



STATE OF INDIANA
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January 16, 2024

Board of Directors
Area 10 Council on Aging of Monroe and Owen Counties, Inc.
Monroe County, Indiana

We have reviewed the audit report of Area 10 Council on Aging of Monroe and Owen Counties, Inc. which was opined upon by Comer, Nowling and Associates, P.C., Independent Public Accountants, for the period July 1, 2022 to June 30, 2023. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Area 10 Agency on Aging as of June 30, 2023, and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Comer, Nowling and Associates, P.C. prepared the audit report in accordance with guidelines established by the Indiana State Board of Accounts.

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

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

**Area 10 Council on Aging of
Monroe and Owen Counties,
Inc. and Subsidiaries**

**Consolidated Financial Statements
For the Years Ended
June 30, 2023 and 2022
(With Single Audit Section)**

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Certified Public Accountants

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
FINANCIAL STATEMENTS**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Area 10 Council on Aging of Monroe and Owen Counties, Inc. and Subsidiaries
Ellettsville, Indiana

Report on the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Area 10 Council on Aging of Monroe and Owen Counties, Inc. and Subsidiaries (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Area 10 Council on Aging of Monroe and Owen Counties, Inc. and Subsidiaries as of June 30, 2023 and 2022, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Area 10 Council on Aging of Monroe and Owen Counties, Inc. and Subsidiaries and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Area 10 Council on Aging of Monroe and Owen Counties, Inc. and Subsidiaries' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 7, 2023 on our consideration of the Area 10 Council on Aging of Monroe and Owen Counties, 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 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 Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s 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 Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s internal control over financial reporting and compliance.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.

Indianapolis, Indiana

December 7, 2023

**AREA 10 COUNCIL ON AGING OF AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

ASSETS

CURRENT ASSETS:	2023	2022
Cash and cash equivalents	\$ 3,048,273	\$ 3,844,540
Certificates of deposit	1,160,415	-
Restricted cash - reserves	265,902	256,562
Grants receivable	1,007,337	699,479
Accounts receivable	40,274	39,252
Prepaid expenses	219,194	291,154
Total current assets	<u>5,741,395</u>	<u>5,130,987</u>
FIXED ASSETS:		
Land	903,807	903,807
Building	12,459,980	12,452,225
Leasehold improvements	525,123	514,098
Equipment	536,696	509,859
	<u>14,425,606</u>	<u>14,379,989</u>
Less accumulated depreciation	<u>(6,882,338)</u>	<u>(6,389,833)</u>
Total fixed assets, net	<u>7,543,268</u>	<u>7,990,156</u>
OTHER ASSETS		
Organizational costs	69,321	69,321
Less: accumulated amortization	<u>(68,708)</u>	<u>(61,778)</u>
	613	7,543
Beneficial Interest	<u>38,845</u>	<u>37,509</u>
Total other assets	<u>39,458</u>	<u>45,052</u>
Total assets	<u>\$ 13,324,121</u>	<u>\$ 13,166,195</u>

See accompanying notes to consolidated financial statements.

**AREA 10 COUNCIL ON AGING OF AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:	2023	2022
Accounts payable	\$ 169,491	\$ 174,877
Accrued payroll, taxes, and related expenses	41,463	42,378
Accrued vacation	85,124	71,151
Security deposits payable	45,585	44,104
Deferred revenue	1,240	26,260
Current portion - long term debt	50,905	47,975
Total current liabilities	<u>393,808</u>	<u>406,745</u>
 LONG TERM LIABILITIES		
Notes payable	1,430,626	1,523,866
Developer fee payable	1,609	15,153
Total long term liabilities	<u>1,432,235</u>	<u>1,539,019</u>
Total liabilities	<u>1,826,043</u>	<u>1,945,764</u>
 NET ASSETS		
NON-CONTROLLING INTEREST IN NET ASSETS	<u>4,708,503</u>	<u>5,017,427</u>
 NET ASSETS - WITHOUT DONOR RESTRICTIONS		
Undesignated	<u>6,789,575</u>	<u>6,203,004</u>
Total net assets	<u>11,498,078</u>	<u>11,220,431</u>
Total liabilities and net assets	<u>\$ 13,324,121</u>	<u>\$ 13,166,195</u>

See accompanying notes to consolidated financial statements.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

REVENUE AND OTHER SUPPORT	<u>2023</u>	<u>2022</u>
Federal grant revenue	\$ 1,698,285	\$ 2,267,932
State grant revenue	1,249,410	759,142
Local support	615,541	52,369
Service fees	592,970	695,134
Project income	81,079	149,762
Medicaid	1,146,174	850,317
Donations:		
Indirect public support - United Way	27,005	27,005
Direct public support	98,473	113,619
Rental income	715,287	759,495
Miscellaneous income	79,938	22,742
Forgiveness of debt	(24,905)	-
In-kind support	64,394	55,784
Investment income	23,275	(5,669)
	<u>6,366,926</u>	<u>5,747,632</u>
Total revenue and other support		
OPERATING EXPENSES		
Program services:		
Nutrition	262,075	246,530
Transportation	1,910,711	1,260,473
In-Home services	1,694,367	1,555,220
Health & Wellness	300,141	280,408
Information/Referral/Outreach	449,894	404,897
Housing	1,100,730	1,346,258
Total program services	<u>5,717,918</u>	<u>5,093,786</u>
Supporting services:		
Management and General	361,431	297,752
Total supporting services	<u>361,431</u>	<u>297,752</u>
Total operating expenses	<u>6,079,349</u>	<u>5,391,538</u>
Increase (decrease) in net assets	<u>287,577</u>	<u>356,094</u>
Discontinued operations:		
Gain on sale	-	195,642
NET ASSETS - BEGINNING OF YEAR	11,220,431	10,676,085
Non-controlling interest in subsidiary's earnings	(298,998)	(297,124)
Controlling interest in subsidiary's earnings and parent	586,575	848,860
Distributions	(9,930)	(7,390)
NET ASSETS - END OF YEAR	<u>\$ 11,498,078</u>	<u>\$ 11,220,431</u>

See accompanying notes to consolidated financial statements.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Nutrition</u>	<u>Transportation</u>	<u>In-Home Services</u>	<u>Health & Wellness</u>	<u>Information/ Referral/Outreach</u>	<u>Housing</u>	<u>Management & General</u>	<u>2023 Total</u>
OPERATING EXPENSES								
Personnel costs	\$ 139,490	\$ 804,042	\$ 1,023,286	\$ 184,461	\$ 329,171	\$ 163,694	\$ 212,335	\$ 2,856,479
Occupancy	4,972	24,837	28,091	19,642	3,800	153,803	4,547	239,692
Telephone and postage	844	7,990	10,754	2,232	2,521	2,750	7,907	34,998
Materials and supplies	7,146	847,530	11,264	26,583	5,037	16,278	14,195	928,033
Printing	467	770	1,332	2,726	2,058	82	237	7,672
Volunteer recognition	-	-	-	14,008	-	-	-	14,008
Travel	7,750	139	1,970	2,201	4,280	369	367	17,076
Contracted services	9,494	50,955	52,709	22,225	3,211	119,180	85,772	343,546
Meals	88,101	-	113,531	4,587	-	-	-	206,219
Home health care	-	21,700	525,999	-	-	3,602	-	551,301
Training	-	79	765	-	1,450	-	-	2,294
Insurance	872	129,554	5,037	1,051	195	53,086	16,882	206,677
Advertising and recruitment	355	1,577	2,699	185	666	2,084	2,958	10,524
Other costs	36	-	(90,725)	699	90,938	74,108	14,780	89,836
Taxes	-	2,459	424	-	-	28,584	1,451	32,918
Interest expense	-	-	-	-	-	38,641	-	38,641
Depreciation	2,548	19,079	7,231	19,541	6,567	437,538	-	492,504
Amortization	-	-	-	-	-	6,931	-	6,931
Total operating expenses	\$ 262,075	\$ 1,910,711	\$ 1,694,367	\$ 300,141	\$ 449,894	\$ 1,100,730	\$ 361,431	\$ 6,079,349

See accompanying notes to consolidated financial statements.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Nutrition</u>	<u>Transportation</u>	<u>In-Home Services</u>	<u>Health & Wellness</u>	<u>Information/ Referral/Outreach</u>	<u>Housing</u>	<u>Management & General</u>	<u>2022 Total</u>
OPERATING EXPENSES								
Personnel costs	\$ 117,275	\$ 664,556	\$ 943,909	\$ 185,438	\$ 300,192	\$ 180,061	\$ 163,297	\$ 2,554,728
Occupancy	4,902	28,654	27,486	19,221	2,365	204,720	3,956	291,304
Telephone and postage	686	6,961	10,844	1,142	1,863	2,345	7,537	31,378
Materials and supplies	3,279	260,532	23,295	20,370	4,154	67,733	21,867	401,230
Printing	434	676	738	2,021	1,615	36	168	5,688
Volunteer recognition	-	-	225	639	-	-	-	864
Travel	7,200	41	1,362	1,304	3,566	3,238	612	17,323
Contracted services	3,306	124,634	70,748	28,161	3,996	182,038	62,393	475,276
Meals	105,829	-	74,681	2,129	-	-	-	182,639
Home health care	-	32,883	464,915	-	-	-	-	497,798
Training	-	-	214	-	-	-	232	446
Insurance	407	122,032	7,942	1,051	407	66,215	28,243	226,297
Advertising and recruitment	779	1,359	2,909	422	75	1,743	2,444	9,731
Other costs	-	-	(80,460)	730	80,541	75,631	6,974	83,416
Taxes	-	1,229	-	-	-	32,384	14	33,627
Interest expense	-	-	-	-	-	54,505	-	54,505
Depreciation	2,433	16,916	6,412	17,780	6,123	468,678	15	518,357
Amortization	-	-	-	-	-	6,931	-	6,931
Total operating expenses	\$ 246,530	\$ 1,260,473	\$ 1,555,220	\$ 280,408	\$ 404,897	\$ 1,346,258	\$ 297,752	\$ 5,391,538

See accompanying notes to consolidated financial statements.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

CASH FLOWS FROM OPERATING ACTIVITIES:	<u>2023</u>	<u>2022</u>
Increase (decrease) in net assets before non-controlling interest	\$ 287,577	\$ 551,736
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	499,641	525,493
Forgiveness of debt	24,905	-
Gain (loss) on sale of Cunot	-	(195,642)
Increase (decrease) in cash from changes in:		
Grants receivable	(307,858)	(54,347)
Accounts receivable	(14,565)	169,212
Prepaid expenses	71,960	(99,409)
Restricted cash	(9,340)	(2,385)
Accounts payable	(5,386)	253,716
Accrued payroll, taxes and related expenses	13,058	(1,275)
Security deposits	1,483	(2,734)
Prepaid rent	(25,020)	24,267
Net cash provided by (used in) operating activities	<u>536,455</u>	<u>1,168,632</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from disposal of equipment	(1,160,415)	877,938
Purchase of property and equipment	(45,617)	(170,858)
Net change in beneficial interest	(1,336)	6,716
Net cash provided by (used in) investing activities	<u>(1,207,368)</u>	<u>713,796</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Distributions	(9,930)	(7,390)
Principal payments against notes payable	(115,424)	(512,941)
Net cash provided by (used in) financing activities	<u>(125,354)</u>	<u>(520,331)</u>
NET INCREASE (DECREASE) IN CASH	<u>(796,267)</u>	<u>1,362,097</u>
CASH, BEGINNING OF YEAR	<u>3,844,540</u>	<u>2,482,443</u>
CASH, END OF YEAR	<u>\$ 3,048,273</u>	<u>\$ 3,844,540</u>
Supplemental disclosures of cash flow Information:		
Cash paid during the year for interest	<u>\$ 37,425</u>	<u>\$ 39,746</u>

See accompanying notes to consolidated financial statements.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

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

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of Area 10 Council on Aging of Monroe and Owen Counties, Inc., and its wholly owned subsidiary, Area 10 Development, Inc. Area 10 Development, Inc. serves as the general partner for Cunot Apartments, L.P., Edgewood Village Apartments, L.P., and serves as a managing member of Patterson Pointe Senior Residence, LLC. Area 10 Development, Inc. has a 1% ownership interest in Cunot Apartments L.P. and a .051% interest in Patterson Pointe Senior Residence, LLC. Edgewood Village Apartments, L.P. is wholly owned by Area 10 Development, Inc. In accordance with FASB ASC 958-810-15-14, consolidation is required for each of the previously mentioned entities and all material intercompany transactions have been eliminated in the consolidation. On December 31, 2021, the limited partnership interest for Cunot Apartments L.P. was transferred to Area Ten Development, Inc. On May 11, 2022. Cunot Apartments was sold.

NATURE OF OPERATIONS

Area 10 Council on Aging of Monroe and Owen Counties, Inc. and Subsidiaries (the “Organization”) was incorporated in 1978, under the laws of the State of Indiana. Area 10 Council on Aging of Monroe and Owen Counties, Inc. is a not-for-profit, charitable, and community-based organization that is also a designated Area Agency on Aging for Monroe and Owen counties in the state of Indiana. The Organization’s mission is to serve as a leader in providing resources, solutions and connections for seniors, persons with disabilities and family caregivers living in Monroe and Owen counties. The Organization’s operations are funded through grants and contracts from federal and state governmental agencies, private foundations, the United Way, and individual donors.

In 1997, the Organization formed Area 10 Development, Inc. (the “Subsidiary” as a wholly owned subsidiary under the laws of the State of Indiana. The purpose of the Subsidiary is to acquire, construct, rehabilitate, own, finance, lease, and operate qualified low-income-housing tax credit property. In that same year, Cunot Apartments, L.P. and Edgewood Village Apartments, L.P. were formed for the purpose of constructing, owning and operating apartment complexes consisting of 24 and 48 units each, respectively. Units in both apartment complexes are rented to qualified low-income individuals, and, as a result, federal income tax credits are available to investors.

In 2010 Patterson Pointe Senior Residence, LLC was formed by MV Patterson Pointe Senior Residence, LLC, a managing member, to acquire, own, and operate a 61-unit residential property to be rented to qualified low-income individuals. In 2012, Area 10 Development, Inc. was admitted as a managing member of Patterson Pointe Senior Residence, LLC. MV Patterson Pointe Senior Residence, LLC and Area 10 Development, Inc. hold .048% and .051% interest in Patterson Pointe Senior Residence, LLC, respectively.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

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

BASIS OF ACCOUNTING

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

INCOME TAX STATUS

Area 10 Council on Aging of Monroe and Owen Counties, Inc. is exempt from income tax under Internal Revenue Code Section 501(c)(3) and a similar section of the Indiana Code. Consequently, the accompanying financial statements do not generally include any provision for income taxes. The Internal Revenue Service classifies the Area 10 Council on Aging of Monroe and Owen Counties, Inc. as other than a private foundation under internal Revenue Code Section 509(a)(1).

The mission of the Subsidiary and related partnerships and limited liability company were considered to be related to the mission of the Organization and therefore, no provision for unrelated business income tax has been made for federal income taxes.

The Organization files the required federal and state information returns. Whenever tax returns are filed, the filing organization must evaluate the merits of its tax positions and determine if they will be ultimately sustained. Those tax positions for the Organization include maintaining their tax-exempt status and the taxability of any unrelated business income. The Organization believes these positions are sustainable. Although the Organization has not incurred any interest and penalties associated with these positions, it is their policy to expense them in the statement of activities. With few exceptions, the Organization is generally no longer subject to examination by taxing authorities for years before June 30, 2020.

FINANCIAL STATEMENT PRESENTATION

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board. Per the applicable standards, Area 10 Council on Aging of Monroe and Owen Counties, Inc. is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. A description of the net asset classes follows:

Net assets without donor restrictions represent the portion of net assets of Area 10 Council on Aging of Monroe and Owen Counties, Inc. that is not subject to donor-imposed restrictions. Net assets without donor restrictions include expendable funds available for the support of the Organization. Board designated net assets are net assets without donor restrictions with self-imposed designations by action of the governing board.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

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

FINANCIAL STATEMENT PRESENTATION – (continued)

Net assets with donor restrictions represent contributions and other inflows of assets whose use by Area 10 Council on Aging of Monroe and Owen Counties, Inc. is limited by donor-imposed stipulations that either expire by passage of time, can be fulfilled and removed by actions of Area 10 Council on Aging of Monroe and Owen Counties, Inc. pursuant to those stipulations, or net assets that must be held in perpetuity.

Net assets with donor restrictions also include, pursuant to Indiana law, cumulative appreciation, and reinvested gains on net assets with donor restrictions that are held in perpetuity, which have not been appropriated by the Board of Directors.

CASH AND CASH EQUIVALENTS

The Organization considers time deposits, certificates of deposit, and other highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

RESTRICTED CASH

Restricted cash consists of designated operating reserves and replacement reserves escrow of the Subsidiaries. The replacement reserve escrow is required by the permanent mortgage for Patterson Pointe Senior Residence, LLC. Withdrawals are subject to certain conditions and restrictions as defined in the loan agreement.

GRANTS, CONTRIBUTIONS AND ACCOUNTS RECEIVABLE

Grants and contributions receivable consist of reimbursements due under government cost-reimbursement awards and unconditional promises to give to the Organization. All amounts are due within one year, and no allowance for uncollectible receivables is considered necessary. Accounts receivable consist primarily of amounts due for services rendered, and no allowance for uncollectible receivables is considered necessary. Accounts receivable consist primarily of amounts due for services rendered.

Accounts receivable are stated as unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third party contracts and other circumstances. Receivables are considered impaired if full payment is not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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

REVENUE RECOGNITION

The majority of the Organization's revenue is earned under cost-reimbursement awards from governmental agencies. Revenues are recognized under such awards when costs allowable under the terms of the awards are incurred. Advances received in excess of allowable costs are reported as liabilities. Fees for services are recognized as revenue when performance obligations are satisfied, which is at the point of service. Fees received in advance of substantial performance are reported as liabilities. Deposits received from customers prior to the date of the performance of services are recorded as deferred revenue.

The Organization reports grants and contributions of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. However, contributions received with donor-imposed restrictions in which the restrictions are satisfied in the same reporting period received are reported as net assets without donor restrictions.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Amortization of the discounts is included in contributions revenue. Conditional promises to give are not recognized as revenue until the conditions are substantially met.

Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance non-financial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated. The value of contributed services meeting the criteria for recognition and recognized in the accompanying financial statements was \$851 and \$1,376 for the years ended June 30, 2023 and 2022, respectively. Management estimates the value of contributed services received during the years ended June 30, 2023 and 2022 that did not meet the criteria for recognition to be \$71,869 and \$69,628, respectively.

The Organization uses certain facilities for its programs without charge or at reduced charge. The difference between the fair value for the use of these facilities and their cost are recognized as revenue and expense. In addition, the Organization receives supplies and materials without charge. The Organization recognized \$63,543 and \$54,408 of revenue for contributed facilities, supplies and materials in the accompanying consolidated financial statements during the years ended June 30, 2023 and 2022, respectively.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

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

PROPERTY AND EQUIPMENT

Property and equipment is stated at cost, if acquired, or at fair value at the date of receipt, if donated, less accumulated depreciation. Equipment with a unit cost below \$5,000 is expensed in the period acquired. Depreciation is computed by the straight-line method over the estimated useful lives of the assets, which are generally as follows:

Building	10 - 40 years
Equipment.....	5 - 10 years

Substantially all of the Organization's equipment has been purchased with funds provided by the State of Indiana and are therefore owned by the State of Indiana. Disposition of these assets, as well as the ownership of any sale proceeds, is subject to funding source and other regulatory directives. Expenditures for maintenance and repairs are expensed when incurred.

Depreciation expense on corporate owned and related housing partnerships' property and equipment totaled \$492,504 and \$518,357 for the years ended June 30, 2023 and 2022, respectively.

USE OF ESTIMATES

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

- Revenue earned from cost-reimbursement awards. The majority of the Organization's revenue is earned on such awards from governmental agencies that are governed by cost principles and other administrative and programmatic regulations and are subject to audit by regulatory authorities. It is at least reasonably possible that revenue earned under such awards will be adjusted upon audit.
- The valuation of contributed facilities, which is based on rents for comparable facilities.
- The allocations of costs among programs and the supporting services, which are based on time and facility usage studies and other cost allocation methods.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

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

COST ALLOCATION

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and in the Statements of Functional Expenses.

Joint costs (including general and administrative costs) are allocated to programs, grants and contracts using a base that is most appropriate to those particular costs. Considerations in determining an appropriate base include:

- The relative benefit
- The materiality of the cost
- The amount of time and cost to perform the allocation

Cost allocation methods are as follows:

- All allowable direct costs are charged directly whenever possible.
- All allowable joint or shared costs are allocated to the benefiting programs using a rationale most appropriate for that cost. Some costs will be further allocated to multiple funding sources, when applicable.
- All other allowable general and administrative costs are allocated using an appropriate rationale which fairly allocates costs based on benefits to the particular program.

The Organization's cost allocation plan is revised if significant changes occur during the year. Examples necessitating a revision include if programs are added, terminated, or substantially changed. In addition, if square footage is substantially changed during the year, a revision will be made.

FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the price that would be received for an asset or paid to transfer a liability (an exit price) in the Organization's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The standard establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

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

FAIR VALUE OF FINANCIAL INSTRUMENTS – (continued)

Level 3: Significant unobservable inputs that reflect a reporting entity’s own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement the entire fair value measurement in the hierarchy.

The fair value of endowment funds held by Monroe County Community Foundation and Owen County Community Foundation are based on the Organization’s proportionate share of the foundations’ pooled investment portfolios. Management reviews the valuations and returns but does not receive a detailed listing of the portfolios. The Organization does not have the ability to redeem the funds on a short-term basis. Withdrawals are limited to the terms of the agreements with the foundations.

The endowment funds are described in Note 6 and are classified as Level 2 investments.

ACCOUNTING FOR IMPAIRMENT

As required by the “Accounting for Impairment or Disposal of Long-Lived Assets” topic of the FASB Accounting Standards Codification, long-lived assets and certain identifiable intangibles held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. This standard has not materially affected the Organization’s net change in unrestricted net assets, statement of financial position or statement of cash flows.

SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 7, 2023, which is the date the financial statements were available to be issued.

NOTE 2 – BENEFICIAL INTERESTS

The Organization has established endowment funds with the Monroe County Community Foundation and the Owen County Community Foundation, and the Organization is the named beneficiary of the funds. The funds are reported at fair value with a combined balance of \$38,845 and \$37,509 for the years ended June 30, 2023 and 2022, respectively. The year-end values are determined by the Foundations based on market values of the underlying investments. The endowment funds consist of the amounts transferred to the Foundations by the Organization and the related changes in the market value. Annually, the Organization receives a distribution of a percentage of the average fund balance in the funds.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 3 – CONCENTRATION OF RISK

The Organization maintains its cash balance at multiple banks. The accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for the years ended June 30, 2023 and 2022. At June 30, 2023 and 2022, the Organization had uninsured balances of \$2,884,690 and \$2,297,161 respectively.

All of the Organization's programs and activities occur in Central Indiana. Consequently, its sources of support and revenue may be affected by conditions in that area. In addition, for the years ended June 30, 2023 and 2022 approximately 71% and 78% of total revenues, respectively, were received from state and federal governmental sources, with approximately 37% and 39% of total revenues, respectively, received from Indiana Family and Social Services Administration.

Grants receivable are due primarily from Indiana Family and Social Services Administration under contracts and cost-reimbursement grants, which represent a concentration of credit risk.

NOTE 4 – LONG-TERM DEBT

The Organization entered into an agreement with the City of Bloomington to borrow up to \$402,000 of Federal HOME Investment Partnership funds for use in the Patterson Pointe Senior Residence housing project. The note bears an interest rate of 0.0% and matures in June 2032. As of June 30, 2023 and 2022 the note balance was \$402,000 and \$402,000, respectively.

Long-term debt of Edgewood Village L.P. consists of the following as of June 30, 2023 and 2022:

Note payable – 8.15% per annum secured by real property, payable in monthly installments of \$5,210 with interest maturing on February 8, 2015. This note was refinanced in February 2015 with principal and interest payments of \$4,906 per month with an annual interest rate of 4.5%. In December 2016, the note was again refinanced with German American Bank in the amount of \$672,912. The mortgage matures on December 9, 2031, with a three-year fixed rate of 3.94% that converts to a three-year adjustable rate using the three-year U.S. Treasury rate index plus 3.25% margin. Collateral is the first real estate mortgage plus assignment of rents and leases on the land and buildings of Edgewood Village. The balance on the note at June 30, 2023 and 2022 was \$437,014 and \$479,405, respectively.

Net deferred financing costs of \$4,714 and \$4,919 for the years ended June 30, 2023 and 2022, respectively, have been offset against notes payable on the statement of financial position.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 4 – LONG-TERM DEBT - (continued)

Estimated maturities of mortgage at June 30, 2023 for each of the next five years and in the aggregate, are as follows:

	2024	\$	44,067
	2025		45,905
	2026		47,773
	2027		49,717
	2028		57,716
	Thereafter		191,836
			437,014
Less: deferred financing costs			(4,714)
			\$ 432,300

Long-term debt of Patterson Pointe Senior Residence, LLC consists of the following as of June 30, 2023 and 2022:

Mortgage loan – The property of Patterson Pointe Senior Residence, LLC was pledged as security on a construction loan with a bank. The construction loan matured in July 2014 and was converted to a permanent mortgage note which will mature 18 years after the conversion date. The mortgage note bears interest pursuant to Fannie Mae guidelines, which was 5.75% as of June 30, 2023 and 2022. Principal and interest will be due monthly based on a 30-year amortization period. The unpaid principal and interest are due July 2030.

Net deferred financing costs of \$7,069 and \$8,080 for the years ended June 30, 2023 and 2022, respectively, have been offset against notes payable on the statement of financial position.

Promissory note – The \$500,000 note is secured by a mortgage on Patterson Pointe Senior Residence, LLC real estate to an unrelated affiliate. The note bears an interest rate of 0.0%. Annual principal payments will be made each year to the extent cash flow is available for distribution in accordance with the operating agreement. As of June 30, 2023 and 2022 the note balance was \$350,001 and \$393,751, respectively.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 4 – LONG-TERM DEBT - (continued)

Estimated maturities of mortgage at June 30, 2023 for each of the next five years and in the aggregate, are as follows:

	Mortgage	Home Loan	Total
2024	\$ 6,838	\$ -	\$ 6,838
2025	7,198	-	7,198
2026	7,678	-	7,678
2027	8,138	-	8,138
2028	8,625	-	8,625
Thereafter	265,822	350,001	615,823
	304,299		654,300
Less: deferred financing costs	(7,069)	-	(7,069)
	\$ 297,230	\$ -	\$ 647,231

NOTE 5 – LINE OF CREDIT

The Organization has a \$160,000 line of credit with a maturity date of March 2024. The line bears an interest rate of .5% over the Prime Rate rounded to the nearest .125 percent. As of June 30, 2023 and 2022 there was no outstanding balance on the line of credit.

NOTE 6 - ENDOWMENT

The Organization’s endowment consists of two funds managed by two separate community foundations. As required by applicable standards, net assets associated with endowment funds, including those designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of UPMIFA:

The Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

The Organization’s beneficial interest in endowment funds represent board-designated funds and are not subject to donor restrictions. Therefore, the endowment funds are considered unrestricted net assets.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 6 - ENDOWMENT - (continued)

Changes in endowment net assets for the year ended June 30, 2023 and 2022:

	2023	2022
	<u>Unrestricted</u>	<u>Unrestricted</u>
Endowment funds, beginning of year	\$ 37,509	\$ 44,225
Net investment return	3,292	(5,178)
Distributions	<u>(1,956)</u>	<u>(1,538)</u>
Endowment funds, end of year	<u>\$ 38,845</u>	<u>\$ 37,509</u>

Investment Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation and current yield. The Organization's portfolio offers pooled investments that are diversified among asset classes and investment styles as offered by the Monroe County Community Foundation and Owen County Community Foundations, thus minimizing the risk of large losses over a defined investment horizon.

Return Objectives and Risk Parameters

The Organization has adopted spending and investment policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include board designated assets. Under this policy, the endowment assets are invested in a way to ensure the future growth of the assets is sufficient to exceed the rate of inflation and provide for distribution of earnings, net of fees. All investment decisions have been delegated to the Monroe County Community Foundation and Owen County Community Foundation.

Spending Policy

The spending rate for distributable earnings will be set by the Monroe County Community Foundation and Owen County Community Foundations each year. The foundations act prudently and responsibly when deciding on a distribution that will allow for growth in the endowment fund over the course of Directors oversees the funds' assets held by the foundations, taking into account the purposes, terms and distribution requirements expressed by the governing instruments. The Board of Directors will exercise reasonable care, skill, and caution in order to ensure preservation of all funds.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 7 – RETIREMENT PLAN

The Organization maintains a 401(k) Profit Sharing Plan and Trust offered through a PEO. The plan covers all eligible employees. Employees may contribute the maximum amount allowed. The Organization does not make any matching or elective contributions.

NOTE 8 – NON-CONTROLLING INTEREST IN SUBSIDIARIES

As described in Note 1, the Organization has invested in various partnerships in which it holds controlling interest and therefore presents the financial statement of these partnerships consolidated with the financial statements of the Organization.

The changes in the controlling and non-controlling interest in the net assets of the Organization for the years ending June 30, 2023 and 2022 are as follows:

	<u>Controlling Interest</u>	<u>Non-controlling Interest</u>	<u>Total</u>
Balance July 1, 2021	\$ (127,662)	\$ 4,989,098	\$ 4,861,436
Transfer or controlling interest	-	332,843	332,843
Net change in net assets	<u>(195,690)</u>	<u>(304,514)</u>	<u>(500,204)</u>
Balance June 30, 2022	\$ (323,352)	\$ 5,017,427	\$ 4,694,075
Transfer or controlling interest	-	-	-
Net change in net assets	<u>(101,924)</u>	<u>(308,924)</u>	<u>(410,848)</u>
Balance June 30, 2023	<u>\$ (425,276)</u>	<u>\$ 4,708,503</u>	<u>\$ 4,283,227</u>

NOTE 9 – BOARD DESIGNATED NET ASSETS

For the years ended June 30, 2023 and 2022, the Organization had board designated net assets as follows:

	<u>2023</u>	<u>2022</u>
Cash reserves	\$ 478,604	\$ 478,604
Building reserves	<u>148,631</u>	<u>109,000</u>
	<u>\$ 627,235</u>	<u>\$ 587,604</u>

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 10 – INFORMATION ABOUT LIQUIDITY

The Organization’s main funding sources are cost reimbursement government grants and contracts. Other funding includes project income, income, rental income, and donations. Liquid assets include cash, cash equivalents and receivables. The board has designated some net assets as discussed in Note 9 for cash and building reserves. As discussed in Note 5, the Organization also has a \$160,000 line of credit available to meet cash needs.

For the purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing program and support activities to be general expenditures.

The following represents financial assets available for cash needs for general expenditures within one year:

	2023	2022
Cash and cash equivalents	\$ 3,048,273	\$ 3,844,540
Certificates of Deposit	1,160,415	-
Grants receivable	1,007,337	699,479
Accounts receivable	40,274	39,252
Total financial assets	5,256,299	4,583,271
Less board designated net assets	(627,235)	(587,604)
Financial assets available for cash needs for general expenditures within one year	\$ 4,629,064	\$ 3,995,667

SUPPLEMENTARY INFORMATION



Independent Auditor's Report on Supplementary Information

Board of Directors
Area 10 Council on Aging of Monroe and Owen Counties, Inc.
Ellettsville, Indiana

We have audited of the consolidated financial statements of Area 10 Council on Aging of Monroe and Owen Counties, Inc. and Subsidiaries as of and for the years ended June 30, 2023 and 2022, and our report thereon dated December 7, 2023, which expressed an unmodified opinion on those consolidated financial states, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information (shown on pages 24 through 33) is presented for the purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.
Indianapolis, Indiana
December 7, 2023

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2023**

	ASSETS						2023 Consolidated Total
	Parent	Subsidiaries (Unrestricted)					
	Unrestricted	Area Ten Development, Inc.	Cunot Apartments, L.P.	Edgewood Village Apartments, L.P.	Patterson Pointe Senior Residence, LLC	Eliminations	
CURRENT ASSETS:							
Cash and cash equivalents	\$ 2,803,334	\$ -	\$ -	\$ 210,517	\$ 34,422	\$ -	\$ 3,048,273
Certificate of deposit	1,160,415	-	-	-	-	-	1,160,415
Restricted cash - reserves	-	-	-	-	265,902	-	265,902
Grants receivable	1,007,337	-	-	-	-	-	1,007,337
Accounts receivable	226,456	-	-	1,952	2,679	(190,813)	40,274
Accounts receivable - related party	97,594	-	-	-	-	(97,594)	-
Prepaid expenses	-	-	-	-	219,194	-	219,194
Total current assets	<u>5,295,136</u>	<u>-</u>	<u>-</u>	<u>212,469</u>	<u>522,197</u>	<u>(288,407)</u>	<u>5,741,395</u>
FIXED ASSETS:							
Land	-	-	-	170,663	733,144	-	903,807
Building	1,419,405	-	-	2,894,066	8,146,509	-	12,459,980
Leasehold improvements	-	-	-	525,123	-	-	525,123
Equipment	282,504	-	-	1,136	253,056	-	536,696
	1,701,909	-	-	3,590,988	9,132,709	-	14,425,606
Less accumulated depreciation	(1,043,027)	-	-	(2,012,028)	(3,827,283)	-	(6,882,338)
Total fixed assets, net	<u>658,882</u>	<u>-</u>	<u>-</u>	<u>1,578,960</u>	<u>5,305,426</u>	<u>-</u>	<u>7,543,268</u>
OTHER ASSETS							
Notes receivable	873,837	-	-	-	-	(873,837)	-
Organizational costs	-	-	-	-	69,321	-	69,321
Less: accumulated amortization	-	-	-	-	(68,708)	-	(68,708)
	873,837	-	-	-	613	(873,837)	613
Investment in subsidiaries	(212,638)	(212,638)	-	-	-	425,276	-
Beneficial interest	38,845	-	-	-	-	-	38,845
Total other assets, net	<u>700,044</u>	<u>(212,638)</u>	<u>-</u>	<u>-</u>	<u>613</u>	<u>(448,561)</u>	<u>39,458</u>
Total assets	<u>\$ 6,654,062</u>	<u>\$ (212,638)</u>	<u>\$ -</u>	<u>\$ 1,791,429</u>	<u>\$ 5,828,236</u>	<u>\$ (736,968)</u>	<u>\$ 13,324,121</u>

See Independent Auditor's Report on Supplementary Information

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION – (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

	LIABILITIES AND NET ASSETS						2023 Consolidated Total
	Parent	Subsidiaries (Unrestricted)					
	Unrestricted	Area Ten Development, Inc.	Cunot Apartments, L.P.	Edgewood Village Apartments, L.P.	Patterson Pointe Senior Residence, LLC	Eliminations	
CURRENT LIABILITIES:							
Accounts payable	\$ 148,113	\$ -	\$ -	\$ 229,663	\$ 14,866	\$ (223,151)	\$ 169,491
Accrued payroll, taxes, and related expenses	-	-	-	-	41,463	-	41,463
Accrued vacation	85,124	-	-	-	-	-	85,124
Security deposits payable	4,280	-	-	26,658	14,647	-	45,585
Deferred revenue	-	-	-	-	1,240	-	1,240
Current portion - long term debt	-	-	-	44,067	6,838	-	50,905
Total current liabilities	<u>237,517</u>	<u>-</u>	<u>-</u>	<u>300,388</u>	<u>79,054</u>	<u>(223,151)</u>	<u>393,808</u>
LONG TERM LIABILITIES							
Notes payable	402,000	-	-	860,070	1,042,393	(873,837)	1,430,626
Developer fee and accrued interest	-	-	-	841,895	-	(840,286)	1,609
Total long-term liabilities	<u>402,000</u>	<u>-</u>	<u>-</u>	<u>1,701,965</u>	<u>1,042,393</u>	<u>(1,714,123)</u>	<u>1,432,235</u>
Total liabilities	<u>639,517</u>	<u>-</u>	<u>-</u>	<u>2,002,353</u>	<u>1,121,447</u>	<u>(1,937,274)</u>	<u>1,826,043</u>
NET ASSETS:							
Unrestricted net assets - undesignated	6,227,183	-	-	(210,924)	(1,714)	775,030	6,789,575
Parent interest in unrestricted net assets	(212,638)	(212,638)	-	-	-	425,276	-
Non-controlling interest in net assets	-	-	-	-	4,708,503	-	4,708,503
Total net assets	<u>6,014,545</u>	<u>(212,638)</u>	<u>-</u>	<u>(210,924)</u>	<u>4,706,789</u>	<u>1,200,306</u>	<u>11,498,078</u>
Total liabilities and net assets	<u>\$ 6,654,062</u>	<u>\$ (212,638)</u>	<u>\$ -</u>	<u>\$ 1,791,429</u>	<u>\$ 5,828,236</u>	<u>\$ (736,968)</u>	<u>\$ 13,324,121</u>

See Independent Auditor's Report on Supplementary Information

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2022**

	ASSETS						2022 Consolidated Total
	Parent	Subsidiaries (Unrestricted)				Eliminations	
	Unrestricted	Area Ten Development, Inc.	Cunot Apartments, L.P.	Edgewood Village Apartments, L.P.	Patterson Pointe Senior Residence, LLC		
CURRENT ASSETS:							
Cash and cash equivalents	\$ 3,342,197	\$ -	\$ 262,002	\$ 160,494	\$ 79,847	\$ -	\$ 3,844,540
Restricted cash - reserves	-	-	-	-	256,562	-	256,562
Grants receivable	699,479	-	-	-	-	-	699,479
Accounts receivable	164,571	-	-	5,181	117	(130,617)	39,252
Accounts receivable - related party	97,599	-	-	-	-	(97,599)	-
Prepaid expenses	89,349	-	-	-	201,805	-	291,154
Total current assets	4,393,195	-	262,002	165,675	538,331	(228,216)	5,130,987
FIXED ASSETS:							
Land	-	-	-	170,663	733,144	-	903,807
Building	1,419,405	-	-	2,894,066	8,138,754	-	12,452,225
Leasehold improvements	-	-	-	514,098	-	-	514,098
Equipment	260,479	-	-	1,136	248,244	-	509,859
	1,679,884	-	-	3,579,963	9,120,142	-	14,379,989
Less accumulated depreciation	(987,377)	-	-	(1,920,092)	(3,482,364)	-	(6,389,833)
Total fixed assets, net	692,507	-	-	1,659,871	5,637,778	-	7,990,156
OTHER ASSETS							
Notes receivable	1,155,303	-	-	-	-	(1,155,303)	-
Accrued interest receivable, net of allowance	193,881	-	-	-	-	(193,881)	-
Organizational costs	-	-	-	-	69,321	-	69,321
Less: accumulated amortization	-	-	-	-	(61,778)	-	(61,778)
	1,349,184	-	-	-	7,543	(1,349,184)	7,543
Investment in subsidiaries	(161,676)	(161,676)	-	-	-	323,352	-
Beneficial interest	37,509	-	-	-	-	-	37,509
Total other assets, net	1,225,017	(161,676)	-	-	7,543	(1,025,832)	45,052
Total assets	\$ 6,310,719	\$ (161,676)	\$ 262,002	\$ 1,825,546	\$ 6,183,652	\$ (1,254,048)	\$ 13,166,195

See Independent Auditor's Report on Supplementary Information

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION – (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

LIABILITIES AND NET ASSETS

	Parent	Subsidiaries (Unrestricted)				Eliminations	2022 Consolidated Total
	Unrestricted	Area Ten Development, Inc.	Cunot Apartments, L.P.	Edgewood Village Apartments, L.P.	Patterson Pointe Senior Residence, LLC		
CURRENT LIABILITIES:							
Accounts payable	\$ 153,814	\$ -	\$ -	\$ 171,100	\$ 12,923	\$ (162,960)	\$ 174,877
Accrued payroll, taxes, and related expenses	-	-	-	-	42,378	-	42,378
Accrued vacation	71,151	-	-	-	-	-	71,151
Security deposits payable	3,820	-	-	26,338	13,946	-	44,104
Deferred revenue	25,072	-	-	-	1,188	-	26,260
Current portion - long term debt	-	-	-	41,523	6,452	-	47,975
Total current liabilities	<u>253,857</u>	<u>-</u>	<u>-</u>	<u>238,961</u>	<u>76,887</u>	<u>(162,960)</u>	<u>406,745</u>
LONG TERM LIABILITIES							
Notes payable	402,000	-	281,466	904,800	1,090,903	(1,155,303)	1,523,866
Developer fee and accrued interest	-	-	207,424	841,896	-	(1,034,167)	15,153
Total long-term liabilities	<u>402,000</u>	<u>-</u>	<u>488,890</u>	<u>1,746,696</u>	<u>1,090,903</u>	<u>(2,189,470)</u>	<u>1,539,019</u>
Total liabilities	<u>655,857</u>	<u>-</u>	<u>488,890</u>	<u>1,985,657</u>	<u>1,167,790</u>	<u>(2,352,430)</u>	<u>1,945,764</u>
NET ASSETS:							
Unrestricted net assets - undesignated	5,816,538	-	-	(160,111)	(1,565)	775,030	6,429,892
Parent interest in unrestricted net assets	(161,676)	(161,676)	(226,888)	-	-	323,352	(226,888)
Non-controlling interest in net assets	-	-	-	-	5,017,427	-	5,017,427
Total net assets	<u>5,654,862</u>	<u>(161,676)</u>	<u>(226,888)</u>	<u>(160,111)</u>	<u>5,015,862</u>	<u>1,098,382</u>	<u>11,220,431</u>
Total liabilities and net assets	<u>\$ 6,310,719</u>	<u>\$ (161,676)</u>	<u>\$ 262,002</u>	<u>\$ 1,825,546</u>	<u>\$ 6,183,652</u>	<u>\$ (1,254,048)</u>	<u>\$ 13,166,195</u>

See Independent Auditor's Report on Supplementary Information

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2023**

	Parent	Subsidiaries (Unrestricted)					Eliminations	2023 Consolidated Total
	Unrestricted	Area Ten Development, Inc.	Cunot Apartments, L.P.	Edgewood Village Apartments, L.P.	Patterson Pointe Senior Residence, LLC			
REVENUE AND OTHER SUPPORT								
Federal grant revenue	\$ 1,698,285	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,698,285
State grant revenue	1,249,410	-	-	-	-	-	-	1,249,410
County support	615,541	-	-	-	-	-	-	615,541
Service fees	592,970	-	-	-	-	-	-	592,970
Project income	203,179	-	-	-	-	(122,100)	-	81,079
Medicaid	1,146,174	-	-	-	-	-	-	1,146,174
Donations:								
Indirect public support - United Way	27,005	-	-	-	-	-	-	27,005
Direct public support	98,473	-	-	-	-	-	-	98,473
Rental income	-	-	-	280,858	434,429	-	-	715,287
Miscellaneous income	68,014	-	-	(151)	12,075	-	-	79,938
Forgiveness of debt - related party	(251,793)	-	226,888	-	-	-	-	(24,905)
In-kind support	64,394	-	-	-	-	-	-	64,394
Investment income (loss) - subsidiaries	(50,962)	(50,962)	-	-	-	101,924	-	-
Investment income	23,154	-	-	121	-	-	-	23,275
	5,483,844	(50,962)	226,888	280,828	446,504	(20,176)		6,366,926
Net assets released from restrictions	-	-	-	-	-	-	-	-
Total revenue and other support	\$ 5,483,844	\$ (50,962)	\$ 226,888	\$ 280,828	\$ 446,504	\$ (20,176)		\$ 6,366,926

See Independent Auditor's Report on Supplementary Information.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS – (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

	Parent	Subsidiaries (Unrestricted)					2023
	Unrestricted	Area Ten Development, Inc.	Cunot Apartments, L.P.	Edgewood Village Apartments, L.P.	Patterson Pointe Senior Residence, LLC	Eliminations	Consolidated Total
OPERATING EXPENSES							
Program services:							
Nutrition	\$ 262,075	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 262,075
Transportation	1,910,711	-	-	-	-	-	1,910,711
In-Home services	1,694,367	-	-	-	-	-	1,694,367
Health & Wellness	300,141	-	-	-	-	-	300,141
Information/Referral/Outreach	449,894	-	-	-	-	-	449,894
Housing	145,542	-	-	331,641	745,647	(122,100)	1,100,730
Total program expenses	<u>4,762,730</u>	<u>-</u>	<u>-</u>	<u>331,641</u>	<u>745,647</u>	<u>(122,100)</u>	<u>5,717,918</u>
Supporting services:							
Management and General	361,431	-	-	-	-	-	361,431
Total supporting services	<u>361,431</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>361,431</u>
Total operating expenses	<u>5,124,161</u>	<u>-</u>	<u>-</u>	<u>331,641</u>	<u>745,647</u>	<u>(122,100)</u>	<u>6,079,349</u>
Increase (decrease) in net assets	<u>359,683</u>	<u>(50,962)</u>	<u>226,888</u>	<u>(50,813)</u>	<u>(299,143)</u>	<u>101,924</u>	<u>287,577</u>
NET ASSETS - BEGINNING OF YEAR	5,654,862	(161,676)	(226,888)	(160,111)	5,015,862	1,098,382	11,220,431
Non-controlling interest in subsidiary's earnings	-	-	-	-	(298,998)	-	(298,998)
Controlling interest in subsidiary's earnings and parent	359,683	(50,962)	226,888	(50,813)	(145)	101,924	586,575
Distributions	-	-	-	-	(9,930)	-	(9,930)
NET ASSETS - END OF YEAR	<u>\$ 6,014,545</u>	<u>\$ (212,638)</u>	<u>\$ -</u>	<u>\$ (210,924)</u>	<u>\$ 4,706,789</u>	<u>\$ 1,200,306</u>	<u>\$ 11,498,078</u>

See Independent Auditor's Report on Supplementary Information.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2022**

	Parent	Subsidiaries (Unrestricted)				Eliminations	2022 Consolidated Total
	Unrestricted	Area Ten Development, Inc.	Cunot Apartments, L.P.	Edgewood Village Apartments, L.P.	Patterson Pointe Senior Residence, LLC		
REVENUE AND OTHER SUPPORT							
Federal grant revenue	\$ 2,267,932	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,267,932
State grant revenue	759,142	-	-	-	-	-	759,142
County support	52,369	-	-	-	-	-	52,369
Service fees	695,134	-	-	-	-	-	695,134
Project income	354,207	-	-	-	-	(204,445)	149,762
Medicaid	850,317	-	-	-	-	-	850,317
Donations:							
Indirect public support - United Way	27,005	-	-	-	-	-	27,005
Direct public support	113,619	-	-	-	-	-	113,619
Rental income	-	-	70,785	250,338	438,372	-	759,495
Miscellaneous income	13,285	-	1,876	1,192	6,389	-	22,742
Forgiveness of debt	0	-	-	-	-	-	-
In-kind support	55,784	-	-	-	-	-	55,784
Investment income (loss) - subsidiaries	(97,845)	(97,845)	-	-	-	195,690	-
Investment income	(5,721)	-	-	52	-	-	(5,669)
Total revenue and other support	\$ 5,085,228	\$ (97,845)	\$ 72,661	\$ 251,582	\$ 444,761	\$ (8,755)	\$ 5,747,632

See Independent Auditor's Report on Supplementary Information.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS – (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

	Parent	Subsidiaries (Unrestricted)				Eliminations	2022
	Unrestricted	Area Ten Development, Inc.	Cunot Apartments, L.P.	Edgewood Village Apartments, L.P.	Patterson Pointe Senior Residence, LLC		Consolidated Total
OPERATING EXPENSES							
Program services:							
Nutrition	\$ 246,530	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 246,530
Transportation	1,260,473	-	-	-	-	-	1,260,473
In-Home services	1,555,220	-	-	-	-	-	1,555,220
Health & Wellness	280,408	-	-	-	-	-	280,408
Information/Referral/Outreach	404,897	-	-	-	-	-	404,897
Housing	283,500	-	171,421	340,207	742,032	(190,902)	1,346,258
Total program expenses	<u>4,031,028</u>	<u>-</u>	<u>171,421</u>	<u>340,207</u>	<u>742,032</u>	<u>(190,902)</u>	<u>5,093,786</u>
Supporting services:							
Management and General	297,752	-	-	-	-	-	297,752
Total supporting services	<u>297,752</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>297,752</u>
Total operating expenses	<u>4,328,780</u>	<u>-</u>	<u>171,421</u>	<u>340,207</u>	<u>742,032</u>	<u>(190,902)</u>	<u>5,391,538</u>
Increase (decrease) in net assets from continuing operations	<u>756,448</u>	<u>(97,845)</u>	<u>(98,760)</u>	<u>(88,625)</u>	<u>(297,271)</u>	<u>182,147</u>	<u>356,094</u>
Discontinued operations:							
Gain on sale	<u>-</u>	<u>-</u>	<u>195,642</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>195,642</u>
NET ASSETS - BEGINNING OF YEAR	4,898,414	(63,831)	(323,770)	(71,486)	5,320,523	916,235	10,676,085
Non-controlling interest in subsidiary's earnings	-	-	-	-	(297,124)	-	(297,124)
Controlling interest in subsidiary's earnings and parent	756,448	(97,845)	96,882	(88,625)	(147)	182,147	848,860
Distributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,390)</u>	<u>-</u>	<u>(7,390)</u>
NET ASSETS - END OF YEAR	<u>\$ 5,654,862</u>	<u>\$ (161,676)</u>	<u>\$ (226,888)</u>	<u>\$ (160,111)</u>	<u>\$ 5,015,862</u>	<u>\$ 1,098,382</u>	<u>\$ 11,220,431</u>

See Independent Auditor's Report on Supplementary Information.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023**

	Parent	Subsidiaries (Unrestricted)					2023 Consolidated Total
	Unrestricted	Area Ten Development, Inc.	Cunot Apartments, L.P.	Edgewood Village Apartments, L.P.	Patterson Pointe Senior Residence, LLC	Eliminations	
CASH FLOWS FROM OPERATING ACTIVITIES:							
Increase (decrease) in net assets before non-controlling interests	\$ 359,683	\$ (50,962)	\$ 226,888	\$ (50,813)	\$ (299,143)	\$ 101,924	\$ 287,577
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:							
Depreciation and amortization	55,650	-	-	92,141	351,850	-	499,641
Forgiveness of debt - related party	251,793	-	(226,888)	-	-	-	24,905
(Gain) loss on investment in subsidiaries	50,962	50,962	-	-	-	(101,924)	-
Increase (decrease) in cash from changes in:							
Grants receivable	(307,858)	-	-	-	-	-	(307,858)
Accounts receivable	(75,423)	-	-	3,229	(2,562)	60,191	(14,565)
Prepaid expenses	89,349	-	-	-	(17,389)	-	71,960
Restricted cash	-	-	-	-	(9,340)	-	(9,340)
Accounts payable	(5,701)	-	-	58,563	1,943	(60,191)	(5,386)
Accrued payroll, taxes, and related expenses	13,973	-	-	-	(915)	-	13,058
Security deposits	460	-	-	322	701	-	1,483
Deferred revenue	(25,072)	-	-	-	52	-	(25,020)
Net cash provided by (used in) operating activities	<u>407,816</u>	<u>-</u>	<u>-</u>	<u>103,442</u>	<u>25,197</u>	<u>-</u>	<u>536,455</u>
CASH FLOWS FROM INVESTING ACTIVITIES:							
Purchase of certificates of deposit	(1,160,415)	-	-	-	-	-	(1,160,415)
Purchase of property and equipment	(22,025)	-	-	(11,025)	(12,567)	-	(45,617)
Net change in beneficial interest	(1,336)	-	-	-	-	-	(1,336)
Net cash provided by (used in) investing activities	<u>(1,183,776)</u>	<u>-</u>	<u>-</u>	<u>(11,025)</u>	<u>(12,567)</u>	<u>-</u>	<u>(1,207,368)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:							
Distributions	-	-	-	-	(9,930)	-	(9,930)
Principal payments against notes payable	237,097	-	(262,002)	(42,394)	(48,125)	-	(115,424)
Net cash provided by (used in) financing activities	<u>237,097</u>	<u>-</u>	<u>(262,002)</u>	<u>(42,394)</u>	<u>(58,055)</u>	<u>-</u>	<u>(125,354)</u>
NET INCREASE (DECREASE) IN CASH	<u>(538,863)</u>	<u>-</u>	<u>(262,002)</u>	<u>50,023</u>	<u>(45,425)</u>	<u>-</u>	<u>(796,267)</u>
CASH, BEGINNING OF YEAR	<u>3,342,197</u>	<u>-</u>	<u>262,002</u>	<u>160,494</u>	<u>79,847</u>	<u>-</u>	<u>3,844,540</u>
CASH, END OF YEAR	<u>\$ 2,803,334</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 210,517</u>	<u>\$ 34,422</u>	<u>\$ -</u>	<u>\$ 3,048,273</u>
Supplemental disclosures of cash flow information:							
Cash paid during the year for interest	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,378</u>	<u>\$ 19,047</u>	<u>\$ -</u>	<u>\$ 37,425</u>

See Independent Auditor's Report on Supplementary Information.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022**

	Parent	Subsidiaries (Unrestricted)					Eliminations	2022 Consolidated Total
	Unrestricted	Area Ten Development, Inc.	Cunot Apartments, L.P.	Edgewood Village Apartments, L.P.	Patterson Pointe Senior Residence, LLC			
CASH FLOWS FROM OPERATING ACTIVITIES:								
Increase (decrease) in net assets before non-controlling interests	\$ 756,448	\$ (97,845)	\$ 96,882	\$ (88,625)	\$ (297,271)	\$ 182,147	\$ 551,736	
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:								
Depreciation and amortization	50,269	-	33,585	87,294	354,345	-	525,493	
(Gain) loss on sale of Cunot	-	-	(195,642)	-	-	-	(195,642)	
(Gain) loss on investment in subsidiaries	97,845	97,845	-	-	-	(195,690)	-	
Increase (decrease) in cash from changes in:								
Grants receivable	(54,347)	-	-	-	-	-	(54,347)	
Accounts receivable	388,875	-	8,034	25,260	(117)	(252,840)	169,212	
Prepaid expenses	(89,349)	-	-	-	(10,060)	-	(99,409)	
Restricted cash	-	-	-	-	(2,385)	-	(2,385)	
Accounts payable	21,674	-	(138,693)	115,483	2,413	252,839	253,716	
Accrued payroll, taxes, and related expenses	297	-	-	-	(1,572)	-	(1,275)	
Security deposits	590	-	(8,241)	3,167	1,750	-	(2,734)	
Deferred Revenue	25,072	-	-	-	(805)	-	24,267	
Net cash provided by (used in) operating activities	<u>1,197,374</u>	<u>-</u>	<u>(204,075)</u>	<u>142,579</u>	<u>46,298</u>	<u>(13,544)</u>	<u>1,168,632</u>	
CASH FLOWS FROM INVESTING ACTIVITIES:								
Proceeds from sale of property	-	-	877,938	-	-	-	877,938	
Purchase of property and equipment	(110,365)	-	-	(56,700)	(3,793)	-	(170,858)	
Net change in beneficial interest	6,716	-	-	-	-	-	6,716	
Net cash provided by (used in) investing activities	<u>(103,649)</u>	<u>-</u>	<u>877,938</u>	<u>(56,700)</u>	<u>(3,793)</u>	<u>-</u>	<u>713,796</u>	
CASH FLOWS FROM FINANCING ACTIVITIES:								
Accrued interest and developer fees	-	-	(13,544)	-	-	13,544	-	
Distributions	-	-	-	-	(7,390)	-	(7,390)	
Principal payments against notes payable	-	-	(423,219)	(40,533)	(49,189)	-	(512,941)	
Net cash provided by (used in) financing activities	<u>-</u>	<u>-</u>	<u>(436,763)</u>	<u>(40,533)</u>	<u>(56,579)</u>	<u>13,544</u>	<u>(520,331)</u>	
NET DECREASE IN CASH	<u>1,093,725</u>	<u>-</u>	<u>237,100</u>	<u>45,346</u>	<u>(14,074)</u>	<u>-</u>	<u>1,362,097</u>	
CASH, BEGINNING OF YEAR	<u>2,248,472</u>	<u>-</u>	<u>24,902</u>	<u>115,148</u>	<u>93,921</u>	<u>-</u>	<u>2,482,443</u>	
CASH, END OF YEAR	<u>\$ 3,342,197</u>	<u>\$ -</u>	<u>\$ 262,002</u>	<u>\$ 160,494</u>	<u>\$ 79,847</u>	<u>\$ -</u>	<u>\$ 3,844,540</u>	
Supplemental disclosures of cash flow information:								
Cash paid during the year for interest	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,296</u>	<u>\$ 18,450</u>	<u>\$ -</u>	<u>\$ 39,746</u>	

See Independent Auditor's Report on Supplementary Information.

SINGLE AUDIT SECTION

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2023**

FEDERAL GRANTOR AGENCY Passthrough Agency Program Title	Federal Assistance Listing	Grant or Identifying Number	Federal Award (in dollars \$)	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through the Indiana Department of Family and Social Services (FSSA):				
Aging Cluster:				
Title IIIA Administration	93.044	59537	58,480	\$ 55,661
Title IIIB Grants for Supportive Services and Senior Centers	93.044	59537	148,231	57,809
Title IIIB Grants for Supportive Services and Senior Centers	93.044	A67 22-23	30,000	21,578
Title IIIC Nutrition Services - Congregate Meals FY21	93.045	59537	182,008	121,017
Title IIIC Nutrition Services - Congregate Meals FY22	93.045	59537	193,698	193,698
Title IIIC Nutrition Services - Home Delivered Meals	93.045	59537	200,303	113,106
Nutrition Services Incentive Program FY22	93.053	59537	17,556	4,763
Nutrition Services Incentive Program FY23	93.053	59537	17,485	<u>13,114</u>
Total Aging Cluster				580,746
Passed through the Indiana Department of Family and Social Services (FSSA):				
Title VII - Long Term Care Ombudsman Services for Older Individuals	93.042	59537	4,543	4,543
Special Program for the Aging-Disease Prevention and Health Promotion Services	93.043	59537	10,486	716
Title III E Family Caregiver Services - FY21	93.052	59537	61,557	25,267
Title III E Family Caregiver Services - FY22	93.052	59537	69,901	26,115
Social Services Block Program FY22	93.667	59537	177,974	49,914
Social Services Block Program FY23	93.667	69769	177,974	<u>111,596</u>
Total U.S. Department of Health and Human Services				<u>\$ 798,897</u>

See accompanying notes to Schedule of Expenditures of Federal Awards

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – (CONTINUED)
JUNE 30, 2023**

FEDERAL GRANTOR AGENCY				
 Passthrough Agency				
 Program Title	Federal Assistance Listing	Grant or Identifying Number	Federal Award (in dollars \$)	Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION				
Passed through the Indiana Department of Transportation and the Monroe County Commissioners:				
Formula Grant for Rural Areas - Mass Transit FY22	20.509	A249-22-G210102	875,524	\$ 378,762
Formula Grant for Rural Areas - Mass Transit FY22 ARP	20.509	A249-22-G210102	64,930	
Formula Grant for Rural Areas - Mass Transit FY23	20.509	A249-23-G220069	891,641	380,049
Formula Grant for Rural Areas - Mass Transit FY23 CARES	20.509	A249-23-G220069	78,119	
Bus and Bus Facilities Formula Program	20.526	A249-22-G210129	55,290	<u>55,290</u>
Total U.S. Department of Transportation				<u>814,101</u>
U.S. DEPARTMENT OF TREASURY				
Passed through the Indiana Department of Family and Social Services (FSSA):				
Coronavirus Relief Fund - HCBS Stabilization	21.019	n/a		<u>25,072</u>
Passed through Monroe County, Indiana				
State and Local Fiscal Recovery Funds	21.027	MOU-12-1-22	540,000	<u>540,000</u>
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				
Retired and Senior Volunteer Program	94.002	21SRCIN007		<u>78,884</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through City of Bloomington Housing and Neighborhood Development				
HOME Investment Partnership Act - loan	14.239	Patterson Point Senior Residence	n/a	** <u>402,000</u>
Total Schedule of Expenditures of Federal Awards				<u>\$ 2,658,954</u>

** Represents loan balance

See accompanying notes to Schedule of Expenditures of Federal Awards

AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Area 10 Council on Aging of Monroe and Owen Counties, Inc. and is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule Expenditures of Federal Awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3 – Indirect Costs

Area 10 Council on Aging of Monroe and Owen Counties, Inc. has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4 – HOME Loan

The Organization entered into an agreement with the City of Bloomington to borrow up to \$402,000 of Federal HOME Investment Partnership funds for use in the Patterson Pointe Senior Residence housing project. The note bears an interest rate of 0.0% and matures in June 2032. As of June 30, 2023 the note balance was \$402,000.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
SCHEDULE OF EXPENDITURES OF STATE AND LOCAL AWARDS
YEAR ENDED JUNE 30, 2023**

<u>Passthrough Agency Program Title</u>	<u>Grant or Identifying Number</u>	<u>Grant Award (in dollars \$)</u>	<u>Expenditures</u>
Passed through the Indiana Department of Family and Social Services (FSSA):			
CHOICE	65024	659,057	\$ 659,057
Older Hoosiers	65024	31,142	31,142
AL Ombudsman	65024	5,508	5,508
			<u>695,707</u>
Passed through the Indiana Arts Commission			
FY22 Arts Project Support	n/a	4,000	4,000
Passed through the Indiana Department of Transportation and the Monroe County Commissioners:			
State Public Mass Transit Funds - 22	A249-22-G210102	309,812	309,812
State Public Mass Transit Funds - 23	A249-23-G220069	311,595	156,111
Revenue Sharing-FTA Operating		113,000	113,000
Electric Buses		540,000	-
Passed through the Lawrence County Commissioners			
Revenue Sharing - FTA Operating		18,000	18,000
Passed through the Putnam County Commissioners			
Revenue Sharing - FTA Operating		10,000	10,000
Passed through the City of Greencastle			
Revenue Sharing - FTA Operating		15,000	15,000
Passed through the Town of Spencer			
Revenue Sharing - FTA Operating		12,000	11,000
Indiana Supreme Court - Division of State Court			
VASIA	FY23	68,186	33,851
VASIA	FY22	64,900	31,426
Passed through the City of Bloomington			
Grandpads Program FY22		4,700	4,443
Grandpads Program FY23		6,000	-
Passed through the City of Bloomington - Parks and Recreation			
Endwright East Senior Center Support FY 22		20,000	17,196
Endwright East Senior Center Support FY 23		20,000	7,004
Indiana Dept of Insurance			
SHIP-Extension	56352	18,827	3,014
Smithville Charitable Foundation			
Endwright Center Technology Assistance and Wellness Program Expansion FY22		12,309	8,704
Endwright Center Technology Assistance and Wellness Program Expansion FY23		10,465	10,465
Total Expenditures of State and Local Awards			<u>\$ 1,448,733</u>

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2023**

Section II – Financial Statement Findings

There were no financial statement findings for the year ended June 30, 2022.

Section III – Federal Award Findings and Questioned Costs

There were no federal award findings for the year ended June 30, 2022.



INDUSTRY ESTABLISHED | FOCUSED ON QUALITY

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Area 10 Council on Aging of Monroe and Owen Counties, Inc.
Ellettsville, 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 consolidated financial statements of the Area 10 Council on Aging of Monroe and Owen Counties, Inc. and Subsidiaries (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2023, and the related consolidated statements activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon December 7, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s internal control over financial reporting (internal control) as a basis for designing 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 Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the organization's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s 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 and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.
Indianapolis, Indiana
December 7, 2023



INDUSTRY ESTABLISHED | FOCUSED ON QUALITY

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE *UNIFORM GUIDANCE***

To the Board of Directors
Area 10 Council on Aging of Monroe and Owen Counties, Inc.
Ellettsville, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s major federal programs for the year ended June 30, 2023. Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Area 10 Council on Aging of Monroe and Owen Counties, Inc., complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Area 10 Council on Aging of Monroe and Owen Counties, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.

Indianapolis, Indiana

December 7, 2023

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified? Yes No

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified? Yes No

Type of auditor’s report issued: Unmodified

Any audit findings disclosed required to be reported in
Accordance with 2 CFR section 200.516(a) Yes No

Programs tested as major programs:

<u>Assistance</u>	<u>Name of Federal Program or Cluster</u>
<u>Listing</u>	

Department of Health and Human Services:

Special Programs for the Aging - Title III, Part B - Grants for

- * 93.044 Supportive Services and Senior Centers
- * 93.045 Special Programs for the Aging, Title III, Part C, Nutrition Services
- * 93.053 Nutrition Services Incentive Program

* Represents cluster

Dollar threshold used to distinguish between type A and type B programs \$750,000

Auditee qualified as low-risk auditee? Yes No

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Section II – Financial Statement Findings

There were no financial statement findings for the year ended June 30, 2023.

Section III – Federal Award Findings and Questioned Costs

There were no federal award findings for the year ended June 30, 2023.