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August 20, 2019

Board of Directors
Boone County Senior Services, Inc.
515 Crownpointe Drive
Lebanon, IN 46052

We have reviewed the audit report of Boone County Senior Services, Inc. which was opined upon by Greenwalt CPAs, Inc. Independent Public Accountants, for the period January 1, 2018 to December 31, 2018. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Boone County Senior Services, Inc. as of December 31, 2018 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Greenwalt CPAs, Inc. prepared the audit report in accordance with 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

BOONE COUNTY SENIOR SERVICES, INC.

FINANCIAL STATEMENTS

Together with Independent Auditors' Report

DECEMBER 31, 2018 AND 2017

GREENWALT^{CPAs}

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Boone County Senior Services, Inc.:

We have audited the accompanying financial statements of Boone County Senior Services, Inc. (BCSSI), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year 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.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BCSSI as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited BCSSI's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 20, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived with the exception of the restatement discussed in Note 11.

Emphasis of Matter

As discussed in Note 11 to the financial statements, the 2017 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

June 19, 2019

Greenwalt CPAs, Inc.

BOONE COUNTY SENIOR SERVICES, INC.
 STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31, 2018 AND 2017

<u>ASSETS</u>	<u>2018</u>	<u>Restated 2017</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 196,360	\$ 161,544
Short term investments	213,289	-
Grants receivable	39,824	78,434
Other receivables	19,053	11,219
Prepaid expenses	3,305	2,242
	<hr/>	<hr/>
<i>Total current assets</i>	471,831	253,439
LONG-TERM ASSETS		
Investments	144,104	368,306
Property and equipment, net	1,469,213	1,484,346
	<hr/>	<hr/>
<i>Total long-term assets</i>	1,613,317	1,852,652
	<hr/>	<hr/>
<i>Total assets</i>	<u>\$ 2,085,148</u>	<u>\$ 2,106,091</u>
 <u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 6,311	\$ 8,038
Accrued payroll and related benefits	7,278	4,656
	<hr/>	<hr/>
<i>Total liabilities</i>	13,589	12,694
 CONTINGENCY AND COMMITMENT (NOTES 6 AND 9)		
NET ASSETS		
Without donor restrictions	1,939,690	2,044,546
With donor restrictions	131,869	48,851
	<hr/>	<hr/>
<i>Total net assets</i>	2,071,559	2,093,397
	<hr/>	<hr/>
<i>Total liabilities and net assets</i>	<u>\$ 2,085,148</u>	<u>\$ 2,106,091</u>

See accompanying notes to financial statements.

BOONE COUNTY SENIOR SERVICES, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2018

WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017

	Without Donor Restrictions	With Donor Restrictions	2018	Restated 2017
REVENUES AND OTHER SUPPORT				
Direct public support-				
Special events revenue	\$ 110,170	\$ -	\$ 110,170	\$ 100,339
Special events expense	(14,915)	-	(14,915)	(17,498)
<i>Net special events</i>	95,255	-	95,255	82,841
Contributions and grants	101,454	-	101,454	125,100
Program service fees	135,098	-	135,098	134,985
In-kind donated vehicles, fuel, and other services	89,828	-	89,828	115,361
Professional volunteer services	77,103	-	77,103	58,568
Indirect public support-				
Allocated by United Way of Central Indiana, Inc.	62,623	-	62,623	60,457
<i>Total public support</i>	561,361	-	561,361	577,312
Fees and grants from governmental agencies	481,722	99,192	580,914	523,786
Net assets released from restrictions	16,174	(16,174)	-	-
Other revenue (loss)-				
Dividends and interest	3,311	-	3,311	9,588
Unrealized gain (loss) on investment	(9,843)	-	(9,843)	12,332
Gain on sale of vehicles	-	-	-	13,986
Rental income	3,430	-	3,430	3,150
Miscellaneous income	7,476	-	7,476	14,420
<i>Total other revenue (loss)</i>	4,374	-	4,374	53,476
<i>Total revenues and other support</i>	1,063,631	83,018	1,146,649	1,154,574
EXPENSES				
Program services-				
Transportation	598,644	-	598,644	653,627
Personal services	209,230	-	209,230	210,694
Outreach/Volunteer	183,781	-	183,781	178,951
Supporting services-				
Fundraising	41,974	-	41,974	42,409
Management and general	134,858	-	134,858	140,537
<i>Total expenses</i>	1,168,487	-	1,168,487	1,226,218
CHANGE IN NET ASSETS	(104,856)	83,018	(21,838)	(71,644)
NET ASSETS, BEGINNING OF YEAR	2,044,546	48,851	2,093,397	2,165,041
NET ASSETS, END OF YEAR	<u>\$ 1,939,690</u>	<u>\$ 131,869</u>	<u>\$ 2,071,559</u>	<u>\$ 2,093,397</u>

See accompanying notes to financial statements.

BOONE COUNTY SENIOR SERVICES, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2018 WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017

	Program Services				Supporting Services		2018	Restated 2017
	Transportation	Personal Services	Outreach/ Volunteer	Total	Fundraising	Management and General		
Salaries and payroll taxes	\$ 302,212	\$ 135,025	\$ 80,077	\$ 517,314	\$ 30,503	\$ 51,625	\$ 599,442	\$ 642,854
Professional volunteer services	-	5,961	5,961	11,922	-	65,181	77,103	58,568
Employee benefits	3,713	3,202	1,856	8,771	663	5,308	14,742	15,564
Professional fees	5,021	3,979	6,794	15,794	-	3,797	19,591	21,000
Local transportation	841	17,340	1,209	19,390	-	369	19,759	19,543
Supplies	3,314	2,728	4,072	10,114	-	724	10,838	11,449
Telephone and utilities	9,482	5,689	8,517	23,688	1,127	238	25,053	27,393
Printing	833	736	6,045	7,614	-	98	7,712	6,120
Postage and shipping	1,144	1,119	1,696	3,959	-	554	4,513	3,982
Equipment and maintenance facility	29,255	3,669	11,933	44,857	-	3,203	48,060	58,409
Conferences, conventions and meetings	395	372	900	1,667	-	122	1,789	2,928
Dues and subscriptions	497	357	1,271	2,125	117	358	2,600	1,478
Financial assistance to individuals	-	-	18,000	18,000	-	-	18,000	18,000
Insurance	117,902	7,902	5,664	131,468	6,225	631	138,324	128,081
Special events	-	-	-	-	14,915	-	14,915	17,498
In-kind donated vehicles and fuel	77,908	-	-	77,908	-	-	77,908	98,262
Contract services	13,074	3,827	7,322	24,223	-	-	24,223	18,373
Taxes	1,029	1,029	1,029	3,087	-	1,030	4,117	1,804
Miscellaneous	2,154	804	1,499	4,457	213	578	5,248	2,784
<i>Total functional expenses before depreciation and amortization</i>	568,774	193,739	163,845	926,358	53,763	133,816	1,113,937	1,154,090
Depreciation	29,870	15,491	19,936	65,297	3,126	1,042	69,465	66,371
Amortization	-	-	-	-	-	-	-	23,255
<i>Total functional expenses after depreciation and amortization</i>	598,644	209,230	183,781	991,655	56,889	134,858	1,183,402	1,243,716
Less direct expense of special events	-	-	-	-	(14,915)	-	(14,915)	(17,498)
<i>2018 functional expenses</i>	<u>\$ 598,644</u>	<u>\$ 209,230</u>	<u>\$ 183,781</u>	<u>\$ 991,655</u>	<u>\$ 41,974</u>	<u>\$ 134,858</u>	<u>\$ 1,168,487</u>	
<i>2017 functional expenses</i>	<u>\$ 653,627</u>	<u>\$ 210,694</u>	<u>\$ 178,951</u>	<u>\$ 1,043,272</u>	<u>\$ 42,409</u>	<u>\$ 140,537</u>		<u>\$ 1,226,218</u>

See accompanying notes to financial statements.

CHANGE IN CASH AND CASH EQUIVALENTS

	<u>2018</u>	Restated <u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash and cash equivalents received from grantors and others	\$ 1,031,941	\$ 937,310
Cash and cash equivalents paid to suppliers and employees	(997,389)	(1,029,145)
Interest paid	-	(7)
Taxes paid	(4,117)	(1,804)
Investment income received	<u>3,311</u>	<u>9,588</u>
<i>Net cash and cash equivalents provided by (used in) operating activities</i>	<u>33,746</u>	<u>(84,058)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	-	(37,109)
Proceeds from sales of vehicles and insurance proceeds	-	13,986
Purchase of investments	<u>1,070</u>	<u>(18,238)</u>
<i>Net cash and cash equivalents provided by (used in) investing activities</i>	<u>1,070</u>	<u>(41,361)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	34,816	(125,419)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>161,544</u>	<u>286,963</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 196,360</u>	<u>\$ 161,544</u>
SUPPLEMENTARY SCHEDULE OF NONCASH INVESTING ACTIVITIES		
Vehicles and equipment received through grants from government agency.	<u>\$ 54,332</u>	<u>\$ 54,085</u>

**RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH
 AND CASH EQUIVALENTS PROVIDED BY (USED IN) OPERATING ACTIVITIES**

	2018	Restated 2017
CHANGE IN NET ASSETS	<u>\$ (21,838)</u>	<u>\$ (71,644)</u>
ADJUSTMENTS TO RECONCILE CHANGES IN NET ASSETS TO NET CASH AND CASH EQUIVALENTS PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Depreciation and amortization	69,465	89,626
Gain on sale of vehicle	-	(13,986)
Unrealized (gain) loss on investments	9,843	(12,332)
<i>(Increase) decrease in operating assets:</i>		
Grants receivable	38,610	(18,602)
Other receivables	(7,834)	(6,325)
Prepaid expenses	(1,063)	(585)
<i>Increase (decrease) in operating liabilities:</i>		
Accounts payable	(56,059)	(50,647)
Accrued payroll and related benefits	2,622	437
<i>Total adjustments</i>	<u>55,584</u>	<u>(12,414)</u>
NET CASH AND CASH EQUIVALENTS PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 33,746</u>	<u>\$ (84,058)</u>

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF OPERATIONS

Boone County Senior Services, Inc. (BCSSI) was formed to provide services needed to assist senior citizens in leading meaningful, healthy lives. Through a variety of services, detailed below, BCSSI staff and volunteers provide for the emotional, social, physical, and educational well-being of Boone County residents over the age of 60. BCSSI maintains two offices in Lebanon and Zionsville, Indiana. BCSSI's main sources of revenue are support from the United Way of Central Indiana, contributions, grants, and fees and grants from governmental agencies.

PROGRAM SERVICES

The following are descriptions of the program services provided by BCSSI:

Transportation – is a demand response service that provides door to door transportation services to the doctor's office, the grocery store, the bank and more.

Personal Services – is a program that provides older adults with homemaker services which include their cleaning, laundry and limited grocery shopping. Respite care provides temporary relief for the caregiver to leave the home. Personal Services also includes Home Health Aide, a program that provides custodial in-home personal care by certified health-care staff, and Guardianship, a program that provides assistance to those who need help with their financial matters and coping with life's issues.

Outreach/Volunteer – is a program that provides seniors with information about healthy living, educational opportunities, services and activities through newsletters, the senior pages in *The Reporter* and *Times Sentinel*, *WIRE* radio, special speakers and seminars. Outreach/Volunteer includes Friendly Visitor, a program in which volunteers make regular in-home visits to offer companionship and support to those who are alone.

BASIS OF ACCOUNTING AND USE OF ESTIMATES

These financial statements are presented on the accrual basis of accounting. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

SUMMARIZED COMPARATIVE INFORMATION

The financial statements include certain prior year summarized comparative information in total, but not by net asset or functional expense class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with BCSSI's financial statements as of and for the year ended December 31, 2017, from which the summarized information was derived.

CASH AND CASH EQUIVALENTS

For purposes of the statements of cash flows, BCSSI considers certificates of deposit purchased with an original maturity of three months or less and money market accounts to be cash equivalents. There were cash equivalents in the amount of \$17,175 and \$17,160 at December 31, 2018 and 2017, respectively. At December 31, 2018 BCSSI maintained a cash balance of \$109,206 that was not federally insured.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

GRANTS RECEIVABLE

Support funded by grants is recognized when BCSSI performs the contracted services under grant agreements and grant revenue is recognized as earned as expenses are incurred. All grants are receivable within one year. There was no allowance for uncollectible amounts at December 31, 2018 and 2017.

FAIR VALUE MEASUREMENTS

Accounting Standards for Fair Value Measurement define fair value as the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Those standards also establish a three-level fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, giving highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements).

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

Fair values measured on a recurring basis at December 31 are as follows:

<u>2018</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Bonds	\$ 34,582	\$ 34,582	\$ -	\$ -
Mutual Funds	<u>109,522</u>	<u>109,522</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 144,104</u>	<u>\$ 144,104</u>	<u>\$ -</u>	<u>\$ -</u>

BOONE COUNTY SENIOR SERVICES, INC.
 COMBINED NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2018 AND 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

FAIR VALUE MEASUREMENTS, CONTINUED

<u>2017</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Bonds	\$ 38,612	\$ 38,612	\$ -	\$ -
Mutual Funds	116,405	116,405	-	-
Total	<u>\$ 155,017</u>	<u>\$ 155,017</u>	<u>\$ -</u>	<u>\$ -</u>

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions. These valuation methods have not changed since the previous period.

INVESTMENTS

Consistent with Accounting Standards for Investments Held by Not-for-Profits, investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statements of financial position. All investments with an original maturity date of one year or less but greater than three months, have been considered short term investments. Unrealized gains and losses are based on the differences between cost and fair value of each classification of security and are reported in the statement of activities. Investments consisted of the following at December 31:

	<u>2018</u>	<u>2017</u>
Short term investments:		
Certificates of deposit	\$ 213,289	\$ -
Long-term investments:		
Certificates of deposit	-	213,289
Bonds	34,582	38,612
Mutual funds	<u>109,522</u>	<u>116,405</u>
	<u>\$ 357,393</u>	<u>\$ 368,306</u>

The cost basis of the bonds was \$48,567 at December 31, 2018 and 2017. The cost basis of the mutual funds was \$115,305 and \$107,378 at December 31, 2018 and 2017, respectively.

BCSSI's certificates of deposit are recorded at cost at December 31, 2018 and 2017.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

FAIR VALUE MEASUREMENTS, CONTINUED

BCSSI's Edward Jones investment account offers a pre-approved line of credit (LOC) in the amount of \$54,403 at an interest rate of 7.25%. At December 31, 2018 BCSSI had not drawn on the LOC, and does not plan to do so in the future.

PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	<u>2018</u>	<u>2017</u>
Land	\$ 200,000	\$ 200,000
Building and improvements	1,640,687	1,640,687
Vehicles and transportation equipment	502,052	455,552
Equipment	<u>184,986</u>	<u>177,954</u>
	2,527,725	2,474,193
Accumulated depreciation	<u>(1,058,512)</u>	<u>(989,847)</u>
Property and equipment, net	<u>\$ 1,469,213</u>	<u>\$ 1,484,346</u>

BCSSI capitalizes expenditures for property and equipment over \$1,000 on the basis of cost. Donated property and equipment is reflected as a contribution in the financial statements at its estimated fair market value on the date of contribution and is treated as a non-cash transaction for purposes of the statement of cash flows. Depreciation is provided using the straight line method over the estimated useful lives of the assets. The estimated useful lives of the assets are as follows:

Building and improvements	15-40 years
Vehicles and equipment	5-7 years

The cost of assets sold, retired, or otherwise disposed of and the related allowance for depreciation are eliminated from the accounts and any resulting gain or loss is included in the statement of activities.

Expenditures for repairs and maintenance are expensed as incurred.

BCSSI has two vehicles with an original cost totaling \$67,606 that were acquired with a grant. Under the terms of the grant the Indiana Department of Transportation has placed a lien on the vehicles until the vehicles have been used for four years and 100,000 miles. As such, BCSSI considers the net book value of the vans as net assets with donor restrictions. See Note 5.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

PUBLIC SUPPORT

In accordance with the Accounting Standards for Contributions Received and Contributions Made, contributions received are recorded as net assets with or without donor restriction, depending on the existence or nature of any donor restrictions. The contributions are recognized when the donor makes a promise to give to BCSSI and are recorded at their fair market value as revenues and assets in the period promised. Contributions restricted by the donor are reported as increases in net assets without donor restriction if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

EXPENSE ALLOCATION

Expenses have been classified as program services, fundraising, and management and general based on the actual direct expenditures and cost allocation based on estimates of time and usage by personnel and programs.

TAX STATUS

BCSSI is a non-profit corporation, exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code.

SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through June 19, 2019, which is the date the financial statements were available to be issued.

NEW ACCOUNTING PRONOUNCEMENT

BCSSI has adopted ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities, as of and for the year ended December 31, 2018. The update addressed the complexity and understandability of net asset classification by reducing the three categories of unrestricted, temporarily restricted and permanently restricted to two, net assets with and without donor restrictions. The update requires a new disclosure regarding the availability of resources and liquidity. Also, the new update required investment expenses to be netted with revenue. BCSSI has adjusted the presentation of these statements accordingly. The update had no impact on net assets in total as of December 31, 2017.

BOONE COUNTY SENIOR SERVICES, INC.
COMBINED NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

2. AVAILABLE RESOURCES AND LIQUIDITY

BCSSI considers public support and fees and grants from governmental agencies for use in current programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. General expenditures include program services and supporting services expenses expected to be paid in the subsequent year. Annual operations are defined as activities occurring during BCSSI's fiscal year.

Financial assets available for general expenditure, those without donor restrictions or held for others, within one year of the balance sheet date, consist of the following:

	<u>2018</u>	<u>2017</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 97,168	\$ 161,544
Grants and other receivables	58,877	89,653
Investments	<u>357,393</u>	<u>368,306</u>
Total financial assets	<u>513,438</u>	<u>619,503</u>
Less net assets designated by the Board as an operating reserve fund	<u>(291,372)</u>	<u>(306,555)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 222,066</u>	<u>\$ 312,948</u>

BCSSI regularly monitors liquidity required to meet its operating needs and other commitments. In addition to financial assets available to meet general expenditures over the next 12 months, BCSSI operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. In the event the need arises to utilize board designated net assets for liquidity purposes, the reserves could be drawn upon through board resolution.

3. UNITED WAY REVENUE

At December 31, 2018 and 2017, a receivable of \$31,312 and \$30,229 has been recorded for the six months of United Way allocation to be received January – June 2019 and January - June 2018, respectively. The receivable is included in grants receivable on the statement of financial position.

4. DONATED SERVICES

During 2018 and 2017, BCSSI received donated professional services with a fair market value of \$77,103 and \$58,568, respectively. These donations have been recorded in the accompanying financial statements as support and as professional volunteer service expense. For purposes of the statements of cash flows, these non-cash transactions have been excluded.

During 2018 and 2017, BCSSI received additional volunteer hours for personal services, fundraising, and Board of Directors participation. The value of these services has not been reflected in the financial statements.

BCSSI has vehicles provided through government agencies at no cost. The value of use received for 2018 and 2017 was estimated to be \$12,000 and \$36,000, respectively.

The value received for donated fuel by a government agency during 2018 and 2017 was \$65,608 and \$62,262 respectively.

4. DONATED SERVICES, CONTINUED

These transactions have been treated as non-cash transactions and are excluded from the accompanying statements of cash flows.

In April 2018, these vehicles titled to BCSSI and are recorded as property and equipment. These vehicles were recorded in BCSSI's property and equipment balance as of April 2018 based on net book value of \$46,800 as of date of title and be depreciated over the remaining useful lives of these vehicle assets. BCSSI had vehicles provided through government agencies at no cost.

5. NET ASSETS

The financial statements have been prepared in accordance with Accounting Standards for the Preparation of Financial Statements of Not-for-Profit Organizations. These standards require the financial statements to report the changes in and total of each of the net asset classes, based upon donor restrictions. Net assets are classified as without donor restrictions and with donor restrictions, as applicable.

Net assets without donor restrictions include revenue and expenses from the regular operations of BCSSI, which are at the discretion of management and the Board of Directors. The Board of Directors has designated a portion of net assets without donor restrictions as a contingency reserve of \$291,372 and \$306,555 as of December 31, 2018 and 2017, respectively.

Net assets with donor restrictions as of December 31, 2018 and 2017 were \$131,869 and \$48,851, respectively, as a result of vehicle grants received in 2018 and 2017 from government agencies and grants received that have donor restrictions due to purpose or time.

6. FUTURE GRANT AUDITS

Under the terms of the federal grants, additional periodic audits are possible and certain costs may be challenged as to allowability under the terms of the grants. Such audits could lead to reimbursement to the grantor agency. At December 31, 2018, BCSSI does not believe any such reimbursement is likely.

7. RELATED PARTY TRANSACTIONS

BCSSI received grants from the Boone County Senior Services Foundation of \$25,000 in both 2018 and 2017.

8. RETIREMENT PLAN

BCSSI has a SIMPLE IRA for all employees who earned at least \$5,000 in compensation in each of the prior and current year. BCSSI matches employee contributions 100%, up to 3% of pay. Employee contributions may be made to the plan up to IRS limits. BCSSI's contributions for 2018 and 2017 were \$8,887 and \$8,490, respectively.

9. OPERATING LEASE

BCSSI leased a copier under an operating lease that expired in May 2018. Monthly payments for the lease were \$141. BCSSI leased another copier under an operation lease that expires in August 2023. Monthly payments for the lease are \$155.

BOONE COUNTY SENIOR SERVICES, INC.
COMBINED NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

9. OPERATING LEASE, CONTINUED

In December 2017, BCSSI entered into a land lease with the adjacent hospital for a period of twenty-five years with the option to extend in additional increments of five-year periods. Rent payments call for \$1 per year during the first twenty-five year term and \$1 per year for each subsequent five year renewal period. The lease includes an in-kind contribution of \$300 per year.

Future minimum lease payments for the years ending December 31 are as follows:

2019	\$	1,864
2020		1,864
2021		1,864
2022		1,864
2023		1,088
Thereafter		<u>5,700</u>
	<u>\$</u>	<u>14,244</u>

10. FEDERAL, STATE, AND LOCAL GRANT AWARDS

In accordance with guidelines established by the Indiana State Board of Accounts, this federal, state, and local grant information was included to aid in the verification of Indiana financial assistance on the Entity Annual Report (E-1).

Program Name	Grantor Name	CFDA	Revenue	Expense	Funding Type
Title III/NF Voucher	Central Indiana Council on Aging	N/A	\$ 47,277	\$ 47,277	State and local government
Indiana Community and Home Options to Institutional Care for the Elderly and Disabled (CHOICE)	Central Indiana Council on Aging	N/A	1,466	1,466	State and local government
Medicaid	Electronic Data Systems	N/A	58,272	58,272	State and local government
Section 5311	Indiana Dept of Transportation - Boone County Commissioners	N/A	509,528	509,528	State and local government
Total			\$ 616,543	\$ 616,543	

11. RESTATEMENT

Net assets of the beginning of 2018 have been adjusted to decrease liabilities and increase revenue to account for the effects of a grant to BCSSI which covered a portion of the cost of two vans obtained by BCSSI in 2017. The amount was not due to be paid by BCSSI, but rather gifted to them in 2017 and paid directly from the grantor to the vendor during the year. The cumulative effect increased net assets by \$54,085, and decreased liabilities, increased revenue and increased change in net assets by the same amount.



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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors of
Boone County Senior Services, Inc.:

We have audited the financial statements of Boone County Senior Services, Inc. (BCSSI) as of and for the year ended December 31, 2018, and our report thereon dated June 19, 2019, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information shown in Exhibits I and II is presented for the purpose of additional analysis 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 records 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.

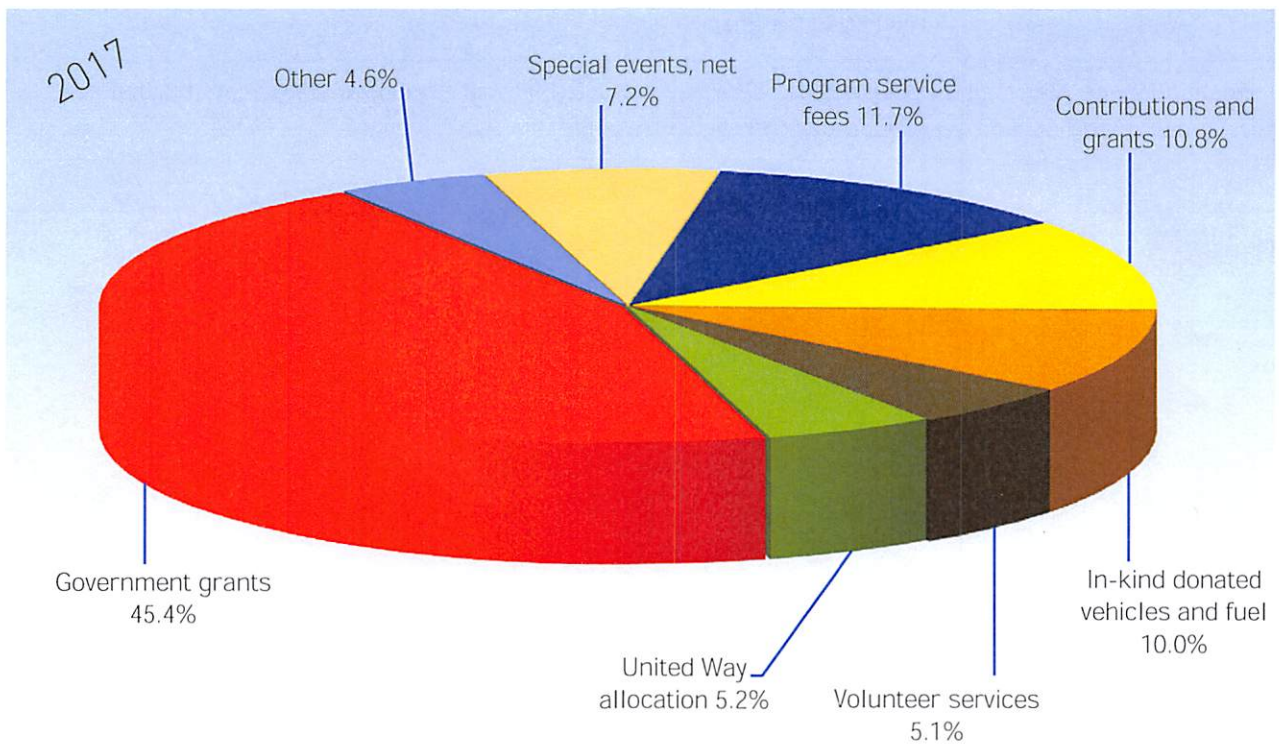
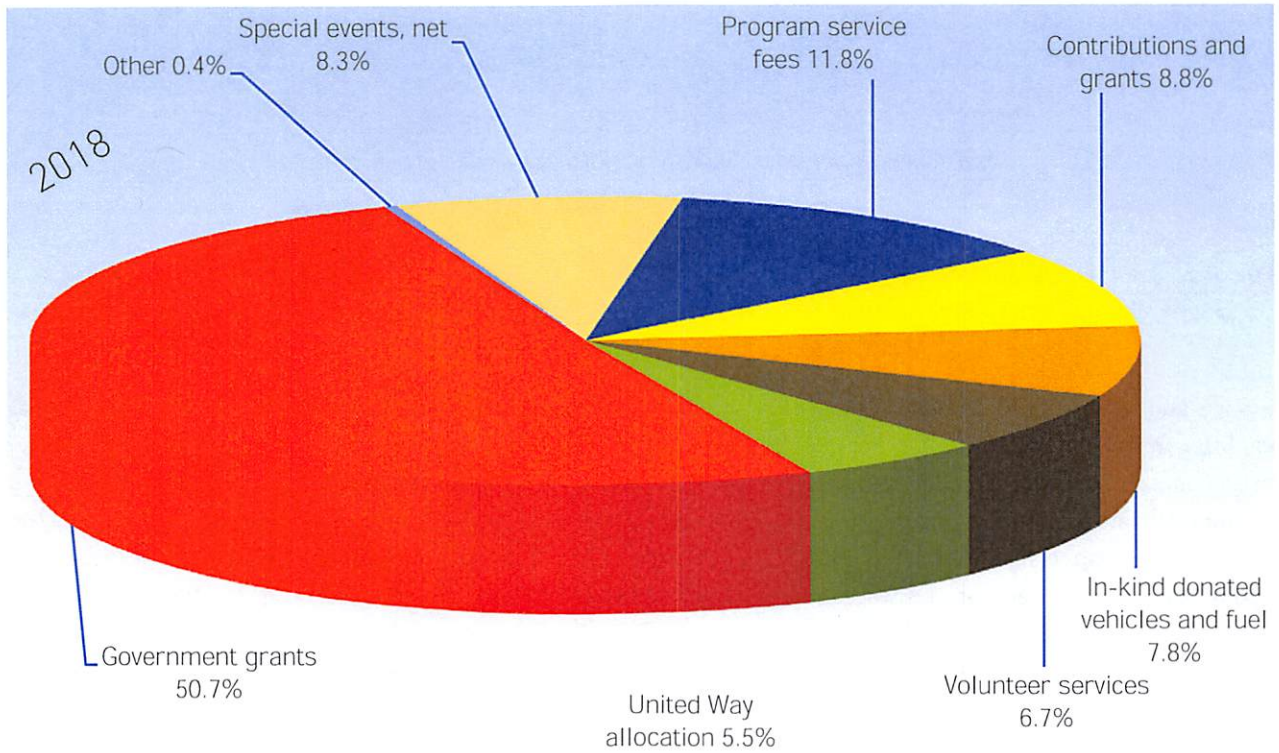
Information for the year ended December 31, 2017 was extracted from the financial statements for that year, on which an unmodified opinion dated June 20, 2018 was expressed.

June 19, 2019

Greenwalt CPAs, Inc.

BOONE COUNTY SENIOR SERVICES, INC.
 REVENUE GRAPHS
 FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

Exhibit I



BOONE COUNTY SENIOR SERVICES, INC.
 EXPENSE GRAPHS
 FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

Exhibit II

