



STATE OF INDIANA
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August 21, 2009

Board of Directors
Area 10 Council on Aging of
Monroe and Owen Counties, Inc.
630 W. Edgewood Dr.
Ellettsville, IN 47429

We have reviewed the audit report prepared by Bauer & Bauer, LLC, Independent Public Accountants, for the period July 1, 2006 to June 30, 2007. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the Area 10 Council on Aging of Monroe and Owen Counties, Inc., as of June 30, 2007, and the results of its operations for the period then ended, on the basis of accounting described in the report.

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

STATE BOARD OF ACCOUNTS

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



Financial
&
Compliance
Audit

June 30, 2007



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Bauer & Bauer, LLC

Certified Public Accountants

Independent Auditor's Report

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

We have audited the accompanying statement of assets, liabilities and fund balance-statutory basis of Area 10 Council on Aging of Monroe and Owen Counties, Inc. (a nonprofit organization) as of June 30, 2007, and the related statements of activities-statutory basis, functional expenses-statutory basis and cash flows-statutory basis for the year then ended. These financial statements are the responsibility of Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in GOVERNMENT AUDITING STANDARDS, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared in conformity with the accounting principles prescribed by the Indiana Family and Social Services Administration, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and fund balance-statutory basis of Area 10 Council on Aging of Monroe and Owen Counties, Inc. as of June 30, 2007 and the results of its revenue and expenses-statutory basis and cash flows-statutory basis for the year then ended, on the basis of accounting described in Note 1.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Area 10 Council on Aging of Monroe and Owen Counties, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and budget Circular A-133, "Audits of States, Local Governments, and non-profit organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

In accordance with GOVERNMENT AUDITING STANDARDS, we have also issued our report dated December 20, 2007 on our consideration of Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Bauer & Bauer, LLC

George Bauer, CPA, MBA

Carmel, Indiana
February 20, 2008



Bauer & Bauer, LLC

Certified Public Accountants

Independent Auditor's Report

ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

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

We have audited the financial statements of Area 10 Council on Aging of Monroe and Owen Counties, Inc. (a non-profit organization) as of and for the year ended June 30, 2007 and have issued our report thereon dated February 20, 2008. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in GOVERNMENT AUDITING STANDARDS issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under GOVERNMENT AUDITING STANDARDS.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Bauer & Bauer, LLC

George Bauer, CPA, MBA

Carmel, Indiana

February 20, 2008



Bauer & Bauer, LLC

Certified Public Accountants

**REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of Area 10 Council on Aging of Monroe and Owen Counties, Inc. (a non-profit organization) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2007. Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s major federal programs are identified in the accompanying schedule of expenditures of federal awards. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s management. Our responsibility is to express an opinion on Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s compliance with those requirements.

In our opinion, Area 10 Council on Aging of Monroe and Owen Counties, Inc. has complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

The management of Area 10 Council on Aging of Monroe and Owen Counties, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.



Bauer & Bauer, LLC

Certified Public Accountants

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the Board of Directors, Management, the State Board of Accounts and should not be used for any other purpose.

Bauer & Bauer, LLC

George Bauer, CPA, MBA

Carmel, Indiana

February 20, 2008

Schedule of Findings and Questioned Costs

For The Year Ended June 30, 2007

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

Schedule of Prior Audit Findings

For the Year ended June 30, 2007

There were no findings or questioned costs reported for the year ended June 30, 2006.

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

Statement of Assets, Liabilities and Fund Balance - Statutory Basis

Area 10 Council on Aging of Monroe and Owen Counties, Inc.
As of June 30, 2007

ASSETS	
Current Assets	
Cash	\$ 875,112
Grants Receivable (Note 5)	467,341
Accounts Receivable	45,817
Prepaid Expenses	0
Related Party Receivable (Note 6)	282,888
Development Fees Receivable (Note 6)	174,212
Investment (Note 7)	42,386
Total Current Assets	\$ 1,887,756
Long-Term Assets	
Property and Equipment (Note 8)	\$ 571,842
Note Receivable (Note 9)	1,302,363
Accrued Interest (Note 9)	731,333
Total Long-term Assets	\$ 2,605,538
Total Assets	\$ 4,493,294
LIABILITIES AND FUND BALANCE	
Current Liabilities	
Accounts Payable	\$ 120,355
Accrued Payroll	47,740
Accrued Vacation	77,680
Payroll Withholdings	16,098
Sick Pay Liability	18,332
Deferred Revenue	21,165
Due to Funding Source (Note 10)	0
Total Current Liabilities	\$ 301,370
Fund Balance	
Unrestricted-Current (ongoing programs)	\$ 2,430,523
Board Designated (Note 11)	1,719,415
Permanently Restricted Fund Balances (Note 7)	41,986
Total Fund Balances	\$ 4,191,924
Total Liabilities and Fund Balances	\$ 4,493,294

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

Statement of Revenue, Expenses, and Changes in Fund Balance - Statutory Basis

Area 10 Council on Aging of Monroe and Owen Counties, Inc.
For the Year ended June 30, 2007

Revenue:	
Federal Grants	\$ 1,292,055
State Grants	827,981
County Support	63,619
City Contracts	458,773
Service Fees	71,631
Project Income	208,685
Medicaid	138,833
Donations	
Indirect public support-United Way	38,343
Direct public support	45,007
Miscellaneous Income	86,165
In-Kind Support	106,713
Interest Income	106,113
Unrealized Gain on Investment	5,118
Total Revenue	\$ 3,449,036
Expenses:	
Program Service Expenses	
Title III-Administration	\$ 44,685
Title III-Social Services	153,625
Title III-Congregate Meals	163,493
Title III-Home Delivered Meals	254,302
Title VII-Ombudsman	5,715
Title III-Assisted Living Ombudsman	3,461
Title III-Preventive Health	8,774
Title III-Performance Outcomes	0
Title V-Senior Employment	12,900
Title III-Family Caregiver	68,509
Social Services Block Grant	135,212
Assistance to the Homebound	19,566
2-1-1 Service	6,753
Choice	508,411
Medicaid Pre-Admission Screening	87,125
Hoosier RX	11,224
Medicaid Waiver	54,178
Medicaid Waiver Administration	25,532
Endwright Center	38,591

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

Statement of Revenue, Expenses, and Changes in Fund Balance - Statutory Basis

Area 10 Council on Aging of Monroe and Owen Counties, Inc.
For the Year ended June 30, 2007

Expenses:	
Program Service Expenses	
Area Ten Development	\$ 43
Federal Transportation-Operating and Capital	1,043,139
SALT	311
Arts Program	9,957
Senior Games	8,621
Senior Salute	1,248
Retired Senior Volunteer Program	142,262
Bloomington Transit Access	549,803
Downtown Dash	26,328
Martin Luther King	198
Hartst Rd Property	140
Cunot Housing Management	25,799
Edgewood Housing Management	51,892
Total Program Services	\$ 3,461,797
Fundraising	\$ 0
Risk Management	5,988
Unallocated Indirect Costs	5,305
Total Support Services	\$ 11,293
Total Expenses	\$ 3,473,090
Excess Nonfederal Funds	\$ (24,054)
Disbursement from restricted fund	(1,829)
Beginning Fund Balance	4,217,807
Ending Fund Balance	\$ 4,191,924

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

Statement of Functional Expenses

Arel 10 Council on Aging of Monroe and Ouran Counties, Inc. For the Year Ended June 30, 2007	Title III-Admin	Title III-Social Services	Title III-Congregate Meals	Title III-Home Delivered Meals	Title VIII-Ombudsman	Title III-Assisted Living Ombudsman	Title III-Preventive Health	Title V
Salaries and Wages	\$ 3,224	\$ 94,679	\$ 63,802	\$ 55,856	\$ 4,443	\$ 2,246	\$ 5,346	\$ 11,248
Employee Benefits	6,364	12,851	6,843	4,677	462	265	814	1,046
Total Personnel Costs	\$ 37,588	\$ 107,530	\$ 70,645	\$ 60,533	\$ 4,905	\$ 2,511	\$ 6,160	\$ 12,294
Company	\$ 924	\$ 4,213	\$ 120	\$ 159	\$ 42	\$ 64	\$ 695	\$ 169
Telephone/Postage	1,190	621	273	170	17	10	65	56
Materials/Supplies	9	12,119	366	364	124	46	974	17
Printing	0	0	0	0	0	0	0	0
Volunteer Recognition	0	0	0	0	0	0	0	0
Travel	515	2,600	3,343	21,735	54	0	0	54
Contracted Services	2,428	6,354	216	83	450	750	421	191
Service Providers	0	7,755	0	0	0	0	0	0
Catered Food	0	0	85,729	168,222	0	0	0	0
Physials	0	0	0	0	0	0	0	0
Training	0	0	0	0	0	0	0	0
Insurance	2,736	11,407	2,765	2,988	108	60	247	58
Equipment	0	0	0	0	0	0	0	0
Expansion of Food	0	0	0	0	0	0	0	0
Indirect Costs	0	0	0	0	0	0	0	0
Other Costs	0	0	0	0	0	0	0	0
Depreciation	295	1,026	36	48	15	20	211	61
Volunteer Meals	0	0	0	0	0	0	0	0
Total Expenses	\$ 44,685	\$ 153,625	\$ 163,493	\$ 254,302	\$ 5,715	\$ 3,461	\$ 8,774	\$ 12,900

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

Statement of Functional Expenses

Area 10 Council on Aging of Monroe and Owen Counties, Inc. For the Year Ended June 30, 2007	Title III Family Caregiver	Hooper RX	Social Services Block Grant	Assistant to Homebound	211 Service	Choice	Medicaid Pre-Admission Screening
Salaries and Wages	\$ 55,089	\$ 8,542	\$ 42,039	\$ 95	\$ 3,895	\$ 27,332	\$ 59,478
Employee Benefits	5,051	1,323	6,007	5	628	6,464	8,256
Total Personnel Costs	\$ 60,140	\$ 9,865	\$ 48,046	\$ 100	\$ 4,523	\$ 33,796	\$ 67,734
Company	\$ 1,898	\$ 0	\$ 842	\$ 489	\$ 0	\$ 2,073	\$ 0
Telephone/Postage	790	60	721	4	876	1,170	343
Materials/Supplies	998	16	76	945	203	323	1,558
Printing	0	0	0	0	0	0	0
Volunteer Recognition	0	0	0	0	0	0	0
Travel	0	114	2,083	36	210	3,026	3,948
Contracted Services	3,463	0	3,785	355	556	5,392	1,566
Service Providers	0	0	75,239	12,757	0	454,944	0
Catered Food	0	0	0	0	0	0	0
Physicals	0	0	0	0	0	0	0
Training	0	0	0	0	0	0	0
Instrum or	816	0	3,563	0	666	7,056	1,558
Equipment	0	0	0	633	0	0	1,672
Emergency Food	0	0	0	3,201	0	0	0
Indirect Costs	0	1,159	0	896	(285)	0	8,671
Other Costs	0	0	0	0	0	0	0
Depreciation	404	10	257	150	4	631	75
Volunteer Meals	0	0	0	0	0	0	0
Total Expenses	\$ 68,509	\$ 11,224	\$ 135,212	\$ 19,566	\$ 6,753	\$ 508,411	\$ 87,125

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

Statement of Functional Expenses

Area 10 Council on Aging of Monroe and Owen Counties, Inc. For the Year Ended June 30, 2007	Medicaid Wavier	Medicaid Wavier Administration	Endwyght Center	Federal Transportation Operating & Capital	SALT	Aids Program	MILK	Senior Grants	Senior-Salubr
Salaries and Wages	\$ 34,636	\$ 21,663	\$ 23,093	\$ 463,199	\$ 0	\$ 3,953	\$ 0	\$ 792	\$ 0
Employee Benefits	6,953	3,869	4,413	66,399	0	0	0	128	0
Total Personnel Costs	\$ 41,589	\$ 25,532	\$ 27,506	\$ 529,598	\$ 0	\$ 3,953	\$ 0	\$ 920	\$ 0
Occupancy	\$ 0	\$ 0	\$ 5,083	\$ 21,677	\$ 0	\$ 955	\$ 0	\$ 3,859	\$ 0
Telephone/Postage	339	0	77	2,553	0	0	0	9	0
Materials/Supplies	1,097	0	0	222,756	261	3,198	198	2,526	1,248
Printing	0	0	0	0	0	0	0	0	0
Volunteer Recognition	0	0	0	0	0	0	0	0	0
Travel	93	0	0	1,001	0	305	0	0	0
Contracted Services	248	0	0	12,065	50	1,491	0	0	0
Service Providers	280	0	0	0	0	0	0	0	0
Catered Food	0	0	0	0	0	0	0	0	0
Physicals	0	0	0	4,792	0	0	0	0	0
Training	0	0	0	2,174	0	0	0	0	0
Insurance	1,953	0	572	61,016	0	0	0	36	0
Equipment	0	0	0	109,000	0	0	0	0	0
Emergency Food	0	0	0	0	0	0	0	0	0
Indirect Costs	8,505	0	3,680	67,395	0	0	0	97	0
Other Costs	0	0	0	5,321	0	57	0	0	0
Depredation	74	0	1,673	3,791	0	0	0	1,174	0
Volunteer Meals	0	0	0	0	0	0	0	0	0
Total Expenses	\$ 54,178	\$ 25,532	\$ 38,591	\$ 1,043,199	\$ 311	\$ 9,957	\$ 198	\$ 8,621	\$ 1,248

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

Statement of Functional Expenses

Area 10 Council on Aging of Monroe and Overlaid Counties, Inc. For the Year Ended June 30, 2007	Downtown Dash	Bloomington Transit Access	Haret Road Property	Retired Service Volunteer Program	Area 10 Development	Curtis Housing Mgmt	Edgewood Housing Mgmt	Total Program Services
Salaries and Wages	\$ 14,326	\$ 302,597	\$ 0	\$ 75,824	\$ 0	\$ 17,975	\$ 36,479	\$ 1,459,851
Employee Benefits	1,916	41,718	0	10,661	0	3,927	8,172	209,812
Total Personnel Costs	\$ 16,242	\$ 344,315	\$ 0	\$ 86,485	\$ 0	\$ 21,902	\$ 44,651	\$ 1,669,663
Occupancy	\$ 476	\$ 2,644	\$ 0	\$ 10,336	\$ 0	\$ 112	\$ 167	\$ 56,997
Telephone/Postage	29	651	0	1,764	0	127	63	11,979
Materials/Supplies	5,588	78,795	0	1,852	0	235	135	336,027
Printing	0	0	0	1,812	0	0	0	1,812
Volunteer Recognition	0	0	0	7,972	0	0	0	7,972
Travel	0	58	0	21,180	0	0	0	60,353
Contracted Services	80	4,181	140	2,050	0	35	27	46,377
Service Providers	0	0	0	0	0	0	0	550,975
Catered Food	0	0	0	0	0	0	0	253,951
Physicals	0	983	0	0	0	0	0	5,775
Training	0	600	0	154	0	0	0	2,928
Insurance	1,724	35,288	0	5,602	0	586	1,182	140,987
Equipment	0	0	0	0	0	0	0	111,305
Emergency Food	0	0	0	0	0	0	0	3,201
Indirect Costs	2,027	43,994	0	0	0	2,744	5,567	144,450
Other Costs	0	0	0	0	43	0	0	5,421
Depreciation	162	38,294	0	1,223	0	58	100	49,792
Volunteer Meals	0	0	0	1,832	0	0	0	1,832
Total Expenses	\$ 26,328	\$ 549,803	\$ 140	\$ 142,262	\$ 43	\$ 26,799	\$ 51,892	\$ 3,461,797

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

Statement of Functional Expenses

Area 10 Council on Aging of Monroe and Owen Counties, Inc. For the Year Ended June 30, 2007	Fundraising	Risk Management	Unallocated Indirect Costs	Total Support Services	Total Expenses
Salaries and Wages	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,459,851
Employee Benefits	0	0	786	786	210,598
Total Personnel Costs	\$ 0	\$ 0	\$ 786	\$ 786	\$ 1,670,449
Occupancy	\$ 0	\$ 0	\$ 0	\$ 0	\$ 56,997
Telephone/Postage	0	0	0	0	11,979
Materials/Supplies	0	1,888	3,558	5,446	341,473
Printing	0	0	0	0	1,812
Volunteer Recognition	0	0	0	0	7,972
Travel	0	0	0	0	60,353
Contracted Services	0	4,100	590	4,690	51,067
Service Providers	0	0	0	0	550,975
Catered Food	0	0	0	0	253,951
Physicals	0	0	0	0	5,775
Training	0	0	0	0	2,928
Insurance	0	0	0	0	140,987
Equipment	0	0	0	0	111,305
Emergency Food	0	0	0	0	3,201
Indirect Costs	0	0	77	77	144,527
Other Costs	0	0	294	294	5,715
Depreciation	0	0	0	0	49,792
Volunteer Meals	0	0	0	0	1,832
Total Expenses	\$ 0	\$ 5,988	\$ 5,305	\$ 11,293	\$ 3,473,090

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

Statement of Cash Flows

Area 10 Council on Aging of Monroe and Owen Counties, Inc.
For the Year ended June 30, 2007

CASH FLOWS FROM OPERATING ACTIVITIES	
Excess Nonfederal Funds	\$ (24,054)
Adjustments to reconcile excess revenue to net cash provided by operating activities:	
Depreciation	\$ 49,792
Unrealized Gain on Investment	(5,118)
Accrued Interest Income from Housing Loans	(79,824)
(Increase) Decrease in:	
Grants Receivable	\$ 329,337
Accounts Receivable	(48,771)
Related Party Receivable (Note 6)	(76,548)
Development Fee Receivables	202,005
Prepaid Expenses	12,192
Increase (Decrease) in:	
Accounts Payable	\$ (206,463)
Accrued Payroll	(10,219)
Accrued Vacation	(23,483)
Payroll Withholdings	(2,846)
Deferred Revenue	3,815
Rounding	(3)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 119,812
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Equipment	\$ (32,012)
NET CASH USED BY INVESTING ACTIVITIES	(32,012)
CASH FLOWS FROM FINANCING ACTIVITIES	
Direct funding from perma	\$ 0
Note Receivable	0
NET CASH USED BY FINANCING ACTIVITIES	\$ 0
NET INCREASE IN CASH	\$ 87,800
CASH AT BEGINNING OF YEAR	\$ 787,314
CASH AT END OF YEAR	\$ 875,114
Interest Paid	\$ 0
Income Taxes Paid	\$ 0

The accompanying notes are an integral part of these financial statements

Notes to Financial Statements

June 30, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Program Services

Area 10 Council on Aging of Monroe and Owen Counties, Inc. is a designated Area Agency on Aging for Monroe and Owen counties in the State of Indiana. The Agency primary purpose is to plan, develop, coordinate and provide services, which enable persons age 60+ and disabled of any age to remain independent.

The Agency's services include information and referral, transportation, legal assistance, care management, homemaker, home health aide, respite and attendant care, congregate meals, home delivered meals, senior employment, nursing home pre-admission screening, senior centers, adult day care, nursing home ombudsman, housing and transportation.

Accounting Basis

The accompanying financial statements have been prepared in conformity with the State of Indiana Family and Social Services Administration instructions. The basis of accounting utilized in preparation of these reports differs from generally accepted accounting principles. The following information summarizes these differences:

1. Basis of Presentation

The financial statement presentation does not follow the Statement of Financial Accounting Standard (SFAS) No. 117 of the American Institute of Certified Public Accountants. The Agency presents their assets, liabilities, and activities as unrestricted.

2. Contributions

Contributions are not recorded in accordance with Statement of Financial Accounting Standard (SFAS) No. 116 of the American Institute of Certified Public Accountants. Contributions are recorded when received, instead of when the promise to give is made. Contributions are considered to be unrestricted unless specifically restricted by the donor.

3. Inventory

Minor materials and supplies are charged to expense during the period of purchase. As a result, no inventory is recognized for these items in the financial statements.

4. Compensated Absences

Employees of the Area 10 are entitled to paid vacation, paid sick days, and personal days off, depending on job classification, length of service, and other factors. As of June 30, 2007 the accrued vacation payable was \$77,680. Accrued sick pay was \$18,332.

5. Equipment

Equipment paid by grant funds are charged to expense in the period which it is purchased, instead recognizing it as an asset and depreciating it over its useful life. As a result, the expenses reflected in the aforementioned financial statements include the cost of the grant equipment purchased during the year rather than capitalizing the asset and depreciating it. However, buildings and vehicles purchased with Agency's non grant funds are depreciated over their useful lives. The equipment acquired is owned by Area 10 Council on Aging of Monroe and Owen Counties, Inc. while used in the programs for which it was purchased or in other authorized programs. However, the Indiana Family and Social Services Administration has the reversionary interest in the equipment. Its disposition, as well as the ownership of any proceeds there from, is subject to State of Indiana Family and Social Services Administration regulations. New rural transit vehicles are purchased through the 5311 program and are titled to Monroe County. These assets are expensed at time of purchase.

Notes to Financial Statements

June 30, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements; disclosures of contingent assets and liabilities at the date of the financial statements; and the reported amounts of revenue, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the financial statements including the statement of cash flows, cash includes petty cash, checking accounts, certificate of deposits and the money market account.

NOTE 2 - EXPENDITURES TO SUBGRANTEES AND SERVICES PROVIDERS

Area 10 Council on Aging of Monroe and Owen Counties, Inc. uses certain funds received under Title III, SSBG and CHOICE to issue its own contract to area agency sub grantees and service providers. Although the expenditures made by sub grantees and units performed by the service providers are certified as bona fide to Area 10 Council on Aging of Monroe and Owen Counties, Inc. personnel, documentation of the purpose of such expenditures and the units served are subject to audit under the appropriate governmental agency. To the extent the local sub grantee or service provider would be unable to document expenditures or units served and would be unable to refund the resultant unearned funds, the subgrantee would become liable for the funds required to be returned to the agency issuing the contract. Area 10 Council would have the option of loaning the funds to the subgrantee for payment.

NOTE 3 - FEDERAL AND STATE INCOME TAX

Under Internal Revenue Code Section 501 (c) (3), the Agency is considered a public charity exempt from income taxes and, accordingly, no federal or state income tax expense or liability is shown in the accompanying financial statements.

NOTE 4 - THIRD PARTY REIMBURSEMENTS

Area 10 Council on Aging of Monroe and Owen Counties, Inc. receives reimbursements from two large third parties, the Indiana Family and Social Services Administration and the Board of Commissioners of Monroe County. The Agency must submit claims to these parties for approval and payment. Area 10 Council on Aging of Monroe and Owen Counties, Inc. depends significantly on these third parties to carry out its program activities.

Notes to Financial Statements

June 30, 2007

NOTE 5 - GRANTS RECEIVABLE

The Agency's Grants Receivable consists of the following at June 30, 2007

Title III-A	\$	1,529
Title III-B		30,365
Title III-C(1)		18,070
Title III-C(2)		9,038
Title III D Fitness		574
Title III-E		13,135
Title VII Ombudsman Support		874
Assisted Living Ombudsman		881
Emergency Food		187
S.S.B.G.		23,262
C.H.O.I.C.E.		39,589
Older Hoosier		4,008
Medicaid-PAS		22,762
Medicaid Waiver Administration		4,093
Federal Transit		189,045
Retired Senior Volunteer Program		23,892
City of Bloomington		80,978
Downtown Dash		4,725
Arts Program		334
Total	\$	467,341

NOTE 6 -RELATED PARTY TRANSACTIONS

Area 10 Council on Aging of Monroe and Owen Counties, Inc. is the 100% shareholder in Area 10 Development, Inc. and Area 10 Development, Inc. is the general partner in two limited partnerships (Cunot Apartments, L.P. and Edgewood Village Apartments, L.P.). The Agency provides management and maintenance services for these two projects. For the year ended June 30, 2007 the Agency earned \$77,691 in management and maintenance fees. As of June 30, 2007 these two partnerships owed Area 10 Agency on Aging \$282,888 in management and maintenance fees and \$174,212 in development fees. Development fees were earned at the time of development and are deferred. The Agency has also loaned these partnership funds, which is described in Note 9.

Notes to Financial Statements

June 30, 2007

NOTE 7 – INVESTMENT

The Agency has an endowment fund with the Monroe County Community Foundation, which is a permanently restricted investment. As of June 30, 2007 the Agency's cost in this investment was \$35,000 and the market value is \$41,986, which is an appreciation in value of \$6,986 and an unrealized gain on the investment for the year ended June 30, 2007 of \$5,118. The Agency also has an investment in the Indiana Case Management Institute of Indiana, Inc. of \$400 at June 30, 2007.

NOTE 8 - PROPERTY AND EQUIPMENT

As of June 30, 2007 the Agency's property and equipment consisted of the following:

	Cost	Accumulated Depreciation	Book Value
Land	\$ 129,000	\$ 0	\$ 129,000
Building	507,085	122,926	384,159
Vehicles	235,891	177,208	58,683
Total	\$ 871,976	\$ 300,134	\$ 571,842

NOTE 9 – NOTES RECEIVABLE

The Agency has five notes receivables associated with their two limited partnerships. The following is a summary of those five notes:

- 1 A \$131,976 loan with Cunot Apartments, L.P. which matures November 18, 2013. The loan is at an interest rate of 1% per annum and no principal or interest payments are due until the note matures. As of June 30, 2007 the balance of the note including accrued interest of \$13,175 is \$145,151.
- 2 A \$350,000 loan with Cunot Apartments, L.P. which matures November 18, 2013. The loan is at an interest rate of 1% per annum and no principal or interest payments are due until the note matures. As of June 30, 2007 the balance of the note including accrued interest of \$24,500 is \$374,500.
- 3 A \$127,798 loan with Cunot Apartments, L.P. which matures November 18, 2013. The loan is at an interest rate of 8% per annum and no principal or interest payments are due until the note matures. As of June 30, 2007 the balance of the note including accrued interest of \$86,843 is \$214,641.
- 4 A \$220,752 loan with Edgewood Village Apartments, L.P. which matures November 30, 2013. The loan is at an interest rate of 1% per annum and no principal or interest payments are due until the note matures. As of June 30, 2007 the balance of the note including accrued interest of \$21,360 is \$242,112.
- 5 A \$471,837 loan with Edgewood Village Apartments, L.P. which matures November 30, 2014. The loan is at an interest rate of 8.5% per annum and no principal or interest payments are due until the note matures. As of June 30, 2007 the balance of the note including accrued interest of \$333,708 is \$805,545.

Notes to Financial Statements

June 30, 2007

NOTE 10 - DUE TO FUNDING SOURCES

The balance of the due to funding sources as of June 30, 2007 was \$0.

NOTE 11 - BOARD DESIGNATED FUNDS

The Agency's Board of Directors has designated some of the Agency's fund balance for long-term projects. The Agency has earmarked these funds in anticipation of future needs of the specific programs. The Board has worked over the years to accumulate these dollars so no program will suffer. The following is a summary of those Board designations:

Housing Development	\$	33,057
Eugenia White Funds for Capital Expenditures		327,931
Cunot Housing		214,000
Edgewood Housing		722,728
Frances Pearson Funds for Transit Services		144,353
Maurice Endwright Funds Elderly Services		138,840
Elizabeth Radcliffe Funds for In-Home Services		138,506
Total	\$	1,719,415

NOTE 12 - IN-KIND DONATIONS

The in-kind donations are recorded at fair market value on the date of the contribution. These donations are shown as in-kind support, and in-kind expenses. The amount of in-kind donations for 2007 was \$106,713 and consisted of the following:

Personnel	\$	67,922
Fringe Benefits		966
Occupancy		15,710
Materials/Supplies		2,723
Volunteer Recognition		1,727
Travel		15,963
Contracted services		0
Equipment and training		0
Meals		1,702
Total	\$	106,713

NOTE 13 - INDIRECT COSTS

The Agency allocates indirect costs to all of its programs using a cost allocation plan where the indirect costs are allocated to the programs as direct costs using an indirect cost rate. All indirect costs are charged to the program services using this rate.

Notes to Financial Statements

June 30, 2007

NOTE 14— COMMITMENTS AND CONTINGENCIES

There are no commitments nor contingencies at this time.

NOTE 15—ACCOUNTS RECEIVABLE

The Agency had \$45,187 of accounts receivable at June 30, 2007. The majority of the receivable or \$40,241 was for the Federal Transit Administration. All receivables at June 30, 2007 were subsequently collected.

Area 10 Council on Aging of Monroe and Owen Counties, Inc. For the Year Ended June 30, 2007	CFDA No.	Expenditures	Passed Through to Subrecipients
Federal Grantor / Pass Through Grantor / Program Department of Agriculture Passed Through State of Indiana Family and Social Nutrition Program for the Elderly	10.570	\$ 25,626	\$ 0
TOTAL DEPARTMENT OF AGRICULTURE		\$ 25,626	\$ 0
Department of Housing and Urban Development Passed Through Indiana Housing Finance Authority Community Development Block Grant	14.219	\$ -	\$ 0
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		\$ -	\$ 0
Department of Labor Passed Through State of Indiana Family and Social Title V Senior Employment	17.235	\$ 10,578	\$ 0
TOTAL DEPARTMENT OF LABOR		\$ 10,578	\$ 0
Department of Transportation Passed Through Commissioners of Monroe County Mass Transit	20.507	\$ 463,850	\$ 0
TOTAL DEPARTMENT OF TRANSPORTATION		\$ 463,850	\$ 0
Department of Emergency Management Agency Passed Through United Way of America Emergency Food and Shelter	83.523	\$ 5,141	\$ 0
TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY		\$ 5,141	\$ 0

*Denotes Major Program

Schedule of Expenditures of Federal Awards

Area 10 Council on Aging of Monroe and Owen Counties, Inc. the Year Ended June 30, 2007	For	CFDA No.	Expenditures	Passed Through to Subrecipients
Federal Grantor / Pass Through Grantor / Program				
Department of Health and Human Services				
Passed Through State of Indiana Family and Social Services Administration				
Title III Administration		93.042	\$ 37,982	\$ 0
Title VII Ombudsman		93.042	4,857	0
Title III Preventive Health		93.043	6,613	0
Title III Social Services		93.044	125,341	0
Title III Nutrition		93.045	238,818	0
Title III-E		93.052	51,382	0
Pre-Admission Screening		93.778	87,125	0
Social Services Block Grant		93.667	135,212	0
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ 687,330	\$ 0
Corporation for National and Community Service				
Direct:				
Retired Senior Volunteer Program		94.013	99,530	0
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICES			\$ 99,530	\$ 0
TOTAL			\$ 1,292,055	\$ 0

*Denotes Major Program



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