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AN EQUAL OPPORTUNITY EMPLOYER

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September 17, 2019

Board of Directors  
Aging & Community Services of South Central Indiana, Inc.  
1531 13<sup>th</sup> Street, Suite G900  
Columbus, IN 47201

We have reviewed the audit report of Aging & Community Services of South Central Indiana, Inc. which was opined upon by Barnes, Dennig & Co., Ltd., Independent Public Accountants, for the period July 1, 2016 to June 30, 2017. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Aging & Community Services of South Central Indiana, Inc., as of June 30, 2017, and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Barnes, Dennig, & Co., Ltd., prepared the audit report in accordance with guidelines established by the State Board of Accounts.

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

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

**Aging & Community Services of  
South Central Indiana, Inc.  
(A Member of Thrive Alliance)**

**Financial Statements  
Years Ended June 30, 2017 and 2016, and  
Independent Auditors' Report**

**AGING & COMMUNITY SERVICES OF  
SOUTH CENTRAL INDIANA, INC  
(A MEMBER OF THRIVE ALLIANCE)  
June 30, 2017 and 2016**

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## Independent Auditors' Report

Board of Directors  
Aging & Community Services of  
South Central Indiana, Inc.  
Columbus, Indiana

### Report on the Financial Statements

We have audited the accompanying financial statements of Aging & Community Services of South Central Indiana, Inc. (the Organization), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related 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 in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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.

BARNES DENNIG

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**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2017 and 2016, 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 Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2017 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

*Barnes, Dennig & Co., Ltd.*

December 19, 2017  
Indianapolis, Indiana

**AGING & COMMUNITY SERVICES OF  
SOUTH CENTRAL INDIANA, INC  
(A MEMBER OF THRIVE ALLILANCE)**

**Statement of Financial Position  
Years Ended June 30, 2017 and 2016**

	2017	2016
<b>Assets</b>		
Cash	\$ 603,059	\$ 946,261
Grants receivable	1,161,807	1,035,963
Accounts receivable	36,502	22,544
Accounts receivable - related party	33,227	19,237
Notes receivable - related party	100,000	100,000
Prepaid expenses	7,648	5,711
Board designated cash	65,478	79,679
Total assets	\$ 2,007,721	\$ 2,209,395
 <b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$ 277,092	\$ 440,040
Accounts payable - related parties	6,939	12,820
Deferred revenue	-	22,402
Accrued payroll and related liabilities	303,061	389,896
Total liabilities	587,092	865,158
 <b>Net assets</b>		
Unrestricted	1,306,441	1,158,589
Unrestricted board designated	65,478	79,679
Total unrestricted net assets	1,371,919	1,238,268
Temporarily restricted	48,710	105,969
Total net assets	1,420,629	1,344,237
Total liabilities and net assets	\$ 2,007,721	\$ 2,209,395

See accompanying notes to financial statements.

**AGING & COMMUNITY SERVICES OF  
SOUTH CENTRAL INDIANA, INC  
(A MEMBER OF THRIVE ALLIANCE)**

**Statement of Activities  
Year Ended June 30, 2017**

	Unrestricted	Temporarily Restricted	Total
<b>Revenues and other support</b>			
Donations	\$ 47,656	\$ -	\$ 47,656
Grants	-	4,633,530	4,633,530
Medicaid revenue	814,955	-	814,955
In-kind	219,648	-	219,648
First Step supporting services	763,306	-	763,306
Service income	138,416	-	138,416
Other	107,015	-	107,015
 Net assets released from restriction	 4,690,789	 (4,690,789)	 -
 Total revenues and other support	 6,781,785	 (57,259)	 6,724,526
 <b>Expenses</b>			
Program services	6,027,023	-	6,027,023
Support services	621,111	-	621,111
 Total expenses	 6,648,134	 -	 6,648,134
 <b>Change in net assets</b>	 133,651	 (57,259)	 76,392
 <b>Net assets - beginning of year</b>	 1,238,268	 105,969	 1,344,237
 <b>Net assets - end of year</b>	 \$ 1,371,919	 \$ 48,710	 \$ 1,420,629

See accompanying notes to financial statements.

**AGING & COMMUNITY SERVICES OF  
SOUTH CENTRAL INDIANA, INC  
(A MEMBER OF THRIVE ALLIANCE)**

**Statement of Activities  
Year Ended June 30, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Revenues and other support</b>			
Donations	\$ 61,494	\$ -	\$ 61,494
Grants	-	4,771,784	4,771,784
Medicaid revenue	1,029,759	-	1,029,759
In-kind	207,209	-	207,209
First Step supporting services	803,711	-	803,711
Service income	184,871	-	184,871
Other	147,521	-	147,521
Net assets released from restriction	<u>4,773,049</u>	<u>(4,773,049)</u>	<u>-</u>
Total revenues and other support	<u>7,207,614</u>	<u>(1,265)</u>	<u>7,206,349</u>
<b>Expenses</b>			
Program services	6,393,131	-	6,393,131
Support services	<u>606,001</u>	<u>-</u>	<u>606,001</u>
Total expenses	<u>6,999,132</u>	<u>-</u>	<u>6,999,132</u>
<b>Change in net assets</b>	208,482	(1,265)	207,217
<b>Net assets - beginning of year</b>	<u>1,029,786</u>	<u>107,234</u>	<u>1,137,020</u>
<b>Net assets - end of year</b>	<u>\$ 1,238,268</u>	<u>\$ 105,969</u>	<u>\$ 1,344,237</u>

See accompanying notes to financial statements.

**AGING & COMMUNITY SERVICES OF  
SOUTH CENTRAL INDIANA, INC  
(A MEMBER OF THRIVE ALLIANCE)**

**Statement of Functional Expenses  
Year Ended June 30, 2017**

	In-home Services	Community Services	Nutrition	Total Program Services	Support Services	Total
Salaries and wages	\$ 802,654	\$ 1,617,921	\$ 113,568	\$ 2,534,143	\$ 399,206	\$ 2,933,349
Payroll taxes and benefits	124,458	265,884	18,392	408,734	77,785	486,519
Occupancy	36,149	83,843	18,917	138,909	50,763	189,672
Telephone and postage	16,254	48,720	3,221	68,195	7,501	75,696
Contracted services	2,986	742,428	278	745,692	43,274	788,966
Supplies	11,766	85,080	4,580	101,426	13,991	115,417
Travel	28,190	127,810	3,793	159,793	5,944	165,737
Direct food services	-	1,885	162,000	163,885	39,000	163,924
Direct emergency response services	31,318	-	-	31,318	-	31,318
Other direct services	662,962	30,647	103,002	796,611	674	797,285
Foster grandparent stipend	-	158,065	-	158,065	-	158,065
Subgrantee contracts	-	414,448	-	414,448	-	414,448
Other expenditures	33,274	53,456	3,385	90,115	17,975	108,090
In-kind expenses	7,356	158,829	49,504	215,689	3,959	219,648
	<u>\$ 1,757,367</u>	<u>\$ 3,789,016</u>	<u>\$ 480,640</u>	<u>\$ 6,027,023</u>	<u>\$ 621,111</u>	<u>\$ 6,648,134</u>

See accompanying notes to financial statements.

**AGING & COMMUNITY SERVICES OF  
SOUTH CENTRAL INDIANA, INC  
(A MEMBER OF THRIVE ALLIANCE)**

**Statement of Functional Expenses  
Year Ended June 30, 2016**

	In-home Services	Community Services	Nutrition	Total Program Services	Support Services	Total
Salaries and wages	\$ 755,010	\$ 1,853,989	\$ 199,854	\$ 2,808,853	\$ 384,876	\$ 3,193,729
Payroll taxes and benefits	131,278	290,040	33,627	454,945	63,966	518,911
Occupancy	28,857	80,098	16,122	125,077	47,646	172,723
Telephone and postage	21,485	58,734	3,585	83,804	11,374	95,178
Contracted services	36,370	706,622	520	743,512	34,922	778,434
Supplies	27,476	61,934	5,440	94,850	15,112	109,962
Travel	22,046	145,760	13,773	181,579	2,779	184,358
Direct food services	13,393	472	225,807	239,672	-	239,672
Direct emergency response services	31,683	-	-	31,683	-	31,683
Other direct services	725,057	33,334	-	758,391	865	759,256
Foster grandparent stipend	-	179,916	-	179,916	-	179,916
Subgrantee contracts	-	377,102	-	377,102	-	377,102
Other expenditures	46,221	55,621	8,401	110,243	40,756	150,999
In-kind expenses	10,457	151,776	41,271	203,504	3,705	207,209
	<u>\$ 1,849,333</u>	<u>\$ 3,995,398</u>	<u>\$ 548,400</u>	<u>\$ 6,393,131</u>	<u>\$ 606,001</u>	<u>\$ 6,999,132</u>

See accompanying notes to financial statements.

**AGING & COMMUNITY SERVICES OF  
SOUTH CENTRAL INDIANA, INC  
(A MEMBER OF THRIVE ALLIANCE)**

**Statement of Cash Flows  
Years Ended June 30, 2017 and 2016**

	2017	2016
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 76,392	\$ 207,217
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Changes in:		
Grants receivable	(125,844)	288,954
Accounts receivable	(13,958)	66,022
Accounts receivable - related parties	(13,990)	166
Prepaid expenses	(1,937)	(697)
Accounts payable	(162,948)	61,408
Accounts payable - related parties	(5,881)	(10,353)
Deferred revenue	(22,402)	2,979
Accrued payroll and related liabilities	(86,835)	(127,849)
	<u>(357,403)</u>	<u>487,847</u>
<b>Net cash provided by (used in) operating activities</b>		
<b>Cash flows from investing activities</b>		
Increase in notes receivable	-	(100,000)
<b>Net change in cash</b>	<u>(357,403)</u>	<u>387,847</u>
<b>Cash - beginning of year</b>	<u>1,025,940</u>	<u>638,093</u>
<b>Cash - end of year</b>	<u>\$ 668,537</u>	<u>\$ 1,025,940</u>
<b>Reconciliation of cash to balance sheet</b>		
Cash and cash equivalents	\$ 603,059	\$ 946,261
Board designated cash	65,478	79,679
<b>Total cash</b>	<u>\$ 668,537</u>	<u>\$ 1,025,940</u>

See accompanying notes to financial statements.

**AGING & COMMUNITY SERVICES OF  
SOUTH CENTRAL INDIANA, INC  
(A MEMBER OF THRIVE ALLIANCE)**

**Notes to Financial Statements**

**NOTE 1 NATURE OF THE ORGANIZATION**

Aging & Community Services of South Central Indiana, Inc. (the Organization) is a not-for-profit corporation. The Organization was founded in 1981 to provide services to elderly and disabled persons in the Bartholomew, Brown, Decatur, Jackson and Jennings County areas in the state of Indiana. The Organization is primarily supported through federal and state government grants. In 2013, the Organization created a supporting organization called Thrive Alliance.

The Organization's direct services include: information and referral, care management, congregate meals, home delivered meals, homemaker, handy chore, outreach, advocacy, Foster Grandparents Program, nursing home preadmission screening, Medicaid Waiver, Caring Connections (volunteers), Guardianship, wellness classes and First Steps. The Organization provides grants through Older Americans Act funds for: senior center operations, transportation, legal services, nursing home ombudsman, adult day care and medication assistance. Through the use of state funds, the Organization purchases on behalf of consumers: attendant care, homemaker services, home health aide, respite care, owner occupied rehabilitation and emergency response systems.

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting - The Organization maintains its accounts on the accrual basis and in accordance with the principles of fund accounting. Fund accounting is the procedure by which resources are classified for internal accounting purposes into funds that are associated with specific activities or objectives.

Cash - Cash includes all cash in checking and savings accounts. The Organization maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash.

Receivables - Receivables are charged to bad debt expense when they are determined to be uncollectable based upon periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require the allowance method to be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

In-kind contributions - The Organization has recorded in-kind contributions for space and professional services in the statement of activities in accordance with generally accepted accounting standards (GAAP). GAAP requires that only contributions of service received that create or enhance a nonfinancial asset or require a specialized skill by the individual possessing those skills and would typically need to be purchased if not provided by the donation be recorded.

**AGING & COMMUNITY SERVICES OF  
SOUTH CENTRAL INDIANA, INC  
(A MEMBER OF THRIVE ALLIANCE)**

**Notes to Financial Statements  
(Continued)**

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Net assets - Unrestricted net assets include all assets over which the Organization has full discretion as to use. Temporarily restricted net assets include net assets whose use by the Organization is limited by donor-imposed restrictions that either expire by the passage of time or are fulfilled by the Organization. As the restrictions are met, the net assets are released from restrictions and included in unrestricted net assets. Contributions for which the restrictions are met in the same period in which the contribution is received are also recorded as temporarily restricted. Permanently restricted net assets include net assets subject to donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by actions of the Organization. There were no permanently restricted net assets at June 30, 2017 and 2016.

Allocation of costs - The costs of providing the various programs and other activities have been summarized in the statement of functional expenses. Costs are charged directly to the programs they benefit whenever possible. Certain overhead costs that cannot be directly charged to an individual program are allocated to the various programs they benefit using relevant statistical allocation bases.

Use of estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts may differ from these estimates.

Income taxes - The Organization is exempt from income taxation under the Internal Revenue Code Section 501(c)(3). Management believes that the Organization has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities.

Subsequent events - Management has evaluated subsequent events through December 19, 2017, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

**NOTE 3 RELATED PARTIES**

In 2013, the Organization and Housing Partnerships, Inc. (HPI) formed a supporting organization called Thrive Alliance. The Organization and HPI remain separate entities. The executive director of the Organization is contracted to be HPI's executive director with a portion of the executive director's time to be billed back to HPI.

Amounts owed to HPI totaled \$6,939 and \$12,820 as of June 30, 2017 and 2016 respectively. This represents the total amount of transactions due to HPI for the years. Amounts due from HPI totaled \$33,227 and \$19,237 as of June 30, 2017 and 2016 respectively. Total transactions for 2017 and 2016 were \$109,381 and \$111,801, respectively.

On July 1, 2015, \$100,000 was loaned to HPI as a line of credit. Interest is earned at .5% each year with quarterly interest only payments required. The note matured June 30, 2017, but was renewed by the Organization and HPI for another year.

**AGING & COMMUNITY SERVICES OF  
SOUTH CENTRAL INDIANA, INC  
(A MEMBER OF THRIVE ALLIANCE)**

**Notes to Financial Statements  
(Continued)**

**NOTE 4 PENSION PLAN**

The Organization provides pension benefits for all of its full-time employees through a 403(b) Plan. The Organization matches 1% of the participating employee's annual pay. The Organization's contributions to the plan for the years ended June 30, 2017 and 2016, were \$17,168 and \$16,127, respectively.

**NOTE 5 OPERATING LEASES**

The Organization holds various operating leases for their administrative office, outreach offices, and equipment. The terms of the lease agreements require monthly payments for the duration of the lease. Total rental expense for the years ended June 30, 2017 and 2016 was \$185,675 and \$169,753, respectively. The Organization's obligation for future operating leases is as follows:

2018	\$	145,200
2019		72,600
2020		-
2021		-
2022		-

**NOTE 6 BOARD DESIGNATED CASH**

The Organization utilizes a third party to handle unemployment claims. Quarterly deposits are made into the account based on the projected unemployment claims as established by the third party. In 2014, the third party stated that excess funds held in the account could be returned to the Organization if not needed. The Board is currently leaving the cash in the account with the third party for use on future unemployment claims.

**NOTE 7 TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets consisted of the following at June 30, 2017 and 2016:

	2017	2016
Program contributions	\$ 43,007	\$ 100,266
Carolyn Ayers fund	5,456	5,456
Orville Pitts scholarship fund	247	247
Total temporarily restricted net assets	\$ 48,710	\$ 105,969

**AGING & COMMUNITY SERVICES OF  
SOUTH CENTRAL INDIANA, INC  
(A MEMBER OF THRIVE ALLIANCE)**

**Notes to Financial Statements  
(Continued)**

**NOTE 8 GRANT REVENUE AND RECEIVABLE**

The Organization's grant revenue and related receivables at June 30, 2017 and 2016 consisted of the following:

	CFDA No.	Revenue 6/30/17	Collections 6/30/17	Receivable 6/30/17
U.S. Department of Health and Human Services:				
Title III - A	93.044	\$ 65,578	\$ 49,985	\$ 15,593
Title III - B	93.044	173,551	139,505	34,046
Title III - C-1	93.045	235,140	198,468	36,672
Title III - C-2	93.045	95,904	82,054	13,850
Title III - D	93.043	12,215	4,518	7,697
Title III - E	93.052	73,396	53,984	19,412
Nutrition Service Incentive Program				
	93.053	42,564	31,923	10,641
Title VII Ombudsman	93.042	7,185	5,388	1,797
Waiver Intake	93.778	139,508	102,896	36,612
Social Services Block Grant	93.667	242,309	198,361	43,948
U.S. Department of Education				
First Step	84.181	1,931,360	1,317,541	613,819
Corporation for National and Community Service				
FGP	94.011	293,559	205,537	88,022
State Grants		936,977	697,279	239,698
Local Grants		<u>384,284</u>	<u>384,284</u>	<u>-</u>
Total		<u>\$ 4,633,530</u>	<u>\$ 3,471,723</u>	<u>\$ 1,161,807</u>

**AGING & COMMUNITY SERVICES OF  
SOUTH CENTRAL INDIANA, INC  
(A MEMBER OF THRIVE ALLIANCE)**

**Notes to Financial Statements  
(Continued)**

**NOTE 8 GRANT REVENUE AND RECEIVABLE (Continued)**

	CFDA No.	Revenue 6/30/16	Collections 6/30/16	Receivable 6/30/16
U.S. Department of Health and Human Services:				
Title III - A	93.044	\$ 65,774	\$ 61,194	\$ 4,580
Title III - B	93.044	172,386	126,895	45,491
Title III - C-1	93.045	235,842	157,875	77,967
Title III - C-2	93.045	96,190	79,181	17,009
Title III - D	93.043	12,252	7,074	5,178
Title III - E	93.052	73,616	41,513	32,103
Nutrition Service Incentive Program	93.053	42,564	28,370	14,194
Title VII Ombudsman	93.042	7,185	5,987	1,198
ADRC	93.048	3,258	3,258	-
Social Services Block Grant	93.667	242,309	233,155	9,154
U.S. Department of Education				
First Step	84.181	1,967,010	1,534,115	432,895
First Step Training	84.181	5,000	4,500	500
Corporation for National and Community Service				
FGP	94.011	305,320	258,731	46,589
State Grants		1,192,893	843,788	349,105
Local Grants		350,185	350,185	-
Total		<u>\$ 4,771,784</u>	<u>\$ 3,735,821</u>	<u>\$ 1,035,963</u>

**Aging & Community Services of  
South Central Indiana, Inc.  
(A Member of Thrive Alliance)**

Reports Prescribed by Uniform Guidance  
Year Ended June 30, 2017



**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**

Board of Directors  
Aging & Community Services of  
South Central Indiana, Inc.  
Columbus, Indiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Aging & Community Services of South Central Indiana, Inc. (the Organization), which comprise the statement of financial position as June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 19, 2017.

**Internal Control over Financial Reporting**

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

BARNES DENNIG

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**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  
(CONTINUED)**

**Compliance and Other Matters**

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

**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 over 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 of any other purpose.

*Barnes, Dennig & Co., Ltd.*

December 19, 2017  
Indianapolis, Indiana



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND ON THE SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY UNIFORM GUIDANCE**

Board of Directors  
Aging & Community Services of  
South Central Indiana, Inc.  
Columbus, Indiana

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

We have audited Aging & Community Services of South Central Indiana, Inc.'s (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2017. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization'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 the Organization's compliance.

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

In our opinion, the Organization 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, 2017.

BARNES DENNIG

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND ON THE SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY UNIFORM GUIDANCE  
(CONTINUED)**

**Report on Internal Control over Compliance**

Management of the Organization 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 the Organization'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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization'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.

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 Uniform Guidance. Accordingly, this report is not suitable of any other purpose.

BARNES DENNIG

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND ON THE SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY UNIFORM GUIDANCE  
(CONTINUED)**

**Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance**

We have audited the financial statements of the Organization as of and for the year ended June 30, 2017, and have issued our report thereon dated December 19, 2017, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Barnes, Dennig & Co., Ltd.*

December 19, 2017  
Indianapolis, Indiana

**Aging & Community Services of  
South Central Indiana, Inc.  
(A Member of Thrive Alliance)  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2017**

Federal Grantor Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Dept. of Education:			
Indiana Family and Social Services Administration			
Special Education Grants for Infants and Family	84.181	03-14-5F-1163-04	\$ 1,931,360
Total U.S. Department of Education			<u>1,931,360</u>
U.S. Dept. of Health & Human Services:			
Indiana Family and Social Services Administration			
Aging Cluster			
Title III-B Admin	93.044	03-16-0V-1163-02	65,578
Title III-B Social Services	93.044	03-16-0V-1163-04	<u>173,551</u>
Total Title III-B			<u>239,129</u>
Title III- Congregate Meals	93.045	03-16-0V-1163-06	235,140
Title III-C Home Delivered Meals	93.045	03-16-0V-1163-08	<u>95,904</u>
Total Title III-C			<u>331,044</u>
Nutrition Services Incentive Program	93.053	03-16-02-1163-02	<u>42,564</u>
Total Aging Cluster			612,737
Title III - D	93.043	03-16-0V-1163-10	12,215
Title III - E	93.052	03-16-0V-1163-12	73,396
Title VII - Ombudsman	93.042	03-16-2V-1163-04	7,185
Social Services Block Grant	93.667	03-16-0G-1163-02	242,309
Waiver Intake	93.778	03-17-KM-1163-01	129,413
Pre-Pas Assessment	93.778	03-17-KM-1163-02	<u>10,095</u>
Total U.S. Department of Health & Human Services			<u>1,087,350</u>
Corporation for National and Community Service			
FGP	94.011	N/A	<u>293,559</u>
Total Corporation for National and Community Service			<u>293,559</u>
Total Expenditure of Federal Awards			<u>\$ 3,312,269</u>

The accompanying notes are an integral part of this schedule.

**Aging & Community Services of  
South Central Indiana, Inc.  
(A Member of Thrive Alliance)  
Note to the Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2017**

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

Basis of Presentation – The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of the Organization under programs of the federal government for the year ended June 30, 2017. The information in this schedule is presented in accordance with the requirements of the *Uniform Guidance*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Because the schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

Summary of Significant Accounting Policies – Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the *Uniform Guidance*, whereby certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available. No election has been made regarding the 10% de minimis indirect cost rate. The Organization provided no federal awards to subrecipients.

**Aging & Community Services of  
South Central Indiana, Inc.  
(A Member of Thrive Alliance)  
Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2017**

**ITEM NUMBER** **AUDIT FINDING**

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No matters were reported.

**Aging & Community Services of  
South Central Indiana, Inc.  
(A Member of Thrive Alliance)  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2017**

**Section I - Summary of Auditors' Results**

Financial Statements:

Type of auditor report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? *No*
- Significant deficiency(ies) identified that are not considered to be material weaknesses? *None reported*

Noncompliance material to financial statements noted: *No*

Federal Awards:

Internal control over major programs:

- Material weakness(es) identified: *No*
- Significant deficiency(ies) identified that are not considered to be material weaknesses? *None reported*

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

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? *No*

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
84.181	U.S. Department of Education Special Education Grants for Infants and Families

**Aging & Community Services of  
South Central Indiana, Inc.  
(A Member of Thrive Alliance)  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2017**

**Section I - Summary of Auditors' Results – continued**

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

Auditee qualified as low-risk auditee? *Yes*

**Section II - Financial Statement Findings**

*No matters were reported.*

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

*No matters were reported.*