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STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

August 21, 2019

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

We have reviewed the audit report prepared of Aging and In-Home Services of Northeast Indiana, Inc. which was opined upon by Comer, Nowling and Associates, PC, Independent Public Accountants, for the period July 1, 2017 to June 30, 2018. 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, 2018 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 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
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, 2018 and 2017
(With Single Audit Section)**

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Certified Public Accountants

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

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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, 2018 and 2017, 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, 2018 and 2017, 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 November 21, 2018 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

November 21, 2018

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.
AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017**

ASSETS

CURRENT ASSETS:	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$ 788,259	\$ 761,277
Grants and contributions receivable	1,651,330	1,497,707
Accounts receivable	209,997	80,049
Prepaid expenses	79,156	72,307
	<hr/>	<hr/>
Total current assets	2,728,742	2,411,340
	<hr/>	<hr/>
FIXED ASSETS:		
Land	208,425	208,425
Building	1,955,063	1,891,857
Construction in progress	-	15,496
Equipment	423,550	557,210
	<hr/>	<hr/>
	2,587,038	2,672,988
Less accumulated depreciation	<hr/> (1,458,545)	<hr/> (1,466,104)
	1,128,493	1,206,884
Fixed assets not yet placed in service	<hr/> 49,360	<hr/> -
	1,177,853	1,206,884
	<hr/>	<hr/>
OTHER ASSETS		
Beneficial interest	29,205	26,539
	<hr/>	<hr/>
Total assets	<u>\$ 3,935,800</u>	<u>\$ 3,644,763</u>

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, 2018 AND 2017**

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:	<u>2018</u>	<u>2017</u>
Accounts payable	\$ 544,094	\$ 422,262
Accrued payroll, taxes, and related expenses	264,632	262,227
Deferred revenue	4,131	-
Current portion - long term debt	117,709	112,050
Total current liabilities	<u>930,566</u>	<u>796,539</u>
 LONG TERM LIABILITIES		
Notes payable	<u>484,001</u>	<u>600,984</u>
Total liabilities	<u>1,414,567</u>	<u>1,397,523</u>
 NET ASSETS:		
Unrestricted	2,487,730	2,160,987
Unrestricted - board designated	-	45,000
Temporarily restricted	33,503	41,253
Total net assets	<u>2,521,233</u>	<u>2,247,240</u>
Total liabilities and net assets	<u>\$ 3,935,800</u>	<u>\$ 3,644,763</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, 2018**

REVENUE AND OTHER SUPPORT	Unrestricted	Temporarily Restricted	2018 Totals
Federal grants	\$ 2,997,783	\$ -	\$ 2,997,783
State and local grants and fees	4,897,503	-	4,897,503
Other grants	114,660	-	114,660
Program service revenue	165,873	-	165,873
Contributed cash	73,962	250	74,212
In-kind contributions	267,508	-	267,508
Other income	157,202	-	157,202
Gain (loss) on disposal of assets	(4,313)	-	(4,313)
Interest income	-	-	-
	<u>8,670,178</u>	<u>250</u>	<u>8,670,428</u>
Net assets released from restrictions	<u>8,000</u>	<u>(8,000)</u>	<u>-</u>
Total revenue and other support	<u>8,678,178</u>	<u>(7,750)</u>	<u>8,670,428</u>
OPERATING EXPENSES			
Nutrition	1,644,818	-	1,644,818
Aging direct services	2,370,776	-	2,370,776
Case management/option counseling	3,287,853	-	3,287,853
Population health	128,308	-	128,308
Management and general	658,221	-	658,221
Fundraising	56,013	-	56,013
Affiliates	250,446	-	250,446
Total operating expenses	<u>8,396,435</u>	<u>-</u>	<u>8,396,435</u>
INCREASE (DECREASE) IN NET ASSETS	281,743	(7,750)	273,993
NET ASSETS - BEGINNING OF YEAR	<u>2,205,987</u>	<u>41,253</u>	<u>2,247,240</u>
NET ASSETS - END OF YEAR	<u>\$ 2,487,730</u>	<u>\$ 33,503</u>	<u>\$ 2,521,233</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, 2017**

REVENUE AND OTHER SUPPORT	Unrestricted	Temporarily Restricted	2017 Totals
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	144,485	-	144,485
Contributed cash	56,766	8,000	64,766
In-kind contributions	267,609	-	267,609
Other income	74,554	-	74,554
Gain (loss) on disposal of assets	-	-	-
Interest income	300	-	300
	<u>8,902,555</u>	<u>8,000</u>	<u>8,910,555</u>
Net assets released from restrictions	<u>18,500</u>	<u>(18,500)</u>	<u>-</u>
Total revenue and other support	<u>8,921,055</u>	<u>(10,500)</u>	<u>8,910,555</u>
OPERATING EXPENSES			
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
Affiliate	175,128	-	175,128
Total operating expenses	<u>8,734,251</u>	<u>-</u>	<u>8,734,251</u>
INCREASE (DECREASE) IN NET ASSETS	186,804	(10,500)	176,304
NET ASSETS - BEGINNING OF YEAR	<u>2,019,183</u>	<u>51,753</u>	<u>2,070,936</u>
NET ASSETS - END OF YEAR	<u>\$ 2,205,987</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 AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Nutrition</u>	<u>Aging Direct Services</u>	<u>Case Management/ Option Counseling</u>	<u>Population Health</u>
OPERATING EXPENSES				
Personnel	\$ 599,328	\$ 485,267	\$ 2,741,047	\$ 68,677
Food	557,021	-	-	-
Meal delivery	219,152	-	-	-
Home health care	-	1,050,242	-	-
Adult day care	-	36,834	-	-
Respite services	-	102,381	-	-
Transportation services	-	297,916	-	-
Other assistance	145	110,720	752	57
Occupancy	8,478	17,728	41,390	2,903
Telephone	5,503	6,586	19,695	791
Postage	1,985	6,026	11,574	731
Contracted services	18,782	57,944	145,396	16,136
Materials and supplies	31,789	48,140	145,091	6,021
Insurance	1,961	6,131	19,074	839
Equipment expense	81,434	6,867	12,378	909
Travel	4,739	7,271	78,004	24,360
Dues and subscriptions	9,785	14,740	29,645	1,913
Conferences and training	838	4,315	3,766	2,623
Depreciation	-	-	-	-
In-kind expense	98,588	101,903	-	-
Interest	-	-	-	-
Other	5,290	9,765	40,041	2,348
Total operating expenses	<u>\$ 1,644,818</u>	<u>\$ 2,370,776</u>	<u>\$ 3,287,853</u>	<u>\$ 128,308</u>

See accompanying notes to consolidated financial statements.

Management & General	Fundraising	Area III Properties, Inc.	Community Living Resources, LLC	2018 Total
\$ 363,691	\$ 1,430	\$ -	\$ 118,039	\$ 4,377,479
-	-	-	-	557,021
-	-	-	-	219,152
15,250	-	-	-	1,065,492
1,546	-	-	-	38,380
-	-	-	-	102,381
-	-	-	-	297,916
119	-	-	-	111,793
6,184	-	-	-	76,683
1,929	-	-	-	34,504
1,605	-	-	-	21,921
73,946	-	1,552	126	313,882
56,037	4,202	14,799	-	306,079
2,090	-	3,323	-	33,418
(47,389)	-	-	-	54,199
34,265	-	-	-	148,639
6,442	20	-	-	62,545
4,575	-	-	-	16,117
53,851	-	79,374	-	133,225
64,991	-	-	-	265,482
511	-	33,113	-	33,624
18,578	50,361	-	120	126,503
\$ 658,221	\$ 56,013	\$ 132,161	\$ 118,285	\$ 8,396,435

**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 & General</u>
OPERATING EXPENSES				
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
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 STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	\$ 273,993	\$ 176,304
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation	133,225	147,822
(Gain) loss on disposal of assets	4,313	-
Increase (decrease) in cash from changes in:		
Grants and contributions receivable	(153,623)	9,928
Accounts receivable	(129,948)	266,651
Prepaid expenses	(6,849)	(39,717)
Accounts payable	121,832	(102,826)
Accrued payroll, taxes and related expenses	2,405	(160,127)
Deferred revenue	4,131	-
Net cash provided by (used in) operating activities	249,479	298,035
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(108,506)	(26,268)
Net change in beneficial interest	(2,666)	(2,296)
Net cash provided by (used in) investing activities	(111,172)	(28,564)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments against notes payable	(111,325)	(115,496)
Net cash provided by (used in) financing activities	(111,325)	(115,496)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	26,982	153,975
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	761,277	607,302
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 788,259	\$ 761,277
Supplemental disclosures of Cash Flow Information:		
Cash paid during the year for interest	\$ 33,113	\$ 38,665

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.
AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

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, 2018 AND 2017**

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, 2018 AND 2017**

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

FINANCIAL STATEMENT PRESENTATION (continued)

For the years ended June 30, 2018 and 2017, 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 collectible's is considered necessary. Accounts receivable consist primarily of amounts due for services rendered, and no allowance for collectible's 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, 2018 AND 2017**

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

REVENUE RECOGNITION – (continued)

recognized in the accompanying financial statements was \$267,508 and \$267,609 for the years ended June 30, 2018 and 2017, respectively. Management estimates the value of contributed services received during the year ended June 30, 2018 and 2017 that did not meet the criteria for recognition to be \$3,442 and \$5,868, 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 \$57,282 and \$61,773 of revenue for contributed facilities in the accompanying consolidated financial statements during the years ended June 30, 2018 and 2017, 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 \$197,315 and \$82,770 of revenue for contributed goods in the accompanying consolidated financial statements during the years ended June 30, 2018 and 2017, 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 \$53,851 and \$56,458 for the years ended June 30, 2018 and 2017, respectively. The depreciation expense incurred by the Affiliates totaled \$79,374 and \$91,364 for the years ended June 30, 2018 and 2017, respectively.

USE OF ESTIMATES

The process of preparing consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

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

USE OF ESTIMATES – (continued)

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.

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.

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.
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JUNE 30, 2018 AND 2017**

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

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.

RECLASSIFICATION

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

SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 21, 2018, which is the date the financial statements were available to be issued.

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.
AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

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, 2018 and 2017. At June 30, 2018 and 2017, bank balances at one bank were in excess of FDIC coverage by \$522,412 and \$467,278, 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, 2018 approximately 91% of total revenues were received from state and federal governmental sources, with approximately 60% of total revenues received from Indiana Family and Social Services Administration and 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.

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.

NOTE 3 – LONG-TERM DEBT

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

	<u>2018</u>	<u>2017</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.	\$ 523,667	\$ 623,534
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.	<u>78,043</u>	<u>89,500</u>
	601,710	713,034
Less current portion	<u>(117,709)</u>	<u>(112,050)</u>
Long-term debt (net of current portion)	<u>\$ 484,001</u>	<u>\$ 600,984</u>

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.
AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 3 – LONG-TERM DEBT – (continued)

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 2018. 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, 2018 and 2017.

Maturities of debt at June 30, 2018 for each of the next five years and in the aggregate are as follows:

<u>Year</u>	<u>Amount</u>
2019	\$ 117,709
2020	123,653
2021	129,898
2022	136,458
2023	82,535
Thereafter	<u>11,457</u>
	<u>\$ 601,710</u>

NOTE 4 –NET ASSETS

Temporarily restricted net assets of \$33,503 and \$41,253 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, 2018 and 2017. Net assets were released from restrictions during the years ended June 30, 2018 and 2017 by incurring expenses satisfying restricted purposes specified by donors and time restrictions.

The Board of Directors designated \$-0- and \$45,000 as of June 30, 2018 and 2017, 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 \$117,862 and \$110,115 for the years ended June 30, 2018 and 2017, 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 \$22,646 and \$21,878 to the 457(b) plan for the years ended June 30, 2018 and 2017, respectively.

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.
AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

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, 2018 and 2017 was \$211,644 and \$211,644, 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, 2018 are as follows:

<u>Year</u>	<u>Amount</u>
2019	\$ 20,952
2020	11,902
2021	8,558
2022	467
2023	-
Thereafter	-
Total	<u>\$ 41,879</u>

NOTE 7 –RELATED PARTY TRANSACTIONS

During the year ended June 30, 2018, the Organization did not have any related party transactions. 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, 2018 and 2017 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 22 through 29) 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, 2018 and 2017.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.
November 21, 2018

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.
AND AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018**

	ASSETS				2018 Consolidated Total
	Aging and In-Home Services	Area III Properties, Inc.	Community Living Resources, LLC	Eliminations	
CURRENT ASSETS:					
Cash and cash equivalents	\$ 737,501	\$ 44,319	\$ 6,439	\$ -	\$ 788,259
Grants and contributions receivable	1,651,330	-	-	-	1,651,330
Accounts receivable	162,508	52,911	47,489	(52,911)	209,997
Prepaid expenses	79,156	-	-	-	79,156
Total current assets	<u>2,630,495</u>	<u>97,230</u>	<u>53,928</u>	<u>(52,911)</u>	<u>2,728,742</u>
FIXED ASSETS:					
Land	-	208,425	-	-	208,425
Building	-	1,955,063	-	-	1,955,063
Construction in progress	-	-	-	-	-
Furniture and equipment	417,720	5,830	-	-	423,550
	417,720	2,169,318	-	-	2,587,038
Less accumulated depreciation	(332,504)	(1,126,041)	-	-	(1,458,545)
	85,216	1,043,277	-	-	1,128,493
Fixed assets not yet placed in service	49,360	-	-	-	49,360
Total fixed assets, net	<u>134,576</u>	<u>1,043,277</u>	<u>-</u>	<u>-</u>	<u>1,177,853</u>
OTHER ASSETS					
Beneficial interest	29,205	-	-	-	29,205
Total assets	<u>\$ 2,794,276</u>	<u>\$ 1,140,507</u>	<u>\$ 53,928</u>	<u>\$ (52,911)</u>	<u>\$ 3,935,800</u>
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES:					
Accounts payable	\$ 502,566	\$ 20,642	\$ 73,797	\$ (52,911)	\$ 544,094
Accrued payroll, taxes, and related expenses	264,632	-	-	-	264,632
Deferred revenue	4,131	-	-	-	4,131
Current portion - long term debt	-	117,709	-	-	117,709
Total current liabilities	<u>771,329</u>	<u>138,351</u>	<u>73,797</u>	<u>(52,911)</u>	<u>930,566</u>
LONG TERM LIABILITIES					
Notes payable	-	484,001	-	-	484,001
Total liabilities	<u>771,329</u>	<u>622,352</u>	<u>73,797</u>	<u>(52,911)</u>	<u>1,414,567</u>
NET ASSETS:					
Unrestricted	1,989,444	518,155	(19,869)	-	2,487,730
Unrestricted - board designated	-	-	-	-	-
Temporarily restricted	33,503	-	-	-	33,503
Total net assets	<u>2,022,947</u>	<u>518,155</u>	<u>(19,869)</u>	<u>-</u>	<u>2,521,233</u>
Total liabilities and net assets	<u>\$ 2,794,276</u>	<u>\$ 1,140,507</u>	<u>\$ 53,928</u>	<u>\$ (52,911)</u>	<u>\$ 3,935,800</u>

See Independent Auditor's Report on Supplementary Information on page 21.

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

ASSETS

	Aging and In-Home Services	Area III Properties, Inc.	Community Living Resources, LLC	Eliminations	2017 Consolidated Total
CURRENT ASSETS:					
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>
FIXED ASSETS:					
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)
	140,590	1,066,294	-	-	1,206,884
Fixed assets not yet placed in service	-	-	-	-	-
Total fixed assets, net	<u>140,590</u>	<u>1,066,294</u>	<u>-</u>	<u>-</u>	<u>1,206,884</u>
OTHER ASSETS					
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>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:					
Accounts payable	\$ 457,536	\$ 888	\$ 10,303	\$ (46,465)	\$ 422,262
Accrued payroll, taxes, and related expenses	262,227	-	-	-	262,227
Deferred revenue	-	-	-	-	-
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>
LONG TERM LIABILITIES					
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>
NET ASSETS:					
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 21.

**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, 2018**

	<u>Aging and In-Home Services</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2018 Total</u>
REVENUE AND OTHER SUPPORT			
Federal grants	\$ 2,997,783	\$ -	\$ 2,997,783
State and local grants and fees	4,897,503	-	4,897,503
Other grants	114,660	-	114,660
Program service revenue	75,010	-	75,010
Contributed cash	73,962	250	74,212
In-kind contributions	267,508	-	267,508
Rent income	-	-	-
Other income	157,202	-	157,202
Gain (loss) on disposal of assets	(1,521)	-	(1,521)
Interest income	-	-	-
	<u>8,582,107</u>	<u>250</u>	<u>8,582,357</u>
Net assets released from restrictions	8,000	(8,000)	-
Total revenue and other support	<u>8,590,107</u>	<u>(7,750)</u>	<u>8,582,357</u>
OPERATING EXPENSES			
Nutrition	1,660,843	-	1,660,843
Aging direct services	2,420,442	-	2,420,442
Case management/option counseling	3,410,435	-	3,410,435
Population health	135,426	-	135,426
Management and general	674,474	-	674,474
Fundraising	56,013	-	56,013
Affiliates	-	-	-
Total operating expenses	<u>8,357,633</u>	<u>-</u>	<u>8,357,633</u>
INCREASE (DECREASE) IN NET ASSETS	232,474	(7,750)	224,724
NET ASSETS - BEGINNING OF YEAR	<u>1,756,970</u>	<u>41,253</u>	<u>1,798,223</u>
NET ASSETS - END OF YEAR	<u>\$ 1,989,444</u>	<u>\$ 33,503</u>	<u>\$ 2,022,947</u>

See Independent Auditor's Report on Supplementary Information on page 21.

Area III Properties, Inc.	Community Living Resources, LLC	Eliminations	2018 Consolidated Total
\$ -	\$ -	\$ -	\$ 2,997,783
-	-	-	4,897,503
-	-	-	114,660
-	90,863	-	165,873
-	-	-	74,212
-	-	-	267,508
211,644	-	(211,644)	-
-	-	-	157,202
(2,792)	-	-	(4,313)
-	-	-	-
208,852	90,863	(211,644)	8,670,428
-	-	-	-
208,852	90,863	(211,644)	8,670,428
-	-	(16,025)	1,644,818
-	-	(49,666)	2,370,776
-	-	(122,582)	3,287,853
-	-	(7,118)	128,308
-	-	(16,253)	658,221
-	-	-	56,013
132,161	118,285	-	250,446
132,161	118,285	(211,644)	8,396,435
76,691	(27,422)	-	273,993
441,464	7,553	-	2,247,240
\$ 518,155	\$ (19,869)	\$ -	\$ 2,521,233

**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>
REVENUE AND OTHER SUPPORT			
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>
OPERATING EXPENSES			
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
Affiliate	-	-	-
Total operating expenses	<u>8,770,769</u>	<u>-</u>	<u>8,770,769</u>
INCREASE (DECREASE) IN NET ASSETS	116,536	(10,500)	106,036
NET ASSETS - BEGINNING OF YEAR	<u>1,640,434</u>	<u>51,753</u>	<u>1,692,187</u>
NET ASSETS - END OF YEAR	<u>\$ 1,756,970</u>	<u>\$ 41,253</u>	<u>\$ 1,798,223</u>

See Independent Auditor's Report on Supplementary Information on page 21.

Area III Properties, Inc.	Community Living Resources, LLC	Eliminations	2017 Consolidated Total
\$ -	\$ -	\$ -	\$ 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 CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018**

	Aging and In-Home Services	Area III Properties, Inc.	Community Living Resources, LLC	Eliminations	2018 Consolidated Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Increase in net assets	\$ 224,724	\$ 76,691	\$ (27,422)	\$ -	\$ 273,993
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:					
Depreciation	53,851	79,374	-	-	133,225
(Gain) loss on disposal of assets	1,521	2,792	-	-	4,313
Increase (decrease) in cash from changes in:					
Grants and contributions receivable	(153,623)	-	-	-	(153,623)
Accounts receivable	(79,398)	(17,637)	(39,359)	6,446	(129,948)
Prepaid expenses	(6,849)	-	-	-	(6,849)
Accounts payable	45,030	19,754	63,494	(6,446)	121,832
Accrued payroll, taxes, and related expenses	2,405	-	-	-	2,405
Deferred revenue	4,131	-	-	-	4,131
Net cash provided by (used in) operating activities	91,792	160,974	(3,287)	-	249,479
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of property and equipment	(49,358)	(59,148)	-	-	(108,506)
Net change in beneficial interest	(2,666)	-	-	-	(2,666)
Net cash provided by (used in) investing activities	(52,024)	(59,148)	-	-	(111,172)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Principal payments against notes payable	-	(111,325)	-	-	(111,325)
Net cash provided by (used in) financing activities	-	(111,325)	-	-	(111,325)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	39,768	(9,499)	(3,287)	-	26,982
CASH AND CASH EQUIV., BEGINNING OF YEAR	697,733	53,818	9,726	-	761,277
CASH AND CASH EQUIV., END OF YEAR	\$ 737,501	\$ 44,319	\$ 6,439	\$ -	\$ 788,259
Supplemental disclosures of Cash Flow Information:					
Cash paid during the year for interest	\$ -	\$ 33,113	\$ -	\$ -	\$ 33,113

See Independent Auditor's Report on Supplementary Information on page 21.

**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
CASH FLOWS FROM OPERATING ACTIVITIES:					
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
(Gain) loss on disposal of assets and forgiveness of liabilities	-	-	-	-	-
Increase (decrease) in cash from changes in:					
Grants and contributions receivable	9,928	-	-	-	9,928
Accounts receivable	277,123	(3,208)	(8,130)	866	266,651
Prepaid expenses	(39,717)	-	-	-	(39,717)
Accounts payable	(113,151)	888	10,303	(866)	(102,826)
Accrued payroll, taxes, and related expenses	(160,127)	-	-	-	(160,127)
Deferred revenue	-	-	-	-	-
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>
CASH FLOWS FROM INVESTING ACTIVITIES:					
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>
CASH FLOWS FROM FINANCING ACTIVITIES:					
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>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	124,676	19,573	9,726	-	153,975
CASH AND CASH EQUIV., BEGINNING OF YEAR	<u>573,057</u>	<u>34,245</u>	<u>-</u>	<u>-</u>	<u>607,302</u>
CASH AND CASH EQUIV., END OF YEAR	<u>\$ 697,733</u>	<u>\$ 53,818</u>	<u>\$ 9,726</u>	<u>\$ -</u>	<u>\$ 761,277</u>
Supplemental disclosures of Cash Flow Information:					
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 21.

SINGLE AUDIT SECTION

AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

FEDERAL GRANTOR AGENCY Pass-through Agency Program Title	Federal CFDA Number	Grant or Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through the Indiana Department of Family and Social Services (FSSA):			
Aging Cluster:			
Title IIIA Administration	93.044	000000000000000000021657	\$ 201,607
Title IIIB Grants for Supportive Services and Senior Centers	93.044	000000000000000000021657	536,392
Title IIIC-1 Congregate Nutrition Services	93.045	000000000000000000021657	548,697
Title IIIC-2 Home Delivered Meal Nutrition Services	93.045	000000000000000000021657	466,180
Nutrition Services Incentive Program	93.053	000000000000000000021657	<u>106,928</u>
Total Aging Cluster			<u>1,859,804</u>
Title IIID Disease Prevention and Health Promotion Services	93.043	000000000000000000021657	<u>34,895</u>
Title III E National Family Caregiver Support	93.052	000000000000000000021657	<u>228,296</u>
Title VII - Long Term Care Ombudsman Services for Older Individuals	93.042	000000000000000000021657	<u>27,317</u>
Social Services Block Grant	93.667	000000000000000000021657	<u>847,471</u>
Total Schedule of Expenditures of Federal Awards			<u><u>\$ 2,997,783</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, 2018**

STATE/LOCAL GRANTOR AGENCY Program Title	Grant or Identifying Number	State and Local Awards
Indiana Department of Family and Social Services (FSSA):		
CHOICE	0000000000000000000021657	\$ 2,244,627
Assisted Living Ombudsman	0000000000000000000021657	27,318
Older Hoosier Act	0000000000000000000021657	149,374
CHOICE CASOA	0000000000000000000021657	12,510
State SSBG	0000000000000000000021657	<u>64,058</u>
Total Expenditures of State and Local Awards		<u><u>\$ 2,497,887</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, 2018**

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, 2018**

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.



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**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, 2018, 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 November 21, 2018.

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
November 21, 2018



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**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, 2018. 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, 2018.

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
November 21, 2018

**AGING AND IN-HOME SERVICES OF NORTHEAST INDIANA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

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
93.052	U.S. Department of Health and Human Services—National Family Caregiver Support

* 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, 2018**

Section II – Financial Statement Findings

There were no financial statement findings for the year ended June 30, 2018.

Section III – Federal Award Findings and Questioned Costs

There were no compliance findings for the year ended June 30, 2018.