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December 3, 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, 2018 to June 30, 2019. 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, 2019, 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 with Supplementary Information  
June 30, 2019 and 2018, and  
Independent Auditors' Report**

**AGING & COMMUNITY SERVICES OF SOUTH CENTRAL INDIANA, INC**  
**(A MEMBER OF THRIVE ALLIANCE)**  
**June 30, 2019 and 2018**

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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. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, 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.

### ***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, 2019 and 2018, 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.

***Effect of Adopting New Accounting Standard***

As discussed in Note 1, the Organization has adopted Financial Accounting Standards Board Accounting Standards Update 2016-14, *Presentation of Financial Statements of Not-for-Profits Entities*, which primarily addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, the lack of consistency in the type of information provided about expenses and investment return, and other financial statement presentation items and enhanced disclosures. Our opinion is not modified with respect to that matter.

**Other Matters**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applies 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 states, 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 November 20, 2019 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.*

November 20, 2019  
Indianapolis, Indiana

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

**Statements of Financial Position**  
**Years Ended June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 627,548	\$ 1,088,935
Grants receivable	1,135,373	919,855
Accounts receivable	245,401	73,975
Notes receivable - HPI	200,000	100,000
Board designated cash	73,179	68,237
Other assets	19,963	9,143
	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 2,301,464</u>	<u>\$ 2,260,145</u>
 <b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and other	\$ 227,937	\$ 380,971
Accrued payroll and related liabilities	397,901	410,094
	<u>                    </u>	<u>                    </u>
Total liabilities	<u>625,838</u>	<u>791,065</u>
 <b>Net assets without donor restrictions</b>		
Undesignated	1,602,447	1,400,843
Board designated	73,179	68,237
	<u>                    </u>	<u>                    </u>
Total net assets without donor restrictions	<u>1,675,626</u>	<u>1,469,080</u>
	<u>                    </u>	<u>                    </u>
Total liabilities and net assets	<u>\$ 2,301,464</u>	<u>\$ 2,260,145</u>

See accompanying notes to financial statements

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

**Statements of Activities**  
**Years Ended June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>Revenues and other support</b>		
Grants	\$ 4,813,328	\$ 4,742,663
Medicaid revenue	1,244,510	840,629
First Step supporting services	793,838	767,826
In-kind	203,353	243,314
Other	<u>339,199</u>	<u>261,197</u>
 Total revenues and other support	 <u>7,394,228</u>	 <u>6,855,629</u>
 <b>Expenses</b>		
Program services	6,404,190	6,056,896
Support services	<u>783,492</u>	<u>750,282</u>
 Total expenses	 <u>7,187,682</u>	 <u>6,807,178</u>
 <b>Change in net assets</b>	 206,546	 48,451
<b>Net assets without donor restrictions:</b>		
Beginning of year	<u>1,469,080</u>	<u>1,420,629</u>
 End of year	 <u>\$ 1,675,626</u>	 <u>\$ 1,469,080</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, 2019**

	In-home Services	Community Services	Nutrition	Total Program Services	Support Services	Total
Salaries and wages	\$ 986,517	\$ 1,742,032	\$ 89,988	\$ 2,818,537	\$ 443,063	\$ 3,261,600
Payroll taxes and benefits	156,631	303,726	10,207	470,564	100,458	571,022
Contracted services	5,466	759,884	-	765,350	62,622	827,972
Other direct services	717,478	24,298	101,518	843,294	973	844,267
Subgrantee contracts	-	375,296	-	375,296	-	375,296
In-kind expenses	2,169	133,157	60,987	196,313	7,040	203,353
Occupancy	60,954	86,793	14,770	162,517	49,830	212,347
Other expenditures	91,427	89,325	11,367	192,119	83,818	275,937
Direct food services	-	-	141,807	141,807	-	141,807
Travel	30,811	124,800	3,851	159,462	5,568	165,030
Foster grandparent stipend	-	126,434	-	126,434	-	126,434
Supplies	15,974	46,346	4,302	66,622	22,130	88,752
Telephone and postage	16,298	33,144	2,623	52,065	7,633	59,698
Direct emergency response services	32,321	1,489	-	33,810	357	34,167
	<u>\$ 2,116,046</u>	<u>\$ 3,846,724</u>	<u>\$ 441,420</u>	<u>\$ 6,404,190</u>	<u>\$ 783,492</u>	<u>\$ 7,187,682</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, 2018**

	In-home Services	Community Services	Nutrition	Total Program Services	Support Services	Total
Salaries and wages	\$ 833,803	\$ 1,673,803	\$ 94,529	\$ 2,602,135	\$ 462,103	\$ 3,064,238
Payroll taxes and benefits	129,725	277,665	17,120	424,510	98,282	522,792
Contracted services	4,900	753,101	-	758,001	49,588	807,589
Other direct services	607,448	53,577	88,813	749,838	815	750,653
Subgrantee contracts	-	400,699	-	400,699	-	400,699
In-kind expenses	12,271	153,336	74,603	240,210	3,103	243,313
Occupancy	41,388	79,999	18,582	139,969	49,035	189,004
Other expenditures	43,629	69,784	3,617	117,030	64,563	181,593
Direct food services	-	587	151,325	151,912	-	151,912
Travel	24,474	120,062	2,848	147,384	2,995	150,379
Foster grandparent stipend	-	127,733	-	127,733	-	127,733
Supplies	37,184	50,508	12,117	99,809	12,799	112,608
Telephone and postage	15,961	50,601	2,850	69,412	6,999	76,411
Direct emergency response services	27,808	446	-	28,254	-	28,254
	<u>\$ 1,778,591</u>	<u>\$ 3,811,901</u>	<u>\$ 466,404</u>	<u>\$ 6,056,896</u>	<u>\$ 750,282</u>	<u>\$ 6,807,178</u>

See accompanying notes to financial statements

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

**Statements of Cash Flows**  
**Years Ended June 30, 2019 and 2018**

	2019	2018
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 206,546	\$ 48,451
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Changes in:		
Grants and accounts receivable	(386,944)	237,706
Other assets	(10,820)	(1,495)
Accounts payable and other	(153,034)	96,940
Accrued payroll and related liabilities	(12,193)	107,033
	(356,445)	488,635
 <b>Cash flows from operating activities</b>		
Loan advance to HPI	(100,000)	-
 <b>Net change in cash</b>	(456,445)	488,635
 <b>Cash and cash equivalents, beginning of year</b>	1,157,172	668,537
 <b>Cash and cash equivalents, end of year</b>	\$ 700,727	\$ 1,157,172
 <b>Reconciliation of cash to statement of financial position</b>		
Cash and cash equivalents	\$ 627,548	\$ 1,088,935
Board designated cash	73,179	68,237
	\$ 700,727	\$ 1,157,172
	\$ 700,727	\$ 1,157,172

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 AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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.

***Financial Statement Presentation***

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP). The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, which are available for use in general operations and not subject to donor restrictions; and net assets with donor restrictions, which are either temporary in nature, such as those that will be met by the passage of time or other events specified by the donor, or are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. There were no net assets with donor restrictions for 2019 and 2018.

***Cash and Cash Equivalents***

Cash and cash equivalents includes all cash in bank depository accounts and certificates of deposits used for short-term operating purposes. 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.

***Grants Receivable***

Grants receivable are stated at the amount billed to the funding agencies. If necessary, the Organization provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables and existing economic conditions. Delinquent receivables are written off based on specific circumstances of the funding Organization. As of June 30, 2019 and 2018, the Organization considered all balances collectible; therefore, no allowance was necessary.

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

**Notes to Financial Statements  
(Continued)**

**NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***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) for a total of \$203,353 and \$243,314 for 2019 and 2018, respectively. 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.

***Government Fees and Grants***

Support funded by grants is recognized as the Organization performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting organization and, as a result of such audit, adjustments could be required.

***Functional Expenses***

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 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of the revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

***Income Taxes***

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of Indiana law. However, the Organization is subject to federal income tax on any unrelated business taxable income.

The Organization's IRS Forms 990 are subject to review and examination by federal and state authorities. The Organization believes it has appropriate support for any tax positions taken, and therefore, does not have any uncertain income tax positions that are material to the financial statements.

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

**Notes to Financial Statements  
(Continued)**

**NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Effect of Adopting New Accounting Standard***

In 2019, the Organization adopted Financial Accounting Services Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The update primarily addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, the lack of consistency in the type of information provided about expenses and investment return, and other financial statement presentation items and enhanced disclosures. Net asset classifications have been reduced from three classes (unrestricted, temporarily restricted and permanently restricted) to two classes (net assets without donor restrictions and net assets with donor restrictions). In addition, updated disclosure requirements are presented regarding risk exposure and availability of cash for short-term use and expenses are reported by both natural and functional classification. The Organization adopted ASU 2016-14 as of July 1, 2018 and has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented except for disclosing information about liquidity and availability of resources, which is permitted to be omitted for any periods presented before the period of adoption.

***Recent Accounting Pronouncements***

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers*. The standard's core principle is that an organization will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the organization expects to be entitled in exchange for those goods or services. This standard also includes expanded disclosure requirements that result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contract with customers. This standard will be effective for the Organization's year ending June 30, 2020.

In February 2016, the FASB issued ASU No. 2016-02, *Leases*. The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the statement of financial position at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the statement of activities. This standard will be effective for Organization's year ending June 30, 2021.

In June 2018, the FASB issued ASU No. 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The standard clarifies and improves current guidance about whether a transfer of assets is a contribution or an exchange transaction. The standard clarifies how an entity determines whether a resource provider is participating in an exchange transaction by evaluating whether the resource provider is receiving commensurate value in return for the resources transferred. The standard also requires that an entity determine whether a contribution is conditional on the basis of whether an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. This standard will be effective for the Organization's year ending June 30, 2020.

The Organization is currently in the process of evaluating the impact of adoption of these ASUs on the financial statements.

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

**Notes to Financial Statements  
(Continued)**

**NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Reclassifications***

Certain 2018 amounts have been reclassified to conform to the 2019 presentation.

***Subsequent Event Evaluation***

In preparing its financial statements, the Organization has evaluated events subsequent to the statement of financial position date through November 20, 2019, which is the date the financial statements were available to be issued.

**NOTE 2 LIQUIDITY AND AVAILABILITY**

At June 30, 2019 financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and cash equivalents	\$ 627,548
Grants receivable	1,135,373
Accounts receivable	<u>245,401</u>
	<u>\$ 2,540,301</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**NOTE 3 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.

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

**Notes to Financial Statements  
(Continued)**

**NOTE 4 GRANT REVENUE AND RECEIVABLE**

The Organization's grant revenue and related receivables at June 30, 2019 and 2018 consisted of the following:

June 30, 2019	CFDA No.	Revenue 6/30/19	Collections 6/30/19	Receivable 6/30/19
U.S. Department of Health and Human Services:				
Title III - A	93.044	\$ 70,081	\$ 49,411	\$ 20,670
Title III - B	93.044	199,965	152,107	47,858
Title III - C-1	93.045	233,161	162,397	70,764
Title III - C-2	93.045	106,536	73,356	33,180
Title III - D	93.043	12,069	7,508	4,561
Title III - E	93.052	79,001	52,284	26,717
Nutrition Service Incentive Program				
	93.053	44,169	33,126	11,043
Title VII Ombudsman	93.042	6,575	4,931	1,644
Waiver Intake	93.778	174,045	132,021	42,024
Social Services Block Grant	93.667	291,372	224,072	67,300
U.S. Department of Education				
First Step	84.181	1,981,360	1,444,877	536,483
Corporation for National and Community Service				
FGP	94.011	256,397	241,469	14,928
Total federal grants		3,454,731	2,577,559	877,172
State grants		985,108	726,907	258,201
Local grants		373,489	373,489	-
		<u>\$ 4,813,328</u>	<u>\$ 3,677,955</u>	<u>\$ 1,135,373</u>

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

**Notes to Financial Statements  
(Continued)**

**NOTE 4 GRANT REVENUE AND RECEIVABLE (Continued)**

June 30, 2018

	CFDA No.	Revenue 6/30/18	Collections 6/30/18	Receivable 6/30/18
U.S. Department of Health and Human Services:				
Title III - A	93.044	\$ 67,708	\$ 49,050	\$ 18,658
Title III - B	93.044	180,144	151,470	28,674
Title III - C-1	93.045	224,577	177,259	47,318
Title III - C-2	93.045	104,276	79,519	24,757
Title III - D	93.043	11,016	6,878	4,138
Title III - E	93.052	71,247	53,628	17,619
Nutrition Service Incentive Program				
	93.053	39,089	32,574	6,515
Title VII Ombudsman	93.042	7,045	5,871	1,174
Waiver Intake	93.778	210,514	179,839	30,675
Social Services Block Grant	93.667	271,375	230,739	40,636
U.S. Department of Education				
First Step	84.181	1,981,360	1,558,659	422,701
Corporation for National and Community Service				
FGP	94.011	287,840	220,970	66,870
Total federal grants		3,456,191	2,746,456	709,735
State grants		925,355	715,235	210,120
Local grants		361,117	361,117	-
		<u>\$ 4,742,663</u>	<u>\$ 3,822,808</u>	<u>\$ 919,855</u>

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

**Notes to Financial Statements  
(Continued)**

**NOTE 5 OPERATING LEASES**

The Organization leases their administrative office and outreach offices under noncancelable operating leases that expire in various years through June 2023. Total rental expense for the years ended June 30, 2019 and 2018 was \$211,688 and \$186,463, respectively. Future annual minimum lease payments at June 30, 2019 were:

2020	\$	176,000
2021		93,000
2022		15,000
2023		15,500

**NOTE 6 RELATED PARTY TRANSACTIONS**

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 due from HPI totaled \$44,776 and \$33,794 as of June 30, 2019 and 2018 respectively and is included in account receivable. Total transactions for 2019 and 2018 were \$161,652 and \$117,575, respectively.

On July 1, 2015, \$100,000 was loaned to HPI as a line of credit. Interest is earned at 1.22% each year with quarterly interest only payments required. An additional \$100,000 was loaned in 2019. The note matured June 30, 2017, but was renewed by the Organization and HPI through June 30, 2020.

**SUPPLEMENTARY INFORMATION**

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

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2019**

Federal Grantor Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
<b>U.S. Dept. of Education:</b>				
Passed through Indiana Family and Social Services Administration				
Special Education Grants for Infants and Family	84.181	#21527	\$ 1,981,360	\$ -
<b>U.S. Dept. of Health &amp; Human Services:</b>				
Passed through Indiana Family and Social Services Administration				
Aging Cluster				
Title III-B Admin	93.044	15AAINT3SS	70,081	-
Title III-B Social Services	93.044	15AAINT3SS	199,965	41,219
Total Title III-B			270,046	41,219
Title III- Congregate Meals	93.045	15AAINT3CM	233,161	-
Title III-C Home Delivered Meals	93.045	15AAINT3HD	106,536	-
Total Title III-C			339,697	-
Nutrition Services Incentive Program	93.053	15AAINNSIP	44,169	-
Total Aging Cluster			653,912	41,219
Title III - D	93.043	15AAINT3PH	12,069	-
Title III - E	93.052	15AAINT3FC	79,001	-
Title VII - Ombudsman	93.042	15AAINT7OM	38,713	32,138
Social Services Block Grant	93.667	1002INSOSR	291,372	-
Waiver Intake	93.778	#22140WI	161,321	-
Pre-Pas Assessment	93.778	#22140PPA	12,724	-
Total U.S. Department of Health & Human Services			1,249,112	73,357
<b>Direct Award from Corporation for National and Community Service</b>				
Foster Grandparent Program	94.011	N/A	256,397	-
Total Expenditure of Federal Awards			\$ 3,486,869	\$ 73,357

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

**Notes to the Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2019**

**NOTE 1 BASIS OF PRESENTATION**

The schedule of expenditures of federal awards includes the federal grant activity of the Organization for the year ended June 30, 2019. The information in this schedule is presented in accordance with the 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). Therefore, some amounts presented on this schedule may differ from those amounts presented, or used in, the preparation of the basic combined financial statements.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures on the schedule are reported on the accrual basis of accounting in accordance with generally accepted accounting principles. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 INDIRECT COST RATE**

The Organization has elected not to use the 10% de minimis indirect cost rate allowed under Uniform Guidance.



**Independent Auditors' 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, 2019, 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 November 20, 2019.

**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.

**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*.

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**Independent Auditors' 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)**

**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.*

November 20, 2019  
Indianapolis, Indiana



**Independent Auditors' Report on Compliance for Each Major Federal Program  
and on Internal Control over Compliance 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, 2019. 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, 2019.

**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.

**Independent Auditors' Report on Compliance for Each Major Federal Program  
and on Internal Control over Compliance Required by Uniform Guidance  
(Continued)**

**Report on Internal Control over Compliance (Continued)**

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 & Co., Ltd.*

November 20, 2019  
Indianapolis, Indiana

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

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2019**

**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   X   No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   X   None noted
- Noncompliance material to financial statements noted? \_\_\_\_\_ Yes   X   No

***Federal Awards***

Internal control over major programs

- Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   X   None noted

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR Section 200.516(a)? \_\_\_\_\_ Yes   X   No

***Identification of major programs***

<u>CFDA #</u>	<u>Name of Federal Programs or Clusters</u>
84.181	Special Education – Grants for Infants and Families (First Steps)
94.011	Foster Grandparent Program

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

Auditee qualified as low-risk auditee? \_\_\_\_\_ Yes   X   No

**Section II - Financial Statement Findings**

No matters are reportable.

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

No matters are reportable.

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

**Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2019**

<b>Reference Number</b>	<b>Summary of Finding</b>	<b>Status</b>
2018-01	Client spent funds earmarked for stipends for other program expenses without prior approval from CNCS.	Corrected