



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

November 20, 2009

Board of Directors
Southwestern Indiana Regional
Council on Aging, Inc.
P.O. Box 3938
Evansville, IN 47737

We have reviewed the audit report prepared by Gauthier & Kimmerling, LLC, Independent Public Accountants, for the period July 1, 2007 to June 30, 2008. 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 Southwestern Indiana Regional Council on Aging, Inc., as of June 30, 2008, 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

**SOUTHWESTERN INDIANA REGIONAL
COUNCIL ON AGING, INC.**

**REPORT ON AUDIT OF
FINANCIAL STATEMENTS**

JUNE 30, 2008

SOUTHWESTERN INDIANA REGIONAL COUNCIL ON AGING, INC.

TABLE OF CONTENTS

	<u>Page Number</u>
Independent Auditors' Report	1
Financial Statements:	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 10



Independent Auditors' Report

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

We have audited the accompanying statement of financial position of Southwestern Indiana Regional Council on Aging, Inc. (SWIRCA) as of June 30, 2008, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of SWIRCA'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 SWIRCA's management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SWIRCA as of June 30, 2008, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated February 28, 2009, on our consideration of SWIRCA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards, and should be considered in assessing the results of our audit.

Gauthier & Kimmerling, LLC

February 28, 2009

SOUTHWESTERN INDIANA REGIONAL COUNCIL ON AGING, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2008

ASSETS

Cash and cash equivalents	\$ 327,104
Grants receivable	660,280
Accounts receivable trade	55,041
Investments (Note 9)	98,813
Prepaid expenses	35,686
Property, net of accumulated depreciation (Note 7)	<u>188,911</u>
 Total Assets	 <u>\$ 1,365,835</u>

LIABILITIES AND NET ASSETS

Liabilities:

Accounts payable	\$ 363,685
Due to funding source	51,378
Accrued vacation	228,489
Accrued payroll and benefits	54,527
Deferred revenue trade	<u>22,235</u>
 Total Liabilities	 <u>720,314</u>
 Unrestricted net assets	 483,798
Temporarily restricted net assets	<u>161,723</u>
 Total Net Assets	 <u>645,521</u>
 Total Liabilities and Net Assets	 <u>\$ 1,365,835</u>

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

SOUTHWESTERN INDIANA REGIONAL COUNCIL ON AGING, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

<u>REVENUES AND OTHER SUPPORT</u>	Unrestricted	Temporarily Restricted	Total
Federal grants	\$ 2,432,336	\$ -	\$ 2,432,336
State grants	2,060,857	-	2,060,857
City grants	50,000	-	50,000
Medicaid revenue	385,472	-	385,472
Program revenue	348,679	-	348,679
Sponsorships	82,233	-	82,233
Contributions	199,139	-	199,139
Contributions in-kind	82,497	-	82,497
Fundraising catering	113,649	-	113,649
Fundraising	124,762	-	124,762
Interest	4,718	-	4,718
Other	27,506	-	27,506
Revenues and other support	<u>5,911,848</u>	<u>-</u>	<u>5,911,848</u>
Revenues released from restriction	<u>94,534</u>	<u>(94,534)</u>	<u>-</u>
Total Revenues and Other Support	<u>6,006,382</u>	<u>(94,534)</u>	<u>5,911,848</u>
<u>EXPENSES</u>			
Nutrition	1,249,404	-	1,249,404
Wellness	210,881	-	210,881
Independence	3,888,751	-	3,888,751
Community programs	45,175	-	45,175
Total program expenses	<u>5,394,211</u>	<u>-</u>	<u>5,394,211</u>
Fundraising	288,182	-	288,182
General and administrative	121,229	-	121,229
Total fundraising and general and administrative	<u>409,411</u>	<u>-</u>	<u>409,411</u>
Total Expenses	<u>5,803,622</u>	<u>-</u>	<u>5,803,622</u>
Increase (decrease) in net assets	202,760	(94,534)	108,226
Net assets - beginning of year	<u>281,038</u>	<u>256,257</u>	<u>537,295</u>
Net assets - end of year	<u>\$ 483,798</u>	<u>\$ 161,723</u>	<u>\$ 645,521</u>

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

**SOUTHWESTERN INDIANA REGIONAL COUNCIL ON AGING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2008**

	Nutrition Programs	Wellness Programs	Independence Programs	Community Programs	Total	SUPPORTING SERVICES			Total 2008
						Fund Raising	Management and General	Total	
Personnel	\$ 564,494	\$ 157,685	\$ 1,513,348	\$ 1,739	\$ 2,237,266	\$ 125,542	\$ 50,178	\$ 175,720	\$ 2,412,986
Occupancy	38,853	8,728	157,868	866	206,315	7,531	1,472	9,003	215,318
Telephone and postage	7,283	2,969	28,973	887	40,112	2,793	33	2,826	42,938
Contracted services	214	15	1,742	125	2,096	1,389	5	1,394	3,490
Supplies	470,095	1,798	24,316	23,650	519,859	81,288	7,175	88,463	608,322
Equipment	18,388	658	12,241	100	31,387	5,055	1,363	6,418	37,805
Travel and transportation	86,712	4,045	44,831	4,269	139,857	4,286	277	4,563	144,420
Professional fees	4,829	425	16,678	6,300	28,232	1,196	100	1,296	29,528
Advertising	2,747	189	2,109	834	5,879	38,720	7	38,727	44,606
Bank fees	261	7	323	8	599	2,287	1,134	3,421	4,020
Dues and subscriptions	2,043	166	9,264	400	11,873	700	4,634	5,334	17,207
Insurance	14,131	440	20,585	801	35,957	5,919	1,145	7,064	43,021
Repairs and maintenance	29,782	424	3,427	79	33,712	631	913	1,544	35,256
Misc. taxes	460	10	122	-	592	1,431	350	1,781	2,373
Trash removal	4,734	2	125	43	4,904	3,408	886	4,294	9,198
Depreciation	-	-	-	-	-	-	50,930	50,930	50,930
Provider services	817	32,711	2,044,541	4,092	2,082,161	-	-	-	2,082,161
Printing	3,561	609	8,258	982	13,410	6,006	627	6,633	20,043
Total expenses	\$ 1,249,404	\$ 210,881	\$ 3,888,751	\$ 45,175	\$ 5,394,211	\$ 288,182	\$ 121,229	\$ 409,411	\$ 5,803,622

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

SOUTHWESTERN INDIANA REGIONAL COUNCIL ON AGING, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 108,226
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	50,930
Unrealized loss on investments	2,426
Loss on sale of assets	1,136
(Increases) decreases in operating assets:	
Grants receivable	252,748
Accounts receivable trade	16,124
Prepaid expenses	37,927
Increases (decreases) in operating liabilities:	
Accounts payable	48,062
Due to funding source	(123,615)
Accrued vacation	(28,343)
Accrued payroll and related liabilities	12,266
Deferred revenue trade	10,141
Net Cash Provided by (Used in) Operating Activities	388,028

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of investments	(101,239)
Purchase of property and equipment	(75,629)
Sale of property and equipment	1,660
Net Cash Provided by (Used in) Investing Activities	(175,208)

CASH FLOWS FROM FINANCING ACTIVITIES

Payment on debt	(460,000)
Proceeds from new debt	460,000
Net Cash Provided by (Used in) Financing Activities	-

Net increase (decrease) in cash	212,820
Cash - beginning of year	114,284
Cash - end of year	\$ 327,104
Interest paid during the year	\$ 868

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

SOUTHWESTERN INDIANA REGIONAL COUNCIL ON AGING, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

1. NATURE OF THE ORGANIZATION

The Southwestern Indiana Regional Council on Aging, Inc. (SWIRCA) 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 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 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 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.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared using the accrual basis of accounting in accordance with generally accepted accounting principles, as described below.

In accordance with Statement of Financial Accounting Standards (SFAS) 116 and 117, Financial Statements of Not-for-Profit Organizations, unrestricted net assets include all assets over which SWIRCA has full discretion as to use. Temporarily restricted net assets include net assets whose use by SWIRCA is limited by donor-imposed restrictions that either expire by the passage of time or are fulfilled by SWIRCA. As the restrictions are met, the net assets are released from restrictions and included in unrestricted net assets.

Investments are carried at fair value. Realized and unrealized gains and losses are reflected in the statement of activities.

(Continued)

2. SIGNIFICANT ACCOUNTING POLICIES – Continued

Contributions for which the restrictions are met in the same period in which the contribution is received are also recorded as unrestricted.

In addition, a number of volunteers have donated significant amounts of their time to SWIRCA's program services and supporting services. No amounts have been reflected in the accompanying financial statements for those donated services because they do not meet the criteria for revenue recognition established by Statement of Financial Accounting Standards No. 116, Contributions Received and Contributions Made. Donated rent is recorded in the financial statements based on fair market rent.

Federal and state grant awards are recognized as unrestricted revenue subject to compliance with grant restrictions. Unexpended funds are reported as temporarily restricted revenue.

Recognition of revenue for ticket sales and catering deposits relating to future events is deferred until the period in which the events take place or the services are provided.

Grants receivable and accounts receivable represent amounts due from various granting agencies and individual clients, but not received at year-end. Management believes that all receivables are fully collectible.

The preparation of financial statements requires management to make estimates and assumptions that affect reported amounts. Actual amounts may differ from these estimates.

SWIRCA allocates its expenses on a functional basis among various programs. Expenses directly related to certain programs are expensed to those programs. Other expenses that are common to several programs are allocated based upon a rational and systematic method.

SWIRCA is exempt from income taxation under the Internal Revenue Code Section 501(c)(3).

All liquid investments purchased with a maturity of three months or less are considered to be cash equivalents.

3. FINANCIAL INSTRUMENTS

SWIRCA maintains its cash in deposit accounts that, at times, may exceed federally insured limits. SWIRCA has not experienced any losses in its accounts and management believes it is not exposed to any significant credit risk on cash and cash equivalents.

4. LINE OF CREDIT

SWIRCA maintains a line of credit with Old National Bank in the amount of \$400,000. Advances of \$460,000 and repayments of \$460,000 were made during the year ended June 30, 2008. The outstanding balance was \$0 at June 30, 2008. The line of credit matures April 5, 2009, and is normally renewed.

5. OPERATING LEASES

SWIRCA leases a postage machine with payments of \$238 per month, with the lease expiring on January 31, 2009.

SWIRCA also leased a copier with payments of \$210 per month. The lease expired on March 31, 2008.

SWIRCA also leases a copier with payments of \$671 per month, with the lease expiring on August 31, 2008.

SWIRCA also leases a copier with payments of \$522 per month, with the lease expiring on January 1, 2012.

SWIRCA leased a building from Southwestern Indiana Regional Council on Aging Foundation, Inc. for \$9,463 per month. SWIRCA was in the process of modifying this arrangement (See Note 6, below).

SWIRCA also leases other space on a month to month basis from various other entities.

The future minimum annual rental commitments and future minimum operating lease payments under noncancellable lease agreements at June 30, 2008, are as follows:

Year ending June 30,	
2009	\$ 6,263
2010	6,263
2011	6,263
2012	3,132
2013 and subsequent	<u>-</u>
Total	<u>\$ 21,921</u>

6. RELATED PARTY TRANSACTIONS

SWIRCA Foundation donated \$89,526 to SWIRCA on June 13, 2008. Furthermore, SWIRCA has subsequently secured bond financing to pay off the mortgage on the building it leased from the Foundation. The Foundation subsequently has re-deeded the building to SWIRCA on October 2, 2008.

7. PROPERTY AND EQUIPMENT

SWIRCA's property and equipment consist of the following at June 30, 2008:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Computers	\$ 162,324	\$ 94,433	\$ 67,891
Equipment	<u>240,193</u>	<u>119,173</u>	<u>121,020</u>
Total	<u>\$ 402,517</u>	<u>\$ 213,606</u>	<u>\$ 188,911</u>

Depreciation expense for the year totaled \$50,930.

8. GRANT REVENUE, GRANTS RECEIVABLE

SWIRCA's grant revenue and grants receivable consist of the following at June 30, 2008:

Grantor/Program Title	Grants Receivable 6/30/07	Grant Revenue 6/30/08	Collections 6/30/08	Grants Receivable 6/30/08
<i>HHS</i>				
Aging and Disability Resource Centers	\$ -	\$ 10,947	\$ 9,383	\$ 1,564
Elderly Nutrition	24,211	113,338	120,034	17,515
Title III-B Administration	17,977	120,705	138,682	-
Title III-B Social Svcs	123,779	366,324	342,759	147,344
Title III-C Congregate	227,986	329,145	557,131	-
Title III-C Home Delivered	57,896	338,622	396,518	-
Title III-E	65,216	194,348	259,564	-
Alzheimer's	25,947	33,407	25,947	33,407
Title VII	22,275	18,491	35,239	5,527
Title III-D Preventative	5,796	29,762	35,558	-
SSBG	197,790	590,731	468,102	320,419
Pre-Admission Screening	<u>39,869</u>	<u>286,516</u>	<u>300,353</u>	<u>26,032</u>
Total Federal	808,742	2,432,336	2,689,270	551,808
<i>State and Other Programs</i>				
CHOICE Resource Centers	-	37,500	32,143	5,357
Older Hoosier Funds	21,178	90,629	97,268	14,539
CHOICE	58,108	1,921,633	1,916,165	63,576
Assisted Living OMBUD	-	11,095	11,095	-
City of Evansville	<u>25,000</u>	<u>50,000</u>	<u>50,000</u>	<u>25,000</u>
Total State and City	<u>104,286</u>	<u>2,110,857</u>	<u>2,106,671</u>	<u>108,472</u>
Totals	<u>\$ 913,028</u>	<u>\$ 4,543,193</u>	<u>\$ 4,795,941</u>	<u>\$ 660,280</u>

9. INVESTMENTS

SWIRCA opened an investment account in April 2008 with an initial deposit of \$100,648. This account received \$591 of dividends which were reinvested and sustained \$2,426 in unrealized losses. Investments consisted of \$7,683 in money market funds, \$37,468 in bond mutual funds, and \$53,662 in equity funds. Only the money market was FDIC insured, the other funds could lose value.

10. TEMPORARILY RESTRICTED ASSETS

Temporarily restricted assets consisted of the following at June 30, 2008. All were restricted by purpose by donors or grantors.

	<u>Balance</u> <u>6/30/2008</u>
Choice Waitlist Funds	\$ 115,316
Points of Hope	37,833
Case Management	4,393
Angel Tree	863
Faith Based Initiative	1,800
EMT Bracelets	<u>1,518</u>
 Total Temporarily Restricted Net Assets	 <u>\$ 161,723</u>

**SOUTHWESTERN INDIANA REGIONAL
COUNCIL ON AGING, INC.**

**REPORTS PRESCRIBED BY
OMB CIRCULAR A-133**

JUNE 30, 2008



Report on Compliance with Requirements Applicable to
Each Major Program and on Internal Control Over
Compliance in Accordance with OMB Circular A-133

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

COMPLIANCE

We have audited the compliance of Southwestern Indiana Regional Council on Aging, Inc. (SWIRCA) 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, 2008. SWIRCA's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of SWIRCA's management. Our responsibility is to express an opinion on SWIRCA's compliance based on our audit.

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 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 SWIRCA'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 of SWIRCA's compliance with those requirements.

In our opinion, SWIRCA complied in a material respect, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

INTERNAL CONTROL OVER COMPLIANCE

The management of SWIRCA 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 SWIRCA'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, but not for the purpose of expressing an opinion in the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of SWIRCA's internal control over compliance.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether SWIRCA'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 the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of SWIRCA's Board of Directors, management, others within the entity, and the federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Gauthier & Lammert, LLC

February 28, 2009



Report on Internal Control Over Financial Reporting and Compliance
and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

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

We have audited the financial statements of Southwestern Indiana Regional Council on Aging, Inc. (SWIRCA) as of and for the year ended June 30, 2008, and have issued our report thereon dated February 28, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial reporting contained in Government Auditing Standards, issued by the Comptroller General of the United States.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered SWIRCA's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SWIRCA's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of SWIRCA's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

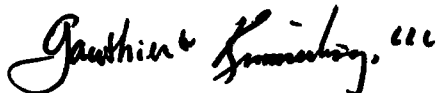
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

We have audited the basic financial statements of SWIRCA as of and for the year ended June 30, 2008, and have issued our report thereon dated February 28, 2009. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 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, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information of SWIRCA's Board of Directors, management, others within the entity, and the federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



February 28, 2009

Southwestern Indiana Regional Council on Aging, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008

Federal Grantor Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<i>U.S. Department of Health and Human Services:</i>			
Pass-through programs from Indiana Family and Social Services Administration			
Aging Cluster			
NSIP Nutrition Program for the Elderly	93.053	82-08-02-2326-01	\$ 113,338
Title III-B Administration	93.044	82-08-0V-2326-01	120,705
Title III-B Social Services	93.044	82-08-0V-2326-03	<u>366,324</u>
Total Title III-B			<u>487,029</u>
Title III-C Nutrition - Congregate Meals	93.045	82-08-0V-2326-05	329,145
Title III-C Nutrition - Home Delivered Meals	93.045	82-08-0V-2326-07	<u>338,622</u>
Total Title III-C			<u>667,767</u>
Total Aging Cluster			<u>1,268,134</u>
Title III-E Family Caregivers	93.052	82-08-0V-2326-11	194,348
Alzheimer's Grant	93.051	82-08-2N-2326-01	33,407
Title VII Ombudsman	93.042	82-08-2V-2326-03	18,491
Title III-D Preventative Health	93.043	82-08-0V-2326-09	29,762
Social Services Block Grant	93.667	82-08-0G-2326-03	590,731
Pre-Admission Screening	93.778	82-08-70-2326-01	286,516
Aging and Disability Resource Centers	93.779	82-08-3N-2326-01	<u>10,947</u>
Total U.S. Department of Health and Human Services			<u>1,164,202</u>
Total Expenditure of Federal Awards			<u>\$ 2,432,336</u>

The accompanying notes are an integral part of this schedule.

Southwestern Indiana Regional Council on Aging, Inc.
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008

The following describes the significant accounting policies used in the preparation of the schedule of expenditures of federal awards:

Basis of Accounting – SWIRCA maintains its financial records using the accrual basis of accounting in which revenues are recognized when earned and expenses are recognized when the related goods or services are received. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basis financial statements.

Subrecipients – Of the federal expenditures in the schedule, SWIRCA provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Title III-B Social Services	93.044	\$ <u>148,283</u>
Title VII Ombudsman	93.042	\$ <u>11,095</u>

Southwestern Indiana Regional Council on Aging, Inc.
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2008

ITEM NUMBER

AUDIT FINDING

None Noted.

Southwestern Indiana Regional Council on Aging, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2008

Section I - Summary of Auditors' Results

Financial Statements:

Type of auditor report issued: *Unqualified*

Internal control over financial reporting:

- Material weakness(es) identified? *No*
- Significant deficiency(ies) identified that are not considered to be material weaknesses? *No*

Noncompliance material to financial statements noted: *No*

Federal Awards:

Internal control over major programs:

- Material weakness(es) identified: *No*
- Significant deficiency(ies) identified that are not considered to be material weaknesses? *No*

Type of auditors' report issued on compliance for major programs: *Unqualified*

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? *No*

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
93.048	NSIP Nutritional Program for the Elderly
93.045	Title III-C Nutrition
93.667	Social Services Block Grant
93.044	Title III-B Social Services

Southwestern Indiana Regional Council on Aging, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2008

Section I - Summary of Auditors' Results – continued

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? *No*

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.