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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

April 4, 2018


Board of Directors
Area 10 Council on Aging of Monroe and Owen Counties, Inc.
631 West Edgewood Drive
Ellettsville, IN 47429

We have reviewed the report prepared by Area 10 Council on Aging of Monroe and Owen Counties, Inc. and opined upon by Comer, Nowling and Associates, PC, Independent Public Accountants, for the period July 1, 2014 to June 30, 2015. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Area 10 Council on Aging of Monroe and Owen Counties, Inc. as of June 30, 2015 and the results of its operations for the period then ended, on the basis of accounting described in the report.

We call your attention to the findings in the report on pages 43 and 44. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings.

In our opinion, Comer, Nowling and Associates, PC prepared all required independent auditor's reports in accordance with generally accepted auditing standards and guidelines established by the State Board of Accounts.

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


Paul D. Joyce, CPA
State Examiner

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

**Consolidated Financial Statements
For The Years Ended
June 30, 2015 and 2014
(With Single Audit Section)**

COMER  NOWLING

INDUSTRY ESTABLISHED | FOCUSED ON QUALITY

Certified Public Accountants

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES**

(Ellettsville, Indiana)

CONSOLIDATED FINANCIAL STATEMENTS

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INDUSTRY ESTABLISHED | FOCUSED ON QUALITY

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Area 10 Council on Aging of Monroe and Owen Counties, Inc. (a nonprofit organization) and Subsidiaries, which comprise the consolidated statements of financial position as of June 30, 2015 and 2014, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Area 10 Council on Aging of Monroe and Owen Counties, Inc. and Subsidiaries as of June 30, 2015 and 2014, 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.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements of Area 10 Council on Aging of Monroe and Owen Counties, Inc. and Subsidiaries as a whole. The accompanying schedule of expenditures of federal awards is presented for 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2016 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 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 read in conjunction with this report in considering the results of our audit.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.
Indianapolis, Indiana
March 23, 2016

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2015 AND 2014**

ASSETS

CURRENT ASSETS:	<u>2015</u>	<u>2014</u>
Cash and cash equivalents	\$ 343,574	\$ 496,184
Certificates of deposit	51,355	50,021
Grants receivable	634,280	736,862
Accounts receivable	36,890	83,639
Prepaid expenses	132,867	15,066
Total current assets	<u>1,198,966</u>	<u>1,381,772</u>
 FIXED ASSETS:		
Land	942,006	942,006
Building	13,891,284	13,820,345
Leasehold improvements	416,302	282,362
Equipment	260,797	329,957
	<u>15,510,389</u>	<u>15,374,670</u>
Less accumulated depreciation	(3,551,450)	(2,902,950)
Total fixed assets, net	<u>11,958,939</u>	<u>12,471,720</u>
 OTHER ASSETS		
Organizational costs	100,057	83,890
Less: accumulated amortization	(28,335)	(20,898)
	<u>71,722</u>	<u>62,992</u>
Restricted cash - reserves	244,516	271,271
Beneficial Interest	36,313	38,568
Total other assets	<u>352,551</u>	<u>372,831</u>
Total assets	<u>\$ 13,510,456</u>	<u>\$ 14,226,323</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable	\$ 104,910	\$ 370,612
Accrued payroll, taxes, and related expenses	111,817	97,137
Accrued vacation	79,617	78,402
Security deposits payable	7,440	9,237
Deferred revenue	9,026	6,533
Current portion - long term debt	38,371	553,833
Total current liabilities	<u>351,181</u>	<u>1,115,754</u>
 LONG TERM LIABILITIES		
Notes payable	1,841,180	1,209,659
Developer fee payable	260,836	260,834
Total long term liabilities	<u>2,102,016</u>	<u>1,470,493</u>
 NET ASSETS		
NON-CONTROLLING INTEREST IN NET ASSETS		
	<u>6,810,704</u>	<u>6,980,189</u>
 NET ASSETS - UNRESTRICTED		
Undesignated	879,109	1,015,825
Board designated	3,367,446	3,644,062
Total net assets - unrestricted	<u>4,246,555</u>	<u>4,659,887</u>
Total net assets	<u>11,057,259</u>	<u>11,640,076</u>
Total liabilities and net assets	<u>\$ 13,510,456</u>	<u>\$ 14,226,323</u>

See accompanying notes to consolidated financial statements.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

REVENUE AND OTHER SUPPORT	2015	2014
Federal grant revenue	\$ 1,737,814	\$ 1,500,682
State grant revenue	1,021,077	1,095,798
County support	81,113	77,923
City contracts	-	4,325
Service fees	226,788	213,770
Project income	102,323	187,257
Medicaid	508,450	404,494
Donations:		
Indirect public support - United Way	42,015	41,604
Direct public support	115,939	124,770
Rental income	656,334	408,892
Miscellaneous income	68,211	75,505
In-kind support	74,429	175,257
Investment income	1,609	1,141
Total revenue and other support	4,636,102	4,311,418
OPERATING EXPENSES		
Program services:		
Nutrition	421,424	417,715
Transportation	1,690,941	1,431,779
In-Home services	1,347,859	1,364,375
Health & Wellness	277,160	347,456
Information/Referral/Outreach	110,095	121,482
Housing	1,260,556	1,295,479
Total program services	5,108,035	4,978,286
Supporting services:		
Management and General	407,809	264,373
Fundraising	59,873	74,985
Total supporting services	467,682	339,358
Total operating expenses	5,575,717	5,317,644
Increase (decrease) in net assets	(939,615)	(1,006,226)
NET ASSETS - BEGINNING OF YEAR	11,640,076	12,621,302
Non-controlling interest in subsidiary's earnings	(783,848)	(824,671)
Controlling interest in subsidiary's earnings and parent	(155,766)	(181,555)
Capital contributions	356,797	25,000
NET ASSETS - END OF YEAR	\$ 11,057,259	\$ 11,640,076

See accompanying notes to consolidated financial statements.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Nutrition</u>	<u>Transportation</u>	<u>In-Home Services</u>	<u>Health & Wellness</u>
OPERATING EXPENSES				
Personnel costs	\$ 131,941	\$ 980,770	\$ 652,405	\$ 170,408
Occupancy	5,059	31,130	7,271	14,265
Telephone and postage	1,469	8,714	7,074	2,236
Materials and supplies	11,283	248,532	21,333	13,142
Printing	-	-	-	336
Volunteer recognition	-	-	-	21,319
Travel	9,230	9,455	26,183	7,393
Contracted services	1,815	70,390	20,670	15,312
Other assistance	-	-	366,694	4,458
Meals	253,919	-	80,142	2,776
Home health care	-	-	140,317	-
Training	-	829	-	144
Insurance	(242)	67,987	9,153	2,481
Equipment	6,438	240,540	9,649	10,180
Advertising and recruitment	-	7,229	-	278
Other costs	1	9,204	3	265
Taxes	-	-	-	-
Interest expense	-	-	-	-
Depreciation	511	16,161	6,965	12,167
	<u>511</u>	<u>16,161</u>	<u>6,965</u>	<u>12,167</u>
Total operating expenses	<u>\$ 421,424</u>	<u>\$ 1,690,941</u>	<u>\$ 1,347,859</u>	<u>\$ 277,160</u>

See accompanying notes to consolidated financial statements.

<u>Information/ Referral/Outreach</u>	<u>Housing</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>2015 Total</u>
\$ 98,696	\$ 202,974	\$ 226,406	\$ 50,172	\$ 2,513,772
1,722	124,215	4,250	708	188,620
1,610	3,340	2,772	1,559	28,774
1,749	16,460	15,236	4,520	332,255
-	-	-	-	336
-	-	-	-	21,319
322	2,079	1,617	121	56,400
4,307	82,439	128,766	1,220	324,919
-	-	-	-	371,152
-	-	-	-	336,837
-	-	-	-	140,317
-	600	-	-	1,573
-	51,763	27,186	850	159,178
-	-	-	-	266,807
250	4,937	-	-	12,694
-	6,863	1,576	86	17,998
-	87,324	-	-	87,324
-	59,506	-	-	59,506
1,439	618,056	-	637	655,936
<u>\$ 110,095</u>	<u>\$ 1,260,556</u>	<u>\$ 407,809</u>	<u>\$ 59,873</u>	<u>\$ 5,575,717</u>

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Nutrition</u>	<u>Transportation</u>	<u>In-Home Services</u>	<u>Health & Wellness</u>
OPERATING EXPENSES				
Personnel costs	\$ 155,779	\$ 918,839	\$ 559,141	\$ 162,863
Occupancy	2,106	34,786	6,971	14,877
Telephone and postage	1,433	8,908	5,320	2,389
Materials and supplies	2,411	304,420	24,435	13,218
Printing	-	-	-	597
Volunteer recognition	-	-	-	105,928
Travel	11,969	3,362	27,954	3,707
Contracted services	3,626	68,765	15,425	12,173
Other assistance	-	-	408,832	3,444
Meals	239,295	-	118,967	2,320
Home health care	-	-	181,263	-
Training	-	410	180	3,857
Insurance	581	58,537	7,251	4,517
Equipment	-	6,000	2,548	5,065
Advertising and recruitment	-	9,486	50	204
Other costs	83	4,004	-	106
Taxes	-	-	-	-
Interest expense	-	-	-	-
Depreciation	432	14,262	6,038	12,191
	<u>432</u>	<u>14,262</u>	<u>6,038</u>	<u>12,191</u>
Total operating expenses	<u>\$ 417,715</u>	<u>\$ 1,431,779</u>	<u>\$ 1,364,375</u>	<u>\$ 347,456</u>

See accompanying notes to consolidated financial statements.

<u>Information/ Referral/Outreach</u>	<u>Housing</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>2014 Total</u>
\$ 108,590	\$ 247,674	\$ 181,410	\$ 64,651	\$ 2,398,947
1,517	143,070	6,249	1,008	210,584
1,696	2,697	2,215	1,211	25,869
1,369	18,154	4,061	4,600	372,668
-	-	-	-	597
-	-	-	-	105,928
956	3,172	669	190	51,979
4,896	65,692	35,403	1,756	207,736
-	-	-	-	412,276
-	-	-	-	360,582
-	-	-	-	181,263
-	65	500	-	5,012
-	33,020	20,961	853	125,720
-	-	-	-	13,613
1,104	4,901	-	-	15,745
-	586	11,401	10	16,190
-	1,902	-	-	1,902
-	140,990	-	-	140,990
1,354	633,556	1,504	706	670,043
<u>\$ 121,482</u>	<u>\$ 1,295,479</u>	<u>\$ 264,373</u>	<u>\$ 74,985</u>	<u>\$ 5,317,644</u>

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets before non-controlling interest	\$ (939,615)	\$ (1,006,226)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation	655,937	670,044
(Gain) loss on disposal of assets	-	1,017
Increase (decrease) in cash from changes in:		
Grants receivable	102,582	64,053
Accounts receivable	34,180	223,657
Prepaid expenses	(117,909)	(14,173)
Restricted cash	26,863	(60,833)
Accounts payable	(254,982)	(273,432)
Accrued payroll, taxes and related expenses	12,948	(217,627)
Prepaid rent	5,493	5,856
	<u>(474,503)</u>	<u>(607,664)</u>
Net cash provided by (used in) operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Accrued interest on certificate of deposit	(1,332)	-
Proceeds from disposal of equipment	-	75,983
Purchase of property and equipment	(135,721)	(6,080,792)
Acquisition of capitalized costs	(16,167)	-
Net change in beneficial interest	2,255	(4,397)
	<u>(150,965)</u>	<u>(6,009,206)</u>
Net cash provided by (used in) investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES:		
Limited partner change in capital	-	(82,810)
Proceeds from members' equity receivable	356,797	549,469
Proceeds from notes payable	483,971	5,766,933
Principal payments against notes payable	(367,910)	(16,877)
	<u>472,858</u>	<u>6,216,715</u>
Net cash provided by (used in) financing activities		
NET INCREASE (DECREASE) IN CASH	(152,610)	(400,155)
CASH, BEGINNING OF YEAR	496,184	635,505
CASH, END OF YEAR	<u>\$ 343,574</u>	<u>\$ 235,350</u>
Supplemental disclosures of cash flow information:		
Cash paid during the year for interest	<u>\$ 37,452</u>	<u>\$ 225,767</u>
Schedule of noncash investing and financing activities:		
Proceeds from note used for subsidiary	<u>\$ 40,200</u>	<u>\$ 361,800</u>
Acquisition of property through the assumption of accounts payable - affiliates	<u>\$ -</u>	<u>\$ 239,187</u>
Paydown construction loan with proceeds from member's equity receivable	<u>\$ -</u>	<u>\$ 6,480,148</u>

See accompanying notes to consolidated financial statements.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014**

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

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of Area 10 Council on Aging of Monroe and Owen Counties, Inc., and its wholly-owned subsidiary, Area 10 Development, Inc. Area 10 Development, Inc. serves as the general partner for Cunot Apartments, L.P., Edgewood Village Apartments, L.P., and serves as a managing member of Patterson Pointe Senior Residence, LLC. Area 10 Development, Inc. has a 1% ownership interest in Cunot Apartments L.P. and a .051% interest in Patterson Pointe Senior Residence, LLC. Edgewood Village Apartments, L.P. is wholly-owned by Area 10 Development, Inc. In accordance with FASB ASC 958-810-15-14, consolidation is required for each of the previously mentioned entities and all material intercompany transactions have been eliminated in the consolidation.

NATURE OF OPERATIONS

Area 10 Council on Aging of Monroe and Owen Counties, Inc. and Subsidiaries (the "Organization") was incorporated in 1978, under the laws of the State of Indiana. Area 10 Council on Aging of Monroe and Owen Counties, Inc. is a not-for-profit, charitable and community based organization that is also a designated Area Agency on Aging for Monroe and Owen counties in the state of Indiana. The Organization's mission is to serve as a leader in providing resources, solutions and connections for seniors, persons with disabilities and family caregivers living in Monroe and Owen counties. The Organization's operations are funded through grants and contracts from federal and state governmental agencies, private foundations, the United Way and individual donors.

In 1997, the Organization formed Area 10 Development, Inc. (the "Subsidiary" as a wholly owned subsidiary under the laws of the State of Indiana. The purpose of the Subsidiary is to acquire, construct, rehabilitate, own, finance, lease, and operate qualified low-income-housing tax credit property. In that same year, Cunot Apartments, L.P. and Edgewood Village Apartments, L.P. were formed for the purpose of constructing, owning and operating apartment complexes consisting of 24 and 48 units each, respectively. Units in both apartment complexes are rented to qualified low-income individuals, and, as a result, federal income tax credits are available to investors.

In 2010 Patterson Pointe Senior Residence, LLC was formed by MV Patterson Pointe Senior Residence, LLC, a managing member, to acquire, own, and operate a 61 unit residential property to be rented to qualified low-income individuals. In 2012, Area 10 Development, Inc. was admitted as a managing member of Patterson Pointe Senior Residence, LLC. MV Patterson Pointe Senior Residence, LLC and Area 10 Development, Inc. hold .048% and .051% interest in Patterson Pointe Senior Residence, LLC, respectively.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014**

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

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

Area 10 Council on Aging of Monroe and Owen Counties, Inc. is exempt from income tax under Internal Revenue Code Section 501(c)(3) and a similar section of the Indiana Code. Consequently, the accompanying financial statements do not generally include any provision for income taxes. The Internal Revenue Service classifies the Area 10 Council on Aging of Monroe and Owen Counties, Inc. as other than a private foundation under internal Revenue Code Section 509(a)(1).

The mission of the Subsidiary and related partnerships and limited liability company were considered to be related to the mission of the Organization and therefore, no provision for unrelated business income tax has been made for federal income taxes.

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. 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, 2012.

FINANCIAL STATEMENT PRESENTATION

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board. Per the applicable standards, Area 10 Council on Aging of Monroe and Owen Counties, Inc. is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. A description of the unrestricted, temporarily and permanently restricted net asset classes follows:

Unrestricted net assets represent the portion of net assets of Area 10 Council on Aging of Monroe and Owen Counties, Inc. that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations. Unrestricted net assets include expendable funds available for the support of the Organization. The board designates certain funds for various purposes.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014**

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

FINANCIAL STATEMENT PRESENTATION – (continued)

Temporarily restricted net assets represent contributions and other inflows of assets whose use by Area 10 Council on Aging of Monroe and Owen Counties, Inc. is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of Area 10 Council on Aging of Monroe and Owen Counties, Inc. pursuant to those stipulations.

Temporarily restricted net assets also include, pursuant to Indiana law, cumulative appreciation and reinvested gains on permanently restricted net assets, which has not been appropriated by the Board of Directors.

Permanently restricted net assets represent contributions and other inflows of assets whose use by Area 10 Council on Aging of Monroe and Owen Counties, Inc. is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

The Organization does not have any temporarily or permanently restricted net assets. All other assets, including board-designated amounts, are legally unrestricted and are reported as part of the unrestricted class. Board designated net assets as of June 30, 2015 and 2014 totaled \$3,367,446 and \$3,644,062, respectively.

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 ACCOUNTS RECEIVABLE

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, and no allowance for uncollectible receivables is considered necessary.

REVENUE RECOGNITION

The majority of the Organization's revenue is earned under cost-reimbursement awards from governmental agencies. Revenues are recognized under such awards when costs allowable under the terms of the awards are incurred. Advances received in excess of allowable costs are reported as liabilities.

Fees for services are recognized as revenue when the services are substantially performed. Fees received in advance of substantial performance are reported as liabilities.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014**

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

REVENUE RECOGNITION – (continued)

The Organization reports grants and contributions of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions. However, contributions received with donor-imposed restrictions in which the restrictions are satisfied in the same reporting received are reported as unrestricted support.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Amortization of the discounts is included in contributions revenue. Conditional promises to give are not recognized as revenue until the conditions are substantially met.

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. The value of contributed services meeting the criteria for recognition and recognized in the accompanying financial statements was \$13,217 and \$21,491 for the years ended June 30, 2015 and 2014, respectively. Management estimates the value of contributed services received during the years ended June 30, 2015 and 2014 that did not meet the criteria for recognition to be \$38,214 and \$53,662, respectively.

The Organization uses certain facilities for its programs without charge or at reduced charge. The difference between the fair value for the use of these facilities and their cost are recognized as revenue and expense. In addition the Organization receives supplies and materials without charge. The Organization recognized \$61,212 and \$153,766 of revenue for contributed facilities, supplies and materials in the accompanying consolidated financial statements during the years ended June 30, 2015 and 2014, respectively.

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. Depreciation is computed by the straight-line method over the estimated useful lives of the assets, which are generally as follows:

Building	10-40 years
Equipment	5-10 years

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014**

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

PROPERTY AND EQUIPMENT- (continued)

Substantially all of the Organization's equipment has been purchased with funds provided by the State of Indiana and are therefore owned by the State of Indiana. Disposition of these assets, as well as the ownership of any sale proceeds, is subject to funding source and other regulatory directives. Expenditures for maintenance and repairs are expensed when incurred.

Depreciation expense on corporate owned and related housing partnerships' property and equipment totaled \$655,936 and \$670,043 for the years ended June 30, 2015 and 2014, respectively.

USE OF ESTIMATES

The process of preparing consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the consolidated financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Significant estimates used in the accompanying consolidated financial statements include:

- Revenue earned from cost-reimbursement awards. The majority of the Organization's revenue is earned on such awards from governmental agencies that are governed by cost principles and other administrative and programmatic regulations and are subject to audit by regulatory authorities. It is at least reasonably possible that revenue earned under such awards will be adjusted upon audit.
- The valuation of contributed facilities, which is based on rents for comparable facilities.
- The allocations of costs among programs and the supporting services, which are based on time and facility usage studies and other cost allocation methods.

COST ALLOCATION

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and in the Statements of Functional Expenses.

Joint costs (including general and administrative costs) are allocated to programs, grants and contracts using a base that is most appropriate to those particular costs. Considerations in determining an appropriate base include:

- The relative benefit
- The materiality of the cost
- The amount of time and cost to perform the allocation.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014**

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

COST ALLOCATION – (continued)

Cost allocation methods are as follows:

- All allowable direct costs are charged directly whenever possible.
- All allowable joint or shared costs are allocated to the benefiting programs using a rationale most appropriate for that cost. Some costs will be further allocated to multiple funding sources, when applicable.
- All other allowable general and administrative costs are allocated using an appropriate rationale which fairly allocates costs based on benefits to the particular program.

The Organization's cost allocation plan is revised if significant changes occur during the year. Examples necessitating a revision include if programs are added, terminated or substantially changed. In addition, if square footage is substantially changed during the year, a revision will be made.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The FASB Accounting Standards Codification topic "Fair Value Measurements" 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.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014**

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

FAIR VALUE OF FINANCIAL INSTRUMENTS

Certificates of Deposit are reported at fair value, since the secondary market for CDs is generally illiquid and are priced by the custodian from sources deemed to be reliable or from using a matrix formula using level 2 inputs.

The fair value of endowment funds held by Monroe County Community Foundation and Owen County Community Foundation are based on the Organization's proportionate share of the foundations' pooled investment portfolios. Management reviews the valuations and returns but does not receive a detailed listing of the portfolios. The Organization does not have the ability to redeem the funds on a short-term basis. Withdrawals are limited to the terms of the agreements with the foundations.

The endowment funds are described in Note 9 and are classified as Level 2 investments.

ACCOUNTING FOR IMPAIRMENT

As required by the "Accounting for Impairment or Disposal of Long-Lived Assets" topic of the FASB Accounting Standards Codification, 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 standard has not materially affected the Organization's net change in unrestricted net assets, statement of financial position or statement of cash flows.

RECLASSIFICATION

Certain prior year financial information has been reclassified to conform to the current year presentation.

SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 23, 2016, which is the date the financial statements were available to be issued.

NOTE 2 – BENEFICIAL INTERESTS

The Organization has established endowment funds with the Monroe County Community Foundation and the Owen County Community Foundation and the Organization is the named beneficiary of the funds. The funds are reported at fair value with a combined balance of \$36,313 and \$38,568 for the years ended June 30, 2015 and 2014, respectively. The year-end values are determined by the Foundations based on market values of the underlying investments. The endowment funds consist of the amounts transferred to the Foundations by the Organization and the related changes in the market value. Annually, the Organization receives a distribution of a percentage of the average fund balance in the funds.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014**

NOTE 3 – 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, 2015 and 2014. At June 30, 2015 and 2014, the Organization's uninsured balance is \$-0- and \$145,167, respectively.

All of the Organization's programs and activities occur in Central Indiana. Consequently, its sources of support and revenue may be affected by conditions in that area. In addition, for the years ended June 30, 2015 and 2014 approximately 79% and 74% of total revenues, respectively, were received from state and federal governmental sources, with approximately 34% and 37% of total revenues, respectively, received from Indiana Family and Social Services Administration.

Grants receivable are due primarily from Indiana Family and Social Services Administration under contracts and cost-reimbursement grants, which represent a concentration of credit risk.

NOTE 4 – LONG-TERM DEBT

The Organization entered into an agreement with the City of Bloomington to borrow up to \$402,000 of Federal HOME Investment Partnership funds for use in the Patterson Pointe Senior Residence housing project. The note bears an interest rate of 0.0% and matures in June 2032. As of June 30, 2015 and 2014 the note balance was \$402,000 and \$361,800, respectively.

Long-term debt of Edgewood Village L.P. consists of the following as of June 30, 2015 and 2014:

Note payable – 8.15% per annum secured by real property, payable in monthly installments of \$5,210 with interest maturing on February 8, 2015. The balance on the note at June 30, 2014 was \$551,692.

This note was refinanced in February 2015 in the amount of \$640,000 and will mature March of 2030. The note bears an interest of 4.5% with monthly payments of \$4,906 through March 10, 2020 after the rate changes every sixty months based on 5 year Treasury index plus 3.250%. The balance on the note at June 30, 2015 was \$631,057.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014**

NOTE 4 – LONG-TERM DEBT – (continued)

Estimated maturities of mortgage at June 30, 2015 for each of the next five years and in the aggregate are as follows:

2016	\$ 32,768
2017	32,618
2018	34,117
2019	35,684
2020	37,323
Thereafter	<u>458,547</u>
	<u>\$ 631,057</u>

Long-term debt of Patterson Pointe Senior Residence, LLC consists of the following as of June 30, 2015 and 2014:

Construction loan – The property of Patterson Pointe Senior Residence, LLC was pledged as security on a construction loan with a bank. The maximum principal of the loan is \$7,149,000 with draws outstanding as of June 30, 2014 of \$350,000. The construction loan matured in July 2014 and was converted to a permanent mortgage note which will mature 18 years after the conversion date. The construction loan bore interest at prime, which was 3.25% June 30, 2014, plus 2.5%. The mortgage note bears interest pursuant to Fannie Mae guidelines, which was 5.75% as of June 30, 2015. Principal and interest will be due monthly based on a 30 year amortization period. The unpaid principal and interest is due July 2030.

Estimated maturities of mortgage at June 30, 2015 for each of the next five years and in the aggregate are as follows:

2016	\$ 5,603
2017	5,046
2018	5,344
2019	5,660
2020	5,994
Thereafter	<u>318,848</u>
	<u>\$ 346,495</u>

Promissory note – The \$500,000 note is secured by a mortgage on Patterson Pointe Senior Residence, LLC real estate to an unrelated affiliate. The note bears an interest rate of 0.0%. The unpaid balance shall be paid in full upon the earlier of (i) the sale or refinance of the project, (ii) March 31, 2041, or (iii) the date upon the lender accelerates the obligations due. As of June 30, 2015 and 2014 the note balance was \$500,000 and \$500,000, respectively.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014**

NOTE 5 – RETIREMENT PLAN

The Organization maintains a Section 403(b) salary reduction plan covering eligible employees. Employees may contribute the maximum amount allowed. The Organization does not make any matching or elective contributions.

NOTE 6 – COMMITMENTS AND CONTINGENCIES

In prior years, the Organization received several grants related to its low-income tax credit partnerships. These grants include two Federal Home Loan Bank (FHLB) Affordable Housing Program (AHP) grants that were received in 1997 in the amounts of \$220,752 and \$131,976. Each of these requires that the Organization and its partnerships comply with certain covenants for periods of 40 and 20 years. In November 2014, the \$220,752 AHP grant expired. A third grant was received in 1998 from the Indiana Housing Finance Authority (IHFA) under the HOME Investment Partnership Act (HOME) in the amount of \$350,000. As with the AHP grants, the IHFA HOME grant has compliance commitments for 20 years. Failure to meet the requirements under these grants for the specified time periods could result in an obligation to repay the grants to the respective grantors.

NOTE 7 – OPERATING LEASES

Area 10 Council on Aging of Monroe and Owen Counties, Inc. leases building space for use in the operation of its programs. Future minimum lease payments on leases having non-cancelable terms beyond June 30, 2015 are as follows:

2016	\$ 10,867
2017	<u>609</u>
	<u>\$ 11,476</u>

NOTE 8 - ENDOWMENT

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

Interpretation of UPMIFA:

The Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014**

NOTE 8 - ENDOWMENT - (continued)

The Organization's beneficial interest in endowment funds represent board-designated funds and are not subject to donor restrictions. Therefore the endowment funds are considered unrestricted net assets.

Changes in endowment net assets for the year ended June 30, 2015 and 2014:

	2015	2014
	<u>Unrestricted</u>	<u>Unrestricted</u>
Endowment funds, beginning of year	\$ 38,568	\$ 34,171
Net investment return	(297)	5,815
Distributions	<u>(1,958)</u>	<u>(1,418)</u>
Endowment funds, end of year	<u>\$ 36,313</u>	<u>\$ 38,568</u>

Investment Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation and current yield. The Organization's portfolio offers pooled investments that are diversified among asset classes and investment styles as offered by the Monroe County Community Foundation and Owen County Community Foundations, thus minimizing the risk of large losses over a defined investment horizon.

Return Objectives and Risk Parameters

The Organization has adopted spending and investment policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include board designated assets. Under this policy, the endowment assets are invested in a way to ensure the future growth of the assets is sufficient to exceed the rate of inflation and provide for distribution of earnings, net of fees. All investment decisions have been delegated to the Monroe County Community Foundation and Owen County Community Foundation.

Spending Policy

The spending rate for distributable earnings will be set by the Monroe County Community Foundation and Owen County Community Foundations each year. The foundations act prudently and responsibly when deciding on a distribution that will allow for growth in the endowment fund over the course of Directors oversees the funds' assets held by the foundations, taking into account the purposes, terms and distribution requirements expressed by the governing instruments. The Board of Directors will exercise reasonable care, skill and caution in order to ensure preservation of all funds.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014**

NOTE 9 – PRIOR PERIOD ADJUSTMENT

For the year ended June 30, 2014, the consolidated financial statements for Area 10 Council on Aging of Monroe and Owen Counties, Inc. were restated to correct beginning net assets for the following net increase:

	<u>2014</u>
Write down of value on real estate	\$ (52,000)
Recognition of developer fee receivable from Patterson Pointe	86,072
Correction of value of beneficial interest	(12,614)
Historical cost of building funded by grants	522,992
Other	<u>2,284</u>
 Prior period adjustment	 <u>\$ 546,737</u>

In addition it was determined that the temporarily and permanently restricted net assets reported on the nonconsolidated financial statements for Area 10 Council on Aging of Monroe and Owen Counties, Inc. did not meet the definition of donor restricted net assets and therefore \$2,523,323 of temporarily restricted net assets and \$46,785 of permanently restricted net assets were reclassified as unrestricted net assets.

NOTE 10 – NON-CONTROLLING INTEREST IN SUBSIDIARIES

As described in Note 1, the Organization has invested in various partnerships in which it holds controlling interest and therefore presents the financial statement of these partnerships consolidated with the financial statements of the Organization.

The changes in the controlling and non-controlling interest in the net assets of the Organization for the years ending June 30, 2015 and 2014 are as follows:

	<u>Controlling Interest</u>	<u>Non-controlling Interest</u>	<u>Total</u>
Balance July 1, 2013	\$ 627,767	\$ 7,779,860	\$ 8,407,627
Capital contributions	-	25,000	25,000
Net change in net assets	<u>(224,716)</u>	<u>(824,671)</u>	<u>(1,049,387)</u>
Balance June 30, 2014	\$ 403,051	\$ 6,980,189	\$ 7,383,240
Capital contributions	-	356,797	356,797
Net change in net assets	<u>382,877</u>	<u>(526,282)</u>	<u>(143,405)</u>
Balance June 30, 2015	<u>\$ 785,928</u>	<u>\$ 6,810,704</u>	<u>\$ 7,596,632</u>

SUPPLEMENTARY INFORMATION



INDUSTRY ESTABLISHED | FOCUSED ON QUALITY

Independent Auditor's Report on Supplementary Information

Board of Directors
Area 10 Council on Aging of Monroe and Owen Counties, Inc.
Ellettsville, Indiana

Our report on our audit of the consolidated financial statements of Area 10 Council on Aging of Monroe and Owen Counties, Inc. as of June 30, 2015 and 2014, appears on page one. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information (shown on pages 23 through 31) is presented for purposes of additional analysis of the consolidated financial statements rather than to present the statements of financial position and results of activities of the individual organizations. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole for the years ended June 30, 2015 and 2014.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.
Indianapolis, Indiana
March 23, 2016

AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2015

ASSETS

	Parent	Subsidiaries (Unrestricted)				Eliminations	2015 Consolidated Total
	Unrestricted	Area Ten Development, Inc.	Cunot Apartments, L.P.	Edgewood Village Apartments, L.P.	Patterson Pointe Senior Residence, LLC		
CURRENT ASSETS:							
Cash and cash equivalents	\$ 222,014	\$ -	\$ 19,558	\$ 63,659	\$ 38,343	\$ -	\$ 343,574
Certificate of deposit	51,355	-	-	-	-	-	51,355
Grants receivable	634,280	-	-	-	-	-	634,280
Accounts receivable	36,044	-	317	-	529	-	36,890
Accounts receivable - related party	486,874	-	-	-	-	(486,874)	-
Prepaid expenses	400	-	-	1,311	131,156	-	132,867
Total current assets	1,430,967	-	19,875	64,970	170,028	(486,874)	1,198,966
FIXED ASSETS:							
Land	-	-	38,199	170,663	733,144	-	942,006
Building	1,419,405	-	1,472,889	2,894,066	8,104,924	-	13,891,284
Leasehold improvements	-	-	127,157	289,145	-	-	416,302
Equipment	24,734	-	-	1,136	234,927	-	260,797
	1,444,139	-	1,638,245	3,355,010	9,072,995	-	15,510,389
Less accumulated depreciation	(674,160)	-	(683,299)	(1,241,353)	(952,638)	-	(3,551,450)
Total fixed assets, net	769,979	-	954,946	2,113,657	8,120,357	-	11,958,939
OTHER ASSETS							
Notes receivable, net of allowance	741,176	-	-	-	-	(741,176)	-
Accrued interest receivable	844,181	-	-	-	-	(844,181)	-
Organizational costs	-	-	14,568	-	85,489	-	100,057
Less: accumulated amortization	-	-	(14,568)	-	(13,767)	-	(28,335)
	1,585,357	-	-	-	71,722	(1,585,357)	71,722
Restricted cash - reserves	-	-	84,207	-	160,309	-	244,516
Investment in subsidiaries	392,964	392,964	-	-	-	(785,928)	-
Beneficial interest	36,313	-	-	-	-	-	36,313
Total other assets, net	2,014,634	392,964	84,207	-	232,031	(2,371,285)	352,551
Total assets	\$ 4,215,580	\$ 392,964	\$ 1,059,028	\$ 2,178,627	\$ 8,522,416	\$ (2,858,159)	\$ 13,510,456

See Independent Auditor's Report on Supplementary Information.

AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION - (CONTINUED)
JUNE 30, 2015

	LIABILITIES AND NET ASSETS						2015 Consolidated Total
	Parent	Subsidiaries (Unrestricted)					
	Unrestricted	Area Ten Development, Inc.	Cunot Apartments, L.P.	Edgewood Village Apartments, L.P.	Patterson Pointe Senior Residence, LLC	Eliminations	
CURRENT LIABILITIES:							
Accounts payable	\$ 115,189	\$ -	\$ 319,791	\$ 14,095	\$ 77,453	\$ (421,618)	\$ 104,910
Accrued payroll, taxes, and related expenses	109,472	-	-	-	2,345	-	111,817
Accrued vacation	79,617	-	-	-	-	-	79,617
Security deposits payable	3,497	-	-	-	3,943	-	7,440
Deferred revenue	1,684	-	-	-	7,342	-	9,026
Current portion - long term debt	-	-	-	32,768	5,603	-	38,371
Total current liabilities	309,459	-	319,791	46,863	96,686	(421,618)	351,181
LONG TERM LIABILITIES							
Notes payable	402,000	-	609,774	1,070,126	1,242,891	(1,483,611)	1,841,180
Developer fee and accrued interest	-	-	229,842	679,596	260,834	(909,436)	260,836
Total long-term liabilities	402,000	-	839,616	1,749,722	1,503,725	(2,393,047)	2,102,016
Total liabilities	711,459	-	1,159,407	1,796,585	1,600,411	(2,814,665)	2,453,197
NET ASSETS:							
Unrestricted net assets - undesignated	486,145	-	11,302	382,042	(380)	-	879,109
Unrestricted net assets - board designated	2,625,012	-	-	-	-	742,434	3,367,446
Parent interest in unrestricted net assets	392,964	392,964	-	-	-	(785,928)	-
Non-controlling interest in net assets	-	-	(111,681)	-	6,922,385	-	6,810,704
Total net assets	3,504,121	392,964	(100,379)	382,042	6,922,005	(43,494)	11,057,259
Total liabilities and net assets	\$ 4,215,580	\$ 392,964	\$ 1,059,028	\$ 2,178,627	\$ 8,522,416	\$ (2,858,159)	\$ 13,510,456

See Independent Auditor's Report on Supplementary Information.

AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2014

ASSETS

	Parent	Subsidiaries (Unrestricted)				Eliminations	2014 Consolidated Total
	Unrestricted	Area Ten Development, Inc.	Cunot Apartments, L.P.	Edgewood Village Apartments, L.P.	Patterson Pointe Senior Residence, LLC		
CURRENT ASSETS:							
Cash and cash equivalents	\$ 404,820	\$ -	\$ 15,032	\$ 64,102	\$ 12,230	\$ -	\$ 496,184
Certificate of deposit	50,021	-	-	-	-	-	50,021
Grants receivable	736,862	-	-	-	-	-	736,862
Accounts receivable	74,127	-	317	-	9,195	-	83,639
Accounts receivable - related party	474,305	-	-	-	-	(474,305)	-
Prepaid expenses	400	-	-	506	14,160	-	15,066
Total current assets	<u>1,740,535</u>	<u>-</u>	<u>15,349</u>	<u>64,608</u>	<u>35,585</u>	<u>(474,305)</u>	<u>1,381,772</u>
FIXED ASSETS:							
Land	-	-	38,199	170,663	733,144	-	942,006
Building	1,419,405	-	1,472,889	2,894,066	8,033,985	-	13,820,345
Leasehold improvements	-	-	99,367	182,995	-	-	282,362
Equipment	24,734	-	-	1,136	304,087	-	329,957
	1,444,139	-	1,610,455	3,248,860	9,071,216	-	15,374,670
Less accumulated depreciation	(635,489)	-	(634,699)	(1,144,500)	(488,262)	-	(2,902,950)
Total fixed assets, net	<u>808,650</u>	<u>-</u>	<u>975,756</u>	<u>2,104,360</u>	<u>8,582,954</u>	<u>-</u>	<u>12,471,720</u>
OTHER ASSETS							
Notes receivable, net of allowance	664,163	-	-	-	-	(664,163)	-
Accrued interest receivable	880,994	-	-	-	-	(880,994)	-
Organizational costs	-	-	14,568	-	69,322	-	83,890
Less: accumulated amortization	-	-	(14,568)	-	(6,330)	-	(20,898)
	1,545,157	-	-	-	62,992	(1,545,157)	62,992
Restricted cash - reserves	-	-	84,099	-	187,172	-	271,271
Investment in subsidiaries	201,526	201,525	-	-	-	(403,051)	-
Beneficial interest	38,568	-	-	-	-	-	38,568
Total other assets, net	<u>1,785,251</u>	<u>201,525</u>	<u>84,099</u>	<u>-</u>	<u>250,164</u>	<u>(1,948,208)</u>	<u>372,831</u>
Total assets	<u>\$ 4,334,436</u>	<u>\$ 201,525</u>	<u>\$ 1,075,204</u>	<u>\$ 2,168,968</u>	<u>\$ 8,868,703</u>	<u>\$ (2,422,513)</u>	<u>\$ 14,226,323</u>

See Independent Auditor's Report on Supplementary Information.

AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION - (CONTINUED)
JUNE 30, 2014

LIABILITIES AND NET ASSETS

	Parent	Subsidiaries (Unrestricted)				Eliminations	2014 Consolidated Total
	Unrestricted	Area Ten Development, Inc.	Cunot Apartments, L.P.	Edgewood Village Apartments, L.P.	Patterson Pointe Senior Residence, LLC		
CURRENT LIABILITIES:							
Accounts payable	\$ 134,103	\$ -	\$ 270,797	\$ 18,325	\$ 356,436	\$ (409,049)	\$ 370,612
Accrued payroll, taxes, and related expenses	93,800	-	-	-	3,337	-	97,137
Accrued vacation	78,402	-	-	-	-	-	78,402
Security deposits payable	6,444	-	-	-	2,793	-	9,237
Deferred revenue	-	-	120	-	6,413	-	6,533
Current portion - long term debt	-	-	-	551,692	2,141	-	553,833
Total current liabilities	<u>312,749</u>	<u>-</u>	<u>270,917</u>	<u>570,017</u>	<u>371,120</u>	<u>(409,049)</u>	<u>1,115,754</u>
LONG TERM LIABILITIES							
Notes payable	361,800	-	609,774	692,589	1,209,659	(1,664,163)	1,209,659
Developer fee payable	-	-	-	-	260,834	-	260,834
Accrued interest	-	-	229,841	716,409	-	(946,250)	-
Total long-term liabilities	<u>361,800</u>	<u>-</u>	<u>839,615</u>	<u>1,408,998</u>	<u>1,470,493</u>	<u>(2,610,413)</u>	<u>1,470,493</u>
Total liabilities	<u>674,549</u>	<u>-</u>	<u>1,110,532</u>	<u>1,979,015</u>	<u>1,841,613</u>	<u>(3,019,462)</u>	<u>2,586,247</u>
NET ASSETS:							
Unrestricted net assets - undesignated	814,299	-	11,953	189,953	(380)	-	1,015,825
Unrestricted net assets - board designated	2,644,062	-	-	-	-	1,000,000	3,644,062
Parent interest in unrestricted net assets	201,526	201,525	-	-	-	(403,051)	-
Non-controlling interest in net assets	-	-	(47,281)	-	7,027,470	-	6,980,189
Total net assets	<u>3,659,887</u>	<u>201,525</u>	<u>(35,328)</u>	<u>189,953</u>	<u>7,027,090</u>	<u>596,949</u>	<u>11,640,076</u>
Total liabilities and net assets	<u>\$ 4,334,436</u>	<u>\$ 201,525</u>	<u>\$ 1,075,204</u>	<u>\$ 2,168,968</u>	<u>\$ 8,868,703</u>	<u>\$ (2,422,513)</u>	<u>\$ 14,226,323</u>

See Independent Auditor's Report on Supplementary Information.

AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2015

	Parent	Subsidiaries (Unrestricted)					2015 Consolidated Total
	Unrestricted	Area Ten Development, Inc.	Cunot Apartments, L.P.	Edgewood Village Apartments, L.P.	Patterson Pointe Senior Residence, LLC	Eliminations	
REVENUE AND OTHER SUPPORT							
Federal grant revenue	\$ 1,737,814	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,737,814
State grant revenue	1,021,077	-	-	-	-	-	1,021,077
County support	81,113	-	-	-	-	-	81,113
City contracts	-	-	-	-	-	-	-
Service fees	226,788	-	-	-	-	-	226,788
Project income	102,323	-	-	-	-	-	102,323
Medicaid	508,450	-	-	-	-	-	508,450
Donations:							
Indirect public support - United Way	42,015	-	-	-	-	-	42,015
Direct public support	115,939	-	-	-	-	-	115,939
Rental income	-	-	79,949	252,463	323,922	-	656,334
Miscellaneous income	200,802	-	121	258,150	6,131	(396,993)	68,211
In-kind support	74,429	-	-	-	-	-	74,429
Investment income (loss) - subsidiaries	191,439	191,439	-	-	-	(382,878)	-
Investment income	1,409	-	113	87	-	-	1,609
Total revenue and other support	<u>4,303,598</u>	<u>191,439</u>	<u>80,183</u>	<u>510,700</u>	<u>330,053</u>	<u>(779,871)</u>	<u>4,636,102</u>
OPERATING EXPENSES							
Program services:							
Nutrition	421,424	-	-	-	-	-	421,424
Transportation	1,690,941	-	-	-	-	-	1,690,941
In-Home services	1,347,859	-	-	-	-	-	1,347,859
Health & Wellness	277,160	-	-	-	-	-	277,160
Information/Referral/Outreach	110,095	-	-	-	-	-	110,095
Housing	144,203	-	145,234	318,611	791,935	(139,427)	1,260,556
Total program expenses	<u>3,991,682</u>	<u>-</u>	<u>145,234</u>	<u>318,611</u>	<u>791,935</u>	<u>(139,427)</u>	<u>5,108,035</u>
Supporting services:							
Management and General	407,809	-	-	-	-	-	407,809
Fundraising	59,873	-	-	-	-	-	59,873
Total supporting services	<u>467,682</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>467,682</u>
Total operating expenses	<u>4,459,364</u>	<u>-</u>	<u>145,234</u>	<u>318,611</u>	<u>791,935</u>	<u>(139,427)</u>	<u>5,575,717</u>
Increase (decrease) in net assets	<u>(155,766)</u>	<u>191,439</u>	<u>(65,051)</u>	<u>192,089</u>	<u>(461,882)</u>	<u>(640,444)</u>	<u>(939,615)</u>
NET ASSETS - BEGINNING OF YEAR	<u>3,659,887</u>	<u>201,525</u>	<u>(35,328)</u>	<u>189,953</u>	<u>7,027,090</u>	<u>596,949</u>	<u>11,640,076</u>
Non-controlling interest in subsidiary's earnings	-	-	(64,400)	-	(461,882)	(257,566)	(783,848)
Controlling interest in subsidiary's earnings and parent	(155,766)	191,439	(651)	192,089	-	(382,877)	(155,766)
Capital contributions	-	-	-	-	356,797	-	356,797
NET ASSETS - END OF YEAR	<u>\$ 3,504,121</u>	<u>\$ 392,964</u>	<u>\$ (100,379)</u>	<u>\$ 382,042</u>	<u>\$ 6,922,005</u>	<u>\$ (43,494)</u>	<u>\$ 11,057,259</u>

See Independent Auditor's Report on Supplementary Information.

AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2014

	Parent	Subsidiaries (Unrestricted)				Eliminations	2014 Consolidated Total
	Unrestricted	Area Ten Development, Inc.	Cunot Apartments, L.P.	Edgewood Village Apartments, L.P.	Patterson Pointe Senior Residence, LLC		
REVENUE AND OTHER SUPPORT							
Federal grant revenue	\$ 1,500,682	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500,682
State grant revenue	1,095,798	-	-	-	-	-	1,095,798
County support	77,923	-	-	-	-	-	77,923
City contracts	4,325	-	-	-	-	-	4,325
Service fees	213,770	-	-	-	-	-	213,770
Project income	187,257	-	-	-	-	-	187,257
Medicaid	404,494	-	-	-	-	-	404,494
Donations:							
Indirect public support - United Way	41,604	-	-	-	-	-	41,604
Direct public support	124,770	-	-	-	-	-	124,770
Rental income	-	-	78,768	236,209	93,915	-	408,892
Miscellaneous income	185,240	-	320	667	6,228	(116,950)	75,505
In-kind support	175,257	-	-	-	-	-	175,257
Investment income (loss) - subsidiaries	(112,487)	(112,487)	-	-	-	224,974	-
Investment income	60,332	-	126	241	13	(59,571)	1,141
Total revenue and other support	3,958,965	(112,487)	79,214	237,117	100,156	48,453	4,311,418
OPERATING EXPENSES							
Program services:							
Nutrition	417,715	-	-	-	-	-	417,715
Transportation	1,431,779	-	-	-	-	-	1,431,779
In-Home services	1,364,375	-	-	-	-	-	1,364,375
Health & Wellness	347,456	-	-	-	-	-	347,456
Information/Referral/Outreach	121,482	-	-	-	-	-	121,482
Housing	118,613	-	155,454	348,460	849,473	(176,521)	1,295,479
Total program expenses	3,801,420	-	155,454	348,460	849,473	(176,521)	4,978,286
Supporting services:							
Management and General	264,373	-	-	-	-	-	264,373
Fundraising	74,985	-	-	-	-	-	74,985
Total supporting services	339,358	-	-	-	-	-	339,358
Total operating expenses	4,140,778	-	155,454	348,460	849,473	(176,521)	5,317,644
Increase (decrease) in net assets	(181,813)	(112,487)	(76,240)	(111,343)	(749,317)	224,974	(1,006,226)
NET ASSETS - BEGINNING OF YEAR BEFORE RESTATEMENT	2,983,239	1	40,912	301,296	7,751,407	997,710	12,074,565
Prior period adjustment	858,461	314,011	-	-	-	(625,735)	546,737
NET ASSETS - BEGINNING OF YEAR RESTATED	3,841,700	314,012	40,912	301,296	7,751,407	371,975	12,621,302
Non-controlling interest in subsidiary's earnings	-	-	(75,478)	-	(749,193)	-	(824,671)
Controlling interest in subsidiary's earnings and parent	(181,813)	(112,487)	(762)	(111,343)	(124)	224,974	(181,555)
Capital contributions	-	-	-	-	25,000	-	25,000
NET ASSETS - END OF YEAR	\$ 3,659,887	\$ 201,525	\$ (35,328)	\$ 189,953	\$ 7,027,090	\$ 596,949	\$ 11,640,076

See Independent Auditor's Report on Supplementary Information.

AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015

	Parent	Subsidiaries (Unrestricted)				Eliminations	2015 Consolidated Total
	Unrestricted	Area Ten Development, Inc.	Cunot Apartments, L.P.	Edgewood Village Apartments, L.P.	Patterson Pointe Senior Residence, LLC		
CASH FLOWS FROM OPERATING ACTIVITIES:							
Increase (decrease) in net assets before non-controlling interests	\$ (155,766)	\$ 191,439	\$ (65,051)	\$ 192,089	\$ (461,882)	\$ (640,444)	\$ (939,615)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:							
Depreciation and amortization	38,670	-	48,600	96,853	471,814	-	655,937
Forgiveness of related party debt	-	-	-	(257,566)	-	257,566	-
(Gain) loss on investment in subsidiaries	(191,439)	(191,439)	-	-	-	382,878	-
Increase (decrease) in cash from changes in:							
Grants receivable	102,582	-	-	-	-	-	102,582
Accounts receivable	25,514	-	-	-	8,666	-	34,180
Prepaid expenses	-	-	(108)	(805)	(116,996)	-	(117,909)
Restricted cash	-	-	-	-	26,863	-	26,863
Accounts payable	(18,914)	-	47,145	(4,230)	(278,983)	-	(254,982)
Accrued payroll, taxes, and related expenses	13,940	-	-	-	(992)	-	12,948
Deferred revenue	1,684	-	1,730	-	2,079	-	5,493
Net cash provided by (used in) operating activities	(183,729)	-	32,316	26,341	(349,431)	-	(474,503)
CASH FLOWS FROM INVESTING ACTIVITIES:							
Accrued interest on certificate of deposit	(1,332)	-	-	-	-	-	(1,332)
Purchase of property and equipment	-	-	(27,790)	(106,150)	(1,781)	-	(135,721)
Acquisition of capitalized costs	-	-	-	-	(16,167)	-	(16,167)
Net change in beneficial interest	2,255	-	-	-	-	-	2,255
Net cash provided by (used in) investing activities	923	-	(27,790)	(106,150)	(17,948)	-	(150,965)
CASH FLOWS FROM FINANCING ACTIVITIES:							
Limited partner change in capital	-	-	-	-	-	-	-
Proceeds from members' equity receivable	-	-	-	-	356,797	-	356,797
Proceeds from notes payable	-	-	-	97,276	386,695	-	483,971
Principal payments against notes payable	-	-	-	(17,910)	(350,000)	-	(367,910)
Net cash provided by (used in) financing activities	-	-	-	79,366	393,492	-	472,858
NET DECREASE IN CASH	(182,806)	-	4,526	(443)	26,113	-	(152,610)
CASH, BEGINNING OF YEAR	404,820	-	15,032	64,102	12,230	-	496,184
CASH, END OF YEAR	\$ 222,014	\$ -	\$ 19,558	\$ 63,659	\$ 38,343	\$ -	\$ 343,574
Supplemental disclosures of cash flow information:							
Cash paid during the year for interest	\$ -	\$ -	\$ -	37,452	\$ -	\$ -	\$ 37,452
Schedule of noncash investing and financing activities:							
Proceeds from note used for subsidiary	\$ 40,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,200
Transfer of proceeds to subsidiary	\$ (40,200)	\$ -	\$ -	\$ -	\$ 40,200	\$ -	\$ -

See Independent Auditor's Report on Supplementary Information.

AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014

	Parent	Subsidiaries (Unrestricted)				Eliminations	2014 Consolidated Total
	Unrestricted	Area Ten Development, Inc.	Cunot Apartments, L.P.	Edgewood Village Apartments, L.P.	Patterson Pointe Senior Residence, LLC		
CASH FLOWS FROM OPERATING ACTIVITIES:							
Increase (decrease) in net assets before non-controlling interests	\$ (181,813)	\$ (112,487)	\$ (76,240)	\$ (111,343)	\$ (749,317)	\$ 224,974	\$ (1,006,226)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:							
Depreciation and amortization	37,401	-	46,981	91,072	494,590	-	670,044
(Gain) loss on sale of real estate property	1,017	-	-	-	-	-	1,017
(Gain) loss on investment in subsidiaries	112,487	112,487	-	-	-	(224,974)	-
Increase (decrease) in cash from changes in:							
Grants receivable	64,053	-	-	-	-	-	64,053
Accounts receivable	136,002	-	(317)	-	(9,195)	97,167	223,657
Prepaid expenses	-	-	-	(13)	(14,160)	-	(14,173)
Restricted cash	-	-	(126)	126,465	(187,172)	-	(60,833)
Accounts payable	(8,903)	-	(9,727)	(69,418)	(185,384)	-	(273,432)
Accrued payroll, taxes, and related expenses	16,052	-	15,044	(157,686)	6,130	(97,167)	(217,627)
Prepaid rent	-	-	(557)	-	6,413	-	5,856
Net cash provided by (used in) operating activities	<u>176,296</u>	<u>-</u>	<u>(24,942)</u>	<u>(120,923)</u>	<u>(638,095)</u>	<u>-</u>	<u>(607,664)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:							
Proceeds from sale of real estate property	75,983	-	-	-	-	-	75,983
Purchase of property and equipment	(7,038)	-	(23,455)	(59,019)	(5,991,280)	-	(6,080,792)
Net change in beneficial interest	(4,397)	-	-	-	-	-	(4,397)
Net cash provided by (used in) investing activities	<u>64,548</u>	<u>-</u>	<u>(23,455)</u>	<u>(59,019)</u>	<u>(5,991,280)</u>	<u>-</u>	<u>(6,009,206)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:							
Limited partner change in capital	-	-	-	-	(82,810)	-	(82,810)
Proceeds from members' equity receivable	-	-	-	-	549,469	-	549,469
Long-term portion of developer fee expense	-	-	-	-	260,834	-	260,834
Proceeds from notes payable	-	-	-	-	5,766,933	-	5,766,933
Principal payments against notes payable	-	-	-	(16,877)	-	-	(16,877)
Net cash provided by (used in) financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,877)</u>	<u>6,494,426</u>	<u>-</u>	<u>6,477,549</u>
NET DECREASE IN CASH	<u>240,844</u>	<u>-</u>	<u>(48,397)</u>	<u>(196,819)</u>	<u>(134,949)</u>	<u>-</u>	<u>(139,321)</u>
CASH, BEGINNING OF YEAR	<u>163,976</u>	<u>-</u>	<u>63,429</u>	<u>260,921</u>	<u>147,179</u>	<u>-</u>	<u>635,505</u>
CASH, END OF YEAR	<u>\$ 404,820</u>	<u>\$ -</u>	<u>\$ 15,032</u>	<u>\$ 64,102</u>	<u>\$ 12,230</u>	<u>\$ -</u>	<u>\$ 496,184</u>

See Independent Auditor's Report on Supplementary Information.

AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF CASH FLOWS-(CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2014

	Parent	Subsidiaries (Unrestricted)				Eliminations	Consolidated Total
	Unrestricted	Area Ten Development, Inc.	Cunot Apartments, L.P.	Edgewood Village Apartments, L.P.	Patterson Pointe Senior Residence, LLC		
Supplemental disclosures of cash flow information:							
Cash paid during the year for interest	\$ -	\$ -	\$ -	\$ 45,638	\$ 180,129	\$ -	\$ 225,767
Schedule of noncash investing and financing activities:							
Proceeds from note used for subsidiary	\$ 361,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 361,800
Transfer of proceeds to subsidiary	\$ (361,800)	\$ -	\$ -	\$ -	\$ 361,800	\$ -	\$ -
Acquisition of property through the assumption of accounts payable - affiliates	\$ -	\$ -	\$ -	\$ -	\$ 239,187	\$ -	\$ 239,187
Paydown construction loan with proceeds from member's equity receivable	\$ -	\$ -	\$ -	\$ -	\$ 6,480,148	\$ -	\$ 6,480,148

See Independent Auditor's Report on Supplementary Information.

SINGLE AUDIT SECTION

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015**

FEDERAL GRANTOR AGENCY Passthrough Agency Program Title	Federal CFDA Number	Grant or Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through the Indiana Department of Family and Social Services (FSSA):			
Aging Cluster:			
Title IIIA Administration	93.044	53-14-OV-1601-07	\$ 46,124
Title IIIB Grants for Supportive Services and Senior Centers	93.044	53-14-OV-1601-08	124,593
Title IIIC Nutrition Services - Congregate Meals	93.045	53-14-OV-1601-09	157,185
Title IIIC Nutrition Services - Home Delivered Meals	93.045	53-14-OV-1601-10	64,962
Nutrition Services Incentive Program	93.053	53-14-OV-1601-01	30,967
Passed through the West Central Indiana Economic Development District			
Title IIIB Social Services - Transportation	93.044	A2-2014-2	15,000
Total aging cluster			<u>438,831</u>
Passed through the Indiana Department of Family and Social Services (FSSA):			
Title VII - Long Term Care Ombudsman Services for Older Individuals	93.042	53-14-2V-1601-04	3,268
Special Program for the Aging-Disease Prevention and Health Promotion Services	93.043	53-14-OV-1601-11	8,740
National Family Caregiver Support, Title IIIE	93.052	53-14-OV-1601-12	47,531
Social Services Block Grant	93.667	53-14-OV-1601-02	156,139
Total U.S. Department of Health and Human Services			<u>654,509</u>
U.S. DEPARTMENT OF TRANSPORTATION			
Passed through the Indiana Department of Transportation and the Monroe County Commissioners:			
Section 5311 Rural Transportation	20.509	A249-15-320488	720,238
Capital Grant for Rural Areas- Mass Transit	20.509	A249-15-320531	240,540
Passed through Bloomington Public Transportation Corp.			
New Freedom Mobility Management	20.509		22,747
Total U.S. Department of Transportation			<u>983,525</u>
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			
Retired and Senior Volunteer Program	94.002	12SRNIN010	95,713

See accompanying notes to Schedule of Expenditures of Federal Awards.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Continued
FOR THE YEAR ENDED JUNE 30, 2015**

FEDERAL GRANTOR AGENCY Passthrough Agency Program Title	Federal CFDA Number	Grant or Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through Indiana Housing & Community Development Authority HOME Investment Partnership Act - recoverable grant	14.239	CH-960-007	** \$ 350,000
Passed through City of Bloomington Housing and Neighborhood Development HOME Investment Partnership Act - loan	14.239	Patterson Point Senior Residence	*** 361,800
NATIONAL ENDOWMENT FOR THE HUMANITIES			
Passed through Community Foundation of Bloomington and Monroe County: Promotion of the Arts Partnership	45.025	APS-150008	4,058
U.S. DEPARTMENT OF HOMELAND SECURITY DIRECT PROGRAMS			
Passed through United Way of America: Emergency Food and Shelter National Board Program	97.024	LRO#274500-009	<u>9</u>
Total Schedule of Expenditures of Federal Awards			<u>\$ 2,449,614</u>

** Represents recoverable grant with continuing compliance requirements

*** Represents loan balance

See accompanying notes to Schedule of Expenditures of Federal Awards.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015**

Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Area 10 Council on Aging of Monroe and Owen Counties, Inc. and is presented in accordance with the requirements of *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule Expenditures of Federal Awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3 – Recoverable Grant with Continuing Compliance Requirements

The Organization received a recoverable grant in 1998 from the Indiana Housing Finance Authority (now Indiana Housing & Community Development Authority) in the amount of \$350,000. This grant has compliance requirements for a period of 20 years (2018).

Note 4 – HOME Loan

The Organization entered into an agreement with the City of Bloomington to borrow up to \$402,000 of Federal HOME Investment Partnership funds for use in the Patterson Pointe Senior Residence housing project. The note bears an interest rate of 0.0% and matures in June 2032. As of June 30, 2015 the note balance was \$361,800.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2015**

Section II – Financial Statement Findings

FS-2014-01 – Material Adjusting Entries

Condition: During the course of our audit, we proposed material adjustments that cumulatively increased assets \$942,925, liabilities \$367,917, net assets \$542,911, and net income \$32,097.

Criteria: Misstatement of the Organization's financial statements should be detected and prevented the Organization's internal control over financial reporting.

Cause: Internal controls of the Organization were not adequately designed to detect and correct the material misstatements.

Effect: The financial statements were materially misstated in current and prior years. Material journal entries proposed related to current and prior years for developer fees receivable from a subsidiary not recorded, an insurance receivable for reimbursement of flood loss, the write-down of real estate, the correction of the carrying value of the building, and the recognition of a note payable and related receivable from a subsidiary.

Recommendation: Financial statements should be reviewed by individual with an understanding of Generally Accepted Accounting Standards to identify possible material adjustments.

Management's Corrective Action: Area 10 has had an audit by a CPA-led auditing firm every year since its inception. Auditors have reviewed these statements for years and certified that our internal accounting standards were acceptable. This is the first year that any difficulty has been noted. We have made the adjustments and will continue to depend on our professional auditors to review our internal work and identify any material adjustments that need to be made in a timely manner.

Auditor's Update: For the year ended June 30, 2015, the Organization did not have any material adjusting journal entries as a result of the audit.

Section III – Federal Award Findings and Questioned Costs

FA-2014-01 – Documentation Requirement for High Nutrition Risk Clients

CFDA# 93.045 – Special Programs for the Aging – Title III, Part C – Nutrition Services – U.S. Department of Health and Human Services

Condition: During participant file testing for the year ended June 30, 2014, we noted that the grant requirement to provide a list of registered dietitians to high nutrition risk clients was not adequately documented in case notes.

AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2015

FA-2014-01 – Documentation Requirement for High Nutrition Risk Clients (continued)
CFDA# 93.045 – Special Programs for the Aging – Title III, Part C – Nutrition Services – U.S. Department of Health and Human Services

Criteria: The grant agreement between Indiana Family and Social Services Administration (FSSA) and the Organization states: “All clients scoring as a high risk on the nutrition risk assessment shall be provided with a list of local Registered Dietitians. This must be documented in case notes and is subject to review by the State.”

Cause: Program staff was aware of the requirement to provide the list of registered dietitians but did not establish an internal control to ensure the grant requirement is adequately documented.

Effect: The Organization did not meet the documentation requirement of the grant agreement regarding providing a list of registered dietitians to high nutrition risk clients.

Recommendation: We recommend the Organization provide training to staff to ensure the documentation requirement is met.

Management’s Corrective Action: Program staff is aware of the documentation requirement and are now currently documenting in case notes that high nutrition risk clients are receiving a list of registered dietitians.

Auditor’s Update: Corrective action was partially implemented. Finding will be reported in current year findings.

FA-2014-02 – Single Audit Data Collection Form and Reporting Package not timely submitted
CFDA# 93.044 – Grants for Supportive Services and Senior Centers – U.S. Department of Health and Human Services
CFDA# 93.045 – Special Programs for the Aging – Title III, Part C – Nutrition Services – U.S. Department of Health and Human Services
CFDA# 93.053 – Nutrition Services Incentive Program – U.S. Department of Health and Human Services
CFDA# 20.509 – Section 5311 Rural Transit – U.S. Department of Transportation
CFDA# 14.239 – Home Investment Partnership Act – U.S. Department of Housing and Urban Development

Condition: The June 30, 2013 Single Audit Data Collection Form and Reporting Package was not submitted. The June 30, 2012 Single Audit Data Collection Form and Reporting Package was not submitted until September 17, 2013.

Criteria: In accordance with OMB Circular A-133 – “The audit shall be completed and the data collection form described in paragraph (b) of this section and reporting package described in paragraph (c) of this section shall be submitted within the earlier of 30 days after receipt of the auditor’s report(s), or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for the audit.

AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2015

FA-2014-02 – Single Audit Data Collection Form and Reporting Package not timely submitted (continued)

CFDA# 93.044 – Grants for Supportive Services and Senior Centers – U.S. Department of Health and Human Services

CFDA# 93.045 – Special Programs for the Aging – Title III, Part C – Nutrition Services – U.S. Department of Health and Human Services

CFDA# 93.053 – Nutrition Services Incentive Program – U.S. Department of Health and Human Services

CFDA# 20.509 – Section 5311 Rural Transit – U.S. Department of Transportation

CFDA# 14.239 – Home Investment Partnership Act – U.S. Department of Housing and Urban Development

Cause: Due to unresolved issues between the Organization and the auditor, the June 30, 2013 Data Collection Form and Reporting Package were not submitted. Due to a change in auditors after the June 30, 2012 Data Collection Form and Reporting Package were filed late.

Effect: The June 30, 2013 Data Collection Form and Reporting Package was not submitted and the June 30, 2012 was submitted after the nine month deadline.

Recommendation: It is recommended that the June 30, 2013 Data Collection Form and Reporting Package be submitted to the Federal Clearing House.

Management's Corrective Action: The June 30, 2013 Data Collection Form and Reporting Package has been submitted to the Federal Audit Clearinghouse. The June 30, 2014 Data Collection Form and Reporting Package will be submitted timely.

Auditor's Update: All data collection forms and reporting packages applicable to previous years have been submitted.

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Area 10 Council on Aging of Monroe and Owen Counties, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 23, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s internal control over financial reporting (internal control) to determine the 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 Area 10 Council on Aging of Monroe and Owen Counties, 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as FS-2015-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s Response to Findings

Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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
March 23, 2016

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133**

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

Report on Compliance for Each Major Federal Program

We have audited Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s major federal programs for the year ended June 30, 2015. Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Area 10 Council on Aging of Monroe and Owen Counties, 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, 2015.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item FA-2015-001. Our opinion on each major federal program is not modified with respect to this matter.

Report on Internal Control over Compliance

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 the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item FA-2015-001, that we consider to be a significant deficiency.

Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.
Indianapolis, Indiana
March 23, 2016

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

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 Section 510(a) of Circular A-133 Yes No

Programs tested as major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.044*	U.S. Department of Health and Human Services—Special Programs for the Aging—Title III, Part B—Grants for Supportive Services and Senior Centers
93.045*	U.S. Department of Health and Human Services—Special Programs for the Aging—Title III, Part C-Nutrition Services
93.053*	U.S. Department of Health and Human Services—Nutrition Services Incentive Program
20.509	U.S. Department of Transportation – Section 5311 Rural Transit
14.239	HOME Investment Partnership Act

*Denotes program cluster. A cluster of programs is treated as a single program for the purpose of meeting the audit requirements of OMB Circular A-133.

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

Auditee qualified as low-risk auditee? Yes No

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

Section II – Financial Statement Findings

FS-2015-001 – Financial Reporting

Condition: The accounting software is not being used to its full capacity. Monthly financial statements are compiled in spreadsheets and the information is keyed from general ledger activity. Manual entry increases the chance of error. Spreadsheets are a great tool for reconciliations and supplemental information, but reports generated from the accounting system are preferred.

As an example of the redundancy that exist with spreadsheet usage, we noted that payroll data provided by the third party Professional Employment Organization (PEO) was compiled on spreadsheets detailing wages, fees, taxes, etc. by department as well as withholding liabilities. The PEO reports already provide this information by department and can be easily entered into the general ledger from this source. In addition, since the entity uses a PEO, the entity basically contracts and pays the PEO for its employees. Therefore, there is no need to record the individual liability by tax type. The entity only needs to report a payable to the PEO for the total amount invoiced.

Based on our understanding of the monthly financial close process, we discovered that cash receipts and payroll are only entered at the end of the month. Also payables are not recorded until invoices are paid. Invoices are paid twice a month. If this information was entered as the financial events occur, interim monitoring of departmental actual to budget data could occur. Management and program managers need timely information to monitor budgets. With the transition to Blackbaud, it is important that adequate reports be built in the system. The entity should also consider allowing management and program managers access to read-only reports in the accounting software in order to monitor these budgets.

Criteria: Misstatement of the Organization's financial statements should be detected and prevented the Organization's internal control over financial reporting.

Cause: Internal controls and accounting procedures of the Organization were not adequately designed to detect material misstatements or monitor budgets in a timely fashion.

Effect: Although we found no material misstatements of the year-end financial statements, the efficiency, effectiveness and timeliness of the production of the Organization's monthly financial statements could be dramatically improved. In addition, improvements in the efficiency of preparing funding source claims could improve Organization cash flow.

Recommendation: We recommend that the Organization move to implement the full capabilities of its accounting software and update current written accounting policies and procedures to include instructions and requirements for the use of this software and related reporting.

Management's Corrective Action: Management has engaged a consultant to build customized reporting in our financial software for more timely, accessible reporting. In the first 90 days of calendar year 2016, management is revising and updating the agency fiscal policies and procedures manual.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

Section III – Federal Award Findings and Questioned Costs

FA-2015-001 – Documentation Requirement for High Nutrition Risk Clients

CFDA# 93.045 – Special Programs for the Aging – Title III, Part C – Nutrition Services – U.S. Department of Health and Human Services

Condition: During participant file testing for the year ended June 30, 2014 and 2015, we noted that the grant requirement to provide a list of registered dieticians to high nutrition risk clients was not adequately documented in case notes.

Criteria: The grant agreement between Indiana Family and Social Services Administration (FSSA) and the Organization states: “All clients scoring as a high risk on the nutrition risk assessment shall be provided with a list of local Registered Dieticians. This must be documented in case notes and is subject to review by the State.”

Cause: Program staff working with congregate meals was aware of the requirement to provide the list of registered dieticians and did comply with the requirement and adequately documented it. However those high risk participants under case management and home delivered meals did not receive a list of dieticians.

Effect: The Organization did not meet the documentation requirement of the grant agreement regarding providing a list of registered dieticians to high nutrition risk clients.

Recommendation: We recommend the Organization provide training to staff to ensure the requirement is met.

Management’s Corrective Action: Program staff under case management and home delivered meals have been made aware of the documentation requirement. Director of Client Services will perform regular, random file audits to assure requirement is being met, at least on a quarterly basis.