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302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

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

September 21, 2020

Board of Directors
Affiliated Service Providers of Indiana, Inc.
550 Congressional Ave., Suite 120
Carmel, IN 46032

We have reviewed the audit report of Affiliated Service Providers of Indiana, Inc. which was opined upon by Kemper CPA Group LLP, Independent Public Accountants, for the period July 1, 2018 to June 30, 2019. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Affiliated Service Providers of 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, Kemper CPA Group LLP prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

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

A handwritten signature in blue ink that reads "Paul D. Joyce".

Paul D. Joyce, CPA
State Examiner

AFFILIATED SERVICE PROVIDERS OF INDIANA, INC.

**INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED
JUNE 30, 2019 AND 2018**

AFFILIATED SERVICE PROVIDERS OF INDIANA, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Affiliated Service Providers of Indiana, Inc.

We have audited the accompanying financial statements of Affiliated Service Providers of Indiana, Inc. (a nonprofit Corporation), 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 Affiliated Service Providers of Indiana, Inc. 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.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of state and local expenditures is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also 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 October 28, 2019, on our consideration of Affiliated Service Providers of Indiana, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Affiliated Service Providers of Indiana, Inc.'s internal control over financial reporting and compliance.



Kemper CPA Group LLP
Avon, Indiana
October 28, 2019

AFFILIATED SERVICE PROVIDERS OF INDIANA, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2019 AND 2018

	2019	2018
ASSETS		
Current assets		
Cash	\$ 876,836	\$ 527,290
Investments	3,591,091	3,303,459
Grants receivable	442,360	2,152,559
Accounts receivable	5,508	15,377
Prepaid expenses	13,636	19,265
Total current assets	\$ 4,929,431	\$ 6,017,950
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 10,223	\$ 11,680
Due to affiliates	325,284	1,851,149
Accrued payroll	71,861	75,492
Accrued expenses	69,214	49,558
Deferred revenue	-	16,480
Total current liabilities	476,582	2,004,359
Net assets		
Without donor restrictions	4,452,849	4,013,591
Total liabilities and net assets	\$ 4,929,431	\$ 6,017,950

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

AFFILIATED SERVICE PROVIDERS OF INDIANA, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
SUPPORT AND REVENUE		
Federal funded grants	\$ 5,285,402	\$ 5,299,005
State funded grants	2,774,102	2,676,316
Membership fees	130,000	140,879
Workshop fees	366,356	91,494
Other revenue	66,920	66,625
Interest income	46,010	11,477
Investment income (loss), net	(19,631)	118,273
Total support and revenues	8,649,159	8,404,069
EXPENSES		
Program services	7,642,507	7,561,127
Supporting services		
General and administrative	567,394	673,314
Fundraising	-	-
Total supporting services	567,394	673,314
Total expenses	8,209,901	8,234,441
Change in net assets	439,258	169,628
NET ASSETS - beginning of year	4,013,591	3,843,963
NET ASSETS - end of year	\$ 4,452,849	\$ 4,013,591

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

AFFILIATED SERVICE PROVIDERS OF INDIANA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	Supporting Services			Total Supporting Services	Total Expenses
	Program Services	General & Administrative	Fundraising		
Grants to sub-recipients	\$ 6,350,854	\$ -	\$ -	\$ -	\$ 6,350,854
Salaries, taxes and benefits	812,048	348,020	-	348,020	1,160,068
Professional fees	10,216	30,648	-	30,648	40,864
Dues, fees and licenses	331,021	110,340	-	110,340	441,361
Meetings and staff training	4,557	5,570	-	5,570	10,127
Travel and transportation	48,003	16,001	-	16,001	64,004
Insurance	16,952	5,650	-	5,650	22,602
Marketing and advertising	-	3,283	-	3,283	3,283
Office supplies and equipment	-	20,223	-	20,223	20,223
Telephone and data service	11,150	7,434	-	7,434	18,584
Office rent and storage	57,335	19,111	-	19,111	76,446
Miscellaneous	371	1,114	-	1,114	1,485
	<u>\$ 7,642,507</u>	<u>\$ 567,394</u>	<u>\$ -</u>	<u>\$ 567,394</u>	<u>\$ 8,209,901</u>
Total	<u>\$ 7,642,507</u>	<u>\$ 567,394</u>	<u>\$ -</u>	<u>\$ 567,394</u>	<u>\$ 8,209,901</u>

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

AFFILIATED SERVICE PROVIDERS OF INDIANA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018

	Supporting Services				
	Program Services	General & Administrative	Fundraising	Total Supporting Services	Total Expenses
Grants to sub-recipients	\$ 6,283,670	\$ -	\$ -	\$ -	\$ 6,283,670
Salaries, taxes and benefits	952,451	408,193	-	408,193	1,360,644
Professional fees	19,960	59,884	-	59,884	79,844
Dues, fees and licenses	92,465	30,821	-	30,821	123,286
Meetings and staff training	26,080	31,876	-	31,876	57,956
Travel and transportation	69,422	23,140	-	23,140	92,562
Insurance	20,525	6,842	-	6,842	27,367
Marketing and advertising	-	61,328	-	61,328	61,328
Office supplies and equipment	-	8,042	-	8,042	8,042
Telephone and data service	18,365	12,243	-	12,243	30,608
Office rent and storage	76,358	25,452	-	25,452	101,810
Miscellaneous	1,831	5,493	-	5,493	7,324
	<u>\$ 7,561,127</u>	<u>\$ 673,314</u>	<u>\$ -</u>	<u>\$ 673,314</u>	<u>\$ 8,234,441</u>
Total	\$ 7,561,127	\$ 673,314	\$ -	\$ 673,314	\$ 8,234,441

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

AFFILIATED SERVICE PROVIDERS OF INDIANA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 439,258	\$ 169,628
Adjustments to reconcile net income to net cash provided by operating activities:		
Realized gain on sale of investments	(2,408)	(46,323)
Unrealized (gain) loss on value of investments	91,263	(29,009)
(Increase) decrease in current assets		
Grants receivable	1,710,199	(1,499,376)
Accounts receivable	9,869	6
Prepaid expenses	5,629	(404)
Increase (decrease) in current liabilities		
Accounts payable	(1,457)	(259)
Due to related parties	(1,525,865)	1,459,722
Accrued payroll	(3,631)	(14,876)
Accrued expenses	19,656	25,477
Deferred revenue	(16,480)	16,480
Net Cash Provided by Operating Activities	726,033	81,066
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of certificates of deposit	(970,000)	(500,000)
Maturity of certificates of deposit	1,221,755	-
Purchases of investments	(636,742)	(170,045)
Proceeds from sale of investments	8,500	114,500
Net Cash Used by Investing Activities	(376,487)	(555,545)
Net Increase (Decrease) in Cash	349,546	(474,479)
CASH - beginning of year	527,290	1,001,769
CASH - end of year	\$ 876,836	\$ 527,290

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

AFFILIATED SERVICE PROVIDERS OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities – Affiliated Service Providers of Indiana, Inc. (ASPIN), formerly Addiction Service Providers of Indiana, Inc., was legally incorporated in November 1995 and began providing services with the primary objective to facilitate the provision of behavioral health services by qualified rural providers. ASPIN was certified as a Managed Care Provider for Chronically Addicted Persons, Seriously Emotionally Disturbed Children, Seriously Mentally Ill Adults, and Compulsive Gambling Addiction for the years ended June 30, 2019 and 2018 to serve the residents of the State of Indiana. ASPIN has also been awarded funding to support state Navigator services. Through the Navigator Program ASPIN Navigators conduct statewide outreach/enrollment in coverage through the Health Insurance Marketplace and operate a statewide call center, website and market the program through social media.

Basis of Accounting – The financial statements of ASPIN have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation – ASPIN reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions. ASPIN did not have any net assets with donor restrictions as of June 30, 2019 and 2018.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of ASPIN, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Investments – ASPIN reports investments in marketable securities with readily determinable fair values at their fair values in the Statements of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statements of Activities.

Grants Receivable – Grants receivable represent consideration from state and local government agencies, of which ASPIN has an unconditional right to receive. Grants receivable are stated at the amount management expects to be collected from the outstanding balance. As of June 30, 2019 and 2018, management has determined, based on historical experience, that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

Revenue and Revenue Recognition – Revenue is recognized when earned. Workshop fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

Membership Fees - ASPIN has different classifications of members which are determined based upon the services that are offered by each of the qualified providers. For the years ended June 30, 2019 and 2018 ASPIN had ten members. On an annual basis, the board determines the membership fees. The membership fees for 2019 and 2018 ranged from \$10,000 to \$15,000.

AFFILIATED SERVICE PROVIDERS OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expense Allocation – Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of ASPIN.

Income Tax Status – ASPIN is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to ASPIN’s tax-exempt purpose is subject to taxation as unrelated business income. In addition, ASPIN qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Estimates – Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

Financial Instruments and Credit Risk – ASPIN manages deposit concentrations risk by placing cash, money market accounts and certificates of deposit with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, ASPIN has not experienced losses in any of these accounts. Credit risk associated with grants and accounts receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies. Investments are made by diversified investment managers whose performance is monitored by the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, ASPIN believes that the investment policies and guidelines are prudent for the long-term welfare of the organization.

Reclassifications – Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassification had no impact on previously reported net assets.

Subsequent Events – ASPIN evaluated subsequent events through October 28, 2019, the date the financial statements were available to be issued.

AFFILIATED SERVICE PROVIDERS OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

Note 2 – LIQUIDITY AND AVAILABILITY

The following reflects ASPIN's financial assets as of the Statements of Financial Position date. Management determined all contractual and donor-imposed restrictions would be met within one year and thus have not reduced the financial assets available to meet cash needs for general expenditure within one year below.

	<u>2019</u>	<u>2018</u>
Financial assets at year-end		
Cash	\$ 876,836	\$ 527,290
Investments	3,591,091	3,303,459
Grants receivable	442,360	2,152,559
Accounts receivable	<u>5,508</u>	<u>15,377</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 4,915,795</u>	<u>\$ 5,998,685</u>

Note 3 – FAIR VALUE MEASUREMENTS

Investments consisted of the following at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Mutual funds	\$ 1,595,079	\$ 1,614,708
Certificates of deposit	1,494,114	1,688,751
Annuities	<u>501,898</u>	<u>-</u>
Total investments	<u>\$ 3,591,091</u>	<u>\$ 3,303,459</u>

Investment income (loss) consisted of the following for the years ended June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Interest and dividends	\$ 79,597	\$ 53,274
Realized gains	2,408	46,323
Unrealized gains (losses)	(91,263)	29,009
Management fees	<u>(10,373)</u>	<u>(10,333)</u>
Net investment income (loss)	<u>\$ (19,631)</u>	<u>\$ 118,273</u>

Accounting principles generally accepted in the United States of America establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that ASPIN has the ability to access.

**AFFILIATED SERVICE PROVIDERS OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

Note 3 – FAIR VALUE MEASUREMENTS (Continued)

Level 2 – Inputs to the valuation methodology include:

- Quoted prices in similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or by other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value, on a recurring basis. There have been no changes to the methodologies used at June 30, 2019 and 2018.

Mutual funds – Valued at the net asset value (NAV) of shares on the last trading day of the fiscal year, which is the basis for transactions at that date.

Certificates of deposit – Valued at cost plus accrued interest, which approximates fair value due to the short-term nature of these investments.

Annuities – Valued at contract value, which approximates fair value, which represents deposits and reinvested interest, less any withdrawals plus accrued interest.

The following table sets forth by level, within the fair value hierarchy, ASPIN's financial instruments at fair value as of June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Measured using level 1 fair value measurements		
Mutual funds	\$ 1,595,079	\$ 1,614,708

Note 4 – CERTIFICATES OF DEPOSIT

Certificates of deposit totaling \$1,494,114 (\$1,688,751 at June 30, 2018) are included in investments in the accompanying financial statements. The certificates bear interest ranging from 2% to 2.76% (2% to 2.70% at June 30, 2018) and have maturities ranging from twelve to twenty-four months.

Note 5 – OPERATING LEASES

In September 2013, ASPIN entered into a non-cancelable operating lease to rent office space through November 2018. Monthly lease payments included a base rent of \$5,007 per month in the first year with an annual increase of approximately 3%.

AFFILIATED SERVICE PROVIDERS OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

Note 5 – OPERATING LEASES (Continued)

In December 2018, ASPIN moved offices and entered into a non-cancelable operating lease to rent office space through November 2023. Monthly lease payments include a base rent of \$3,073 per month in the first year with an annual increase of approximately 2%. Rental expenses for those leases consisted of \$48,869 and \$63,743 for the years ended June 30, 2019 and 2018.

Future minimum lease payments under operating leases that have remaining terms in excess of one year as of June 30, 2019, are:

For the years ending June 30:	
2020	\$ 37,352
2021	38,161
2022	38,971
2023	39,780
2024	16,716
	<u>\$ 170,980</u>

Note 6 – RELATED ENTITIES

ASPIN has ten affiliates that serve as representatives of agencies that are members of the managed care network. These representatives serve on the Board of Directors and have a voting interest for ASPIN. ASPIN also provides operating assistance to the affiliates and in return receives membership fees. For the years ended June 30, 2019 and 2018 transactions with the affiliates were:

	<u>2019</u>	<u>2018</u>
Membership fees	\$ 130,000	\$ 140,879
Grants to sub-recipients	6,350,854	6,283,670
	<u>\$ 6,480,854</u>	<u>\$ 6,424,549</u>

SUPPLEMENTAL INFORMATION

**AFFILIATED SERVICES PROVIDERS OF INDIANA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019**

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Federal Expenditures</i>
<i>Department of Health and Human Services</i>			
Telehealth Programs	93.211	Human Resources and Services Administration, 18-3704145	\$ 152,742
Cooperative Agreement to Support Navigators in Federally- facilitated and State Partnership Marketplaces	93.332	Centers for Medicare and Medicaid Services, 7-5990907	194,503
	93.332	Centers for Medicare and Medicaid Services, 8-5991266	<u>270,458</u>
Total Cooperative Agreement to Support Navigators in Federally- facilitated and State Partnership Marketplaces			<u>464,961</u>
Social Services Block Grant	93.667	Indiana Division of Mental Health and Addiction, 25124	<u>269,468</u>
Mental and Behavioral Health Education and Training Grants	93.732	Human Resources and Services Administration, 17-3721BHT	130,326
	93.732	Human Resources and Services Administration, 18-2721BHT	<u>339,237</u>
Total Mental and Behavioral Health Education and Training Grants			<u>469,563</u>
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	93.912	Human Resources and Services Administration, 17-3704135	24,165
	93.912	Human Resources and Services Administration, 17-3704140	215,853
	93.912	Human Resources and Services Administration, 18-3704140	300,000
	93.912	Human Resources and Services Administration, 17-3704121	<u>89,952</u>
Total Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program			<u>629,970</u>
Block Grants for Community Mental Health Services	93.958	Indiana Division of Mental Health and Addiction, 25124	<u>349,469</u>
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Indiana Division of Mental Health and Addiction, 16534	299,963
	93.959	Indiana Division of Mental Health and Addiction, 25124	<u>2,649,266</u>
Total Block Grants for Prevention and Treatment of Substance Abuse			<u>2,949,229</u>
<i>Total Department of Health and Human Services</i>			<u>5,285,402</u>
<i>Total Expenditures of Federal Awards</i>			<u>\$ 5,285,402</u>

The accompanying notes are an integral part of this schedule.

**AFFILIATED SERVICE PROVIDERS OF INDIANA, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019**

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The accompanying schedule of expenditures of federal awards includes the federal grant activity of ASPIN and is presented on the accrual basis of accounting. 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, Costs Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of the operations of Affiliated Service Providers of Indiana, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Affiliated Service Providers of Indiana, Inc.

Basis of Accounting - 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, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 2 – INDIRECT COST RATE

Affiliated Service Providers of Indiana, Inc. has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3 – SUB-RECIPIENTS

Affiliated Service Providers of Indiana, Inc. provided the following federal awards to sub-recipients:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amount Provided</u>
HHS Social Services Block Grant	93.667	\$ 269,468
HHS Community Mental Health Services Block Grant	93.958	349,469
HHS Block Grants for Prevention and Treatment of Substance Abuse	93.959	2,949,266
Total		\$ 3,568,203

Note 4 – GRANT RECEIPTS RECONCILIATION

Federal and state awards consisted of the following for the year ended June 30, 2019:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amount Provided</u>
Rural Health Care Service Outreach Grant Program	93.912	\$ 24,165
Rural Health Network Development Program	93.912	515,853
Rural Network Allied Health Training Program	93.912	74,206
Rural Benefits Counseling Program	93.912	15,746
Behavior Health Workforce Education and Training Program	93.732	469,563
Rural Communities Opioid Response (Planning)	93.211	152,742
Navigators Program	93.332	464,961
Social Services Block Grant	93.667	269,468
Community Mental Health Services Block Grant	93,958	349,469
Block Grant	93.959	2,949,229
Managed Care Provider Agreement (State of Indiana)	N/A	2,774,102
		\$ 8,059,504

**AFFILIATED SERVICES PROVIDERS OF INDIANA, INC.
 SCHEDULE OF EXPENDITURES OF STATE AND LOCAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2019**

<i>State Grantor/Program Title</i>	<i>Agreement Number</i>	<i>State and Local Expenditures</i>
<i>Indiana Division of Mental Health and Addiction Managed Care Provider Agreement</i>	25124	\$ <u>2,774,102</u>
<i>Total Expenditures of State and Local Awards</i>		\$ <u>2,774,102</u>



**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 of
Affiliated Service Providers of Indiana, 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 Affiliated Service Providers of Indiana, Inc. (a nonprofit corporation), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated October 28, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Affiliated Service Providers of Indiana, 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 Affiliated Service Providers of Indiana, 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. 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 Affiliated Service Providers of Indiana, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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 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.



Kemper CPA Group LLP
Avon, Indiana
October 28, 2019



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of
Affiliated Service Providers of Indiana, Inc.

Report on Compliance for Each Major Federal Program

We have audited Affiliated Service Providers of Indiana, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Affiliated Service Providers of Indiana, Inc.'s major federal programs for the year ended June 30, 2019. Affiliated Service Providers of Indiana, 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 federal statutes, regulations, and the terms and conditions of its federal awards.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Affiliated Service Providers of Indiana, 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 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 Affiliated Service Providers of Indiana, 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 Affiliated Service Providers of Indiana, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Affiliated Service Providers of Indiana, 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, 2019.

Report on Internal Control over Compliance

Management of Affiliated Service Providers of Indiana, 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 Affiliated Service Providers of Indiana, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on the major federal programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal programs and to test and report on internal control over compliance in accordance with the 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 Affiliated Service Providers of Indiana, 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.

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



Kemper CPA Group LLP
Avon, Indiana
October 28, 2019

**AFFILIATED SERVICE PROVIDERS OF INDIANA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on the financial statements of Affiliated Service Providers of Indiana, Inc. were in accordance with GAAP.
2. No significant deficiencies or material weaknesses in internal control are reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an audit of financial statements in accordance with *Government Auditing Standards*.
3. No instances of non-compliance material to the financial statements of Affiliated Service Providers of Indiana, Inc. were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to the audit of major federal award programs are reported in the Report on Compliance for Each Major Program and on Internal Control over Compliance required by the Uniform Guidance.
5. The auditor's report on compliance for Affiliated Service Providers of Indiana, Inc. expresses an unmodified opinion on all major federal programs.
6. There were no audit findings relative to the major federal award programs for Affiliated Service Providers of Indiana, Inc.
7. The programs tested as major programs included:

<u>Program</u>	<u>CFDA</u>
Block Grants for Prevention and Treatment of Substance Abuse	93.959

8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Affiliated Service Providers of Indiana, Inc. was determined to be a low-risk auditee.

Findings Relating to Financial Statements

None

Findings and Questioned Costs for Federal Awards

None