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January 23, 2024

Board of Directors  
CICOA Aging & In-Home Solutions, Inc.  
Marion County, Indiana

We have reviewed the audit report of CICOA Aging & In-Home Solutions, Inc., which was opined upon by Crowe LLP, Independent Public Accountants, for the period July 1, 2020 to June 30, 2021. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of CICOA Aging & In-Home Solutions, Inc. as of June 30, 2021 and the results of its operations for the period then ended, on the basis of accounting described in the report.

We call your attention to the findings included in the report on pages 31-35. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 37-40.

In our opinion, Crowe LLP 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 cursive script that reads "Tammy R. White".

Tammy R. White, CPA  
Deputy State Examiner

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

**COMBINED FINANCIAL STATEMENTS**  
June 30, 2021 and 2020

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

COMBINED FINANCIAL STATEMENTS  
June 30, 2021 and 2020

CONTENTS

INDEPENDENT AUDITOR'S REPORT .....	1
COMBINED FINANCIAL STATEMENTS	
COMBINED STATEMENTS OF FINANCIAL POSITION.....	3
COMBINED STATEMENT OF ACTIVITIES - 2021 .....	4
COMBINED STATEMENT OF ACTIVITIES - 2020 .....	5
COMBINED STATEMENT OF FUNCTIONAL EXPENSES - 2021 .....	6
COMBINED STATEMENT OF FUNCTIONAL EXPENSES - 2020 .....	7
COMBINED STATEMENTS OF CASH FLOWS.....	8
NOTES TO COMBINED FINANCIAL STATEMENTS.....	9
SUPPLEMENTARY INFORMATION	
COMBINING SCHEDULES OF FINANCIAL POSITION.....	20
COMBINING SCHEDULES OF ACTIVITIES .....	22
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS .....	24
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS .....	25
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 <i>GOVERNMENT AUDITING     STANDARDS</i> .....	26
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE .....	28
SCHEDULE OF FINDINGS AND QUESTIONED COSTS.....	30
SCHEDULE OF EXPENDITURES OF STATE AND LOCAL AWARDS.....	36

## INDEPENDENT AUDITOR'S REPORT

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

**Report on the Financial Statements**

We have audited the accompanying combined financial statements of CICOA Aging & In-Home Solutions, Inc. and CICOA Foundation, Inc. (the "Organization"), which comprise the combined statements of financial position as of June 30, 2021 and 2020, and the related combined statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

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

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

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

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(Continued)

## **Opinion**

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of CICOA Aging & In-Home Solutions, Inc. and CICOA Foundation, Inc. as of June 30, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matter**

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining schedules of financial position, combining schedules of activities, the schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and schedule of expenditures of state and local awards are presented for purposes of additional analysis and are not a required part of the combined financial statements. In addition, the combining schedules are not intended to present the financial position and results of operations of the individual entities. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The combining and other information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2023, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

  
Crowe LLP

Indianapolis, Indiana  
June 16, 2023

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
COMBINED STATEMENTS OF FINANCIAL POSITION  
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 8,793,042	\$ 7,527,684
Grant reimbursements receivable	4,540,727	5,244,202
Medicaid service fees receivable	190,041	764,789
Contributions receivable, net	345,547	298,701
Other receivables	70,574	286,743
Prepaid expenses	911,285	197,961
Other assets	500,000	-
Beneficial interest in assets held by Central Indiana Community Foundation, Inc. (Note 3)	1,191,751	886,291
Property and equipment, net (Note 4)	<u>133,177</u>	<u>192,430</u>
Total assets	<u>\$ 16,676,144</u>	<u>\$ 15,398,801</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable	\$ 1,395,344	\$ 1,511,400
Accrued payroll and expenses	853,265	679,176
Accrued leave	1,067,736	865,329
Grant advance liability	3,295,280	3,295,280
Other liabilities	<u>72,360</u>	<u>35,987</u>
Total liabilities	6,683,985	6,387,172
Net assets		
Without donor restrictions	7,581,445	6,767,891
Without donor restrictions – board designated	<u>583,740</u>	<u>434,545</u>
Total net assets without donor restrictions	8,165,185	7,202,436
With donor restrictions	<u>1,826,974</u>	<u>1,809,193</u>
Total net assets	<u>9,992,159</u>	<u>9,011,629</u>
	<u>\$ 16,676,144</u>	<u>\$ 15,398,801</u>

See accompanying notes to combined financial statements.

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
COMBINED STATEMENT OF ACTIVITIES  
Year ended June 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021 Total</u>
<b>Revenue</b>			
Federal and state grants and contracts	\$ 17,284,228	\$ -	\$ 17,284,228
Medicaid service fees	13,039,324	-	13,039,324
Project income	262,733	-	262,733
Contributions and grants	591,086	135,399	726,485
Interest income	8,163	-	8,163
Gain on beneficial interest (Note 3)	149,195	156,266	305,461
Other income	<u>860,885</u>	<u>-</u>	<u>860,885</u>
	32,195,614	291,665	32,487,279
Net assets released from restrictions	<u>273,884</u>	<u>(273,884)</u>	<u>-</u>
Total revenue	<u>32,469,498</u>	<u>17,781</u>	<u>32,487,279</u>
<b>Expenses</b>			
Program services			
In-home services	17,496,590	-	17,496,590
Transportation	1,343,705	-	1,343,705
Nutrition	4,377,161	-	4,377,161
Aging & Disability Resource Center	4,980,701	-	4,980,701
Hospital Based Initiatives	<u>746,567</u>	<u>-</u>	<u>746,567</u>
Total program services	28,944,724	-	28,944,724
Administration	2,080,794	-	2,080,794
Fund raising	<u>481,231</u>	<u>-</u>	<u>481,231</u>
Total expenses	<u>31,506,749</u>	<u>-</u>	<u>31,506,749</u>
Change in net assets	962,749	17,781	980,530
Net assets at beginning of year	<u>7,202,436</u>	<u>1,809,193</u>	<u>9,011,629</u>
<b>Net assets at end of year</b>	<u>\$ 8,165,185</u>	<u>\$ 1,826,974</u>	<u>\$ 9,992,159</u>

See accompanying notes to combined financial statements.

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
COMBINED STATEMENT OF ACTIVITIES  
Year ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	2020 Total
<b>Revenue</b>			
Federal and state grants and contracts	\$ 17,498,143	\$ -	\$ 17,498,143
Medicaid service fees	12,295,800	-	12,295,800
Project income	452,008	-	452,008
Contributions and grants	502,138	1,074,057	1,576,195
Fund raising events	46,416	-	46,416
Interest income	12,080	-	12,080
Loss on beneficial interest (Note 3)	(571)	(606)	(1,177)
Other income	693,275	-	693,275
In-kind contributions	311,976	-	311,976
	<u>31,811,265</u>	<u>1,073,451</u>	<u>32,884,716</u>
Net assets released from restrictions	<u>510,897</u>	<u>(510,897)</u>	<u>-</u>
Total revenue	<u>32,322,162</u>	<u>562,554</u>	<u>32,884,716</u>
<b>Expenses</b>			
Program services			
In-home services	16,233,106	-	16,233,106
Transportation	1,521,521	-	1,521,521
Nutrition	4,489,189	-	4,489,189
Aging & Disability Resource Center	5,006,283	-	5,003,283
Hospital Based Initiatives	793,781	-	793,781
Total program services	<u>28,043,880</u>	<u>-</u>	<u>28,043,880</u>
Administration	1,687,541	-	1,687,541
Fund raising	444,270	-	444,270
Total expenses	<u>30,175,691</u>	<u>-</u>	<u>30,175,691</u>
Change in net assets	2,146,471	562,554	2,709,025
Net assets at beginning of year	<u>5,055,965</u>	<u>1,246,639</u>	<u>6,302,604</u>
<b>Net assets at end of year</b>	<u>\$ 7,202,436</u>	<u>\$ 1,809,193</u>	<u>\$ 9,011,629</u>

See accompanying notes to combined financial statements.

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
COMBINED STATEMENT OF FUNCTIONAL EXPENSES  
Year ended June 30, 2021

	In-Home Services	Transportation	Nutrition	Aging & Disability Resource Center	Hospital Based Initiatives	Total Program Services	Administration	Fund Raising	Total Expenses
Personnel costs	\$ 11,894,605	\$ 799,657	\$ 1,280,103	\$ 4,331,034	\$ 576,534	\$18,881,933	\$1,625,791	\$ 367,713	\$ 20,875,437
Office rent	386,893	12,636	28,816	154,863	10,625	593,833	36,626	8,732	639,191
Other office costs	315,109	20,042	111,894	186,877	9,425	643,347	43,770	21,354	708,471
Contracted services	508,470	198,762	81,151	106,718	120,821	1,015,922	249,352	11,125	1,276,399
Food and related costs	-	169,885	2,732,537	-	-	2,902,422	-	-	2,902,422
Equipment and maintenance	546,120	69,550	92,825	186,076	27,915	922,486	74,988	11,889	1,009,363
Other community services	105,992	1,145	39,231	15,133	1,247	162,748	16,564	60,418	239,730
Sub-Grantee disbursements and contracted services	3,739,401	-	-	-	-	3,739,401	27,841	-	3,767,242
Depreciation	-	72,028	10,604	-	-	82,632	-	-	82,632
Interest expense	-	-	-	-	-	-	5,862	-	5,862
<b>Total expenses</b>	<b>\$ 17,496,590</b>	<b>\$ 1,343,705</b>	<b>\$ 4,377,161</b>	<b>\$ 4,980,701</b>	<b>\$ 746,567</b>	<b>\$28,944,724</b>	<b>\$2,080,794</b>	<b>\$ 481,231</b>	<b>\$ 31,506,749</b>

See accompanying notes to combined financial statements.

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
COMBINED STATEMENT OF FUNCTIONAL EXPENSES  
Year ended June 30, 2020

	In-Home Services	Transportation	Nutrition	Aging & Disability Resource Center	Hospital Based Initiatives	Total Program Services	Administration	Fund Raising	Total Expenses
Personnel costs	\$ 9,613,581	\$ 852,658	\$ 1,030,631	\$ 4,298,323	\$ 562,290	\$16,357,483	\$1,438,883	\$ 312,579	\$ 18,108,945
Office rent	369,430	14,606	21,954	118,781	12,195	536,966	34,176	13,148	584,290
In-kind – rent	-	-	311,976	-	-	311,976	-	-	311,976
Other office costs	822,031	81,824	172,932	382,802	67,608	1,527,197	99,992	63,797	1,690,986
Contracted services	750,222	227,296	77,760	106,512	105,345	1,267,135	63,182	29,498	1,359,815
Food and related costs	-	-	2,837,366	-	-	2,837,366	-	-	2,837,366
Equipment and maintenance	206,490	271,713	16,975	23,457	3,460	522,095	8,529	2,503	533,127
Other community services	198,295	1,116	19,595	76,408	38,532	333,946	30,654	22,745	387,345
Sub-Grantee disbursements and contracted services	4,273,057	-	-	-	-	4,273,057	-	-	4,273,057
Depreciation	-	72,308	-	-	4,351	76,659	7,443	-	84,102
Interest expense	-	-	-	-	-	-	4,682	-	4,682
<b>Total expenses</b>	<b><u>\$ 16,233,106</u></b>	<b><u>\$ 1,521,521</u></b>	<b><u>\$ 4,489,189</u></b>	<b><u>\$ 5,006,283</u></b>	<b><u>\$ 793,781</u></b>	<b><u>\$28,043,880</u></b>	<b><u>\$1,687,541</u></b>	<b><u>\$ 444,270</u></b>	<b><u>\$ 30,175,691</u></b>

See accompanying notes to combined financial statements.

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
COMBINED STATEMENTS OF CASH FLOWS  
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 980,530	\$ 2,709,025
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	82,632	84,102
(Gain) loss on beneficial interest	(305,460)	1,177
Changes in assets and liabilities:		
Grant reimbursements receivable	703,475	(2,121,751)
Medicaid service fees receivable	574,748	2,682,236
Contributions receivable	(46,846)	(249,025)
Other receivables	216,169	(273,951)
Prepaid expenses	(713,324)	(115,998)
Other assets	(500,000)	-
Accounts payable	(116,056)	350,824
Accrued payroll and expenses	174,089	166,061
Accrued leave	202,407	142,583
Grant advance liability	-	3,295,280
Other liabilities	<u>36,373</u>	<u>(13,573)</u>
Net cash from operating activities	<u>1,288,737</u>	<u>6,656,990</u>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	<u>(23,379)</u>	<u>(71,851)</u>
Net cash used by investing activities	<u>(23,379)</u>	<u>(71,851)</u>
Net change in cash and cash equivalents	1,265,358	6,585,139
Cash and cash equivalents at beginning of year	<u>7,527,684</u>	<u>942,545</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 8,793,042</u>	<u>\$ 7,527,684</u>
Supplemental disclosures of cash flow information		
In-kind contributions	\$ -	\$ 311,976

See accompanying notes to combined financial statements.

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
June 30, 2021 and 2020

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

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

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

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of the revenues, expenses, gains, losses and other changes in net assets during the reporting periods. Actual results could differ from those estimates.

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

GAAP requires CICOA and the Foundation to recognize a tax liability only if it is “more likely than not” that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the “more likely than not” test, no tax benefit will be recorded. CICOA and the Foundation have examined this issue and have determined there are no material contingent tax liabilities or questionable tax positions.

CICOA and the Foundation do not expect the total amount of unrecorded tax benefits to significantly change in the next 12 months. CICOA and the Foundation recognize interest and/or penalties related to income tax matters in income tax expense. CICOA and the Foundation did not have any amounts accrued for interest and penalties at June 30, 2021 or 2020.

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

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

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(Continued)

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
June 30, 2021 and 2020

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

Allowance for Uncollectible Accounts: The allowance for uncollectible accounts is determined by management based upon CICOA's historical losses, specific circumstances and general economic conditions. Periodically, management reviews accounts receivable and records an allowance based on current circumstances, and charges off the receivable against the allowance when all attempts to collect the receivable are deemed to have failed in accordance with the organization's collection policy. At June 30, 2021 and 2020, management estimated that no material allowances were needed.

Other Assets: Duett, Inc. was created effective August 1, 2020, as CICOA's first innovation venture. Duett's main business is to offer an online platform that provides better and quicker matches between people who need in-home care and the providers who offer such services.

CICOA owns approximately 55% of the company (owns 2.2 million of the 4 million issued common stock shares). No financial consideration was given for these shares; CICOA only provided intellectual property and software development assistance. Additionally, CICOA owns all 850,000 of the issued preferred stock shares. CICOA invested \$500,000 in cash to Duett in August 2020, in exchange for the preferred stock.

On May 1, 2021, CICOA also became a paying customer of Duett. The initial service agreement covered May 1, 2021 through June 30, 2022, and it was renewed for an additional 12-month term. For this service, CICOA paid Duette a \$7,000 upfront platform fee, and pays a subscription fee of \$3,325 for use of and access to the Duett platform.

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

Impairment of Long-Lived Assets: On an ongoing basis, CICOA reviews its long-lived assets for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. CICOA recognizes impairment losses if the undiscounted cash flows expected to be generated are less than the carrying value of the related assets. If impaired, the assets are adjusted to fair value based on the discounted cash flows. No impairment loss has been recognized during either of the years ended June 30, 2021 and 2020.

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

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(Continued)

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
June 30, 2021 and 2020

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

**Net Asset Classifications:** GAAP requires that the combined financial statements report the changes in and total of each of the net asset classes, based upon the donor restrictions, as applicable. Net assets are to be classified as without donor restrictions or with donor restrictions. The following classes of net assets are maintained:

Without Donor Restrictions - This net asset class includes general and Board designated assets and liabilities of CICOA and the Foundation. Net assets without donor restrictions may be used at the discretion of management to support CICOA's and the Foundation's purposes and operations.

The Board has designated \$583,740 and \$434,545 as endowments at June 30, 2021 and 2020, respectively, as described in Note 10.

With Donor Restrictions - This net asset class includes assets of CICOA and the Foundation related to gifts with explicit donor-imposed restrictions that have not been met as to specified purposes, or to later periods of time or after specified dates. The with donor restrictions net assets have been restricted by donors for waiting list management, quality assurance services and other program activities. Amounts are released from restriction when used for satisfaction of the donors' restrictions. Releases during the years ended June 30, 2021 and 2020 totaled \$273,884 and \$510,897, respectively, and related primarily to the Foundation's support of CICOA's client assistance programs.

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

Functional Expenses: The costs of providing various programs and other activities have been summarized on a functional basis in the combined statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on time charged by employees and square footage occupancy of the various departments.

Support and Revenue: CICOA reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, CICOA reports with donor restrictions revenue and a release from restrictions.

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

Medicaid Service Fees: Medicaid and Medicaid Waiver pays CICOA for providing care management and other services for Medicaid and Medicaid Waiver clients. The payments are made on a per unit basis, where each unit is a unit of time. The revenue is recognized in the period which the services are performed.

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(Continued)

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
June 30, 2021 and 2020

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

Contributions: Contributions received and unconditional promises to give are recorded as without donor restrictions and with donor restrictions revenue depending on the existence of donor restrictions and the nature of such restrictions, if they exist.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. The gross amount of outstanding unconditional promises as of June 30, 2021 and 2020, was \$361,297 and \$311,202, respectively. An allowance is made for uncollectible contributions based on management's expectation regarding collection of outstanding promises to give and CICOA's collection experience. The allowance at June 30, 2021 and 2020 was \$15,750 and \$12,501, respectively.

Donated Services and in-Kind Contributions: Contributions of services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Donated services of \$0 and \$311,976 are recorded as in-kind revenue for the years ended June 30, 2021 and 2020, respectively, consisting primarily of free space for congregate meals.

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

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

Coronavirus Pandemic and Paycheck Protection Program (PPP): In December 2019, a novel strain of coronavirus surfaced and has spread around the world, with resulting business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. CICOA experienced an increase in federal and state funding sources along with an increase in Medicaid service fee income during the current year. This is because the nature of these revenue streams is unlikely to be impacted by events such as the coronavirus. As vaccines and other developments continue to advance and more information becomes known surrounding the virus, management believes it is unlikely that future operations of CICOA would be adversely materially impacted. However, due to future economic uncertainties surrounding the coronavirus, such as other variants, significant estimates as disclosed in Note 1, contributions and related expenses, among other things, may be materially adversely impacted by national, state and local events designed to contain the coronavirus.

As a result of the economic uncertainty stemming from the impact of the coronavirus pandemic, in April 2020, CICOA received a Paycheck Protection Program (PPP) Loan in the principal amount of \$3,295,280 from the United States Small Business Administration (SBA).

Under the terms of the Paycheck Protection Program, the PPP loan provides for conditional forgiveness if CICOA utilizes the loan proceeds on admissible expenses, including qualifying payroll, rent, and utility expenses, and maintains employment and compensation levels over the covered period.

CICOA is accounting for the PPP loan as a conditional contribution under ASC 958-605. Under Subtopic 958-605, the PPP loan proceeds are initially recorded as a grant advance liability on the statement of financial position and subsequently recognized as contribution revenue when CICOA has substantially met all conditions for forgiveness. As of June 30, 2021 and 2020, CICOA had not substantially met all conditions for forgiveness and has recorded the PPP loan as a refundable grant advance on the statement of financial position for the year then ended.

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(Continued)

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
June 30, 2021 and 2020

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

Subsequent to year-end, CICOA determined they substantially met the conditions and recorded revenue from forgiveness in fiscal year 2022. In August 2021, CICOA received formal forgiveness of the entire amount of the PPP loan.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to June 30, 2021, to determine the need for any adjustments or disclosures within the financial statements for the year ended June 30, 2021. Management has performed their analysis through June 16, 2023, the date the financial statements were available to be issued.

CICOA determined that they substantially met the conditions and recorded revenue from forgiveness in fiscal year 2022. CICOA obtained formal forgiveness subsequent to year end in August 2022.

On June 16, 2022, CICOA was awarded a \$5 million sustainability grant from Lilly Endowment Inc. (LEI). CICOA accepted the award letter on June 22, 2022, and all monies were received on July 14, 2022. \$500,000 of the grant was expendable immediately to support Information Technology solutions and to help fundraising effort analysis and implementation strategies; all funds are to be incurred by June 30, 2025.

The remaining \$4.5 million of the grant funded CICOA's first ever permanent endowment fund. Earnings from the endowment fund will be available to cover future sustainability and growth needs; however, none of the endowment earnings will be available to spend until July 1, 2025. Unspent balances and endowment corpus of the LEI grant will be classified as net assets with donor restrictions.

**NOTE 2 - GOVERNMENT GRANT ACTIVITIES**

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

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

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

The amount of unexpended contract funds and settlements related to grant revenues are payable to the funding source (FSSA). There were no amounts payable as of June 30, 2021, and 2020.

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(Continued)

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
June 30, 2021 and 2020

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

The Foundation has two accounts held at CICF. The Foundation previously transferred \$446,000 to the Central Indiana Community Foundation, Inc. (CICF) for investment in CICF's pooled endowment. Variance power was transferred to CICF. The Foundation may withdraw up to 5% of the fund's balance annually, as long as the withdrawal would not lower the fund's balance below the original corpus. This asset transfer is recorded in accordance with GAAP, and accordingly is recorded as a beneficial interest in assets held by CICF in the accompanying statements of financial position. The fair value of this beneficial interest at June 30, 2021 and 2020, is \$1,102,249 and \$819,729, respectively. A gain of \$282,520 and a loss of \$(1,081) on this beneficial interest are included in the combined statements of activities at June 30, 2021 and 2020, respectively.

During 2009, the Foundation transferred \$24,552 to CICF to establish the Duane J. and Jewell Etienne Fund. This asset transfer is recorded in accordance with GAAP, and accordingly is recorded as a beneficial interest in assets held by CICF in the accompanying statements of financial position. The fair value of this beneficial interest at June 30, 2021 and 2020, is \$89,502 and \$66,562, respectively. The Duane J. and Jewell Etienne Fund is an endowment to promote educational and professional development for CICOA staff, to help promote interest in careers serving the needs of older adults, and to address emerging needs. Investment earnings were not able to be spent until the fund reached \$50,000. Now that the fund has reached that level, the Foundation may withdraw up to 5% of the fund's investment balance annually, as long as the withdrawal would not lower the fund's balance below the greater of original corpus or \$50,000. There were no contributions to the Fund during 2021 and 2020. A gain of \$22,941 and a loss of \$(96) on this beneficial interest are included in the combined statements of activities at June 30, 2021 and 2020, respectively.

Fair value is reported based upon CICF's valuation of CICOA's portion of the pooled fund using a net asset value (NAV) approach. Pursuant to the adoption of ASU 2015-07, *Fair Value Measurement*, those investments which are valued at net asset value are excluded from the fair value hierarchy. The Foundation's management and Finance Committee review the valuations and returns in comparison to industry benchmarks and other information provided by CICF, but do not receive a detailed listing of the holdings, in which CICF invests. The Foundation does not have the ability to redeem this beneficial interest on a short-term basis. Withdrawals are limited to the terms of the Foundation's agreement with CICF.

The total fair value of the beneficial interest at June 30, 2021 and 2020, is \$1,191,751 and \$886,291, respectively. The gain of \$305,461 at June 30, 2021, and the loss of \$1,177 at June 30, 2020, on this beneficial interest are included in the combined statements of activities.

**NOTE 4 - PROPERTY AND EQUIPMENT**

CICOA's property and equipment at June 30, 2021 and 2020, are as follows:

	<u>2021</u>	<u>2020</u>
Furnishings and equipment	\$ 3,161	\$ 3,161
Computer equipment	100,480	100,480
Vehicles	<u>572,087</u>	<u>548,708</u>
	675,728	652,349
Accumulated depreciation	<u>(542,551)</u>	<u>(459,919)</u>
	<u>\$ 133,177</u>	<u>\$ 192,430</u>

Depreciation expense was \$82,632 and \$84,102 for the years ended June 30, 2021 and 2020, respectively.

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(Continued)

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
June 30, 2021 and 2020

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**NOTE 5 - OPERATING LEASES**

CICOA leases office space and equipment under noncancelable operating lease arrangements. These leases expire at various dates through September 2028. Rental expense for these leases included in the combined statements of activities was \$639,190 and \$584,290 for the years ended June 30, 2021 and 2020, respectively.

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

2022	\$ 572,159
2023	587,052
2024	601,946
2025	616,839
2026	631,733
Thereafter	<u>2,041,030</u>
	<u>\$ 5,050,759</u>

**NOTE 6 - LINE OF CREDIT**

At June 30, 2021 and 2020, CICOA had an available line of credit of \$2,000,000 with a financial institution with a variable interest rate. At June 30, 2021 and 2020, the rate was 3.25%, respectively. The line was secured by the assets of CICOA and the Foundation. The agreement also contained various financial and non-financial covenants. At June 30, 2021 and 2020, CICOA reported compliance with all covenants. As of June 30, 2021 and 2020, there were no outstanding borrowings on the line of credit. The line expired on May 22, 2021, and was subsequently renewed through February 14, 2024.

**NOTE 7 - EMPLOYEE BENEFITS**

CICOA has a Section 401(k) defined contribution plan that is available to all employees. The employer matches contributions of eligible employees. Employees who have completed one year of employment at 1,000 or more hours, and who are regularly scheduled to work more than 20 hours per week are eligible for a matching contribution from CICOA. The maximum match expense is five percent of their compensation for employees who have from one to ten years of service, and employees with more than ten years of service are eligible for an eight percent match of their compensation. All amounts are deposited in the employees' custodial accounts. Retirement expense was \$483,039 and \$412,367 for the years ended June 30, 2021 and 2020, respectively.

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(Continued)

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
June 30, 2021 and 2020

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**NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions of are comprised of the following at June 30:

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specified purposes:		
Transportation	\$ 320,087	\$ 474,410
Accumulated earnings on endowed CICF funds	408,012	251,746
Lifelong living communities	-	25,835
Safe at home	37,676	28,765
Capital improvements	610,697	610,547
Other	<u>250,502</u>	<u>217,890</u>
	<u>1,626,974</u>	<u>1,609,193</u>
Subject to the Organization's spending policy and appropriation:		
Endowment funds restricted in perpetuity	<u>200,000</u>	<u>200,000</u>
Total net assets with donor restrictions	<u>\$ 1,826,974</u>	<u>\$ 1,809,193</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	<u>2021</u>	<u>2020</u>
Purpose restrictions accomplished:		
Transportation	\$ 177,500	\$ 119,516
Lifelong living communities	25,835	122,319
Safe at home	3,893	26,284
Other	<u>66,656</u>	<u>242,778</u>
Total net assets released from restrictions	<u>\$ 273,884</u>	<u>\$ 510,897</u>

**NOTE 9 - ENDOWMENT COMPOSITION**

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

Endowment net asset composition by type of fund as of June 30, 2021:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor restricted funds	\$ -	\$ 608,012	\$ 608,012
Board-designated funds	<u>583,740</u>	<u>-</u>	<u>583,740</u>
Total funds	<u>\$ 583,740</u>	<u>\$ 608,012</u>	<u>\$ 1,191,752</u>

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(Continued)

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
June 30, 2021 and 2020

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**NOTE 9 - ENDOWMENT COMPOSITION** (Continued)

Endowment net asset composition by type of fund as of June 30, 2020:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor restricted funds	\$ -	\$ 451,746	\$ 451,746
Board-designated funds	<u>434,545</u>	<u>-</u>	<u>434,545</u>
Total funds	<u>\$ 434,545</u>	<u>\$ 451,746</u>	<u>\$ 886,291</u>

Changes in endowment net assets for year ended June 30, 2021:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Net assets, beginning of year	\$ 434,545	\$ 451,746	\$ 886,291
Gain on beneficial interest	<u>149,195</u>	<u>156,266</u>	<u>305,461</u>
Net assets, end of year	<u>\$ 583,740</u>	<u>\$ 608,012</u>	<u>\$ 1,191,752</u>

Changes in endowment net assets for year ended June 30, 2020:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Net assets, beginning of year	\$ 435,116	\$ 452,352	\$ 887,468
Loss on beneficial interest	<u>(571)</u>	<u>(606)</u>	<u>(1,177)</u>
Net assets, end of year	<u>\$ 434,545</u>	<u>\$ 451,746</u>	<u>\$ 886,291</u>

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

As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund remains classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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(Continued)

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
June 30, 2021 and 2020

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**NOTE 9 - ENDOWMENT COMPOSITION** (Continued)

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

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

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

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

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

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(Continued)

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
June 30, 2021 and 2020

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**NOTE 10 - LIQUIDITY AND AVAILABILITY**

The Organization's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	<u>2021</u>	<u>2020</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 8,793,042	\$ 7,527,684
Grant reimbursements receivable	4,540,727	5,244,202
Medicaid service fees receivable	190,041	764,789
Contributions receivable	345,547	298,701
Other receivables	70,574	286,743
Other assets	142,634	-
Beneficial interest in assets held by Central Indiana Community Foundation, Inc.	<u>1,191,751</u>	<u>886,291</u>
Total financial assets	15,274,316	15,008,410
Less amounts not available to be used within one year:		
Board-designated endowment funds	583,740	434,545
Donor restricted endowment funds	<u>608,012</u>	<u>451,746</u>
Financial assets not available to be used within one year	1,191,752	886,291
Add back funds able to be available for operations per endowment spending policy within one year	<u>59,600</u>	<u>44,340</u>
Financial assets available to meet general expenditures within one year	<u>\$ 14,142,164</u>	<u>\$ 14,166,459</u>

The endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

Endowment funds are subject to the spending policy as described in Note 10. Although the Organization does not intend to spend from the board-designated endowment (other than amounts appropriated for general expenditure as part of the spending policy), these amounts could be made available if necessary or can be drawn for special purposes.

As part of the Organization's liquidity management, the Organization invests its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Organization has a committed line of credit in the amount of \$2,000,000 as of June 30, 2021 and 2020, which it could draw upon. The use of this line of credit is generally restricted to the extent that the Organization is in need of liquidity to fund program-related obligations.

**SUPPLEMENTARY INFORMATION**

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
COMBINING SCHEDULE OF FINANCIAL POSITION  
June 30, 2021

	CICOA Aging & In-Home Solutions, Inc.	CICOA Foundation, Inc.	Eliminations	Combined Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 6,889,599	\$ 1,903,443	\$ -	\$ 8,793,042
Accounts receivable	423,668	2,434	(426,102)	-
Loans receivable				
Grant reimbursements receivable	4,540,727	-	-	4,540,727
Medicaid service fees receivable	190,041	-	-	190,041
Contributions receivable, net	-	345,547	-	345,547
Other receivables	70,574	-	-	70,574
Prepaid expenses	911,285	-	-	911,285
Other assets	500,000	-	-	500,000
Beneficial interest in assets held by Central Indiana Community Foundation, Inc.	-	1,191,751	-	1,191,751
Property and equipment, net	133,177	-	-	133,177
	<u>\$13,659,071</u>	<u>\$ 3,443,175</u>	<u>\$ (426,102)</u>	<u>\$16,676,144</u>
<b>LIABILITIES AND NET ASSETS</b>				
Liabilities				
Accounts payable	\$ 1,396,962	\$ 424,484	\$ (426,102)	\$ 1,395,344
Accrued payroll and expenses	853,265	-	-	853,265
Accrued leave	1,067,736	-	-	1,067,736
Grant advance liability	3,295,280	-	-	3,295,280
Other liabilities	72,360	-	-	72,360
Total liabilities	6,685,603	424,484	(426,102)	6,683,985
Net assets				
Without donor restrictions	6,973,468	1,191,717	-	8,165,185
With donor restrictions	-	1,826,974	-	1,826,974
Total net assets	6,973,468	3,018,691	-	9,992,159
	<u>\$13,659,071</u>	<u>\$ 3,443,175</u>	<u>\$ (426,102)</u>	<u>\$16,676,144</u>

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
COMBINING SCHEDULE OF FINANCIAL POSITION  
June 30, 2020

	CICOA Aging & In-Home Solutions, Inc.	CICOA Foundation, Inc.	Eliminations	Combined Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,225,975	\$ 2,301,709	\$ -	\$ 7,527,684
Accounts receivable	520,619	8,353	(528,972)	-
Loans receivable	-	-	-	-
Grant reimbursements receivable	5,244,202	-	-	5,244,202
Medicaid service fees receivable	764,789	-	-	764,789
Contributions receivable, net	-	298,701	-	298,701
Other receivables	286,743	-	-	286,743
Prepaid expenses	188,715	9,246	-	197,961
Beneficial interest in assets held by Central Indiana Community Foundation, Inc.	-	886,291	-	886,291
Property and equipment, net	<u>192,430</u>	<u>-</u>	<u>-</u>	<u>192,430</u>
	<u>\$ 12,423,473</u>	<u>\$ 3,504,300</u>	<u>\$ (528,972)</u>	<u>\$ 15,398,801</u>
<b>LIABILITIES AND NET ASSETS</b>				
Liabilities				
Accounts payable	\$ 1,507,615	\$ 532,757	\$ (528,972)	\$ 1,511,400
Accrued payroll and expenses	679,176	-	-	679,176
Accrued leave	865,329	-	-	865,329
Grant advance liability	3,295,280	-	-	3,295,280
Other liabilities	<u>35,987</u>	<u>-</u>	<u>-</u>	<u>35,987</u>
Total liabilities	6,383,387	532,757	(528,972)	6,387,172
Net assets				
Without donor restrictions	6,040,086	1,235,147	-	7,275,233
With donor restrictions	<u>-</u>	<u>1,736,396</u>	<u>-</u>	<u>1,736,396</u>
Total net assets	<u>6,040,086</u>	<u>2,971,543</u>	<u>-</u>	<u>9,011,629</u>
	<u>\$ 12,423,473</u>	<u>\$ 3,504,300</u>	<u>\$ (528,972)</u>	<u>\$ 25,398,801</u>

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
COMBINING SCHEDULE OF ACTIVITIES  
Year ended June 30, 2021

	CICOA Aging & In-Home Solutions, Inc.	CICOA Foundation, Inc.	Eliminations	Combined Total
<b>Revenue</b>				
Federal and state grants and contracts	\$ 17,284,228	\$ -	\$ -	\$ 17,284,228
Medicaid service fees	13,039,324	-	-	13,039,324
Project income	262,733	-	-	262,733
Contributions and grants	47,816	678,669	-	726,485
Interest income	1,992	13,537	(7,366)	8,163
Gain on beneficial interest	-	305,461	-	305,461
Other income	<u>1,386,817</u>	<u>-</u>	<u>(525,932)</u>	<u>860,885</u>
Total revenue	<u>32,022,910</u>	<u>997,667</u>	<u>(533,298)</u>	<u>32,487,279</u>
<b>Expenses</b>				
Program services				
In-home services	17,496,590	164,241	(164,241)	17,496,590
Transportation	1,343,705	177,500	(177,500)	1,343,705
Nutrition	4,377,161	166,825	(166,825)	4,377,161
Aging & Disability Resource Center	4,980,701	10,000	(10,000)	4,980,701
Hospital Based Initiatives	<u>746,567</u>	<u>-</u>	<u>-</u>	<u>746,567</u>
Total program services	28,944,724	518,566	(518,566)	28,944,724
Administration	2,088,160	-	(7,366)	2,080,794
Fund raising	<u>56,644</u>	<u>431,953</u>	<u>(7,366)</u>	<u>481,231</u>
Total expenses	<u>31,089,528</u>	<u>950,519</u>	<u>(533,298)</u>	<u>31,506,749</u>
<b>Change in net assets</b>	933,382	47,148	-	980,530
Net assets at beginning of year	<u>6,040,086</u>	<u>2,971,543</u>	<u>-</u>	<u>9,011,629</u>
Net assets at end of year	<u>\$ 6,973,468</u>	<u>\$ 3,018,691</u>	<u>\$ -</u>	<u>\$ 9,992,159</u>

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
COMBINING SCHEDULE OF ACTIVITIES  
Year ended June 30, 2020

	<u>CICOA Aging &amp; In-Home Solutions, Inc.</u>	<u>CICOA Foundation, Inc.</u>	<u>Eliminations</u>	<u>Combined Total</u>
<b>Revenue</b>				
Federal and state grants and contracts	\$ 17,498,143	\$ -	\$ -	\$ 17,498,143
Medicaid service fees	12,295,800	-	-	12,295,800
Project income	452,008	-	-	452,008
Contributions and grants	47,981	1,528,214	-	1,576,195
Fund raising events	-	46,416	-	46,416
Interest income	5,960	19,725	(13,605)	12,080
Loss on beneficial interest	-	(1,177)	-	(1,177)
Other income	1,305,641	-	(612,366)	693,275
In-kind contributions	<u>311,976</u>	<u>-</u>	<u>-</u>	<u>311,976</u>
Total revenue	<u>31,917,509</u>	<u>1,593,178</u>	<u>(625,971)</u>	<u>32,884,716</u>
<b>Expenses</b>				
Program services				
In-home services	16,233,106	148,603	(148,603)	16,233,106
Transportation	1,521,521	119,516	(119,516)	1,521,521
Nutrition	4,489,189	280,671	(280,671)	4,489,189
Aging & Disability Resource Center	5,006,283	-	-	5,006,283
Hospital Based Initiatives	<u>786,909</u>	<u>57,187</u>	<u>(50,315)</u>	<u>793,781</u>
Total program services	28,037,008	605,977	(599,105)	28,043,880
Administration	1,701,146	-	(13,605)	1,687,541
Fund raising	<u>48,193</u>	<u>409,338</u>	<u>(13,261)</u>	<u>444,270</u>
Total expenses	<u>29,786,347</u>	<u>1,015,315</u>	<u>(625,971)</u>	<u>30,175,691</u>
<b>Change in net assets</b>	2,131,162	577,863	-	2,709,025
Net assets at beginning of year	<u>3,908,924</u>	<u>2,393,680</u>	<u>-</u>	<u>6,302,604</u>
Net assets at end of year	<u>\$ 6,040,086</u>	<u>\$ 2,971,543</u>	<u>\$ -</u>	<u>\$ 9,011,629</u>

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended June 30, 2021

Federal Grantor/ Pass-through Grantor/  Program or Cluster Title	Federal Assistance Listing Number	Grant or Pass through Number	Expenditures	Amounts Awarded to Subrecipients
<u>U.S. Department of Health and Human Services</u>				
Pass-through program: Indiana Family and Social Services Administration				
Title VII-G Elder Abuse Prevention	93.041	2001INOAEA	\$ 52,500	\$ 52,500
Title VII Long-Term Care Ombudsman	93.042	2101INOAOM	56,618	56,618
Title III-D Preventative Health	93.043	2001INOAPH	98,083	46,128
Aging Cluster:				
Title III-A Administration	93.044	49-16-OV-1581-02	670,058	-
COVID-19 - Title III-A Administration	93.044	49-16-OV-1581-02	174,317	-
Title III-B Supportive Services	93.044	2101INOASS	1,827,216	232,504
COVID-19 – Title III-B Supportive Services	93.044	2001INSSC3	329,122	69,389
Title III-C Nutrition Services	93.045	2101INHDC5-00	1,984,999	-
COVID-19 – Title III-C Nutrition Services	93.045	2001INHDC3	1,336,319	-
Nutrition Services Incentive Program	93.053	2101INOANS	<u>275,583</u>	-
Total Aging Cluster			6,597,614	301,893
Indiana No Wrong Door Business Case	93.048	90NWBC0001-02-00	10,559	-
Title III-E Family Caregiver	93.052	2001INO AFC	527,594	338,315
COVID-19 – Title III-E Family Caregiver	93.052	2001INFCC3	<u>278,449</u>	<u>121,254</u>
			806,043	459,569
Social Services Block Grant	93.667	1002INSOSR	2,044,408	-
Pass-through program: IAAAA Education Institute				
Senior Medicare Patrol Program	93.048	90MPPG0035-01-00	600	-
Pass-through program: Trustees of Indiana University				
PPHF Geriatric Education Centers	93.969	U1QHP28729	17,729	-
Decisions About Cancer Screening in Alzheimer's Disease (DECAD)	93.866	R01AG055424	11,581	-
Strengthen/Expand IU/AAA Dementia Capable HCBS System	93.470	90ADPI0057-01-00	<u>15,120</u>	-
Total U.S. Department of Health and Human Services			<u>9,710,855</u>	<u>916,708</u>
<u>U.S. Department of Transportation</u>				
Pass-through program: Indiana Public Transportation Corporation				
Federal Transit Formula Grants	20.507	2020-2021	83,588	-
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513		<u>84,800</u>	-
Total U.S. Department of Transportation			<u>168,388</u>	-
<u>U.S. Department of Agriculture</u>				
Pass-through program: Indiana State Department of Health				
Commodity Supplemental Food Program	10.565	40010565CSFPA19/ 40010565CSFPA20	<u>51,392</u>	-
Total Federal Expenditures			<u>\$ 9,930,635</u>	<u>\$ 916,708</u>
<u>Subtotals of Multiple Awards</u>				
Indiana No Wrong Door Business Case	93.048		10,559	-
Senior Medicare Patrol Program	93.048		<u>600</u>	-
			<u>11,159</u>	-

See accompanying note to Schedule of Expenditures of Federal Awards.

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended June 30, 2021

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**NOTE 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of CICOA Aging & In-Home Solutions, Inc., under programs of the federal government for the year ended June 30, 2021. CICOA Foundation, Inc. did not expend any federal awards during the year ended June 30, 2021. The information in the Schedule is presented in accordance with the 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the combined financial statements.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. CICOA has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations 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.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the combined financial statements of CICOA Aging & In-Home Solutions, Inc. (Organization), which comprise the combined statement of financial position as of June 30, 2021, and the related combined statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 16, 2023.

### **Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002 that we consider to be significant deficiencies.

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(Continued)

## **Compliance and Other Matters**

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

## **Organization's Response to Findings**

The Organization's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Crowe LLP*  
Crowe LLP

Indianapolis, Indiana  
June 16, 2023

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

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

**Report on Compliance for Each Major Federal Program**

We have audited CICOA Aging & In-Home Solutions, Inc.'s (CICOA) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of CICOA's major federal programs for the year ended June 30, 2021. CICOA'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 CICOA's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 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 CICOA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Opinion on Each Major Federal Program***

In our opinion, CICOA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2021.

## Report on Internal Control Over Compliance

Management of CICOA is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered CICOA's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 CICOA's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2021-003, 2021-004 and 2021-005, that we consider to be significant deficiencies.

CICOA's response to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. CICOA's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

  
Crowe LLP

Indianapolis, Indiana  
June 16, 2023

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year ended June 30, 2021

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**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

***Financial Statements***

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?      Yes   X   No

Significant deficiencies identified not considered to be material weaknesses?   X   Yes      No

Noncompliance material to financial statements noted?      Yes   X   No

***Federal Awards***

Internal Control over major programs:

Material weakness(es) identified?      Yes   X   No

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

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?   X   Yes      No

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.667	Social Services Block Grant (SSBG)
93.052	Title III-E

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

Auditee qualified as low-risk auditee?   X   Yes      No

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(Continued)

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year ended June 30, 2021

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**Section II – Financial Statement Findings**

**FINDING 2021-001**

Subject: Preparation and Review of the Schedule of Expenditures of Federal Awards  
Audit Findings: Significant Deficiency

**Criteria:** Management is responsible for establishing and maintaining effective internal control over the financial reporting, including the Schedule of Expenditures of Federal Awards (SEFA).

**Condition:** The Organization did not have an internal control in place for a secondary review of the SEFA for audit.

**Cause:** Management had not established a system of internal control over the preparation and review of the SEFA.

**Context:** The SEFA was prepared by the CFO without a secondary review. The original SEFA was submitted six months after year-end and then re-submitted 11 months after that. Upon the second submission of the SEFA, amounts had been adjusted, which resulted in a second major program (Title III-E) needing to be audited.

**Effect:** Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could go undetected and programs requiring an audit could go unaudited. A control that involves the proper tracking of federal funds is a key element of knowing the applicable federal compliance requirements the Organization needs to follow.

**Repeat Finding:** No.

**Recommendation:** We recommended that the Organization's management establish a formal control over the preparation and review of the SEFA to ensure amounts reported are accurate and complete and that the SEFA is prepared in a timely manner. We recommend this review be formally documented.

**Views of Responsible Officials and Planned Corrective Actions:** Management agrees with the finding and has prepared a corrective action plan.

**FINDING 2021-002**

Subject: Reconciliation of Contributions  
Audit Findings: Significant Deficiency

**Criteria:** Management is responsible for establishing and maintaining effective internal control over the financial reporting process.

**Condition:** The Organization did not have an internal control in place for the preparation and review of the contributions reconciliation.

**Cause:** Management had not established a system of internal control over the preparation and review of the contributions reconciliation.

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(Continued)

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year ended June 30, 2021

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**Section II – Financial Statement Findings** (Continued)

**FINDING 2021-002** (Continued)

**Context:** The contributions reconciliation was prepared by management and then there was no formal review process to assure the accuracy of the reconciliation. The original contributions reconciliation was submitted 12 months after year-end and then re-submitted in January 2023. Upon the submissions of the reconciliations, management was unable to initially reconcile approximately \$585,000 of contributions to ensure whether or not the amounts were valid fiscal year 2021 contributions.

**Effect:** Without a proper system of internal control in place that operates effectively, material misstatements of the financial statements could go undetected.

**Repeat Finding:** No.

**Recommendation:** We recommended that the Organization's management establish a formal control over the preparation and review of the financial statement reconciliations to ensure amounts reported are accurate and complete. We recommend this review be formally documented and done in a timely manner.

**Views of Responsible Officials and Planned Corrective Actions:** Management agrees with the finding and has prepared a corrective action plan.

**Section III – Federal Award Findings and Questioned Costs**

**FINDING 2021-003**

**Information on the federal program:**

Subject: SSBG – Internal Controls  
Federal Agency: Department of Health and Human Services  
Federal Program: Social Services Block Grant  
Assistance Listing Number: 93.667  
Compliance Requirement: Allowable Costs/Cost Principles  
Audit Finding: Significant Deficiency

**Criteria:** 2 CFR section 200.303 states in part: "The non-Federal entity must:

(a) Establish and maintain effective internal control over Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal awards in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

**Condition:** An effective internal control system was not in place to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirements.

**Cause:** CICOA's management had not developed a system of internal controls to ensure compliance with the compliance requirements listed above.

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(Continued)

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year ended June 30, 2021

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**Section III – Federal Award Findings and Questioned Costs** (Continued)

**FINDING 2021-003** (Continued)

**Effect:** The failure to establish an effective internal control system placed CICOA at risk of noncompliance with the grant agreement and the compliance requirements. A lack of proper internal controls and maintaining supporting documentation could have allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

**Questioned Costs:** There were no questioned costs identified.

**Context:** During testing of 60 vendor disbursements for allowable costs/cost principles, we noted there seven (out of 25) indirect costs charged to the grant that did not have formal approval of the expenditure, three (out of 35) direct costs that did not have formal approval on the supporting documentation and one direct costs for which support could not be provided.

**Identification as a repeat finding, if applicable:** No.

**Recommendation:** We recommend that CICOA establish a review control to ensure that costs charged to the grant are reviewed, appropriate documentation of the review is maintained, and that the costs are allowable under the grant.

**Views of Responsible Officials and Planned Corrective Actions:** Management agrees with the finding and has prepared a corrective action plan.

**FINDING 2021-004**

**Information on the federal program:**

Subject: SSBG – Internal Controls  
Federal Agency: Department of Health and Human Services  
Federal Program: Social Services Block Grant  
Assistance Listing Number: 93.667  
Compliance Requirement: Cash Management  
Audit Finding: Significant Deficiency

**Criteria:** 2 CFR section 200.303 states in part: "The non-Federal entity must:

(a) Establish and maintain effective internal control over Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal awards in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

**Condition:** An effective internal control system was not in place to ensure compliance with requirements related to the grant agreement and the Cash Management compliance requirements.

**Cause:** CICOA's management had not developed a system of internal controls to ensure compliance with the compliance requirements listed above.

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(Continued)

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year ended June 30, 2021

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**Section III – Federal Award Findings and Questioned Costs** (Continued)

**FINDING 2021-004** (Continued)

**Effect:** The failure to establish an effective internal control system placed CICOA at risk of noncompliance with the grant agreement and the compliance requirements. A lack of effective reviews could have also allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by the review process not ensuring there was accurate reporting of the activities of the programs.

**Questioned Costs:** There were no questioned costs identified.

**Context:** We noted that for three claims in a sample of three, there was no formal review/approval of the FSSA Contract Claim Reimbursement form outside of who is preparing the form. The CFO prepares and submits the claim without a secondary review.

**Identification as a repeat finding, if applicable:** No.

**Recommendation:** We recommend that CICOA establish a review control to ensure that segregation of duties are in place and that someone separate of who prepares the reimbursement claim is the one submitting the claim. The reimbursement claim should be compared to supporting documentation to ensure accuracy of the claim reimbursement form.

**Views of Responsible Officials and Planned Corrective Actions:** Management agrees with the finding and has prepared a corrective action plan.

**FINDING 2021-005**

**Information on the federal program:**

Subject: Title III-E – Internal Controls  
Federal Agency: Department of Health and Human Services  
Federal Program: Title III-E Family Caregiver, COVID-19 – Title III-E Family Caregiver  
Assistance Listing Number: 93.052  
Compliance Requirement: Cash Management  
Audit Finding: Significant Deficiency

**Criteria:** 2 CFR section 200.303 states in part: "The non-Federal entity must:

(a) Establish and maintain effective internal control over Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal awards in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

**Condition:** An effective internal control system was not in place to ensure compliance with requirements related to the grant agreement and the Cash Management compliance requirements.

**Cause:** CICOA's management had not developed a system of internal controls to ensure compliance with the compliance requirements listed above.

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(Continued)

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year ended June 30, 2021

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**Section III – Federal Award Findings and Questioned Costs** (Continued)

**FINDING 2021-005** (Continued)

**Effect:** The failure to establish an effective internal control system placed CICOA at risk of noncompliance with the grant agreement and the compliance requirements. A lack of effective reviews could have also allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by the review process not ensuring there was accurate reporting of the activities of the programs.

**Questioned Costs:** There were no questioned costs identified.

**Context:** We noted that for two claims in a sample of two, there was no formal review/approval of the FSSA Contract Claim Reimbursement form outside of who is preparing the form. The CFO prepares and submits the claim without a secondary review.

**Identification as a repeat finding, if applicable:** No.

**Recommendation:** We recommend that CICOA establish a review control to ensure that segregation of duties are in place and that someone separate of who prepares the reimbursement claim is the one submitting the claim. The reimbursement claim should be compared to supporting documentation to ensure accuracy of the claim reimbursement form.

**Views of Responsible Officials and Planned Corrective Actions:** Management agrees with the finding and has prepared a corrective action plan.

CICOA AGING & IN-HOME SOLUTIONS, INC.  
AND CICOA FOUNDATION, INC.  
SCHEDULE OF EXPENDITURES OF STATE AND LOCAL AWARDS  
June 30, 2021

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<u>Grantor/Program Title</u>	<u>Amount</u>
Indiana Family and Social Services Administration	
CHOICE	\$ 4,311,862
Older Hoosiers Act	154,210
Assisted Living Ombudsman	<u>68,855</u>
	<u>4,534,927</u>
Indiana Department of Insurance	
State Health Insurance Program (SHIP)	<u>18,560</u>
Total state expenditures	<u><u>4,553,487</u></u>
Morgan County	
Morgan County Commissioners Funds	<u>20,000</u>
Total local expenditures	<u><u>20,000</u></u>
Total state and local expenditures	<u><u>\$ 4,573,487</u></u>

\*\*See schedule of expenditures of federal awards on page 24 for federal grant activity.



CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS  
June 30, 2021

**FINDING 2021-001**

Subject: Preparation and Review of the Schedule of Expenditures of Federal Awards  
Audit Findings: Significant Deficiency

**Condition:** The Organization did not have an internal control in place for a secondary review of the SEFA for audit.

**Context:** The SEFA was prepared by the CFO without a secondary review. The original SEFA was submitted six months after year-end and then re-submitted 11 months after that. Upon the second submission of the SEFA, amounts had been adjusted, which resulted in a second major program (Title III-E) needing to be audited.

**Views of Responsible Officials:** We concur with the finding.

**Description of Corrective Action Plan:** CICOA created an additional position in our Fiscal department to help add capacity and address various segregation of duties concerns. On April 3, 2023, CICOA hired a Senior Director of Financial Reporting to fill this new position. The CFO has done/will continue various training with the Senior Director to transfer knowledge and responsibilities currently held by the CFO, including future preparation of the SEFA. CFO will likely serve as the reviewer of the SEFA after preparation by the Senior Director.

Key item to note: this finding was made as part of the audit for the fiscal year ended June 30, 2021, and the hiring of the Senior Director was not made until late in the fiscal year ended June 30, 2023. Due to this timing, the CFO might still prepare the SEFAs for fiscal years 2022 and 2023.

**Responsible Party and Timeline for Completion:** to be completed by CFO (with assistance from Senior Director of Financial Reporting), no later than SEFA for fiscal year ended June 30, 2024

**FINDING 2021-002**

Subject: Reconciliation of Contributions  
Audit Findings: Significant Deficiency

**Condition:** The Organization did not have an internal control in place for the preparation and review of the contributions reconciliation.

**Context:** The contributions reconciliation was prepared by management and then there was no formal review process to assure the accuracy of the reconciliation. The original contributions reconciliation was submitted 12 months after year-end and then re-submitted in January 2023. Upon the submissions of the reconciliations, management was unable to initially reconcile approximately \$585,000 of contributions to ensure whether or not the amounts were valid fiscal year 2021 contributions.



**Views of Responsible Officials:** We concur with the finding.

**Description of Corrective Action Plan:** Staff of the Fiscal and Development (Fundraising) departments have held meetings and discussions in efforts to better understand each other's reporting needs and desires. Changes are in process for how our donor management database is used, as well as with guidance from Fiscal on how fundraising transactions should be communicated between both departments. A key template is being updated for better guidance on how pledges, gifts, receipts, etc. should be coded for accounting purposes.

Key item to note: this finding was made as part of the audit for the fiscal year ended June 30, 2021, and the above corrective actions were not made until late in the fiscal year ended June 30, 2023. Due to this timing, necessary changes did not exist for fiscal years 2022 and 2023.

**Responsible Party and Timeline for Completion:** CFO and Chief Development Officer; revised General Ledger coding template to be in use for Pledges, Gifts and related deposits no later than July 2023. Donor management system reporting that reconciles to accounting records to be implemented in July 2023, if the system allows.

## **FINDING 2021-003**

### **Information on the federal program:**

Subject: SSBG – Internal Controls  
Federal Agency: Department of Health and Human Services  
Federal Program: Social Services Block Grant  
Assistance Listing Number: 93.667  
Compliance Requirement: Allowable Costs/Cost Principles  
Audit Finding: Significant Deficiency

**Condition:** An effective internal control system was not in place to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirements.

**Context:** During testing of 60 vendor disbursements for allowable costs/cost principles, we noted there seven (out of 25) indirect costs charged to the grant that did not have formal approval of the expenditure, three (out of 35) direct costs that did not have formal approval on the supporting documentation and one direct costs for which support could not be provided.

**Views of Responsible Officials:** We concur with the finding.

**Description of Corrective Action Plan:** CICOA created an additional position in our Fiscal department to help add capacity and address various segregation of duties concerns. On April 3, 2023, CICOA hired a Senior Director of Financial Reporting to fill this new position. The CFO and other Fiscal staff have done/will continue various training with the Senior Director to transfer knowledge and responsibilities currently held by the CFO, including future review and approval of indirect cost transactions and oversight of Accounts Payable.



Key item to note: this finding was made as part of the audit for the fiscal year ended June 30, 2021, and the hiring of the Senior Director was not made until late in the fiscal year ended June 30, 2023. Due to this timing, additional review and oversight capacity did not exist for fiscal years 2022 and 2023.

**Responsible Party and Timeline for Completion:** to be completed by CFO (with assistance from Senior Director of Financial Reporting and other Fiscal staff), beginning no later than transactions occurring in July 2023 (first month of fiscal year ended June 30, 2024).

#### **FINDING 2021-004**

##### **Information on the federal program:**

Subject: SSBG – Internal Controls  
Federal Agency: Department of Health and Human Services  
Federal Program: Social Services Block Grant  
Assistance Listing Number: 93.667  
Compliance Requirement: Cash Management  
Audit Finding: Significant Deficiency

**Condition:** An effective internal control system was not in place to ensure compliance with requirements related to the grant agreement and the Cash Management compliance requirements.

**Context:** We noted that for three claims in a sample of three, there was no formal review/approval of the FSSA Contract Claim Reimbursement form outside of who is preparing the form. The CFO prepares and submits the claim without a secondary review.

**Views of Responsible Officials:** We concur with the finding.

**Description of Corrective Action Plan:** CICOA created an additional position in our Fiscal department to help add capacity and address various segregation of duties concerns. On April 3, 2023, CICOA hired a Senior Director of Financial Reporting to fill this new position. The CFO has done/will continue various training with the Senior Director and other staff to transfer knowledge and responsibilities currently held by the CFO, including future preparation and submission of the FSSA Contract Claim Reimbursement documents. The CFO will serve as either the primary or secondary reviewer of such Claim Reimbursements after preparation by other Fiscal staff.

Key item to note: this finding was made as part of the audit for the fiscal year ended June 30, 2021, and the hiring of the Senior Director was not made until late in the fiscal year ended June 30, 2023. Due to this timing, the CFO did still prepare and submit the majority of FSSA Contract Claim Reimbursements for fiscal years 2022 and 2023.

**Responsible Party and Timeline for Completion:** to be completed by CFO (with assistance from Senior Director of Financial Reporting and other Fiscal staff), beginning no later than Claims Reimbursements submitted for services provided in July 2023 (first month of fiscal year ended June 30, 2024).



## **FINDING 2021-005**

### **Information on the federal program:**

Subject: Title III-E – Internal Controls  
Federal Agency: Department of Health and Human Services  
Federal Program: Title III-E Family Caregiver, COVID-19 – Title III-E Family Caregiver  
Assistance Listing Number: 93.052  
Compliance Requirement: Cash Management  
Audit Finding: Significant Deficiency

**Condition:** An effective internal control system was not in place to ensure compliance with requirements related to the grant agreement and the Cash Management compliance requirements.

**Context:** We noted that for two claims in a sample of two, there was no formal review/approval of the FSSA Contract Claim Reimbursement form outside of who is preparing the form. The CFO prepares and submits the claim without a secondary review.

**Views of Responsible Officials:** We concur with the finding.

**Description of Corrective Action Plan:** CICOA created an additional position in our Fiscal department to help add capacity and address various segregation of duties concerns. On April 3, 2023, CICOA hired a Senior Director of Financial Reporting to fill this new position. The CFO has done/will continue various training with the Senior Director and other staff to transfer knowledge and responsibilities currently held by the CFO, including future preparation and submission of the FSSA Contract Claim Reimbursement documents. The CFO will serve as either the primary or secondary reviewer of such Claim Reimbursements after preparation by other Fiscal staff.

Key item to note: this finding was made as part of the audit for the fiscal year ended June 30, 2021 and the hiring of the Senior Director was not made until late in the fiscal year ended June 30, 2023. Due to this timing, the CFO did still prepare and submit the majority of FSSA Contract Claim Reimbursements for fiscal years 2022 and 2023.

**Responsible Party and Timeline for Completion:** to be completed by CFO (with assistance from Senior Director of Financial Reporting and other Fiscal staff), beginning no later than Claims Reimbursements submitted for services provided in July 2023 (first month of fiscal year ended June 30, 2024).

Sincerely,

Michael E. Johnson  
Chief Financial Officer