



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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January 23, 2024

Board of Directors
Cass County Council on Aging, Inc.
Cass County, Indiana

We have reviewed the audit report of Cass County Council on Aging, Inc., which was opined upon by Rea Logan & Co., LLC, Independent Public Accountants, for the period January 1, 2019 to December 31, 2019. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Cass County Council on Aging, Inc. as of December 31, 2019 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Rea Logan & Co., LLC prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

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

A handwritten signature in black ink that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

**CASS COUNTY COUNCIL ON AGING, INC.
LOGANSPOET, INDIANA**

**REPORT ON AUDIT OF
FINANCIAL STATEMENTS**

DECEMBER 31, 2019

**CASS COUNTY COUNCIL ON AGING, INC.
LOGANSPOUR, INDIANA**

**REPORT ON AUDIT OF
FINANCIAL STATEMENTS**

DECEMBER 31, 2019

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INDEPENDENT AUDITOR'S REPORT

**TO THE BOARD OF DIRECTORS
CASS COUNTY COUNCIL ON AGING, INC.
Logansport, Indiana**

Report on the Financial Statements

We have audited the accompanying financial statements of Cass County Council on Aging, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cass County Council on Aging, Inc. as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2020, on our consideration of Cass County Council on Aging, 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 Cass County Council on Aging, 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 Cass County Council on Aging, Inc.'s internal control over financial reporting and compliance.

Rea Logan & Co., LLC

Peru, Indiana
November 9, 2020

CASS COUNTY COUNCIL ON AGING, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2019

ASSETS

CURRENT ASSETS:

Cash	\$ 17,123
Accounts receivable	212,560
Prepaid expenses	31,430
Total Current Assets	261,113

FIXED ASSETS:

Building	314,941
Land	150,000
Office equipment	153,382
Vehicles	1,118,126
	1,736,449
Less accumulated depreciation	816,466
Total Fixed Assets	919,983

TOTAL ASSETS

\$ 1,181,096

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Line of credit	\$ 152,139
Accounts payable	17,529
Accrued interest	102
Accrued wages and vacation	48,710
Payroll taxes and other withholdings	14,186
Deferred revenue	215,507
Current portion of long term debt	8,887
Total Current Liabilities	457,060

LONG TERM LIABILITIES:

Note payable - equipment	26,883
Less current portion of long term debt	8,887
Total Long Term Liabilities	17,996

NET ASSETS:

Without donor restrictions	706,040
Total Net Assets	706,040

TOTAL LIABILITIES AND NET ASSETS

\$ 1,181,096

CASS COUNTY COUNCIL ON AGING, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT:			
Federal - Section 5311	\$ 550,289	\$ -	\$ 550,289
State - public mass transit	417,219	-	417,219
Title III-B	18,165	-	18,165
Federal - Section 5311/5339 Capital Projects	42,911	-	42,911
Cass County Commissioners	10,560	-	10,560
City of Logansport	40,000	-	40,000
United Way of Cass County	35,000	-	35,000
Transit service fees	479,373	-	479,373
Donations	881	-	881
Interest	7	-	7
Gain (loss) on asset disposal	9,051	-	9,051
Other income	63,800	-	63,800
Nutrition	661	-	661
TOTAL REVENUES AND OTHER SUPPORT	<u>1,667,917</u>	<u>-</u>	<u>1,667,917</u>
EXPENSES:			
Transportation	1,728,106	-	1,728,106
Recreation	68,291	-	68,291
Nutrition	30,528	-	30,528
TOTAL EXPENSES	<u>1,826,925</u>	<u>-</u>	<u>1,826,925</u>
DECREASE IN NET ASSETS	(159,008)	-	(159,008)
NET ASSETS - beginning of year	<u>865,048</u>	<u>-</u>	<u>865,048</u>
NET ASSETS - end of year	<u>\$ 706,040</u>	<u>\$ -</u>	<u>\$ 706,040</u>

CASS COUNTY COUNCIL ON AGING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Transportation</u>	<u>Recreation</u>	<u>Nutrition</u>	<u>Totals</u>
Salaries and wages	\$ 928,840	\$ 18,687	\$ 2,701	\$ 950,228
Payroll taxes and fringes	80,325	1,664	558	82,547
Advertising	10,816	333	496	11,645
Building maintenance	35,007	1,185	2,340	38,532
Conferences and travel	2,252	10	-	2,262
Depreciation	197,704	1,958	8,315	207,977
Dues and subscriptions	2,439	44	106	2,589
Equipment	6,206	132	255	6,593
Miscellaneous expenses	7,091	239	246	7,576
Insurance	119,258	2,782	5,026	127,066
Interest	6,938	151	530	7,619
Nutrition	-	-	4,269	4,269
Professional fees	27,690	561	650	28,901
Recreation	-	36,494	-	36,494
Supplies and materials	10,575	378	441	11,394
Telephone	13,627	1	5	13,633
Utilities	26,900	3,672	4,590	35,162
Vehicle operations	222,008	-	-	222,008
Vehicle supplies	30,430	-	-	30,430
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses	<u>\$ 1,728,106</u>	<u>\$ 68,291</u>	<u>\$ 30,528</u>	<u>\$ 1,826,925</u>

CASS COUNTY COUNCIL ON AGING, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash from contributions, grants, programs and miscellaneous	\$ 1,792,557
Cash paid to suppliers and employees	(1,628,251)
Interest paid	(7,619)
Interest income	7
	<hr/>
Net Cash Provided (Used) by Operating Activities	156,694

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sale of vehicles	44,691
Purchases of fixed assets	(331,980)
	<hr/>
Net Cash Provided (Used) by Investing Activities	(287,289)

CASH FLOWS FROM FINANCING ACTIVITIES:

Borrowings (payments) on line of credit (net)	125,139
Principal payments on notes payable	(8,885)
	<hr/>
Net Cash Provided (Used) by Financing Activities	116,254

INCREASE (DECREASE) IN CASH (14,341)

CASH AT BEGINNING OF YEAR 31,464

CASH AT END OF YEAR \$ 17,123

RECONCILIATION OF CHANGE IN NET ASSETS**PROVIDED (USED) BY OPERATING ACTIVITIES:**

Increase (decrease) in net assets	<u>\$ (159,008)</u>
Adjustments to reconciled change in net cash provided (used) by operating activities:	
Depreciation	207,977
(Gain) loss on asset disposal	(9,051)
(Increase) decrease in accounts receivable	(81,809)
(Increase) decrease prepaid expenses	1,637
Increase (decrease) in accounts payable	(23,979)
Increase (decrease) in deferred revenue	215,507
Increase (decrease) in accrued payroll and payroll taxes	5,420
	<hr/>
Total adjustments	315,702
	<hr/>
Net Cash Provided (Used) by Operating Activities	<u>\$ 156,694</u>

CASS COUNTY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization - Cass County Council on Aging, Inc. exists to assist, encourage, monitor, and develop comprehensive and coordinated services for older individuals within Cass County. The Organization's programs are Transportation, Recreation, and Nutrition.

The significant accounting policies followed by Cass County Council on Aging, Inc. are:

Basis of Accounting - The financial statements of Cass County Council on Aging, Inc. have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation – The Organization reports information regarding its financial position and activities according to two classes of net assets which are classified and reported as follows:

Net assets without donor restrictions—Net assets available for use in general operations and not subject to donor or certain grantor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

Net assets with donor restrictions—Net assets subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Accounting Pronouncements Adopted – On January 1, 2019, the Organization adopted the FASB ASU No. 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958). ASU 2018-08 clarifies and improves current guidance about whether a transfer of assets (or the reduction, settlement, or cancellation of liabilities) is a contribution or an exchange transaction. The amendments clarify how an entity determines whether a resource provider is participating in an exchange transaction by evaluating whether the resource provider is receiving commensurate value in return for the resources transferred.

Additionally, the amendments in this ASU require that an entity determine whether a contribution is conditional on the basis of whether an agreement includes a barrier that must be overcome and either a right of return on assets transferred or a right of release of a promisor's obligation to transfer assets. Finally, ASU 2018-08 amends the "simultaneous release accounting policy" to allow a not-for-profit entity to recognize a restricted contribution directly in net assets without donor restrictions if the restriction is met in the same period that revenue is recognized. The adoption of ASU 2018-08 did not have a material impact on the 2019 financial statements.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – For purposes of the statement of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

CASS COUNTY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 - ORGANIZATION AND SUMMARY OF ACCOUNTING POLICIES (CONTINUED):

Accounts Receivable - Accounts receivable are reported at the amount management expects to collect on balances outstanding at year end. A provision for doubtful accounts has not been established, as management considers all accounts to be collectible based on a favorable history over a substantial period of time. The Organization periodically evaluates its receivables and then charges off uncollectible accounts receivable as contra-revenue bad debts when management determines the receivable will not be collected. There were no write-offs for 2019.

Fixed Assets – Property, plant, and equipment are stated at cost, if purchased, or at fair value at the date of gift, if donated, less accumulated depreciation. Repair and maintenance charges that do not increase the useful lives of the assets are charged to the change in net assets as incurred. Additions with a cost or fair value of less than \$1,000 are expensed.

Depreciation of property, plant, and equipment is provided using the straight-line method for financial reporting purposes at rates based on the following items:

Buildings	39 years
Office equipment	5 years
Vehicles	5 years

Restricted Revenue and Support - Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restrictions.

Donated Services - Many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, campaign solicitations, and various committee assignments. The value of this contributed time is not reflected in the accompanying financial statements since volunteers' time does not meet the criteria for recognition.

In-kind Contributions - In-kind contributions are recorded at fair market value and recognized in the accounting period when they are received.

Expense Allocation – The costs of providing various programs and other activities are categorized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among programs and supporting services benefited, which are allocated on the basis of estimates of time and effort, and square footage.

Advertising Costs - The Organization's policy is to expense advertising costs as the costs are incurred. Advertising expense for the year ended December 31, 2019 was \$11,645.

Compensated Absences – Employees of the Organization are entitled to paid vacation days depending on job classification, length of service, and other factors. A liability has been recorded for accrued vacation days in the Statement of Financial Position. The Organization's personnel policy permits vesting of unused vacation days and payment of unused vacation days upon termination of employment.

CASS COUNTY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 - ORGANIZATION AND SUMMARY OF ACCOUNTING POLICIES (CONTINUED):

Income Taxes - The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. The Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). The Organization complies with other Internal Revenue reporting requirements regarding contributions received, payroll, and payments to independent contractors. The Organization believes that it has appropriate support for any tax position taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

NOTE 2 - CONCENTRATIONS OF CREDIT RISK:

The Organization maintains all cash balances at one financial institution located in Cass County. The balances are covered by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 (per institution). As of December 31, 2019, there was no uninsured balances.

NOTE 3 – ACCOUNTS RECEIVABLE:

Accounts receivable is comprised of the following accounts and all are due within one year:

Federal - Section 5311	\$	63,506
State PMTF		123,346
Area V Title IIIB		4,552
Transit service fees		21,156
Total	\$	212,560

NOTE 4 – LIQUIDITY AND AVAILABILITY:

Financial assets available for general expenditure, that is without donor or other restrictions limiting their use within one year of the balance sheet date, comprise the following:

Cash		\$ 17,123
Accounts receivable		212,560
Total financial assets at year-end		229,683
Contractual or donor-imposed restrictions:		
Restricted to time or expenditure for specific purpose:		
Less: amount available at year-end		-
Board designations:		
Less: designated funds		-
Financial assets available to meet cash needs for general expenditures within one year		\$ 229,683

Additionally, as discussed in more detail in Note 6, the Organization maintains a \$270,000 line of credit, of which \$117,861 remained available on December 31, 2019.

CASS COUNTY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 5 - CONCENTRATIONS OF REVENUES AND SUPPORT:

Federal - Section 5311	\$ 550,289	33.00%
State - public mass transit	417,219	25.01
Title III-B	18,165	1.09
Federal - Section 5311 Capital Projects	42,911	2.57
Cass County Commissioners	10,560	0.63
City of Logansport	40,000	2.40
United Way of Cass County	35,000	2.10
Transit Service fees	479,373	28.74
Donations	881	0.05
Interest	7	-
Gain (loss) on asset disposal	9,051	0.54
Other income	63,800	3.83
Nutrition	661	0.04
TOTAL REVENUES AND OTHER SUPPORT	<u>\$ 1,667,917</u>	100%

Transportation income is concentrated at ninety-eight percent of the Organization's total revenue and other support in 2019. Federal and state transit funding and other support from Medicaid, transit service fees and indirect income are sustaining the entire operation of the Organization, which includes its senior activities and nutrition programs.

NOTE 6 - LINE OF CREDIT:

The Organization had an available \$117,861 line of credit with a bank in Logansport at December 31, 2019. The line of credit had a balance of \$ 152,139 at December 31, 2019. All business real estate assets are pledged as collateral. The variable interest rate is 1% over the Wall Street Journal prime rate and will be no less than 6.000% and no more than 18.000% per annum.

NOTE 7 – NOTE PAYABLE FOR EQUIPMENT:

In 2017, the Organization entered into a 60-month finance agreement for \$45,800 to purchase equipment for its transit program. The finance agreement began on October 5, 2017 and requires monthly payments of \$833 which includes interest computed at a rate of 3.5%.

Loan maturities for each of the five years following December 31, 2019, are as follows:

2019	\$ 8,887
2020	9,532
2021	8,464
2022	-
2023	-
	<u>\$ 26,883</u>

CASS COUNTY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 8 - OPERATING LEASE:

The Organization has a five-year non-cancellable operating lease for a copier that began September 1, 2013 and was renewed on September 1, 2018 for another five years with the same monthly lease cost of \$184. The Organization is required to pay all executory costs such as maintenance and insurance. Lease expense for 2019 was \$2,208.

Total lease payments required in the next five years are: \$2,208, 2020; \$2,208, 2021; \$2,208, 2022; \$1,472, 2023; and none, 2024.

NOTE 9 - SUBSEQUENT EVENTS:

The Organization evaluates events and transactions that occur after year end for the potential recognition or disclosure in the financial statements. These subsequent events have been considered through the report date, which is the date the financial statements were available to be issued.

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, on March 23, 2020, Governor Eric Holcomb ordered the closure of the physical location of every "non-essential" business for an extended period of time. The Organization has since reopened the facility in a limited capacity to seniors and has returned to normal transit operations in compliance with current CDC and health guidelines. The initial closure order and the current health guideline restrictions for maintaining operations have created some impact to normal operations. Future potential impacts may include continued disruptions or restrictions on employees' ability to work and impairment of the Organization's ability to obtain contributions and volunteers. The future effects of these issues are unknown.

Subsequent to year end, the Organization applied for and was approved a \$202,100 loan under the Paycheck Protection Program created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The Organization is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan is uncollateralized and is fully guaranteed by the Federal government.

CASS COUNTY COUNCIL ON AGING, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTER/PROGRAM CLUSTER TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>		
Passed through from Indiana Department of Transportation:		
Section 5311	20.529	\$550,289
Section 5339	20.509	<u>258,418</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u><u>\$808,707</u></u>

NOTE 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Cass County Council on Aging, Inc. and is presented on the accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited to reimbursement.

NOTE 3 – Insurance Coverage:

Cass County Council on Aging, Inc. maintains worker's compensation insurance and commercial liability insurance coverage in excess of amounts required by the various federal awards.

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

**TO THE BOARD OF DIRECTORS
CASS COUNTY COUNCIL ON AGING, INC.
Logansport, Indiana**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of Cass County Council on Aging, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 9, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cass County Council on Aging, 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 Cass County Council on Aging, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Cass County Council on Aging, Inc.'s internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cass County Council on Aging, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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.

Rea Logan & Co., LLC

Peru, Indiana
November 9, 2020

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825 North Broadway / Peru, IN 46970 / (765) 473-8840 / Fax: (765) 473-8890

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

**TO THE BOARD OF DIRECTORS
CASS COUNTY COUNCIL ON AGING, INC.
Logansport, Indiana**

Report on Compliance for Each Major Federal Program

We have audited Cass County Council on Aging, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Cass County Council on Aging, Inc.'s major federal programs for the year ended December 31, 2019. Cass County Council on Aging, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Cass County Council on Aging, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Cass County Council on Aging, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Cass County Council on Aging, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Cass County Council on Aging, 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 December 31, 2019.

Report on Internal Control over Compliance

Management of Cass County Council on Aging, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Cass County Council on Aging, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cass County Council on Aging, Inc.'s internal control over compliance.

Board of Directors
Cass County Council on Aging, Inc.
Logansport, Indiana

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

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

Rea Logan & Co., LLC

Peru, Indiana

November 9, 2020

CASS COUNTY COUNCIL ON AGING, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Section I - Summary of Audit Results:

Financial Statements

Type of auditor's report issued:	unmodified
Internal control over financial reporting	
Material weakness(es) identified?	_____ yes <u> x </u> no
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	_____ yes <u> x </u> none reported
Noncompliance material to financial statements noted?	_____ yes <u> x </u> no

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	_____ yes <u> x </u> no
Significant deficiency(ies) identified that are not considered to be material weakness(es) identified?	_____ yes <u> x </u> none reported

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

Any audit findings disclosed that are required to be reported as defined by Uniform Guidance [2 CFR 200.516(a)]? _____ yes x no

Identification of major program:		
_____ CFDA Number _____		_____ Name of Federal Program or Cluster _____
20.529		Formula Grant for Rural Areas

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

Auditee qualified as low-risk auditee? _____ yes x no

Section II - Findings Related to Financial Statements Reported in Accordance with Governmental Auditing Standards:

None reported

Section III - Findings and Questioned Costs Relating to Federal Awards:

None reported

Section IV - Summary Schedule of Prior Audit Findings:

None reported