	(46,465)	80,049
Prepaid expenses	72,307	-	-	-	72,307
Total current assets	<u>2,350,857</u>	<u>89,092</u>	<u>17,856</u>	<u>(46,465)</u>	<u>2,411,340</u>
<b>FIXED ASSETS:</b>					
Land	-	208,425	-	-	208,425
Building	-	1,891,857	-	-	1,891,857
Construction in progress	-	15,496	-	-	15,496
Furniture and equipment	551,380	5,830	-	-	557,210
	551,380	2,121,608	-	-	2,672,988
Less accumulated depreciation	(410,790)	(1,055,314)	-	-	(1,466,104)
Total fixed assets, net	<u>140,590</u>	<u>1,066,294</u>	<u>-</u>	<u>-</u>	<u>1,206,884</u>
<b>OTHER ASSETS</b>					
Beneficial interest	26,539	-	-	-	26,539
Total assets	<u>\$ 2,517,986</u>	<u>\$ 1,155,386</u>	<u>\$ 17,856</u>	<u>\$ (46,465)</u>	<u>\$ 3,644,763</u>
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES:</b>					
Accounts payable	\$ 457,536	\$ 888	\$ 10,303	\$ (46,465)	\$ 422,262
Accrued payroll, taxes, and related expenses	262,227	-	-	-	262,227
Current portion - long term debt	-	112,050	-	-	112,050
Total current liabilities	<u>719,763</u>	<u>112,938</u>	<u>10,303</u>	<u>(46,465)</u>	<u>796,539</u>
<b>LONG TERM LIABILITIES</b>					
Notes payable	-	600,984	-	-	600,984
Total liabilities	<u>719,763</u>	<u>713,922</u>	<u>10,303</u>	<u>(46,465)</u>	<u>1,397,523</u>
<b>NET ASSETS:</b>					
Unrestricted	1,711,970	441,464	7,553	-	2,160,987
Unrestricted - board designated	45,000	-	-	-	45,000
Temporarily restricted	41,253	-	-	-	41,253
Total net assets	<u>1,798,223</u>	<u>441,464</u>	<u>7,553</u>	<u>-</u>	<u>2,247,240</u>
Total liabilities and net assets	<u>\$ 2,517,986</u>	<u>\$ 1,155,386</u>	<u>\$ 17,856</u>	<u>\$ (46,465)</u>	<u>\$ 3,644,763</u>

See Independent Auditor's Report on Supplementary Information on page 22.

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.  
AND AFFILIATES  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2016**

	<b>ASSETS</b>			
	<b>Aging and In-Home Services</b>	<b>Area III Properties, Inc.</b>	<b>Eliminations</b>	<b>2016 Consolidated Total</b>
<b>CURRENT ASSETS:</b>				
Cash and cash equivalents	\$ 573,057	\$ 34,245	\$ -	\$ 607,302
Grants and contributions receivable	1,507,635	-	-	1,507,635
Accounts receivable	360,233	32,066	(32,066)	360,233
Prepaid expenses	32,590	-	-	32,590
Total current assets	<u>2,473,515</u>	<u>66,311</u>	<u>(32,066)</u>	<u>2,507,760</u>
<b>FIXED ASSETS:</b>				
Land	-	208,425	-	208,425
Building	-	1,881,086	-	1,881,086
Furniture and Equipment	559,291	5,830	-	565,121
	559,291	2,095,341	-	2,654,632
Less accumulated depreciation	(362,243)	(963,950)	-	(1,326,193)
Total fixed assets, net	<u>197,048</u>	<u>1,131,391</u>	<u>-</u>	<u>1,328,439</u>
<b>OTHER ASSETS</b>				
Beneficial interest	24,243	-	-	24,243
Total assets	<u>\$ 2,694,806</u>	<u>\$ 1,197,702</u>	<u>\$ (32,066)</u>	<u>\$ 3,860,442</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES:</b>				
Accounts payable	\$ 570,687	\$ -	\$ (32,066)	\$ 538,621
Accrued payroll, taxes, and related expenses	422,354	-	-	422,354
Current portion - long term debt	8,800	106,663	-	115,463
Total current liabilities	<u>1,001,841</u>	<u>106,663</u>	<u>(32,066)</u>	<u>1,076,438</u>
<b>LONG TERM LIABILITIES</b>				
Notes payable	778	712,290	-	713,068
Total liabilities	<u>1,002,619</u>	<u>818,953</u>	<u>(32,066)</u>	<u>1,789,506</u>
<b>NET ASSETS:</b>				
Unrestricted	1,550,434	378,749	-	1,929,183
Unrestricted - board designated	90,000	-	-	90,000
Temporarily restricted	51,753	-	-	51,753
Total net assets	<u>1,692,187</u>	<u>378,749</u>	<u>-</u>	<u>2,070,936</u>
Total liabilities and net assets	<u>\$ 2,694,806</u>	<u>\$ 1,197,702</u>	<u>\$ (32,066)</u>	<u>\$ 3,860,442</u>

See Independent Auditor's Report on Supplementary Information on page 22.

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.  
AND AFFILIATES  
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Aging and In-Home Services</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2017 Total</u>
<b>REVENUE AND OTHER SUPPORT</b>			
Federal grants	\$ 2,951,660	\$ -	\$ 2,951,660
State and local grants and fees	5,340,786	-	\$ 5,340,786
Other grants	66,395	-	\$ 66,395
Program service revenue	110,735	-	110,735
Contributed cash	56,766	8,000	64,766
In-kind contributions	267,609	-	267,609
Rent income	-	-	-
Other income	74,554	-	74,554
Interest income	300	-	300
	<u>8,868,805</u>	<u>8,000</u>	<u>8,876,805</u>
Net assets released from restrictions	18,500	(18,500)	-
Total revenue and other support	<u>8,887,305</u>	<u>(10,500)</u>	<u>8,876,805</u>
<b>OPERATING EXPENSES</b>			
Nutrition	1,430,687	-	1,430,687
Aging direct services	2,979,608	-	2,979,608
Integrated services	3,972,453	-	3,972,453
Management and general	335,614	-	335,614
Fundraising	52,407	-	52,407
Affiliates	-	-	-
Total operating expenses	<u>8,770,769</u>	<u>-</u>	<u>8,770,769</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	116,536	(10,500)	106,036
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>1,640,434</u>	<u>51,753</u>	<u>1,692,187</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 1,756,970</u>	<u>\$ 41,253</u>	<u>\$ 1,798,223</u>

See Independent Auditor's Report on Supplementary Information on page 22.

<b>Area III Properties, Inc.</b>	<b>Community Living Resources, LLC</b>	<b>Eliminations</b>	<b>2017 Consolidated Total</b>
\$ -	\$ -	\$ -	\$ 2,951,660
-	-	-	5,340,786
-	-	-	66,395
-	33,750	-	144,485
-	-	-	64,766
-	-	-	267,609
211,646	-	(211,646)	-
-	-	-	74,554
-	-	-	300
211,646	33,750	(211,646)	8,910,555
-	-	-	-
211,646	33,750	(211,646)	8,910,555
-	-	(30,828)	1,399,859
-	-	(53,621)	2,925,987
-	-	(115,190)	3,857,263
-	-	(12,007)	323,607
-	-	-	52,407
148,931	26,197	-	175,128
148,931	26,197	(211,646)	8,734,251
62,715	7,553	-	176,304
378,749	-	-	2,070,936
\$ 441,464	\$ 7,553	\$ -	\$ 2,247,240

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.  
AND AFFILIATES  
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Aging and In-Home Services</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2016 Total</u>
<b>REVENUE AND OTHER SUPPORT</b>			
Federal grants	2,925,183	\$ -	\$ 2,925,183
State and local grants and fees	6,490,205	-	6,490,205
Other grants	297,189	-	297,189
Program service revenue	111,541	-	111,541
Contributed cash	117,512	18,500	136,012
In-kind contributions	256,297	-	256,297
Rent income	-	-	-
Other income	65,733	-	65,733
	<u>10,263,660</u>	<u>18,500</u>	<u>10,282,160</u>
Net assets released from restrictions	<u>75,015</u>	<u>(75,015)</u>	<u>-</u>
Total revenue and other support	<u>10,338,675</u>	<u>(56,515)</u>	<u>10,282,160</u>
<b>OPERATING EXPENSES</b>			
Nutrition	1,506,411	-	1,506,411
Aging direct services	2,983,131	-	2,983,131
Integrated services	4,715,938	-	4,715,938
Management and general	724,703	-	724,703
Fundraising	85,036	-	85,036
Affiliate	-	-	-
Total operating expenses	<u>10,015,219</u>	<u>-</u>	<u>10,015,219</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	323,456	(56,515)	266,941
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>1,316,978</u>	<u>108,268</u>	<u>1,425,246</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 1,640,434</u>	<u>\$ 51,753</u>	<u>\$ 1,692,187</u>

See Independent Auditor's Report on Supplementary Information on page 22.

<b>Area III Properties, Inc.</b>	<b>Eliminations</b>	<b>2016 Consolidated Total</b>
\$ -	\$ -	\$ 2,925,183
-	-	6,490,205
-	-	297,189
-	-	111,541
-	-	136,012
-	-	256,297
192,398	(192,398)	-
-	-	65,733
192,398	(192,398)	10,282,160
-	-	-
192,398	(192,398)	10,282,160
-	(28,788)	1,477,623
-	(14,280)	2,968,851
-	(149,330)	4,566,608
-	-	724,703
-	-	85,036
169,540	-	169,540
169,540	(192,398)	9,992,361
22,858	-	289,799
355,891	-	1,781,137
\$ 378,749	\$ -	\$ 2,070,936

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.  
AND AFFILIATES  
CONSOLIDATING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2017**

	Aging and In-Home Services	Area III Properties, Inc.	Community Living Resources, LLC	Eliminations	2017 Consolidated Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Increase in net assets	\$ 106,036	\$ 62,715	\$ 7,553	\$ -	\$ 176,304
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:					
Depreciation	56,458	91,364	-	-	147,822
Increase (decrease) in cash from changes in:					
Grants and contributions receivable	9,928	-	-	-	9,928
Accounts receivable	277,123	(3,208)	(8,130)	14,399	280,184
Prepaid expenses	(39,717)	-	-	-	(39,717)
Accounts payable	(113,151)	888	10,303	(14,399)	(116,359)
Accrued payroll, taxes, and related expenses	(160,127)	-	-	-	(160,127)
Net cash provided by (used in) operating activities	<u>136,550</u>	<u>151,759</u>	<u>9,726</u>	<u>-</u>	<u>298,035</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Purchase of property and equipment	-	(26,268)	-	-	(26,268)
Net change in beneficial interest	(2,296)	-	-	-	(2,296)
Net cash provided by (used in) investing activities	<u>(2,296)</u>	<u>(26,268)</u>	<u>-</u>	<u>-</u>	<u>(28,564)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>					
Principal payments against notes payable	(9,578)	(105,918)	-	-	(115,496)
Net cash provided by (used in) financing activities	<u>(9,578)</u>	<u>(105,918)</u>	<u>-</u>	<u>-</u>	<u>(115,496)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	124,676	19,573	9,726	-	153,975
<b>CASH AND CASH EQUIV., BEGINNING OF YEAR</b>	<u>573,057</u>	<u>34,245</u>	<u>-</u>	<u>-</u>	<u>607,302</u>
<b>CASH AND CASH EQUIV., END OF YEAR</b>	<u>\$ 697,733</u>	<u>\$ 53,818</u>	<u>\$ 9,726</u>	<u>\$ -</u>	<u>\$ 761,277</u>
<b>Supplemental disclosures of Cash Flow Information:</b>					
Cash paid during the year for interest	<u>\$ 146</u>	<u>\$ 38,519</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,665</u>

See Independent Auditor's Report on Supplementary Information on page 22.

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.  
AND AFFILIATES  
CONSOLIDATING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2016**

	Aging and In-Home Services	Area III Properties, Inc.	Eliminations	2016 Consolidated Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Increase in net assets	\$ 266,941	\$ 22,858	\$ -	\$ 289,799
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:				
Depreciation	55,971	88,151	-	144,122
Increase (decrease) in cash from changes in:				
Grants and contributions receivable	267,192	-	-	267,192
Accounts receivable	(324,286)	(866)	866	(324,286)
Prepaid expenses	(5,931)	-	-	(5,931)
Accounts payable	46,018	(23,847)	(866)	21,305
Accrued payroll, taxes, and related expenses	29,145	-	-	29,145
Net cash provided by (used in) operating activities	<u>335,050</u>	<u>86,296</u>	<u>-</u>	<u>421,346</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchase of property and equipment	-	(23,006)	-	(23,006)
Net change in beneficial interest	1,276	-	-	1,276
Net cash provided by (used in) investing activities	<u>1,276</u>	<u>(23,006)</u>	<u>-</u>	<u>(21,730)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Principal payments against notes payable	(8,799)	(100,624)	-	(109,423)
Net cash provided by (used in) financing activities	<u>(8,799)</u>	<u>(100,624)</u>	<u>-</u>	<u>(109,423)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	327,527	(37,334)	-	290,193
<b>CASH AND CASH EQUIV., BEGINNING OF YEAR</b>	245,530	71,579	-	317,109
<b>CASH AND CASH EQUIV., END OF YEAR</b>	<u>\$ 573,057</u>	<u>\$ 34,245</u>	<u>\$ -</u>	<u>\$ 607,302</u>
<b>Supplemental disclosures of Cash Flow Information:</b>				
Cash paid during the year for interest	\$ 1,482	\$ 43,813	\$ -	\$ 45,295

See Independent Auditor's Report on Supplementary Information on page 22.

**SINGLE AUDIT SECTION**

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

<b>FEDERAL GRANTOR AGENCY</b> <b>Pass-through Agency</b> <b>Program Title</b>	<b>Federal</b> <b>CFDA</b> <b>Number</b>	<b>Grant or</b> <b>Identifying</b> <b>Number</b>	<b>Federal</b> <b>Expenditures</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed through the Indiana Department of Family and Social Services (FSSA):			
Aging Cluster:			
Title IIIA Administration	93.044	02-16-0V-1531-02	\$ 197,198
Title IIIB Grants for Supportive Services and Senior Centers	93.044	02-16-0V-1531-04	521,876
Title IIIC-1 Congregate Nutrition Services	93.045	02-16-0V-1531-06	557,077
Title IIIC-2 Home Delivered Meal Nutrition Services	93.045	02-16-0V-1531-08	438,388
Nutrition Services Incentive Program	93.053	02-16-02-1531-02	<u>116,434</u>
Total Aging Cluster			<u>1,830,973</u>
Title IIID Disease Prevention and Health Promotion Services	93.043	02-16-0V-1531-10	<u>36,731</u>
Title III E National Family Caregiver Support	93.052	02-16-0V-1531-11	<u>220,707</u>
Title VII - Long Term Care Ombudsman Services for Older Individuals	93.042	02-16-2V-1531-04	<u>28,134</u>
Social Services Block Grant	93.667	02-16-0G-1531-02	<u>835,115</u>
Total Schedule of Expenditures of Federal Awards			<u><u>\$ 2,951,660</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 AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017**

<b>STATE/LOCAL GRANTOR AGENCY Program Title</b>	<b>Grant or Identifying Number</b>	<b>State and Local Awards</b>
Indiana Department of Family and Social Services (FSSA):		
CHOICE	02-16-10-1531-01	\$ 2,217,847
Assisted Living Ombudsman	02-16-2V-1531-01	28,134
Older Hoosier Act	02-16-0M-1531-01	149,660
		<u>2,395,641</u>
Indiana Department of Insurance:		
State Health Insurance Assistance Program	A43-15-IDOI-AISNI	<u>7,245</u>
<b>Total Expenditures of State and Local Awards</b>		<u><u>\$ 2,402,886</u></u>

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017**

**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 Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. 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 Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

**Note 3 – Indirect Cost Rate**

Aging and In-Home Services of Northeast Indiana, Inc. has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2017**

**Section II – Financial Statement Findings**

There were no financial statement findings for the year ended June 30, 2016.

**Section III – Federal Award Findings and Questioned Costs**

There were no compliance findings for the year ended June 30, 2016.



**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, 2017, 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 October 8, 2017.

**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  
October 8, 2017



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE *UNIFORM GUIDANCE***

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 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, 2017. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR), Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and 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 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, 2017.

## **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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Comer, Nowling And Associates, P.C.*

Comer, Nowling And Associates, P.C.  
Indianapolis, Indiana  
October 8, 2017

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**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 2 CFR section 200.516(a) 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

\* Represents Aging Cluster

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

Auditee qualified as low-risk auditee? Yes  No

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2017**

**Section II – Financial Statement Findings**

There were no financial statement findings for the year ended June 30, 2017.

**Section III – Federal Award Findings and Questioned Costs**

There were no compliance findings for the year ended June 30, 2017.