

**CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.**

COMBINED FINANCIAL STATEMENTS

June 30, 2015 and 2014

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
Indianapolis, Indiana

COMBINED FINANCIAL STATEMENTS
June 30, 2015 and 2014

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INDEPENDENT AUDITOR'S REPORT

Boards of Directors
CICOA Aging & In-Home Solutions, Inc.
and CICOA Foundation, Inc.
Indianapolis, Indiana

Report on the Financial Statements

We have audited the accompanying combined financial statements of CICOA Aging & In-Home Solutions, Inc. and CICOA Foundation, Inc., which comprise the combined statements of financial position as of June 30, 2015 and 2014, and the related combined statements of activities, functional expenses and cash flows, 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 combined 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 combined 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 combined 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 in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined financial statements.

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

(Continued)

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of CICOA Aging & In-Home Solutions, Inc. and CICOA Foundation, Inc. as of June 30, 2015 and 2014, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining schedules of financial position, combining schedules of activities and the schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* are presented for purposes of additional analysis and are not a required part of the combined financial statements. In addition, the combining schedules are not intended to present the financial position and results of operations of the individual entities. 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 combined financial statements. The combining and other information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2015 on our consideration of CICOA Aging & In-Home Solutions, Inc.'s internal control over financial reporting and on 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* in considering CICOA Aging & In-Home Solutions, Inc.'s internal control over financial reporting and compliance.

Crowe Horwath LLP

Crowe Horwath LLP

Indianapolis, Indiana
December 7, 2015

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
COMBINED STATEMENTS OF FINANCIAL POSITION
June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and cash equivalents	\$ 1,938,540	\$ 2,077,117
Accounts receivable	2,245	17,588
Grant reimbursements receivable	2,702,608	3,003,223
Contributions receivable, net (Note 1)	18,270	42,829
Prepaid expenses	13,940	9,863
Beneficial interest in assets held by Central Indiana Community Foundation, Inc. (Note 3)	744,226	729,050
Property and equipment, net (Note 4)	<u>313,573</u>	<u>341,810</u>
	<u>\$ 5,733,402</u>	<u>\$ 6,221,480</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 1,159,648	\$ 1,298,725
Accrued payroll and expenses	237,270	207,704
Accrued leave	465,556	448,895
Due to funding source (Note 2)	<u>21,751</u>	<u>12,908</u>
Total liabilities	1,884,225	1,968,232
Net assets		
Unrestricted (including Board designated amounts totaling \$374,942 and \$367,296 for 2015 and 2014, respectively)	2,965,709	3,039,932
Temporarily restricted (Note 1)	658,740	988,588
Permanently restricted (Note 1)	<u>224,728</u>	<u>224,728</u>
Total net assets	<u>3,849,177</u>	<u>4,253,248</u>
	<u>\$ 5,733,402</u>	<u>\$ 6,221,480</u>

See accompanying notes to combined financial statements.

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
COMBINED STATEMENT OF ACTIVITIES
Year ended June 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2015 Total</u>
Revenue				
Federal and state grants	\$ 11,943,897	\$ -	\$ -	\$ 11,943,897
Medicaid service fees	5,583,524	-	-	5,583,524
Project income	531,796	-	-	531,796
Contributions and grants	453,427	203,744	-	657,171
Fund raising events	173,148	11,295	-	184,443
Interest income	1,616	-	-	1,616
Gain on beneficial interest (Note 3)	7,646	7,530	-	15,176
Other income	256,508	-	-	256,508
In-kind contributions	<u>540,743</u>	<u>-</u>	<u>-</u>	<u>540,743</u>
	19,492,305	222,569	-	19,714,874
Net assets released from restrictions	<u>552,417</u>	<u>(552,417)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>20,044,722</u>	<u>(329,848)</u>	<u>-</u>	<u>19,714,874</u>
Expenses				
Program services				
In-home services	8,891,961	-	-	8,891,961
Nutrition	4,322,838	-	-	4,322,838
Other (Note 6)	<u>5,414,322</u>	<u>-</u>	<u>-</u>	<u>5,414,322</u>
Total program services	18,629,121	-	-	18,629,121
Administration	1,161,842	-	-	1,161,842
Fund raising	<u>327,982</u>	<u>-</u>	<u>-</u>	<u>327,982</u>
Total expenses	<u>20,118,945</u>	<u>-</u>	<u>-</u>	<u>20,118,945</u>
Change in net assets	(74,223)	(329,848)	-	(404,071)
Net assets at beginning of year	<u>3,039,932</u>	<u>988,588</u>	<u>224,728</u>	<u>4,253,248</u>
Net assets at end of year	<u>\$ 2,965,709</u>	<u>\$ 658,740</u>	<u>\$ 224,728</u>	<u>\$ 3,849,177</u>

See accompanying notes to combined financial statements.

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
COMBINED STATEMENT OF ACTIVITIES
Year ended June 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2014 Total</u>
Revenue				
Federal and state grants	\$ 13,056,839	\$ -	\$ -	\$ 13,056,839
Medicaid service fees	4,711,869	-	-	4,711,869
Project income	582,470	-	-	582,470
Contributions and grants	145,726	966,774	-	1,112,500
Fund raising events	81,559	20,000	-	101,559
Interest income	887	-	-	887
Gain on beneficial interest (Note 3)	44,868	43,991	-	88,859
Other income	181,995	-	-	181,995
In-kind contributions	<u>558,552</u>	<u>-</u>	<u>-</u>	<u>558,552</u>
	19,364,765	1,030,765	-	20,395,530
Net assets released from restrictions	<u>782,870</u>	<u>(782,870)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>20,147,635</u>	<u>247,895</u>	<u>-</u>	<u>20,395,530</u>
Expenses				
Program services				
In-home services	8,728,811	-	-	8,728,811
Nutrition	4,418,098	-	-	4,418,098
Other (Note 6)	<u>5,539,559</u>	<u>-</u>	<u>-</u>	<u>5,539,559</u>
Total program services	18,686,468	-	-	18,686,468
Administration	1,134,065	-	-	1,134,065
Fund raising	<u>268,627</u>	<u>-</u>	<u>-</u>	<u>268,627</u>
Total expenses	<u>20,089,160</u>	<u>-</u>	<u>-</u>	<u>20,089,160</u>
Change in net assets before transfers	58,475	247,895	-	306,370
Transfers	<u>-</u>	<u>11,207</u>	<u>(11,207)</u>	<u>-</u>
Change in net assets	(6,982)	259,102	(11,207)	240,913
Net assets at beginning of year	<u>3,046,914</u>	<u>729,486</u>	<u>235,935</u>	<u>4,012,335</u>
Net assets at end of year	<u>\$ 3,039,932</u>	<u>\$ 988,588</u>	<u>\$ 224,728</u>	<u>\$ 4,253,248</u>

See accompanying notes to combined financial statements.

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2015

	<u>In-Home Services</u>	<u>Nutrition</u>	<u>Other</u>	<u>Total Program Services</u>	<u>Administration</u>	<u>Fund Raising</u>	<u>Total Expenses</u>
Personnel costs	\$ 5,912,287	\$ 1,184,694	\$ 2,491,856	\$ 9,588,837	\$ 1,029,351	\$ 171,538	\$ 10,789,726
Office rent	245,876	554,330	98,137	898,343	30,162	5,215	933,720
Other office costs	389,791	75,215	202,553	667,559	36,433	97,712	801,704
Contracted services	205,917	97,548	1,153,153	1,456,618	39,394	48,464	1,544,476
Food and related costs	-	2,380,142	-	2,380,142	-	-	2,380,142
Equipment and maintenance	87,369	21,189	145,887	254,445	12,280	2,073	268,798
Other community services	30,506	5,993	79,968	116,467	43	-	116,510
Sub-Grantee disbursements and contracted services	1,980,465	-	1,180,142	3,160,607	-	-	3,160,607
Depreciation	<u>39,750</u>	<u>3,727</u>	<u>62,626</u>	<u>106,103</u>	<u>14,179</u>	<u>2,980</u>	<u>123,262</u>
Total expenses	<u>\$ 8,891,961</u>	<u>\$ 4,322,838</u>	<u>\$ 5,414,322</u>	<u>\$ 18,629,121</u>	<u>\$ 1,161,842</u>	<u>\$ 327,982</u>	<u>\$ 20,118,945</u>

See accompanying notes to combined financial statements.

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2014

	<u>In-Home Services</u>	<u>Nutrition</u>	<u>Other</u>	<u>Total Program Services</u>	<u>Administration</u>	<u>Fund Raising</u>	<u>Total Expenses</u>
Personnel costs	\$ 5,348,180	\$ 1,246,101	\$ 2,697,190	\$ 9,291,471	\$ 1,004,916	\$ 160,856	\$ 10,457,243
Office rent	190,714	576,409	90,625	857,748	24,701	4,944	887,393
Other office costs	362,744	72,329	229,498	664,571	42,716	38,329	745,616
Contracted services	135,589	107,623	1,086,543	1,329,755	41,045	61,201	1,432,001
Food and related costs	-	2,376,220	-	2,376,220	-	-	2,376,220
Equipment and maintenance	139,286	19,601	37,212	196,099	7,210	2,607	205,916
Other community services	22,617	14,486	72,519	109,622	767	-	110,389
Sub-Grantee disbursements and contracted services	2,435,746	-	1,241,616	3,677,362	-	-	3,677,362
Depreciation	67,836	5,329	84,356	157,521	12,710	690	170,921
Interest expense	<u>26,099</u>	<u>-</u>	<u>-</u>	<u>26,099</u>	<u>-</u>	<u>-</u>	<u>26,099</u>
Total expenses	<u>\$ 8,728,811</u>	<u>\$ 4,418,098</u>	<u>\$ 5,539,559</u>	<u>\$ 18,686,468</u>	<u>\$ 1,134,065</u>	<u>\$ 268,627</u>	<u>\$ 20,089,160</u>

See accompanying notes to combined financial statements.

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
COMBINED STATEMENTS OF CASH FLOWS
Years ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities		
Change in net assets	\$ (404,071)	\$ 240,913
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	123,262	170,921
Gain on beneficial interest	(15,176)	(89,059)
Contributions restricted for long-term capital	(95,025)	(26,229)
Changes in assets and liabilities:		
Accounts receivable	15,343	(17,588)
Grant reimbursements receivable	300,615	453,826
Contributions receivable	24,559	(25,754)
Prepaid expenses	(4,077)	275
Accounts payable	(139,077)	(580,658)
Accrued payroll and expenses	29,566	50,747
Accrued leave	16,661	29,989
Due to funding source	<u>8,843</u>	<u>(253,386)</u>
Net cash from operating activities	<u>(138,577)</u>	<u>(46,003)</u>
Cash flows from investing activities		
Purchase of property and equipment	<u>(95,025)</u>	<u>(26,229)</u>
Net cash from investing activities	<u>(95,025)</u>	<u>(26,229)</u>
Cash flows from financing activities		
Contributions restricted for long-term capital	<u>95,025</u>	<u>26,229</u>
Net cash from financing activities	<u>95,025</u>	<u>26,229</u>
Net change in cash and cash equivalents	(138,577)	(46,003)
Cash and cash equivalents at beginning of year	<u>2,077,117</u>	<u>2,123,120</u>
Cash and cash equivalents at end of year	<u>\$ 1,938,540</u>	<u>\$ 2,077,117</u>
Supplemental disclosures of cash flow information		
In-kind contributions	\$ 540,743	\$ 558,552

See accompanying notes to combined financial statements.

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2015 and 2014

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

General: The combined financial statements include the accounts of CICOA Aging & In-Home Solutions, Inc. (CICOA) and CICOA Foundation, Inc. (Foundation). CICOA commenced operations in January 1974 and the Foundation commenced operations in January 1992. Both entities are not-for-profit organizations under the laws of the State of Indiana. The mission of CICOA and the Foundation is to help older persons and those of any age with a disability to live with the greatest possible independence, dignity and quality of life. As the central Indiana area agency on aging, CICOA provides services to eligible residents of Boone, Hamilton, Hancock, Hendricks, Johnson, Marion, Morgan and Shelby counties in the State of Indiana.

CICOA and the Foundation have been combined for financial statement presentation purposes. All inter-company accounts and transactions have been eliminated in the combination. The combined financial statements have been prepared on the accrual basis of accounting wherein revenues and expenses are recognized in the period earned and incurred, respectively.

Estimates: 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of the revenues, expenses, gains, losses and other changes in net assets during the reporting periods. Actual results could differ from those estimates.

Income Taxes: CICOA and the Foundation are exempt from income taxes on income from related activities under Section 501(c)(3) of the U. S. Internal Revenue Code and corresponding state tax law. Accordingly, no provision has been made for federal or state income taxes. Additionally, neither organization has been determined to be a private foundation under Section 509(a) of the Internal Revenue Code.

GAAP requires CICOA and the Foundation to recognize a tax liability only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is 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. CICOA and the Foundation have examined this issue and have determined there are no material contingent tax liabilities or questionable tax positions.

CICOA and the Foundation do not expect the total amount of unrecorded tax benefits to significantly change in the next 12 months. CICOA and the Foundation recognize interest and/or penalties related to income tax matters in income tax expense. CICOA and the Foundation did not have any amounts accrued for interest and penalties at June 30, 2015 or 2014.

Cash and Cash Equivalents: Cash and cash equivalents consist of bank deposits in accounts that are federally insured up to \$250,000 per financial institution. For purposes of the combined statements of cash flows, CICOA considers all highly liquid debt instruments, if any, purchased with an original maturity of three months or less to be cash equivalents.

Grants Reimbursements Receivable: CICOA's grants reimbursements receivable balances consist of amounts billed or billable for services provided or contracted, net of an allowance for uncollectible accounts. CICOA does not accrue interest on any of its grants and accounts receivables.

(Continued)

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2015 and 2014

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

Allowance for Uncollectible Accounts: The allowance for uncollectible accounts is determined by management based upon CICOA's historical losses, specific circumstances and general economic conditions. Periodically, management reviews accounts receivable and records an allowance based on current circumstances, and charges off the receivable against the allowance when all attempts to collect the receivable are deemed to have failed in accordance with the organization's collection policy. At June 30, 2015 and 2014, management estimated that no material allowances were needed.

Property and Equipment: Property and equipment with a cost of \$5,000 or greater are recorded at cost, except for donated items, which are recorded at fair value at donation date. Depreciation is computed using the straight-line method over the assets' estimated useful lives, which range from three to ten years. Leasehold improvements are depreciated over the shorter of the assets' useful lives or the lease terms. Equipment acquired with government grants has been capitalized for financial statement purposes but was expensed by CICOA for grant reporting purposes. If program services are discontinued, disposition of property and equipment acquired with federal or state funding is subject to guidelines as set forth by the grantor.

Impairment of Long-Lived Assets: On an ongoing basis, CICOA reviews its long-lived assets for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. CICOA recognizes impairment losses if the undiscounted cash flows expected to be generated are less than the carrying value of the related assets. If impaired, the assets are adjusted to fair value based on the discounted cash flows. No impairment loss has been recognized during the years ended June 30, 2015 and 2014.

Accounts Payable: In addition to trade accounts payable, CICOA's accounts payable balances include amounts due to various vendors for the provision of grant funded services to clients. The payables exist due to time lags between the dates of service and grantor payments to CICOA.

Net Asset Classifications: GAAP requires that the combined financial statements report the changes in and total of each of the net asset classes, based upon the donor restrictions, as applicable. Net assets are to be classified as unrestricted, temporarily restricted or permanently restricted. The following classes of net assets are maintained:

Unrestricted Net Assets - This net asset class includes general and Board designated assets and liabilities of CICOA and the Foundation. The unrestricted net assets may be used at the discretion of management to support CICOA's and the Foundation's purposes and operations.

The Board has designated \$374,942 and \$367,296 as endowments at June 30, 2015 and 2014, respectively, as described in Note 10.

Temporarily Restricted Net Assets - This net asset class includes assets of CICOA and the Foundation related to gifts with explicit donor-imposed restrictions that have not been met as to specified purposes, or to later periods of time or after specified dates. The temporarily restricted net assets have been restricted by donors for waiting list management, quality assurance services and other program activities. Amounts are released from restriction when used for satisfaction of the donors' restrictions. Releases during the years ended June 30, 2015 and 2014 totaled \$552,417 and \$782,870, respectively, and related primarily to the Foundation's support of CICOA's client assistance programs.

(Continued)

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2015 and 2014

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

Permanently Restricted Net Assets - This net asset class includes assets of the Foundation for which the donors have stipulated that the contributions be maintained in perpetuity. Donor-imposed restrictions limiting the use of the assets or their economic benefit neither expire with the passage of time nor can be removed by satisfying a specific purpose.

Functional Expenses: The costs of providing various programs and other activities have been summarized on a functional basis in the combined statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Support and Revenue: CICOA reports gifts 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 statement of activities as net assets released from restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, CICOA reports temporarily restricted revenue and a release from restrictions.

Government Grants: Support funded by grants is recognized as CICOA performs the contracted services under grant agreements. Grant revenue is typically recognized as earned as the eligible expenses are incurred. Some of CICOA's grant agreements are fee-for-service in nature, and support is recognized when earned. Grant expenditures are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

Contributions: Contributions received and unconditional promises to give are recorded as unrestricted, temporarily restricted, or permanently restricted revenue depending on the existence of donor restrictions and the nature of such restrictions, if they exist.

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 statement of activities as net assets released from restrictions. The gross amount of outstanding unconditional promises as of June 30, 2015 and 2014, was \$19,638 and \$44,197, respectively. An allowance is made for uncollectible contributions based on management's expectation regarding collection of outstanding promises to give and CICOA's collection experience. The allowance at both June 30, 2015 and 2014 was \$1,368.

Donated Services and In-Kind Contributions: Contributions of services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Donated services of \$540,743 and \$558,552 are recorded as in-kind revenue for the years ended June 30, 2015 and 2014, respectively, consisting primarily of free space for congregate meals.

In addition, a substantial number of volunteers have donated significant amounts of their time in relation to the organizations' program services; however, no amounts have been reflected in the accompanying financial statements for the value of these donated services because they do not meet the recognition criteria.

Other Revenue: Project income, service fees and other revenues are recognized as earned.

(Continued)

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2015 and 2014

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

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to June 30, 2015, to determine the need for any adjustments or disclosures within the financial statements for the year ended June 30, 2015. Management has performed their analysis through December 7, 2015, the date the financial statements were available to be issued.

NOTE 2 - GOVERNMENT GRANT ACTIVITIES

CICOA receives a majority of its federal and state grant funding from a third party, the Indiana Family and Social Services Administration (FSSA), by submitting claims to the third party for approval and payment. CICOA depends significantly on this third party for funding to carry out its program activities.

The grant amounts are appropriated each year by federal and state agencies. If significant budget cuts are made at the federal and/or state level, the amount of funds that CICOA receives could be reduced significantly and have an adverse impact on its operations.

CICOA uses certain funds received under federal and state grants to issue its own contracts to subrecipients and service providers. Although the expenditures made and units of service performed by these subrecipients and service providers are certified as bona fide, documentation of the purpose of such expenditures and units of service performed are subject to audit and review by funding sources. Some of the contracts include a local cost sharing provision similar to those which apply to contracts awarded to CICOA. CICOA could become liable for funds required to be returned to the federal agency issuing the contract if a subrecipient or service provider would be unable to adequately document expenditures, substantiate its local cost sharing requirement, document the units of services performed, or if they are unable to refund any unearned federal funds.

The amount of unexpended contract funds and settlements related to grant revenues are payable to the funding source (FSSA). As of June 30, 2015 and 2014, the amount payable was \$21,751 and \$12,908 respectively.

NOTE 3 - BENEFICIAL INTEREST IN ASSETS HELD BY CENTRAL INDIANA COMMUNITY FOUNDATION, INC.

The Foundation previously transferred \$446,000 to the Central Indiana Community Foundation, Inc. (CICF) for investment in CICF's pooled endowment. Variance power was transferred to CICF. The Foundation may withdraw up to 5% of the fund's balance annually, as long as the withdrawal would not lower the fund's balance below the original corpus. This asset transfer is recorded in accordance with GAAP, and accordingly is recorded as a beneficial interest in assets held by CICF in the accompanying statements of financial position. Fair value is reported based upon CICF's valuation of CICOA's portion of the pooled fund. The fair value of this beneficial interest at June 30, 2015 and 2014, is \$702,672 and \$688,343, respectively. Gains of \$14,329 and \$84,086 on this beneficial interest are included in the combined statements of activities at June 30, 2015 and 2014, respectively.

(Continued)

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE 3 - BENEFICIAL INTEREST IN ASSETS HELD BY CENTRAL INDIANA COMMUNITY FOUNDATION, INC. (Continued)

During 2009, the Foundation transferred \$24,552 to CICF to establish the Duane J. Etienne Fund. This asset transfer is recorded in accordance with GAAP, and accordingly is recorded as a beneficial interest in assets held by CICF in the accompanying statements of financial position. The fair value of this beneficial interest at June 30, 2015 and 2014, is \$41,554 and \$40,707, respectively. The Duane J. Etienne Fund is an endowment to promote educational and professional development for CICOA staff, to help promote interest in careers serving the needs of older adults, and to address emerging needs. Investment earnings are unable to be spent until the fund reaches \$50,000. When the fund reaches that level, the Foundation may withdraw up to 5% of the fund's investment balance annually, as long as the withdrawal would not lower the fund's balance below the greater of original corpus or \$50,000. Gains of \$847 and \$4,773 on this beneficial interest are included in the combined statements of activities at June 30, 2015 and 2014, respectively.

NOTE 4 - PROPERTY AND EQUIPMENT

CICOA's property and equipment at June 30, 2015 and 2014, are as follows:

	<u>2015</u>	<u>2014</u>
Furnishings and equipment	\$ 311,247	\$ 582,545
Computer equipment	483,891	795,277
Electronic equipment	88,089	92,006
Vehicles	208,170	189,921
Leasehold improvements and equipment	<u>139,126</u>	<u>139,126</u>
	1,230,523	1,798,875
Accumulated depreciation	<u>(916,950)</u>	<u>(1,457,065)</u>
	<u>\$ 313,573</u>	<u>\$ 341,810</u>

Depreciation expense for the years ended June 30, 2015 and 2014 was \$123,262 and \$170,921 respectively.

NOTE 5 - OPERATING LEASES

CICOA leases office space and equipment under noncancelable operating lease arrangements. These leases expire at various dates through December 31, 2017. Rental expense for these leases included in the combined statements of activities was \$480,798 and \$416,735 for the years ended June 30, 2015 and 2014, respectively.

Future minimum annual rental payments required under operating leases are as follows at June 30:

2016	\$ 467,323
2017	467,323
2018	<u>193,678</u>
	<u>\$ 1,128,324</u>

(Continued)

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE 6 - OTHER PROGRAM EXPENSES

Other program expenses relate to the following at June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Aging & Disability Resource Center	\$ 3,790,477	\$ 3,936,924
Social Services	946,226	1,025,495
Lifelong Living Communities	356,969	363,223
Caregiver Support	136,039	90,291
Indy Creative Aging	785	64,010
Guardianship	<u>183,826</u>	<u>59,616</u>
	<u>\$ 5,414,322</u>	<u>\$ 5,539,559</u>

The Aging and Disability Resource Center Program (ADRC) is a collaborative effort of the Administration on Aging (AoA), the Centers for Medicare & Medicaid Serve (CMS) the State of Indiana (FSSA) and is a single point of entry into the long-term support and services system for older adults and people with disabilities. ADRC programs raise visibility about the full range of options that are available, provide objective information, advice, counseling and assistance, and empower people to make informed decisions about their long term support. The activities performed in the Information and assistance department were ceased upon the operational readiness of the ADRC.

NOTE 7 - LINE OF CREDIT

At June 30, 2015 and 2014, CICOA had an available line of credit of \$2,000,000 with The National Bank of Indianapolis with a variable interest rate. At June 30, 2015 and 2014, the rate was 3.25%. The line was secured by the assets of CICOA and the Foundation. The line expires on December 31, 2015. The agreement also contained various financial and non-financial covenants. At June 30, 2015 and 2014, CICOA reported compliance with all covenants.

As of June 30, 2015 and 2014, there were no outstanding borrowings on the line of credit.

NOTE 8 - EMPLOYEE BENEFITS

CICOA has a Section 401(k) defined contribution plan that is available to all employees. The employer matches contributions of eligible employees. Employees who have completed one year of employment at 1,000 or more hours, and who are regularly scheduled to work more than 20 hours per week are eligible for a matching contribution from CICOA. The maximum match expense is five percent of their compensation for employees who have from one to ten years of service, and employees with more than ten years of service are eligible for an eight percent match of their compensation. All amounts are deposited in the employees' custodial accounts. The expense for the years ended June 30, 2015 and 2014 was \$283,642 and \$273,815, respectively.

(Continued)

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE 9 - FAIR VALUE OF FINANCIAL INSTRUMENTS

GAAP defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the Foundation's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

GAAP 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 within its hierarchy that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) 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 of the entire fair value measurement in the hierarchy.

The fair value of the Foundation's beneficial interest in assets held by CICF is based upon the Foundation's proportionate share of CICF's pooled investment portfolio, using net asset value and the market approach, and totals \$744,226 and \$729,050 at June 30, 2015 and 2014, respectively. The Foundation's management and Finance Committee review the valuations and returns in comparison to industry benchmarks and other information provided by CICF, but do not receive a detailed listing of the holdings, in which CICF invests. The Foundation does not have the ability to redeem this beneficial interest on a short-term basis. Withdrawals are limited to the terms of the Foundation's agreement with CICF (Level 3 inputs).

The tables below present a reconciliation and statement of activities classification of gains and losses for all assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended June 30, 2015 and 2014:

	<u>Beneficial interest</u>
Beginning balance, July 1, 2014	\$ 729,050
Gain on beneficial interest	<u>15,176</u>
Ending balance, June 30, 2015	<u>\$ 744,226</u>
	<u>Beneficial interest</u>
Beginning balance, July 1, 2013	\$ 640,191
Gain on beneficial interest	<u>88,859</u>
Ending balance, June 30, 2014	<u>\$ 729,050</u>

(Continued)

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE 10 - ENDOWMENT COMPOSITION

The Foundation's endowment consists of donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by applicable standards, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Endowment net asset composition by type of fund as of June 30, 2015:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor restricted funds	\$ -	\$ 144,556	\$ 224,728	\$ 369,284
Board-designated funds	<u>374,942</u>	<u>-</u>	<u>-</u>	<u>374,942</u>
Total funds	<u>\$ 374,942</u>	<u>\$ 144,556</u>	<u>\$ 224,728</u>	<u>\$ 744,226</u>

Endowment net asset composition by type of fund as of June 30, 2014:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor restricted funds	\$ -	\$ 137,026	\$ 224,728	\$ 361,754
Board-designated funds	<u>367,296</u>	<u>-</u>	<u>-</u>	<u>367,296</u>
	<u>\$ 367,296</u>	<u>\$ 137,026</u>	<u>\$ 224,728</u>	<u>\$ 729,050</u>

Changes in endowment net assets for year ended June 30, 2015:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Net assets, beginning of year	\$ 367,296	\$ 137,026	\$ 224,728	\$ 729,050
Gain on beneficial interest	<u>7,646</u>	<u>7,530</u>	<u>-</u>	<u>15,176</u>
Net assets, end of year	<u>\$ 374,942</u>	<u>\$ 144,556</u>	<u>\$ 224,728</u>	<u>\$ 744,226</u>

Changes in endowment net assets for year ended June 30, 2014:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Net assets, beginning of year	\$ 322,428	\$ 81,828	\$ 235,935	\$ 640,191
Gain on beneficial interest	44,868	43,991	-	88,859
Clarification of donor intent	<u>-</u>	<u>11,207</u>	<u>(11,207)</u>	<u>-</u>
Net assets, end of year	<u>\$ 367,296</u>	<u>\$ 137,026</u>	<u>\$ 224,728</u>	<u>\$ 729,050</u>

(Continued)

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE 10 - ENDOWMENT COMPOSITION DISCLOSURE (Continued)

Interpretation of SPMIFA: The Board of Directors of the Foundation have interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purposes of the organization and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the organization
- 7) The investment policies of the organization

Investment Objectives: The Foundation's board has adopted CIOF's investment and spending policies for endowment assets that attempt to preserve the real (i.e., after-inflation) purchasing power of the endowment and to provide a relatively predictable, stable and, in real terms, constant stream of current income for annual operating needs. The concept of maintenance of purchasing power presumes that today's Foundation board has an obligation to the future as well as the present.

The investment objective for the endowment is to earn long-term growth and produce a stable stream of income. The financial and the investment objectives for the endowment should be achieved within acceptable risk levels, while striving to avoid large short-term declines in market value.

Distributions from the Fund should be, over time, of a level no greater than the total return that the endowment can generate above inflation. Growth in the real value of distributions would be increased if assets are enhanced by either gifts or by investment performance that exceeds that of the above standards.

Spending Policy: The Foundation may take a maximum 5% annual distribution from the funds. The Foundation can request a check for the full spendable amount each year, or save all or part of it for future years. Donor-restricted principal, unless otherwise directed by the donor, shall not be disbursed.

SUPPLEMENTARY INFORMATION

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
COMBINING SCHEDULE OF FINANCIAL POSITION
June 30, 2015

	CICOA Aging & In-Home Solutions, Inc.	CICOA Foundation, Inc.	Eliminations	Combined Total
ASSETS				
Cash and cash equivalents	\$ 726,653	\$ 1,211,887	\$ -	\$ 1,938,540
Accounts receivable	111,100	2,056	(110,911)	2,245
Grant reimbursements receivable	2,702,608	-	-	2,702,608
Contributions receivable, net	-	18,270	-	18,270
Prepaid expenses	13,940	-	-	13,940
Beneficial interest in assets held by Central Indiana Community Foundation, Inc.	-	744,226	-	744,226
Property and equipment, net	<u>313,573</u>	<u>-</u>	<u>-</u>	<u>313,573</u>
	<u>\$ 3,867,874</u>	<u>\$ 1,976,439</u>	<u>\$ (110,911)</u>	<u>\$ 5,733,402</u>
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable	\$ 1,160,704	\$ 109,855	\$ (110,911)	\$ 1,159,648
Accrued payroll and expenses	237,270	-	-	237,270
Accrued leave	465,556	-	-	465,556
Due to funding source	<u>21,751</u>	<u>-</u>	<u>-</u>	<u>21,751</u>
Total liabilities	1,885,281	109,855	(110,911)	1,884,225
Net assets				
Unrestricted	1,947,827	1,017,882	-	2,965,709
Temporarily restricted	34,766	623,974	-	658,740
Permanently restricted	<u>-</u>	<u>224,728</u>	<u>-</u>	<u>224,728</u>
Total net assets	<u>1,982,593</u>	<u>1,866,584</u>	<u>-</u>	<u>3,849,177</u>
	<u>\$ 3,867,874</u>	<u>\$ 1,976,439</u>	<u>\$ (110,911)</u>	<u>\$ 5,733,402</u>

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
COMBINING SCHEDULE OF FINANCIAL POSITION
June 30, 2014

	CICOA Aging & In-Home Solutions, Inc.	CICOA Foundation, Inc.	Eliminations	Combined Total
ASSETS				
Cash and cash equivalents	\$ 515,875	\$ 1,561,242	\$ -	\$ 2,077,117
Accounts receivable	138,194	2,214	(122,820)	17,588
Grant reimbursements receivable	3,003,223	-	-	3,003,223
Contributions receivable, net	-	42,829	-	42,829
Prepaid expenses	9,863	-	-	9,863
Beneficial interest in assets held by Central Indiana Community Foundation, Inc.	-	729,050	-	729,050
Property and equipment, net	<u>339,519</u>	<u>2,291</u>	<u>-</u>	<u>341,810</u>
	<u>\$ 4,006,674</u>	<u>\$ 2,337,626</u>	<u>\$ (122,820)</u>	<u>\$ 6,221,480</u>
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable	\$ 1,299,716	\$ 121,829	\$ (122,820)	\$ 1,298,725
Accrued payroll and expenses	207,704	-	-	207,704
Accrued leave	448,895	-	-	448,895
Due to funding source	<u>12,908</u>	<u>-</u>	<u>-</u>	<u>12,908</u>
Total liabilities	1,969,223	121,829	(122,820)	1,968,232
Net assets				
Unrestricted	1,961,124	1,078,808	-	3,039,932
Temporarily restricted	76,327	912,261	-	988,588
Permanently restricted	<u>-</u>	<u>224,728</u>	<u>-</u>	<u>224,728</u>
Total net assets	<u>2,037,451</u>	<u>2,215,797</u>	<u>-</u>	<u>4,253,248</u>
	<u>\$ 4,006,674</u>	<u>\$ 2,337,626</u>	<u>\$ (122,820)</u>	<u>\$ 6,221,480</u>

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
COMBINING SCHEDULE OF ACTIVITIES
Year ended June 30, 2015

	CICOA Aging & In-Home Solutions, Inc.	CICOA Foundation, Inc.	Eliminations	Combined Total
Revenue				
Federal and state grants	\$ 11,943,897	\$ -	\$ -	\$ 11,943,897
Medicaid service fees	5,583,524	-	-	5,583,524
Project income	531,796	-	-	531,796
Contributions and grants	170,153	509,171	(22,153)	657,171
Fund raising events	-	184,443	-	184,443
Interest income	-	16,898	(15,282)	1,616
Gain on beneficial interest	-	15,176	-	15,176
Other income	1,069,774	(3)	(813,263)	256,508
In-kind contributions	<u>531,875</u>	<u>8,868</u>	-	<u>540,743</u>
Total revenue	<u>19,831,019</u>	<u>734,553</u>	<u>(850,698)</u>	<u>19,714,874</u>
Expenses				
Program services				
In-home services	8,907,243	-	(15,282)	8,891,961
Nutrition	4,322,838	113,669	(113,669)	4,322,838
Other	<u>5,414,322</u>	<u>721,747</u>	<u>(721,747)</u>	<u>5,414,322</u>
Total program services	18,644,403	835,416	(850,698)	18,629,121
Administration	1,161,842	-	-	1,161,842
Fund raising	<u>79,632</u>	<u>248,350</u>	-	<u>327,982</u>
Total expenses	<u>19,885,877</u>	<u>1,083,766</u>	<u>(850,698)</u>	<u>20,118,945</u>
Change in net assets	(54,858)	(349,213)	-	(404,071)
Net assets at beginning of year	<u>2,037,451</u>	<u>2,215,797</u>	-	<u>4,253,248</u>
Net assets at end of year	<u>\$ 1,982,593</u>	<u>\$ 1,866,584</u>	<u>\$ -</u>	<u>\$ 3,849,177</u>

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
COMBINING SCHEDULE OF ACTIVITIES
Year ended June 30, 2014

	<u>CICOA Aging & In-Home Solutions, Inc.</u>	<u>CICOA Foundation, Inc.</u>	<u>Eliminations</u>	<u>Combined Total</u>
Revenue				
Federal and state grants	\$ 13,056,839	\$ -	\$ -	\$ 13,056,839
Medicaid service fees	4,711,869	-	-	4,711,869
Project income	582,470	-	-	582,470
Contributions and grants	191,028	889,113	(33,098)	1,047,043
Fund raising events	-	101,559	-	101,559
Interest income	-	31,481	(30,594)	887
Gain on beneficial interest	-	88,859	-	88,859
Other income	731,510	-	(549,515)	181,995
In-kind contributions	<u>556,416</u>	<u>2,136</u>	-	<u>558,552</u>
Total revenue	<u>19,830,132</u>	<u>1,113,148</u>	<u>(613,207)</u>	<u>20,330,073</u>
Expenses				
Program services				
In-home services	8,759,303	102	(30,594)	8,728,811
Nutrition	4,418,098	65,459	(65,459)	4,418,098
Other	<u>5,539,559</u>	<u>517,154</u>	<u>(517,154)</u>	<u>5,539,559</u>
Total program services	18,716,960	582,715	(613,207)	18,686,468
Administration	1,093,595	40,470	-	1,134,065
Fund raising	<u>98,632</u>	<u>169,995</u>	-	<u>268,627</u>
Total expenses	<u>19,909,187</u>	<u>793,180</u>	<u>(613,207)</u>	<u>20,089,160</u>
Change in net assets	(79,055)	319,968	-	240,913
Net assets at beginning of year	<u>2,116,506</u>	<u>1,895,829</u>	-	<u>4,012,335</u>
Net assets at end of year	<u>\$ 2,037,451</u>	<u>\$ 2,215,797</u>	<u>\$ -</u>	<u>\$ 4,253,248</u>

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2015

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Grant or Pass-through Number	Expenditures	Amounts Awarded to Subrecipients
<u>U.S. Department of Health and Human Services</u>				
Pass-through program: Indiana Family and Social Services Administration				
Title VII Long-Term Care Ombudsman Services	93.042	49-14-2V-1581-02	\$ 58,229	\$ 58,229
Title III-D Preventative Health	93.043	49-14-OV-1581-11	76,733	76,733
Aging Cluster:				
Title III-A Administration	93.044	49-14-OV-1581-07	443,771	-
Title III-B Supportive Services	93.044	49-14-OV-1581-08	1,444,029	364,021
Title III-C Nutrition Services	93.045	49-14-OV-1581-09	1,942,144	-
Nutrition Services Incentive Program	93.053	49-14-02-1581-01	<u>275,288</u>	-
Total Aging Cluster			4,105,232	364,021
Title IV and Title II Discretionary Projects				
Title III-E Family Caregiver	93.048	49-11-SP-1581-01	13,931	-
Social Services Block Grant	93.052	49-14-OV-1581-12	513,810	382,607
Medical Assistance Program (PASSR)	93.667	49-14-OG-1581-02	1,998,741	36,803
	93.778	49-14-70-1581-02	743,755	-
Pass-through program: Wishard Health Services				
Health Care Initiative Awards	93.610	1C1CMS331000-01-00	<u>192,268</u>	-
Total U.S. Department of Health and Human Services			7,702,699	918,393
<u>U.S. Department of Transportation</u>				
Pass-through program: Indianapolis Public Transportation Corporation				
New Freedom Program	20.521	N/A	<u>232,924</u>	-
Total U.S. Department of Transportation			<u>232,924</u>	-
			<u>\$ 7,935,623</u>	<u>\$ 918,393</u>

See accompanying Note to Schedule of Expenditures of Federal Awards.

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2015

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of CICOA Aging & In-Home Solutions, Inc., for the year ended June 30, 2015, and is presented in conformity with accounting principles generally accepted in the United States of America. CICOA Foundation, Inc. did not expend any federal awards during the year ended June 30, 2015. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the combined financial statements.

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

Boards of Directors
CICOA Aging & In-Home Solutions, Inc.
and CICOA Foundation, Inc.
Indianapolis, Indiana

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 combined financial statements of CICOA Aging & In-Home Solutions, Inc. and CICOA Foundation, Inc. (Organizations), which comprise the combined statement of financial position as of June 30, 2015, and the related combined statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 7, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the combined financial statements, we considered the Organizations' 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 the Organizations' internal control. Accordingly, we do not express an opinion on the effectiveness of the Organizations' 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 entity'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.

(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organizations' combined financial statements are free of 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 over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 Organizations' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crowe Horwath LLP

Crowe Horwath LLP

Indianapolis, Indiana
December 7, 2015

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Boards of Directors
CICOA Aging & In-Home Solutions, Inc.
Indianapolis, Indiana

Report on Compliance for Each Major Federal Program

We have audited CICOA Aging & In-Home Solutions, Inc.'s (CICOA) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of CICOA's major federal programs for the year ended June 30, 2015. CICOA's major federal program is 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 CICOA's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about CICOA'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 CICOA's compliance.

Opinion on Each Major Federal Program

In our opinion, CICOA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2015.

(Continued)

Report on Internal Control Over Compliance

Management of CICOA 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 CICOA's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of CICOA's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Crowe Horwath LLP

Crowe Horwath LLP

Indianapolis, Indiana
December 7, 2015

CICOA AGING & IN-HOME SOLUTIONS, INC.
 AND CICOA FOUNDATION, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year ended June 30, 2015

SECTION I - SUMMARY OF AUDITOR'S RESULTS:

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes _____ X No

Significant deficiencies identified not considered to be material weaknesses? _____ Yes _____ X None Reported

Noncompliance material to financial statements noted? _____ Yes _____ X No

Federal Awards

Internal Control over major programs:

Material weakness(es) identified? _____ Yes _____ X No

Significant deficiencies identified not considered to be material weaknesses? _____ Yes _____ X None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? _____ Yes _____ X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.044, 93.045, 93.053	Aging Cluster

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

Auditee qualified as low-risk auditee? _____ X Yes _____ No

SECTION 2 - FINDINGS RELATED TO THE FINANCIAL STATEMENTS THAT ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS.

None reported

SECTION 3 - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS INCLUDING AUDIT FINDINGS AS DEFINED ON OMB CIRCULAR A-133 SECTION 510(a).

None reported

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
June 30, 2015

No findings or questioned costs for federal awards including audit findings as defined in OMB Circular A-133 section 510(a) were reported in the prior year.