



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513

Fax: (317) 232-4711

Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

April 24, 2024

Board of Directors  
Southwest Indiana Regional Council on Aging, Inc.  
d/b/a SWIRCA & More  
Vanderburgh County, Indiana

We have reviewed the audit report of the Southwest Indiana Regional Council on Aging, Inc. d/b/a SWIRCA & More, which was opined upon by Comer, Nowling, and Associates, PC, Independent Public Accountants, for the period July 1, 2022 to June 30, 2023. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of the Southwest Indiana Regional Council on Aging, Inc. d/b/a SWIRCA & More, as of June 30, 2023, and the results of its operations for the period then ended, on the basis of accounting described in the report.

We call your attention to the finding included in the report on page 34. Please see the Schedule of Findings and Questioned Costs for complete details related to the finding. Management's Corrective Action Plan immediately follows the finding.

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

The audit 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

**Southwestern Indiana Regional  
Council on Aging, Inc.  
d/b/a SWIRCA & More**

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

COMER  NOWLING

INDUSTRY ESTABLISHED | FOCUSED ON QUALITY

*Certified Public Accountants*

**SOUTHWESTERN INDIANA REGIONAL COUNCIL ON AGING, INC.  
D/B/A SWIRCA & MORE  
FINANCIAL STATEMENTS**

CONTENTS

	<b>Page</b>
<b>INDEPENDENT AUDITOR’S REPORT .....</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
Statements of Financial Position.....	4
Statements of Activities and Changes in Net Assets .....	6
Statements of Functional Expenses .....	8
Statements of Cash Flows.....	10
Notes to Financial Statements.....	11
<b>SUPPLEMENTAL INFORMATION</b>	
Schedule of Expenditures of Federal Awards.....	23
Notes to Schedule of Expenditures of Federal Awards .....	25
Schedule of Expenditures of State and Local Awards.....	26
Summary Schedule of Prior Audit Findings.....	27
Independent Auditor’s Report on Internal Control over Financial Report and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	28
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the <i>Uniform Guidance</i> .....	30
Schedule of Findings and Questioned Costs.....	33

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Southwestern Indiana Regional Council on Aging, Inc.  
d/b/a SWIRCA & More  
Evansville, Indiana

### Report on the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of Southwestern Indiana Regional Council on Aging, Inc. d/b/a SWIRCA & More (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Southwestern Indiana Regional Council on Aging, Inc. as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Southwestern Indiana Regional Council on Aging, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Southwestern Indiana Regional Council on Aging, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Southwestern Indiana Regional Council on Aging, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Southwestern Indiana Regional Council on Aging, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

### ***Supplementary Information***

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

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

In accordance with Government Auditing Standards, we have also issued our report dated January 30, 2024 on our consideration of the Southwestern Indiana Regional Council on Aging, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Southwestern Indiana Regional Council on Aging, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Southwestern Indiana Regional Council on Aging, Inc.'s internal control over financial reporting and compliance.

***Comer, Nowling And Associates, P.C.***

Comer, Nowling And Associates, P.C.  
Indianapolis, Indiana  
January 30, 2024

**SOUTHWESTERN INDIANA REGIONAL COUNCIL ON AGING, INC.**  
**D/B/A SWIRCA & MORE**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2023 AND 2022**

<b>ASSETS</b>		<b>2023</b>	<b>2022</b>
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	\$	2,065,711	\$ 1,288,593
Accounts receivable		248,203	260,376
Grants receivable		885,530	738,998
Promises to give current maturities		154,000	-
Prepaid expenses		109,412	151,471
Total current assets		3,462,856	2,439,438
<b>FIXED ASSETS:</b>			
Land		106,348	106,348
Building		2,178,954	2,068,564
Equipment		856,715	856,715
		3,142,017	3,031,627
Less accumulated depreciation		(1,795,247)	(1,672,996)
Total fixed assets, net		1,346,770	1,358,631
<b>OTHER ASSETS</b>			
Investments		1,062,310	929,520
Right-of-use operating lease asset		34,356	-
Promises to give, net of current maturities		171,460	-
Total other assets		1,268,126	929,520
Total assets	\$	6,077,752	\$ 4,727,589

See accompanying notes to financial statements.

**SOUTHWESTERN INDIANA REGIONAL COUNCIL ON AGING, INC.**  
**D/B/A SWIRCA & MORE**  
**STATEMENTS OF FINANCIAL POSITION – (CONTINUED)**  
**JUNE 30, 2023 AND 2022**

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES:</b>	<b><u>2023</u></b>	<b><u>2022</u></b>
Accounts payable	\$ 339,702	\$ 255,028
Accrued expenses and taxes	186,657	147,780
Current maturities of right-of-use operating lease liability	11,025	-
Current maturities of long term debt	368,234	37,081
Deferred revenue	5,576	5,576
Refundable advance	300,000	-
	<hr/>	<hr/>
Total current liabilities	1,211,194	445,465
	<hr/>	<hr/>
<b>LONG-TERM LIABILITIES</b>		
Right-of-use operating lease liability, net of current maturities	23,331	-
Long term debt, net of current maturities	-	424,065
	<hr/>	<hr/>
Total long-term liabilities	23,331	424,065
	<hr/>	<hr/>
Total liabilities	1,234,525	869,530
	<hr/>	<hr/>
<b>NET ASSETS:</b>		
Net assets without donor restrictions	4,288,428	3,730,808
Net assets with donor restrictions	554,799	127,251
	<hr/>	<hr/>
Total net assets	4,843,227	3,858,059
	<hr/>	<hr/>
Total liabilities and net assets	\$ 6,077,752	\$ 4,727,589
	<hr/>	<hr/>

See accompanying notes to financial statements.

**SOUTHWESTERN INDIANA REGIONAL COUNCIL ON AGING, INC.**  
**D/B/A SWIRCA & MORE**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>2023 Total</b>
<b>REVENUE AND OTHER SUPPORT</b>			
Federal grants and contracts	\$ 3,030,859	\$ -	\$ 3,030,859
State grants and contracts	1,326,733	-	1,326,733
City grants	13,706	-	13,706
Medicaid revenue	2,228,508	-	2,228,508
Program revenue	238,301	-	238,301
Sponsorships and contributions	160,128	485,896	646,024
In-kind revenue	79,873	-	79,873
Fundraising	160,557	-	160,557
Investment gains (losses)	117,802	-	117,802
Other	58,603	-	58,603
	<u>7,415,070</u>	<u>485,896</u>	<u>7,900,966</u>
Net assets released from restrictions	58,348	(58,348)	-
Total revenue and other support	<u>7,473,418</u>	<u>427,548</u>	<u>7,900,966</u>
<b>OPERATING EXPENSES</b>			
Nutrition	1,296,233	-	1,296,233
Case management	4,619,206	-	4,619,206
Wellness and community programs	318,814	-	318,814
Fundraising	255,554	-	255,554
General and administrative	425,991	-	425,991
Total operating expenses	<u>6,915,798</u>	<u>-</u>	<u>6,915,798</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	557,620	427,548	985,168
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>3,730,808</u>	<u>127,251</u>	<u>3,858,059</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 4,288,428</u>	<u>\$ 554,799</u>	<u>\$ 4,843,227</u>

See accompanying notes to financial statements.

**SOUTHWESTERN INDIANA REGIONAL COUNCIL ON AGING, INC.**  
**D/B/A SWIRCA & MORE**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

<b>REVENUE AND OTHER SUPPORT</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>2022 Total</b>
Federal grants and contracts	\$ 2,754,468	\$ -	\$ 2,754,468
State grants and contracts	1,589,382	-	1,589,382
City grants	66,000	-	66,000
Medicaid revenue	2,044,676	-	2,044,676
Program revenue	191,318	-	191,318
Sponsorships and contributions	111,054	171,226	282,280
In-kind revenue	73,977	-	73,977
Fundraising	155,635	-	155,635
Investment gains (losses)	(127,910)	-	(127,910)
Other	93,209	-	93,209
	<u>6,951,809</u>	<u>171,226</u>	<u>7,123,035</u>
Net assets released from restrictions	51,192	(51,192)	-
Total revenue and other support	<u>7,003,001</u>	<u>120,034</u>	<u>7,123,035</u>
<b>OPERATING EXPENSES</b>			
Nutrition	979,382	-	979,382
Case management	4,509,536	-	4,509,536
Wellness and community programs	265,449	-	265,449
Fundraising	227,492	-	227,492
General and administrative	629,272	-	629,272
Total operating expenses	<u>6,611,131</u>	<u>-</u>	<u>6,611,131</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	391,870	120,034	511,904
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>3,338,938</u>	<u>7,217</u>	<u>3,346,155</u>
<b>NET ASSETS - END OF YEAR</b>	<u><u>\$ 3,730,808</u></u>	<u><u>\$ 127,251</u></u>	<u><u>\$ 3,858,059</u></u>

See accompanying notes to financial statements.

**SOUTHWESTERN INDIANA REGIONAL COUNCIL ON AGING, INC.**  
**D/B/A SWIRCA & MORE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Nutrition</u>	<u>Case Management</u>	<u>Wellness and Community</u>	<u>Total Program Services</u>	<u>Fundraising</u>	<u>General and Administrative</u>	<u>2023 Total</u>
<b>OPERATING EXPENSES</b>							
Salaries and benefits	\$ 481,473	\$ 3,213,898	\$ 72,506	\$ 3,767,877	\$ 134,069	\$ 103,838	\$ 4,005,784
Occupancy, rent, utilities, and depreciation	99,985	24,203	152,323	276,511	6,382	81,982	364,875
Telephone and postage	3,561	40,073	1,413	45,047	2,928	11,541	59,516
Contracted services	7,527	52,632	9,628	69,787	2,596	33,221	105,604
Supplies	526,377	5,706	10,758	542,841	8,089	13,839	564,769
Equipment expense	38,842	19,533	-	58,375	-	3,270	61,645
Mileage reimbursement and travel	43,225	47,858	276	91,359	39	5,284	96,682
Other	87,424	187,656	71,910	346,990	46,995	165,732	559,717
Capital campaign	-	-	-	-	54,456	-	54,456
Repair and maintenance	7,819	-	-	7,819	-	7,284	15,103
Provider Services	-	1,027,647	-	1,027,647	-	-	1,027,647
Total functional expenses	<u>\$ 1,296,233</u>	<u>\$ 4,619,206</u>	<u>\$ 318,814</u>	<u>\$ 6,234,253</u>	<u>\$ 255,554</u>	<u>\$ 425,991</u>	<u>\$ 6,915,798</u>

See accompanying notes to financial statements.

**SOUTHWESTERN INDIANA REGIONAL COUNCIL ON AGING, INC.**  
**D/B/A SWIRCA & MORE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Nutrition</u>	<u>Case Management</u>	<u>Wellness and Community</u>	<u>Total Program Services</u>	<u>Fundraising</u>	<u>General and Administrative</u>	<u>2022 Total</u>
<b>OPERATING EXPENSES</b>							
Salaries and benefits	\$ 347,150	\$ 2,900,058	\$ 94,268	\$ 3,341,476	\$ 112,689	\$ 357,382	\$ 3,811,547
Occupancy, rent, utilities, and depreciation	42,144	57,780	102,796	202,720	2,561	78,815	284,096
Telephone and postage	3,365	45,593	1,049	50,007	2,354	8,547	60,908
Contracted services	6,302	33,425	3,750	43,477	2,742	36,006	82,225
Supplies	440,049	46,525	17,042	503,616	14,464	8,747	526,827
Equipment expense	6,186	2,834	2,600	11,620	245	579	12,444
Mileage reimbursement and travel	36,804	28,993	-	65,797	-	8,933	74,730
Other	81,303	191,594	43,944	316,841	92,437	121,907	531,185
Repair and maintenance	16,079	-	-	16,079	-	8,356	24,435
Provider Services	-	1,202,734	-	1,202,734	-	-	1,202,734
	<u>-</u>	<u>1,202,734</u>	<u>-</u>	<u>1,202,734</u>	<u>-</u>	<u>-</u>	<u>1,202,734</u>
Total functional expenses	<u>\$ 979,382</u>	<u>\$ 4,509,536</u>	<u>\$ 265,449</u>	<u>\$ 5,754,367</u>	<u>\$ 227,492</u>	<u>\$ 629,272</u>	<u>\$ 6,611,131</u>

See accompanying notes to financial statements.

**SOUTHWESTERN INDIANA REGIONAL COUNCIL ON AGING, INC.**  
**D/B/A SWIRCA & MORE**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 985,168	\$ 511,904
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation	122,251	108,892
Realized and unrealized (gain) loss on sale of investments	(79,952)	161,476
Increase (decrease) in cash from changes in:		
Accounts receivable	12,173	(196,605)
Grants receivable	(146,532)	114,105
Promises to give	(325,460)	-
Prepaid expenses and other current assets	42,059	(78,463)
Right-of-use operating lease asset	9,482	-
Accounts payable	84,674	(37,542)
Accrued payroll, taxes and related expenses	38,877	(30)
Refundable advance	300,000	-
Right-of-use operating lease liability	(9,482)	-
Deferred revenue	-	5,576
Net cash provided by (used in) operating activities	1,033,258	589,313
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	(110,390)	(174,892)
Purchases of investments	(390,147)	(622,003)
Proceeds on sale of investments	337,309	100,000
Net cash provided by (used in) investing activities	(163,228)	(696,895)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principal payments on long-term notes payable	(92,912)	(94,066)
Net cash provided by (used in) financing activities	(92,912)	(94,066)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	777,118	(201,648)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	1,288,593	1,490,241
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 2,065,711	\$ 1,288,593
<b>Supplemental disclosures of Cash Flow Information:</b>		
Cash paid during the year for interest	\$ 17,280	\$ 20,776

See accompanying notes to financial statements.

**SOUTHWESTERN INDIANA REGIONAL COUNCIL ON AGING, INC.**  
**D/B/A SWIRCA & MORE**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

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

**NATURE OF OPERATIONS**

The Southwestern Indiana Regional Council on Aging, Inc. d/b/a SWIRCA & More (SWIRCA or Organization) was designated as an Area Agency on Aging in July 1974, to serve Gibson, Perry, Posey, Spencer, Vanderburgh, and Warrick Counties, now known as Area 16. Area Agencies are designated by the Indiana Division of Aging as focal points for responsible for planning and coordinating a system of services for the elderly and disabled of all ages in each of the 16 regions of Indiana.

SWIRCA's network was built by establishing County Councils on Aging in each county of its area. The Councils serve as assessors of the elderly and disabled needs, clearing houses for proposed projects in that county, and deliverers of odd services when necessary. SWIRCA's mission is to develop a comprehensive array of services which will prevent inappropriate institutionalization and encourage self-sufficiency among senior citizens and disabled individuals. Establishing this network and building bridges between it and other agencies with already existing services has been the primary goal of the Area Agency on Aging.

Federal funding sources for these services are through the Older Americans Act, the Social Services Block Grant, Medicaid, and the USDA. The state funding sources include CHOICE and the Older Hoosier Fund. In addition to these federal and state dollars, funds are raised locally to further develop the network of services.

All services provided are non-sectarian in nature and are provided without regard to race, religion, or ethnic origin. To be eligible for some services, persons must be 60 years of age or older. Eligibility for others does not include a minimum age but is based on a need for assistance due to health impairments and risk of institutionalization. Some funding sources have income eligibility requirements. All services are targeted to those with the greatest social and economic needs, especially minorities.

**BASIS OF ACCOUNTING**

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

**INCOME TAX STATUS**

Southwestern Indiana Regional Council on Aging, Inc. has received a determination from the U.S. Treasury Department stating that it qualifies under the provisions of Section 501(c)(3) of the Internal Revenue Code as a tax-exempt organization. Accordingly, no accounting for federal or state income taxes is required in the accompanying financial statements.

**SOUTHWESTERN INDIANA REGIONAL COUNCIL ON AGING, INC.**  
**D/B/A SWIRCA & MORE**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

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

**INCOME TAX STATUS – (continued)**

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

**FINANCIAL STATEMENT PRESENTATION**

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

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

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

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

For the years ended June 30, 2023 and 2022, the Organization had no net assets with donor restrictions held in perpetuity or board designated net assets. See Note 8 for additional disclosure regarding net assets with donor restrictions.

**SOUTHWESTERN INDIANA REGIONAL COUNCIL ON AGING, INC.**  
**D/B/A SWIRCA & MORE**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

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

**CASH AND CASH EQUIVALENTS**

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

**GRANTS, CONTRIBUTIONS AND RECEIVABLES**

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

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

Promises to give include multi-year pledges for a capital campaign. Multi-year pledges are discounted using a risk-free rate based on certificates of deposit with similar terms.

In-kind contributions of materials and space are utilized by the various programs.

**REVENUE RECOGNITION**

The majority of the Organization's revenue is recognized as allowable expenses are incurred. Advances received in excess of allowable costs are reported as liabilities. Fees for services are recognized as revenue when performance obligations are met, which is at the point of service. Fees received in advance of substantial performance are reported as liabilities. Deposits received from customers prior to the date of the performance of services are recorded as deferred revenue.

Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance non-financial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated.

**SOUTHWESTERN INDIANA REGIONAL COUNCIL ON AGING, INC.**  
**D/B/A SWIRCA & MORE**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

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

**PROPERTY AND EQUIPMENT**

Property and equipment is stated at cost, if acquired, or at fair value at the date of receipt, if donated, less accumulated depreciation. Equipment with a unit cost below \$5,000 is expensed in the period acquired. Equipment purchased for exclusive use on a Federal award and reimbursed by a Federal agency shall be accounted for as a direct cost of that award and will not be capitalized and depreciated. Depreciation is computed by the straight-line method over the estimated useful lives of the assets, which are generally as follows:

Building and improvements .....	7-40 years
Equipment.....	3-10 years

Expenditures for improvements and major renewals are capitalized. When property is sold, retired or otherwise disposed of, the related cost and accumulated depreciation are eliminated from the accounts and any resulting gain or loss is credited or charged to income. Expenditures for maintenance and repairs are expensed when incurred.

*Accounting for the Impairment or Disposal of Long-Lived Assets* guidance, requires that long-lived assets and certain identifiable intangibles held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. This guidance has not materially affected the Organization’s net change in net assets without donor restrictions, statement of financial position or statement of cash flows.

**ADVERTISING**

Advertising costs are expensed as incurred. Advertising expense for the years ended June 30, 2023 and 2022 was \$26,355 and \$31,046, respectively.

**USE OF ESTIMATES**

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

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

**SOUTHWESTERN INDIANA REGIONAL COUNCIL ON AGING, INC.**  
**D/B/A SWIRCA & MORE**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

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

**INVESTMENTS AND RISKS AND UNCERTAINTIES**

The Organization carries various investments at the stated estimated fair values based on quoted market prices. Gains or losses that result from market fluctuations are recognized in the period such fluctuations occur. Realized gains or losses resulting from sales of securities are calculated on an adjusted cost basis. Adjusted cost for this purpose is the market value of the security at the beginning of the year or the cost if purchased during the year. Dividend and interest income are accrued when earned. Gains, losses, dividends, and interest are all recorded as unrestricted in the statements of activities and changes in net assets unless donor specifications indicate a different method.

The Organization holds its investments in a variety of investment funds. In general, investments are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near-term and that such changes could materially affect the Organization's investment holding and the amounts reported on the statement of financial position.

**COST ALLOCATION**

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses.

Direct and shared costs are allocated to the benefiting programs using cost pools under the following methodology:

1. Costs will be allocated to all programs on an equitable basis regardless of any limits imposed by funding sources.
2. As much as possible, costs will be charged directly to benefiting programs.
3. All remaining shared costs will be allocated on the most meaningful measures. The following basis will be used:
  - a. Joint salaries and benefits will be allocated based on the direct salaries to all programs.
  - b. Shared costs will be allocated based on total expenditures of the programs to all total expenditures.

Program-related costs will be allocated based on relevant activity measures, such as number of meals and the number of units expended by the funding source.

**SOUTHWESTERN INDIANA REGIONAL COUNCIL ON AGING, INC.**  
**D/B/A SWIRCA & MORE**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

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

**FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

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

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

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

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

While the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

During the years ended June 30, 2023 and 2022, there were no changes to the Organization’s valuation techniques that had, or are expected to have, a material impact on its financial position or results of operations. The following are descriptions of the valuation methodologies used for instruments measured at fair value:

*Money Market Funds*

The fair value equals the carrying amount because of the short maturity of their investments.

*Mutual Funds, ETFs, and Closed-End Funds*

The fair value of investment securities is the market value based on quoted market prices.

At June 30, 2023 and 2022, the balances of assets and liabilities measured at fair value on a recurring bases were all classified at level 1.

**SOUTHWESTERN INDIANA REGIONAL COUNCIL ON AGING, INC.**  
**D/B/A SWIRCA & MORE**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

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

**LEASES**

In February 2016, FASB issued ASU 2016-02, Leases (Topic 842). Under the new guidance, lessees are required to recognize right-of-use assets and right-of-use liabilities on the statement of financial position of all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The Organization implemented the standard effective July 1, 2022, using the modified retrospective approach to reflect the impact of initial application as of the beginning of the year of adoption. Prior periods continue to be reported and disclosed in accordance with the Organization's historical accounting under ASC Topic 840, Leases.

The Organization has elected to use the following practical expedients in implementing the new standard:

*Package of Practical Expedients:* allows the Organization to not reassess (1) lease classification for any expired or existing leases, (2) whether any existing contract contains a lease assuming the lessee has accounted for leases accurately under ASC 840, and (3) any initial direct costs for any existing leases.

*Risk-Free Rate Policy Practical Expedient:* allows the lessee to avoid having to calculate an incremental borrowing rate to avoid unnecessary cost and complexity.

*Short-Term Lease Practical Expedient:* allows any lease with a lease-term of twelve months or less to be excluded from the treatment under guidance of ASC 842.

**SUBSEQUENT EVENTS**

Subsequent events have been evaluated through January 30, 2024, which is the date the financial statements were available to be issued.

**NOTE 2 – CONCENTRATION OF RISK**

The Organization maintains its cash balance at multiple banks. The accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for the years ended June 30, 2023 and 2022. As of June 30, 2023 and 2022 bank balances of \$1,457,821 and \$821,014, respectively exceeded FDIC coverage.

All of the Organization's programs and activities occur in southwest Indiana. Consequently, its sources of support and revenue may be affected by conditions in that area. In addition, for the year ended June 30, 2023 and 2022 approximately 83% and 90% of total revenues were received from state and federal governmental sources, respectively. Approximately 49% and 50% of total revenues were received from Indiana Family and Social Services Administration for the years ended June 30, 2023 and 2022, respectively.

**SOUTHWESTERN INDIANA REGIONAL COUNCIL ON AGING, INC.**  
**D/B/A SWIRCA & MORE**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 2 – CONCENTRATION OF RISK – (continued)**

<u>Revenue Program</u>	<u>2023</u>		<u>2022</u>	
	<u>Amount</u>	Percent to Total Earned <u>Revenues</u>	<u>Amount</u>	Percent to Total Earned <u>Revenues</u>
Federal grants	\$ 3,030,859	38%	\$ 2,754,468	39%
State grants	1,326,733	17%	1,589,382	22%
Medicaid program	2,228,508	28%	2,044,676	29%
	<u>\$ 6,586,100</u>	<u>83%</u>	<u>\$ 6,388,526</u>	<u>90%</u>

**NOTE 3 – PROMISES TO GIVE**

During fiscal year 2023, The Organization started a capital campaign by soliciting and receiving contributions from donors on a long-term basis. As of June 30, 2023, the Organization had \$325,460 of promises to give, which are all deemed collectible.

	<u>2023</u>	<u>2022</u>
Receivable in less than one year	\$ 154,000	\$ -
Receivable in one to five years	195,000	-
Total promises to give	349,000	-
Discount	(23,540)	-
Promises to give, net	<u>\$ 325,460</u>	<u>\$ -</u>

**NOTE 4 – INVESTMENTS**

Investment securities are recorded at fair market value. Investments consisted of the following June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Money market funds	\$ 27,642	\$ 21,359
Mutual funds and Exchange-Traded funds	1,034,668	908,161
	<u>\$ 1,062,310</u>	<u>\$ 929,520</u>

The net investment income (loss) for the year ended June 30, 2023 and 2022 was \$104,891 and (\$123,740), respectively.

**SOUTHWESTERN INDIANA REGIONAL COUNCIL ON AGING, INC.**  
**D/B/A SWIRCA & MORE**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 5 – PROPERTY AND EQUIPMENT**

Property and equipment at June 30, 2023 and 2022 consisted of the following:

	<u>2023</u>	<u>2022</u>
Land	\$ 106,348	\$ 106,348
Buildings	2,178,954	2,068,564
Computers	170,534	170,534
Equipment	<u>686,181</u>	<u>686,181</u>
	3,142,017	3,031,627
Less: accumulated depreciation	<u>(1,795,247)</u>	<u>(1,672,996)</u>
	<u>\$ 1,346,770</u>	<u>\$ 1,358,631</u>

Depreciation expense for the years ended June 30, 2023 and 2022 was \$122,251 and \$108,892, respectively.

**NOTE 6 – LINE OF CREDIT**

The Organization has an operating line of credit with maximum borrowings of \$500,000. The note provides for interest that is subject to change based on changes in an independent index which is the prime rate as published in the Wall Street Journal, is secured by all personal property with a maturity date of April 2024. There were no outstanding borrowings on the line of credit at June 30, 2023 and 2022.

**NOTE 7 – LONG-TERM DEBT**

Long-term debt at June 30, 2023 and 2022 consisted of the following:

	<u>2023</u>	<u>2022</u>
Note payable to bank, 3.95%, \$4,547 monthly including interest with a balloon payment of \$565,550 at maturity, secured by certain property, due February 2024.	\$ 368,234	\$ 461,146
Current maturities	<u>(368,234)</u>	<u>(37,081)</u>
	<u>\$ -</u>	<u>\$ 424,065</u>

The bank note contains certain financial and non-financial covenants, including minimum debt service. At June 30, 2023, the Organization was in compliance of all covenants.

**SOUTHWESTERN INDIANA REGIONAL COUNCIL ON AGING, INC.  
D/B/A SWIRCA & MORE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 7 – LONG-TERM DEBT – (continued)**

Long-term debt maturities are as follows:

2024		\$ 368,234
2025		-
2026		-
2027		-
2028		-
Thereafter		-
		\$ 368,234

Total interest expense for the years ended June 30, 2023 and 2022 was \$17,280 and \$20,776, respectively.

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

Southwestern Indiana Regional Council on Aging, Inc. has net assets with donor restrictions of \$554,799 and \$127,251 for the years ended June 30, 2023 and 2022, respectively. Donor restrictions include projects and programs including the activity center remodel, wheelchair ramps, Points of Hope, Angel Tree, capital campaign, and purpose restricted sponsorships.

**NOTE 9 – IN-KIND CONTRIBUTIONS**

The value of contributed services meeting the criteria for recognition and recognized in the accompanying financial statements was \$22,672 and \$19,321 for the years ended June 30, 2023 and 2022, respectively. Management estimates the value of contributed services received during the year ended June 30, 2023 and 2022 that did not meet the criteria for recognition to be \$111,254 and \$107,087, respectively.

The Organization also received \$54,619 and \$54,619 of donated meal site space for the years ending June 30, 2023 and 2022, respectively. Other in-kind donations utilized for the programs of the Organization were \$2,582 and \$-0-, for the years ending June 30, 2023 and 2022, respectively.

**SOUTHWESTERN INDIANA REGIONAL COUNCIL ON AGING, INC.  
D/B/A SWIRCA & MORE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 10 – LEASES**

Southwestern Indiana Regional Council on Aging, Inc. has operating leases for a copier and a postage meter. Total rental expense under all operating leases for the year ended June 30, 2023 was \$9,835 under the new standard. Rental expense for the year ended June 30, 2022 was \$11,734.

At June 30, 2023, aggregate future minimum rental payments required under these leases, which expire at various dates through June 2027, are as follows:

	<u>Minimum annual lease payments</u>	<u>Amortization of NPV of lease liability</u>	
<b>Year ending June 30:</b>	<u>Operating</u>	<u>Operating</u>	
2024	\$ 11,439	\$ 11,025	
2025	11,439	11,164	
2026	9,933	9,799	
2027	2,405	2,367	
2028	-	-	
Thereafter	-	-	
	<u>\$ 35,216</u>	<u>\$ 34,355</u>	
	<u>Operating</u>		
Accumulated basis	\$ 55,393		
Less accumulated amortization	(21,037)		
	<u>\$ 34,356</u>		
	<u>Operating</u>		
Weighted-average remaining lease term in years	3.27		
Weighted-average discount rate	1.26%		

**NOTE 11 – RETIREMENT PLAN**

The Organization maintains a defined contribution retirement plan covering substantially all its employees. Retirement plan costs are funded in the period that they accrue. Retirement expense was \$91,223 and \$93,047 for the years ended June 30, 2023 and 2022, respectively.

**SOUTHWESTERN INDIANA REGIONAL COUNCIL ON AGING, INC.**  
**D/B/A SWIRCA & MORE**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 12 – INFORMATION ABOUT LIQUIDITY**

The Organization’s main funding sources are cost reimbursement government grants. Other sources of revenue include Medicaid, program revenue, and fundraising. The Organization has seen growth in liquid assets with its fundraising revenue, sponsorships, and contributions along with controlling its expenses. Liquid assets include cash, receivables, and investments. There are no board designations regarding these assets. However, the investments discussed in Note 3 above are obligated by a bank as collateral for a line of credit. In the event of an unanticipated liquidity need, the Organization can draw upon \$500,000 of an available line of credit as discussed in Note 6.

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

	<u>2023</u>	<u>2022</u>
Cash	\$ 2,065,711	\$ 1,288,593
Receivables	1,459,193	999,374
Investments	<u>1,062,310</u>	<u>929,520</u>
 Total financial assets	 4,587,214	 3,217,487
 Collateral for line of credit	 (555,430)	 (497,005)
Refundable advance	(300,000)	-
Donor restrictions	<u>(554,799)</u>	<u>(127,251)</u>
 Financial assets available for cash needs for general expenditures within one year	 <u>\$ 3,176,985</u>	 <u>\$ 2,593,231</u>

**SINGLE AUDIT SECTION**

**SOUTHWESTERN INDIANA REGIONAL COUNCIL ON AGING, INC.  
D/B/A SWIRCA & MORE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

<b>FEDERAL GRANTOR AGENCY</b>	<b>Federal</b>	<b>Grant or</b>	<b>Grant</b>	
<b>Pass-through Agency</b>	<b>Assistance</b>	<b>Identifying</b>	<b>Award</b>	
<b>Program Title</b>	<b>Listing</b>	<b>Number</b>	<b>(dollars \$)</b>	<b>Federal</b>
				<b>Expenditures</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
Passed through the Indiana Department of Family and Social Services (FSSA):				
Aging Cluster:				
Title IIIA Administration	93.044	#59441	5,471	\$ 5,471
Title IIIA Administration	93.044	#63245	145,560	75,787
Title IIIA Administration	93.044	#59606	144,220	49,622
Title IIIA Administration	93.044	#69687	145,998	145,998
Title IIIB Grants for Supportive Services and Senior Centers	93.044	#59441	46,502	46,502
Title IIIB Grants for Supportive Services and Senior Centers	93.044	#63245	430,143	202,800
Title IIIB Grants for Supportive Services and Senior Centers	93.044	#59606	365,560	51,844
Title IIIB Grants for Supportive Services and Senior Centers	93.044	#69687	369,791	340,393
Title IIIC-1 Congregate Nutrition Services	93.045	#59606	477,689	302,596
Title IIIC-1 Congregate Nutrition Services	93.045	#69687	475,122	344,597
Title IIIC-2 Home Delivered Meal Nutrition Services	93.045	#59606	256,465	204,320
Title IIIC-2 Home Delivered Meal Nutrition Services	93.045	#69687	268,245	167,764
Nutrition Services Incentive Program	93.053	#59606	92,677	23,169
Nutrition Services Incentive Program	93.053	#69687	92,301	69,225
				<u>2,030,088</u>
Total Aging Cluster				

See accompanying notes to Schedule of Expenditures of Federal Awards.

**SOUTHWESTERN INDIANA REGIONAL COUNCIL ON AGING, INC.  
D/B/A SWIRCA & MORE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

<b>FEDERAL GRANTOR AGENCY</b>	<b>Federal</b>	<b>Grant or</b>	<b>Grant</b>	<b>Federal</b>
<b>Pass-through Agency</b>	<b>Assistance</b>	<b>Identifying</b>	<b>Award</b>	<b>Expenditures</b>
<b>Program Title</b>	<b>Listing</b>	<b>Number</b>	<b>(dollars \$)</b>	<b></b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES - (continued)</b>				
Passed through the Indiana Department of Family and Social Services (FSSA):				
Title IIID Disease Prevention and Health Promotion Services	93.043	#59606	25,860	25,860
Title IIID Disease Prevention and Health Promotion Services	93.043	#69687	25,713	9,315
				<u>35,175</u>
Title III E National Family Caregiver Support	93.052	#59606	172,387	137,698
Title III E National Family Caregiver Support	93.052	#69687	175,641	146,653
				<u>284,351</u>
Title VII - Long Term Care Ombudsman Services for Older Individuals	93.042	#59606	16,071	10,446
Title VII - Long Term Care Ombudsman Services for Older Individuals	93.042	#69687	17,035	4,248
				<u>14,694</u>
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	#59606	35,000	35,000
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	#69687	35,000	35,000
				<u>70,000</u>
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	#59441	31,790	31,790
Social Services Block Grant	93.667	#59606	480,070	103,777
Social Services Block Grant	93.667	#69687	480,070	376,293
				<u>480,070</u>
Passed through University of Southern Indiana: PPHF Geriatric Education Centers - GWEP	93.969	22-004-E	93,210	84,691
Total U.S. Department of Health and Human Services				<u>3,030,859</u>
Total Schedule of Expenditures of Federal Awards				<u>\$ 3,030,859</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

**SOUTHWESTERN INDIANA REGIONAL COUNCIL ON AGING, INC.  
D/B/A SWIRCA & MORE  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

**Note 1 – Basis of Presentation**

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

**Note 2 – Summary of Significant Accounting Policies**

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

**Note 3 – Indirect Cost Rate**

Southwestern Indiana Regional Council on Aging, Inc. has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**Note 4 – Subrecipients**

Southwestern Indiana Regional Council on Aging, Inc. paid no federal expenditures to subrecipients.

**SOUTHWESTERN INDIANA REGIONAL COUNCIL ON AGING, INC.  
D/B/A SWIRCA & MORE  
SCHEDULE OF EXPENDITURES OF STATE AND LOCAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

<b>STATE/LOCAL GRANTOR AGENCY Program Title</b>	<b>Grant Award (dollars \$)</b>	<b>State and Local Awards</b>
Indiana Department of Family and Social Services (FSSA):		
CHOICE	1,513,880	\$ 805,470
Assisted Living Ombudsman	16,430	10,996
Older Hoosier	88,599	87,281
ARP Choice match	66,557	<u>11,929</u>
<b>Total Expenditures of State and Local Awards</b>		<u><u>\$ 915,676</u></u>

**SOUTHWESTERN INDIANA REGIONAL COUNCIL ON AGING, INC.  
D/B/A SWIRCA & MORE  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2023**

**Section II – Financial Statement Findings**

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

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

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



INDUSTRY ESTABLISHED | FOCUSED ON QUALITY

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

To the Board of Directors  
Southwestern Indiana Regional Council on Aging, Inc.  
Evansville, Indiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Southwestern Indiana Regional Council on Aging, Inc. d/b/a SWIRCA & More (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon January 30, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered Southwestern Indiana Regional Council on Aging, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Southwestern Indiana Regional Council on Aging, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the organization's internal control.

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

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

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Southwestern Indiana Regional Council on Aging, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying schedule of findings and questioned costs as item 2023-001.

## **Southwestern Indiana Regional Council on Aging, Inc.'s Response to Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Southwestern Indiana Regional Council on Aging, Inc.'s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Southwestern Indiana Regional Council on Aging, Inc. response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Comer, Nowling And Associates, P.C.*

Comer, Nowling And Associates, P.C.

Indianapolis, Indiana

January 30, 2024



INDUSTRY ESTABLISHED | FOCUSED ON QUALITY

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

To the Board of Directors  
Southwestern Indiana Regional Council on Aging, Inc.  
Evansville, Indiana

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

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

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

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

***Basis for Opinion on Each Major Federal Program***

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

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

### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### ***Report on Internal Control over Compliance***

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

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

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

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

***Comer, Nowling And Associates, P.C.***

Comer, Nowling And Associates, P.C.  
Indianapolis, Indiana  
January 30, 2024

**SOUTHWESTERN INDIANA REGIONAL COUNCIL ON AGING, INC.  
D/B/A SWIRCA & MORE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? Yes  No

**Federal Awards**

Internal control over major programs:

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

Type of auditor’s report issued: Unmodified

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

Programs tested as major programs:

<u>FALN</u>	<u>Name of Federal Program or Cluster</u>
93.667	U.S. Department of Health and Human Services—Social Services Block Grant
93.052	U.S. Department of Health and Human Services—National Family Caregiver Support, Title III, Part E

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

Auditee qualified as low-risk auditee? Yes  No

**SOUTHWESTERN INDIANA REGIONAL COUNCIL ON AGING, INC.  
D/B/A SWIRCA & MORE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2023**

**Section II – Financial Statement Findings**

2023-01	Criteria or Specific Requirement:	CHOICE Spending Restrictions (nonfederal-state funding)
	Condition:	Spending Restrictions for CHOICE grant from State of Indiana – Family and Social Services Administration (FSSA) were not met.
	Effect:	The Organization claimed \$107,912 of CHOICE funds in excess of spending restrictions and has paid back that amount to FSSA.
	Cause:	A reduction in providing non-Access services due to turnover in staff caused the Organization to exceed the 35% allocation for care management and options counseling.
	Corrective Action:	The Organization has repaid the \$107,912 spent in excess of the spending restrictions. Management has modified its tracking of the CHOICE spending restrictions to ensure compliance.

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

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