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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

October 24, 2014

Board of Directors
Aging & Community Service of South Central Indiana, Inc.
d/b/a Thrive Alliance
1531 13th Street, Suite G900
Columbus, IN 47201

We have reviewed the audit report prepared by Gauthier & Kimmerling, LLC, for the period July 1, 2012 to June 30, 2013. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of Aging & Community Service of South Central Indiana, Inc. d/b/a Thrive Alliance, as of June 30, 2013, and the results of its operations for the period then ended, on the basis of accounting described in the report.

The Independent Public Accountants' 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 & COMMUNITY SERVICES OF SOUTH CENTRAL INDIANA, INC.
d/b/a
THRIVE ALLIANCE

REPORT ON AUDIT OF FINANCIAL STATEMENTS

JUNE 30, 2013 AND 2012

AGING & COMMUNITY SERVICES OF
SOUTH CENTRAL INDIANA, INC.
d/b/a
THRIVE ALLIANCE

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Gauthier & Kimmerling, LLC
accountants & advisors
7340 Shadeland Station • Suite 100 • Indianapolis, IN 46256 • (317) 572-1130

Independent Auditors' Report

Board of Directors
Aging & Community Services of
South Central Indiana, Inc.
d/b/a Thrive Alliance
Columbus, Indiana

Report on the Financial Statements

We have audited the accompanying financial statements of Aging & Community Services of South Central Indiana, Inc. d/b/a Thrive Alliance (the Organization), which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities, functional expenses, and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal 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 in *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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2013 and 2012, 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 Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated November 6, 2013 on our consideration of the Organization'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 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 the Organization's internal control over financial reporting and compliance.

Gaithner & Kunmeling, LLC

November 6, 2013

AGING & COMMUNITY SERVICES OF SOUTH CENTRAL INDIANA, INC. *d/b/a* THRIVE ALLIANCE
STATEMENTS OF FINANCIAL POSITION
JUNE 30,

	2013	2012
ASSETS		
Cash and cash equivalents	$ 437,603	$ 561,178
Grants receivable (Note 6)	978,657	856,045
Accounts receivable	211,818	125,451
Prepaid expenses	8,466	6,596
Property and equipment, net of accumulated depreciation of $162,768 and $127,276	48,228	83,720
Total Assets	$ 1,684,772	$ 1,632,990
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	$ 483,943	$ 417,795
Accounts payable - related parties	-	11,335
Unearned Revenue	13,250	-
Accrued payroll and related liabilities	211,380	255,607
Line of credit	200,000	250,000
Total Liabilities	908,573	934,737
Net Assets:		
Unrestricted funds	712,407	634,461
Temporarily restricted funds	63,792	63,792
Total Net Assets	776,199	698,253
Total Liabilities and Net Assets	$ 1,684,772	$ 1,632,990

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

AGING & COMMUNITY SERVICES OF SOUTH CENTRAL INDIANA, INC. d/b/a THRIVE ALLIANCE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

	Unrestricted	Temporarily Restricted	Total
REVENUES AND OTHER SUPPORT			
Donations	$ 222,615	$ -	$ 222,615
Grants	-	4,166,114	4,166,114
Medicaid revenue	874,971	-	874,971
In-Kind	456,184	-	456,184
Other	650,294	-	650,294
Revenues and other support	2,204,064	4,166,114	6,370,178
Revenues released from restriction	4,166,114	(4,166,114)	-
Total Revenues and Other Support	6,370,178	-	6,370,178
EXPENSES			
Program services	5,694,594	-	5,694,594
Support services	597,638	-	597,638
Total Expenses	6,292,232	-	6,292,232
Increase (decrease) in net assets	77,946	-	77,946
Net assets - beginning of year	634,461	63,792	698,253
Net assets - end of year	$ 712,407	$ 63,792	$ 776,199

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

AGING & COMMUNITY SERVICES OF SOUTH CENTRAL INDIANA, INC. d/b/a THRIVE ALLIANCE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

	Unrestricted	Temporarily Restricted	Total
REVENUES AND OTHER SUPPORT			
Donations	$ 261,447	$ -	$ 261,447
Grants	-	4,138,078	4,138,078
Medicaid revenue	859,803	-	859,803
In-Kind	302,726	-	302,726
Other	567,657	-	567,657
Revenues and other support	1,991,633	4,138,078	6,129,711
Revenues released from restriction	4,152,211	(4,152,211)	-
Total Revenues and Other Support	6,143,844	(14,133)	6,129,711
EXPENSES			
Program services	5,524,515	-	5,524,515
Support services	582,076	-	582,076
Total Expenses	6,106,591	-	6,106,591
Increase (decrease) in net assets	37,253	(14,133)	23,120
Net assets - beginning of year	597,208	77,925	675,133
Net assets - end of year	$ 634,461	$ 63,792	$ 698,253

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

AGING & COMMUNITY SERVICES OF SOUTH CENTRAL INDIANA, INC. d/b/a THRIVE ALLIANCE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2013

	In-home Services	Community Services	Nutrition	Total Program Services	Administration	Total Program & Support Services
Salaries and wages	$ 567,513	$ 1,296,126	$ 307,482	$ 2,171,121	$ 409,120	$ 2,580,241
Payroll taxes and benefits	86,926	177,168	39,139	303,233	82,151	385,384
Occupancy	28,219	56,058	27,166	111,443	48,855	160,298
Telephone and postage	13,384	31,591	7,947	52,922	8,814	61,736
Contracted services	36,799	429,316	1,768	467,883	(37,434)	430,449
Supplies	33,090	54,907	6,794	94,791	11,912	106,703
Travel	18,829	137,165	42,359	198,353	3,351	201,704
Direct food services	75,910	2,091	370,695	448,696	-	448,696
Direct emergency response services	37,603	91	-	37,694	-	37,694
Other direct services	1,046,341	28,199	(372,423)	702,117	-	702,117
Foster grandparent stipend	-	189,456	-	189,456	-	189,456
Subgrantee contracts	-	370,293	-	370,293	-	370,293
Other expenditures	20,393	71,730	4,295	96,418	64,859	161,277
In-kind expenses	52,173	308,803	89,198	450,174	6,010	456,184
	$ 2,017,180	$ 3,152,994	$ 524,420	$ 5,694,594	$ 597,638	$ 6,292,232

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

AGING & COMMUNITY SERVICES OF SOUTH CENTRAL INDIANA, INC. d/b/a THRIVE ALLIANCE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2012

	In-home Services	Community Services	Nutrition	Total Program Services	Administration	Total Program & Support Services
Salaries and wages	$ 546,795	$ 1,355,027	$ 291,155	$ 2,192,977	$ 382,259	$ 2,575,236
Payroll taxes and benefits	82,543	185,729	37,430	305,702	62,628	368,330
Occupancy	32,944	56,281	25,962	115,187	53,620	168,807
Telephone and postage	15,455	37,785	7,849	61,089	7,530	68,619
Contracted services	39,170	374,851	1,187	415,208	(12,019)	403,189
Supplies	22,538	56,480	11,373	90,391	7,290	97,681
Travel	22,684	129,217	43,740	195,641	4,744	200,385
Direct food services	73,784	2,086	367,866	443,736	113	443,849
Direct emergency response services	41,750	3,606	-	45,356	-	45,356
Other direct services	943,093	1,551	(290,024)	654,620	-	654,620
Foster grandparent stipend	-	191,481	-	191,481	-	191,481
Subgrantee contracts	-	440,242	-	440,242	-	440,242
Other expenditures	14,770	53,399	8,713	76,882	69,189	146,071
In-kind expenses	33,333	173,032	89,638	296,003	6,722	302,725
	$ 1,868,859	$ 3,060,767	$ 594,889	$ 5,524,515	$ 582,076	$ 6,106,591

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

AGING & COMMUNITY SERVICES OF SOUTH CENTRAL INDIANA, INC. d/b/a THRIVE ALLIANCE
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30,

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 77,946	$ 23,120
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	35,493	37,947
(Increases) decreases in operating assets:		
Grants receivable	(122,612)	122,278
Accounts receivable	(86,367)	90,687
Prepaid expenses	(1,870)	(2,760)
Increases (decreases) in operating liabilities:		
Accounts payable	66,147	100,540
Accounts payable - related parties	(11,335)	11,335
Unearned revenue	13,250	-
Accrued payroll and related liabilities	(44,227)	41,106
Net Cash Provided by (Used in) Operating Activities	(73,575)	424,253
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments held by others	-	14,133
Payment on line of credit	(50,000)	(150,050)
Net Cash Provided by (Used in) Investing Activities	(50,000)	(135,917)
Net increase (decrease) in cash	(123,575)	288,336
Cash - beginning of year	561,178	272,842
Cash - end of year	$ 437,603	$ 561,178
Interest paid during the year	$ 12,069	$ 16,086

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

AGING & COMMUNITY SERVICES OF
SOUTH CENTRAL INDIANA, INC.
d/b/a Thrive Alliance
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013 AND 2012

1. NATURE OF THE ORGANIZATION

Aging & Community Services of South Central Indiana, Inc. (the Organization) is a not-for-profit corporation. The Organization was founded in 1981 to provide services to elderly and disabled persons in the Bartholomew, Brown, Decatur, Jackson and Jennings County areas in the state of Indiana. The Organization is primarily supported through federal and state government grants. In 2013, the Organization created a supporting organization called Thrive Alliance.

The Organization's direct services include: information and referral, care management, congregate meals, home delivered meals, homemaker, handychore, outreach, advocacy, Foster Grandparents Program, nursing home preadmission screening, Medicaid Waiver, Caring Connections (volunteers), Guardianship, health prevention and First Steps. The Organization provides grants through Older Americans Act funds for: senior center operations, transportation, legal services, nursing home ombudsman, adult day care and medication assistance. Through the use of state funds, the Organization purchases on behalf of consumers: attendant care, homemaker services, home health aide, respite care, owner occupied rehabilitation and emergency response systems.

2. SIGNIFICANT ACCOUNTING POLICIES

The Organization maintains its accounts on the accrual basis and in accordance with the principles of fund accounting. Fund accounting is the procedure by which resources are classified for internal accounting purposes into funds that are associated with specific activities or objectives.

In accordance with accounting standards, unrestricted net assets include all assets over which the Organization has full discretion as to use. Temporarily restricted net assets include net assets whose use by the Organization is limited by donor-imposed restrictions that either expire by the passage of time or are fulfilled by the Organization. As the restrictions are met, the net assets are released from restrictions and included in unrestricted net assets. Contributions for which the restrictions are met in the same period in which the contribution is received are also recorded as temporarily restricted. Permanently restricted net assets include net assets subject to donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

Equipment, furniture and, vehicles are stated at cost or, for donations, at fair market value at the date of donation, and include expenditures for additions and betterments, which substantially increase the useful lives of existing fixed assets. Maintenance, repairs, and minor renewals are expensed as incurred. Items over $5,000 are capitalized.

(Continued)

2. SIGNIFICANT ACCOUNTING POLICIES – Continued

The Organization reviews its fixed assets for impairment whenever events or changes in circumstances indicate the carrying value of such assets may not be recoverable. No impairment loss was recognized in 2013.

Depreciation is computed using the straight-line method over estimated useful lives of 3 to 7 years.

The costs of providing the various programs and other activities have been summarized in the statement of functional expenses. Costs are charged directly to the programs they benefit whenever possible. Certain overhead costs that cannot be directly charged to an individual program are allocated to the various programs they benefit using relevant statistical allocation bases.

Receivables are charged to bad debt expense when they are determined to be uncollectable based upon periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require the allowance method to be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect 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 revenues and expenses during the reporting period. Actual amounts may differ from these estimates.

All liquid investments purchased with a maturity of three months or less is considered to be cash equivalents.

The Organization is exempt from income taxation under the Internal Revenue Code Section 501(c)(3). Management believes that the Organization has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Management believes that the Organization is no longer subject to income tax examination for years prior to 2010.

The Organization has recorded in-kind contributions for space and professional services in the statement of activities in accordance with financial accounting standards. These standards require that only contributions of service received that create or enhance a nonfinancial asset or require a specialized skill by the individual possessing those skills and would typically need to be purchased if not provided by the donation be recorded.

3. FINANCIAL INSTRUMENTS

The Organization maintains its cash in deposit accounts, the cumulative balance of which may exceed federally insured limits. As of June 30, 2013 and 2012, no excess existed.

The Organization has not experienced any losses in its accounts and management believes it is not exposed to any significant credit risk on cash and cash equivalents.

4. RELATED PARTIES

In 2013, the Organization and Housing Partnerships Inc. (HPI) formed a supporting organization called Thrive Alliance. The Organization and HPI remain separate entities. Each company maintains separate boards. The executive director of the Organization is contracted to be HPI's executive director with a portion of the executive director's time to be billed back to HPI.

5. PENSION PLAN

The Organization provides pension benefits for all of its full-time employees through a 403(b) Plan. The Organization matches 1% of the participating employee's annual pay. The Organization's contributions to the plan for the year ended June 30, 2013 and 2012, were $14,360 and $14,312, respectively.

6. GRANT REVENUE AND RECEIVABLE

The Organization's grant revenue and related receivables at June 30, 2013 and 2012, consists of the following:

	CFDA No.	Revenue 6/30/13	Collections 6/30/13	Receivable 6/30/13
U.S. Department of Health and Human Services:				
Title III - A	93.044	$ 77,348	$ 74,485	$ 2,863
Title III - B	93.044	234,515	161,608	72,907
Title III - C-1	93.045	281,535	259,204	22,331
Title III - C-2	93.045	142,325	136,621	5,704
Title III - D	93.043	14,122	13,578	544
Title III - E	93.052	100,982	68,025	32,957
Nutrition Service Incentive Program	93.053	65,355	54,463	10,892
Title VII Ombudsman	93.042	3,023	2,357	666
PASRR	93.778	125,099	86,808	38,291
ADRC	93.048	6,060	5,740	320
FGP	94.011	318,042	308,840	9,202
Social Services Block Grant	93.667	248,832	139,871	108,961
U.S. Department of Education First Step	84.181	1,171,590	823,644	347,946
State Grants		1,174,316	849,243	325,073
Local Grants		202,970	202,970	-
Total		$ 4,166,114	$ 3,187,457	$ 978,657

(Continued)

6. GRANT REVENUE AND RECEIVABLE – Continued

	CFDA No.	Revenue 6/30/12	Collections 6/30/12	Receivable 6/30/12
U.S. Department of Health and Human Services:				
Title III - A	93.044	$ 85,681	$ 75,228	$ 10,453
Title III - B	93.044	263,529	197,813	65,716
Title III - C-1	93.045	280,420	229,414	51,006
Title III - C-2	93.045	193,651	148,904	44,747
Title III - D	93.043	15,679	14,997	682
Title III - E	93.052	103,526	84,264	19,262
Nutrition Service Incentive Program	93.053	67,670	56,392	11,278
Title VII Ombudsman	93.042	4,860	4,055	805
PASRR	93.778	126,612	107,516	19,096
CDSMP	93.725	23,100	20,488	2,612
FGP	94.011	318,042	318,042	-
Social Services Block Grant	93.667	204,927	166,270	38,657
CLP	93.048	1,881	1,050	831
U.S. Department of Education First Step	84.181	1,160,874	849,155	311,719
State Grants		1,017,691	738,510	279,181
Local Grants		269,935	269,935	-
Total		$ 4,138,078	$ 3,282,033	$ 856,045

7. OPERATING LEASES

The Organization holds various operating leases for their administrative office, outreach offices, and equipment. The terms of the lease agreements require monthly payments for the duration of the lease. Total rental expense for the years ended June 30, 2013 and 2012 was $152,960 and $150,110, respectively. The Organization's obligation for future operating leases is as follows:

2014	$ 147,360
2015	142,920
2016	70,800
2017	-
2018	-
Thereafter	-
	$ 361,080

8. FAIR VALUE MEASUREMENT

In accordance with Accounting Standards Codification (ASC) 820, the Organization measures its recurring assets and liabilities at fair value using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires that entities maximize the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. The three levels of inputs used are as follows:

- Level 1 - Quoted prices in active markets for identical assets or liabilities
- Level 2 - Quoted prices for similar assets or liabilities in active markets
- Level 3 - Unobservable inputs for the asset or liability based on the best available information

At June 30, 2013 and 2012, there were no assets or liabilities valued on a recurring basis.

A summary of the methods and significant assumptions used to estimate the fair values of financial instruments is as follows:

Short-term financial instruments – The fair value of short-term financial instruments, including cash and cash equivalents, accounts and grants receivable, prepaid expenses, accounts payable, accrued liabilities, and the line of credit approximate the carrying value in the accompanying financial statements due to the short maturity of such instruments.

9. LINE OF CREDIT

The Organization has a line of credit of $500,000 with Indiana Bank and Trust Company with a variable interest rate. The interest rate as of June 30, 2013 and 2012 was 4.00% and 5.59%, respectively. The line of credit is collateralized by accounts receivable due to the Organization. At June 30, 2013, the outstanding balance was $200,000 and at June 30, 2012 the outstanding balance was 250,000.

10. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following at June 30, 2013 and 2012:

Program contributions	$ 58,089
Carolyn Ayers fund	5,456
Orville Pitts scholarship fund	247
Total temporarily restricted net assets	$ 63,792

11. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the report date, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

AGING & COMMUNITY SERVICES OF SOUTH CENTRAL INDIANA, INC.
d/b/a
THRIVE ALLIANCE

REPORTS PRESCRIBED BY OMB CIRCULAR A-133

JUNE 30, 2013

Gauthier & Kimmerling, LLC
accountants & advisors
7340 Shadeland Station • Suite 100 • Indianapolis, IN 46256 • (317) 572-1130

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*

Independent Auditors' Report

Board of Directors
Aging & Community Services of
South Central Indiana, Inc.
d/b/a Thrive Alliance
Columbus, Indiana

We have audited, 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, the financial statements of Aging & Community Services of South Central Indiana, Inc. d/b/a Thrive Alliance (the Organization), which comprise the statement of financial position as June 30, 2013, and the related 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 November 6, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization'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 the Organization'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 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 over 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 of any other purpose.

Gauthier + Kimberly, LLC

November 6, 2013

Gauthier & Kimmerling, LLC
accountants & advisors
7340 Shadeland Station • Suite 100 • Indianapolis, IN 46256 • (317) 572-1130

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; And Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

Independent Auditors' Report

Board of Directors
Aging & Community Services of
South Central Indiana, Inc.
d/b/a Thrive Alliance
Columbus, Indiana

Report on Compliance for Each Major Federal Program

We have audited Aging & Community Services of South Central Indiana, Inc. d/b/a Thrive Alliance's (the Organization) 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 the Organization's major federal programs for the year ended June 30, 2013. The Organization's major federal programs are identified in the summary of auditors' 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 the Organization'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 the Organization'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 the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization 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, 2013.

Report on Internal Control Over Compliance

Management of the Organization 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 the Organization'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 the Organization'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 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 of any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the Organization as of and for the year ended June 30, 2013, and have issued our report thereon dated November 6, 2013, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

November 6, 2013

Aging & Community Services of South Central Indiana, Inc.
d/b/a Thrive Alliance
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

Federal Grantor Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Dept. of Education:			
Indiana Family and Social Services Administration			
Special Education Grants for Infants and Family	84.181	03-12-5F-1163-01	$ 1,171,590
Total U.S. Department of Education			1,171,590
U.S. Dept. of Health & Human Services:			
Indiana Family and Social Services Administration			
Aging Cluster			
Title III-B Admin	93.044	03-12-0V-1163-09	77,348
Title III-B Social Services	93.044	03-12-0V-1163-10	234,515
Total Title III-B			311,863
Title III- Congregate Meals	93.045	03-12-0V-1163-07	281,535
Title III-C Home Delivered Meals	93.045	03-12-0V-1163-08	142,325
Total Title III-C			423,860
Nutrition Services Incentive Program	93.053	03-12-02-1163-02	65,355
Total Aging Cluster			801,078
Title III - D	93.043	03-12-0V-1163-11	14,122
Title III - E	93.052	03-12-0V-1163-12	100,982
Title VII - Ombudsman	93.042	03-12-2V-1163-03	3,023
FGP	94.011	12SF138978	318,042
PASRR	93.778	03-12-70-1163-02	125,099
Social Services Block Grant	93.667	03-12-0G-1163-02	160,926
Social Services Block Grant	93.667	03-12-0G-1163-03	87,906
ADRC	93.048	90DR0007	6,060
Total U.S. Department of Health & Human Services			1,617,238
Total Expenditure of Federal Awards			$ 2,788,828

The accompanying notes are an integral part of this schedule.

Aging & Community Services of South Central Indiana, Inc.
d/b/a Thrive Alliance
Note to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

The following describes the significant accounting policies used in the preparation of the schedule of expenditures of federal awards:

Basis of Presentation – The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the Organization under programs of the federal government for the year ended June 30, 2013. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Because the schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

Summary of Significant Accounting Policies – Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

Aging & Community Services of South Central Indiana, Inc.
d/b/a Thrive Alliance
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2013

ITEM NUMBER	AUDIT FINDING
	None reported.

Aging & Community Services of South Central Indiana, Inc.
d/b/a Thrive Alliance
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013

Section I - Summary of Auditors' Results

Financial Statements:

Type of auditor report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? *No*
- Significant deficiency(ies) identified that are not considered to be material weaknesses? *None reported*

Noncompliance material to financial statements noted: *No*

Federal Awards:

Internal control over major programs:

- Material weakness(es) identified: *No*
- Significant deficiency(ies) identified that are not considered to be material weaknesses? *None reported*

Type of auditors' 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 Circular A-133? *No*

Identification of major programs:

CFDA Number(s)	Name of Federal Program
84.181	Special Education Grants for Infants and Famillies
93.044, 93.045, 93.053	U.S. Department of Health and Human Services Aging Cluster

Dollar threshold used to distinguish between type A and type B programs: *$300,000*

Auditee qualified as low-risk auditee? *No*

Aging & Community Services of South Central Indiana, Inc.
d/b/a Thrive Alliance
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.