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July 9, 2018

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

We have reviewed the report prepared by Noble County Council On Aging, Inc. and opined upon by Dulin, Ward & DeWald, Inc., Independent Public Accountants, for the period January 1, 2017 to December 31, 2017. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Noble County Council On Aging, Inc. as of December 31, 2017 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Dulin, Ward & DeWald, Inc. prepared all required independent auditor's reports in accordance with generally accepted auditing standards and guidelines established by the State Board of Accounts.

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

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

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

**FINANCIAL STATEMENTS**

**Years Ended December 31, 2017 and 2016**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Noble County Council on Aging, Inc.  
Kendallville, Indiana

We have audited the accompanying financial statements of Noble County Council on Aging, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

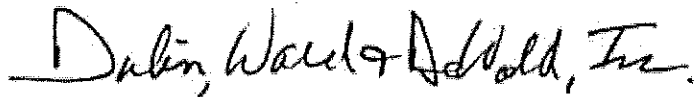
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Noble County Council on Aging, Inc. as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

**Other Matters**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of government funds received on page 13 is presented for purposes of additional analysis as required by the Indiana State Board of Accounts and is not a required part of the basic financial statements of Noble County Council on Aging, Inc. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Fort Wayne, Indiana  
March 21, 2018

**NOBLE COUNTY COUNCIL ON AGING, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2017 and 2016

	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 194,650	\$ 115,356
Certificates of deposit	354,823	352,185
Grants receivable	38,753	44,105
Accounts receivable	7,344	7,263
Prepaid expenses	180	2,801
Cash restricted for sustainability fund	6,000	-
Fixed assets - net	<u>1,035,019</u>	<u>709,467</u>
<b>Total Assets</b>	<b><u>\$ 1,636,769</u></b>	<b><u>\$ 1,231,177</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable	\$ 32	\$ 4,190
Accrued expenses and withholdings	<u>18,167</u>	<u>17,916</u>
<b>Total Liabilities</b>	<b>18,199</b>	<b>22,106</b>
Net Assets:		
Unrestricted	1,612,570	1,209,071
Temporarily restricted	<u>6,000</u>	<u>-</u>
<b>Total Net Assets</b>	<b><u>1,618,570</u></b>	<b><u>1,209,071</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 1,636,769</u></b>	<b><u>\$ 1,231,177</u></b>

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

**NOBLE COUNTY COUNCIL ON AGING, INC.**  
**STATEMENTS OF ACTIVITIES**  
Years Ended December 31, 2017 and 2016

	Unrestricted	Temporarily Restricted	2017 Total	Unrestricted	Temporarily Restricted	2016 Total
<b>CHANGES IN NET ASSETS</b>						
<b>Support, Revenues and Gains:</b>						
United Way	\$ 4,500	\$ -	\$ 4,500	\$ 3,000	\$ -	\$ 3,000
Contributions	31,772	103,482	135,254	29,682	-	29,682
In-kind contributions	284,900	-	284,900	-	14,368	14,368
Grants - government	475,634	33,549	509,183	477,618	28,426	506,044
Medicaid	214,574	-	214,574	193,734	-	193,734
Transportation fees	82,199	-	82,199	95,371	-	95,371
Advertising income	6,832	-	6,832	6,576	-	6,576
Miscellaneous	8,235	-	8,235	7,356	-	7,356
Interest	2,653	-	2,653	1,371	-	1,371
Gain on disposal of fixed asset	500	-	500	500	-	500
<b>Net Assets Released From Restrictions:</b>						
Satisfaction of purchase requirements	131,031	(131,031)	-	42,794	(42,794)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Support, Revenues and Gains</b>	1,242,830	6,000	1,248,830	858,002	-	858,002
<b>Expenses:</b>						
Transportation	731,411	-	731,411	697,820	-	697,820
Homemaker	40,727	-	40,727	54,550	-	54,550
Management and general	62,658	-	62,658	67,516	-	67,516
Fundraising	4,535	-	4,535	1,525	-	1,525
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Expenses</b>	839,331	-	839,331	821,411	-	821,411
<b>CHANGE IN NET ASSETS</b>	403,499	6,000	409,499	36,591	-	36,591
<b>NET ASSETS - beginning of year</b>	1,209,071	-	1,209,071	1,172,480	-	1,172,480
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET ASSETS - end of year</b>	<u>\$ 1,612,570</u>	<u>\$ 6,000</u>	<u>\$ 1,618,570</u>	<u>\$ 1,209,071</u>	<u>\$ -</u>	<u>\$ 1,209,071</u>

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

**NOBLE COUNTY COUNCIL ON AGING, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended December 31, 2017

	Transportation	Homemaker	Management and General	Fund Raising	Total Expenses
Salaries	\$ 389,170	\$ 20,862	\$ 27,447	\$ 4,117	\$ 441,596
Payroll taxes	30,888	1,680	2,187	328	35,083
Employment benefits	<u>8,469</u>	<u>461</u>	<u>600</u>	<u>90</u>	<u>9,620</u>
<b>Total Salaries and Related Expenses</b>	428,527	23,003	30,234	4,535	486,299
Fuels and lubricants	68,058	-	-	-	68,058
Casualty and liability costs	50,780	-	6,321	-	57,101
Materials and supplies consumed	32,666	676	2,704	-	36,046
Custodial services	14,599	5,650	628	-	20,877
Other services	6,506	-	12,329	-	18,835
Taxes	14,873	-	814	-	15,687
Utilities	3,496	-	3,495	-	6,991
Travel and meetings	275	3,926	1,243	-	5,444
Advertising services	4,584	-	-	-	4,584
Telephone	3,957	267	222	-	4,446
Professional and tech services	3,879	-	-	-	3,879
Miscellaneous	<u>648</u>	<u>16</u>	<u>2,979</u>	<u>-</u>	<u>3,643</u>
<b>Total Expenses Before Depreciation</b>	632,848	33,538	60,969	4,535	731,890
Depreciation	<u>98,563</u>	<u>7,189</u>	<u>1,689</u>	<u>-</u>	<u>107,441</u>
<b>Total Expenses</b>	<u>\$ 731,411</u>	<u>\$ 40,727</u>	<u>\$ 62,658</u>	<u>\$ 4,535</u>	<u>\$ 839,331</u>

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

**NOBLE COUNTY COUNCIL ON AGING, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended December 31, 2016

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

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

**NOBLE COUNTY COUNCIL ON AGING, INC.**  
**STATEMENTS OF CASH FLOWS**  
Years Ended December 31, 2017 and 2016

	<b>2017</b>	<b>2016</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 409,499	\$ 36,591
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	107,441	98,807
Provision for bad debts	-	41
In-kind contribution of fixed assets	(284,900)	(14,368)
Reinvested interest	(2,638)	(1,360)
Contributions restricted for long term purposes	(6,000)	-
Gain on disposal of fixed asset	(500)	(500)
Change in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(81)	(3,576)
Grants receivable	5,352	4,043
Prepaid expenses	2,621	(2,801)
Increase (decrease) in:		
Accounts payable	(4,158)	4,190
Accrued expenses and withholdings	251	2,320
	226,887	123,387
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(148,093)	(50,470)
Proceeds from sale of fixed assets	500	500
Cash restricted for sustainability fund	(6,000)	-
Redemption of certificate of deposit	200,000	-
Purchase of certificate of deposit	(200,000)	(50,000)
	(153,593)	(99,970)

(continued)

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

**NOBLE COUNTY COUNCIL ON AGING, INC.**  
**STATEMENTS OF CASH FLOWS**  
Years Ended December 31, 2017 and 2016

	<b>2017</b>	<b>2016</b>
(continued)		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Contributions restricted for long term purposes	\$ 6,000	\$ -
	<u>          </u>	<u>          </u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	79,294	23,417
<b>CASH AND CASH EQUIVALENTS - beginning of year</b>	<u>115,356</u>	<u>91,939</u>
<b>CASH AND CASH EQUIVALENTS - end of year</b>	<u><u>\$ 194,650</u></u>	<u><u>\$ 115,356</u></u>

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

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

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2017 and 2016

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Noble County Council on Aging, Inc. (Council) is a voluntary health and welfare organization established to serve adults age 60 and over to foster independence and improve quality of life. Through transportation and homemaker programs, the Council attempts to meet the needs of seniors who want to remain active in their communities. The Council is located in Kendallville, Indiana.

The Council is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, and qualifies for the 50% charitable contributions deduction limitation. However, under certain Internal Revenue Code regulations, profitable, unrelated business income is subject to federal and state income tax. Such income arises from the sale of advertising. The Council has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code.

**Estimates**

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

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Council considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

**Allowance for Uncollectible Accounts**

Grants receivable are due from government and other significant funding sources. Based upon historical collection experience with these agencies, no allowance is deemed necessary.

If necessary, the Council provides an allowance for uncollectible accounts on its accounts receivable, which is based on historical collection experience and management's estimate of the losses that will be incurred in the collection of all receivables.

(continued)

1. **ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)**

**Fixed Assets**

Fixed assets are stated at cost or, if received by donation, at market value on the date received.

The cost of fixed assets is depreciated over the estimated useful lives of the related assets. Depreciation is computed on the straight-line method. It is not the Council's policy to imply time restrictions expiring over the useful life of donated assets. All items with a cost in excess of \$3,000 and a useful life in excess of one year are capitalized.

**Contributions**

All contributions are considered to be available for the general programs of the Council unless specifically restricted by the donor. The Council reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit their use. When the donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor-imposed contributions are recorded in the temporarily restricted class for restrictions expiring during the fiscal year, and then reclassified to the unrestricted class.

**In-kind Contributions**

No amounts have been reported in the financial statements for donated services from local volunteers because they do not meet the accounting guidelines for reporting; however, a substantial number of volunteers donate significant amounts of time in providing the Council's services and fund raising activities.

In-kind contributions of materials, land, building and equipment and services are recognized at their fair market value as of the date received.

**Advertising**

Advertising costs are charged to operations when incurred.

**Subsequent Events**

Management has evaluated subsequent events through March 21, 2018, the date which the financial statements were available for issue.

**2. CONCENTRATIONS AND CREDIT RISK**

The Council receives a substantial amount of its support from government entities (54% in 2017 and 83% in 2016). A significant reduction in the level of this support, if this were to occur, may have an effect on the Council's programs and activities.

The Council maintains cash accounts in local banks. Cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. As of December 31, 2017, deposits in excess of the insured amount totaled \$224,148.

**3. FIXED ASSETS**

Fixed assets consist of the following:

	<b>2017</b>	<b>2016</b>
Transportation equipment	\$ 795,868	\$ 774,909
Office equipment	99,074	99,074
Land, building and improvements	<u>969,177</u>	<u>570,622</u>
	1,864,119	1,444,605
Accumulated depreciation	<u>829,100</u>	<u>735,138</u>
	<u>\$ 1,035,019</u>	<u>\$ 709,467</u>

The Council receives transportation equipment through federally funded grants. The equipment is owned by the Council while used in the program for which it was purchased or in other future authorized programs. Disposition of this equipment and any proceeds from dispositions are subject to regulations of the funding source.

**4. STATEMENT OF CASH FLOWS SUPPLEMENTAL DISCLOSURES**

Cash used in operating activities includes unrelated business income taxes paid of \$814 in 2017 and \$678 in 2016.

Noncash investing activities include donated fixed assets in the amount of \$284,900 in 2017 and \$14,368 in 2016.

**5. ADVERTISING COSTS**

Advertising costs are charged to operations when incurred. The cost of advertising charged to operations was \$4,584 for 2017 and \$1,692 for 2016.

**6. IN-KIND CONTRIBUTIONS**

During 2017, the Council received a gift of land and a building with an assessed value of \$284,900. The property is being used for the Council's transportation program.

The Council received contributions of transportation equipment in the amount of \$14,368 in 2016.

**NOBLE COUNTY COUNCIL ON AGING, INC.**  
**SCHEDULE OF GOVERNMENT FUNDS RECEIVED**  
Year Ended December 31, 2017

<b>Federal or State Grantor/ Pass-Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Revenue Recognized</b>
Department of Transportation:		
Passed through Indiana Department of Transportation:		
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	\$ 27,549
Department of Transportation:		
Passed through Noble County Treasurer:		
Formula Grants for Rural Areas-federal portion	20.509	270,307
Formula Grants for Rural Areas-state and local match	N/A	140,766
Indiana Family and Social Service Administration:		
Vendor Memorandum with Aging and In Home Services, Inc.:		
Title 3B	N/A	39,008
Choice	N/A	2,312
Social Service Block Grant	N/A	4,241
Noble County Commissioners	N/A	<u>25,000</u>
<b>Total Government Funds Received</b>		<u><u>\$ 509,183</u></u>

See independent auditors' report.