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STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

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

March 22, 2021

Board of Directors
Aging & Community Services of South Central Indiana, Inc.
1531 13th 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, 2019 to June 30, 2020. 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, 2020, 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, 2020 and 2019, and
Independent Auditors' Report**

AGING & COMMUNITY SERVICES OF SOUTH CENTRAL INDIANA, INC
(A MEMBER OF THRIVE ALLIANCE)
June 30, 2020 and 2019

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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, 2020 and 2019, 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, 2020 and 2019, 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 No. Update 2018-08, Not-For-Profit Entities (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. 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 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 December 14, 2020 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.



December 14, 2020
Indianapolis, Indiana

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

Statements of Financial Position
June 30, 2020 and 2019

	2020	2019
Assets		
Cash and cash equivalents	\$ 822,421	\$ 627,548
Grants receivable	1,057,623	1,135,373
Accounts receivable	84,168	245,401
Notes receivable - HPI	200,000	200,000
Board designated cash	70,315	73,179
Other assets	22,115	19,963
Total assets	\$ 2,256,642	\$ 2,301,464
Liabilities and Net Assets		
Liabilities		
Accounts payable and other	\$ 230,302	\$ 227,937
Accrued payroll and related liabilities	482,019	397,901
Total liabilities	712,321	625,838
Net assets without donor restrictions		
Undesignated	1,474,006	1,602,447
Board designated	70,315	73,179
Total net assets without donor restrictions	1,544,321	1,675,626
Total liabilities and net assets	\$ 2,256,642	\$ 2,301,464

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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Revenues and other support		
Grants	\$ 5,632,885	\$ 4,813,328
Medicaid revenue	1,276,936	1,244,510
First Step supporting services	810,353	793,838
In-kind	161,066	203,353
Other	<u>280,004</u>	<u>339,199</u>
 Total revenues and other support	 <u>8,161,244</u>	 <u>7,394,228</u>
Expenses		
Program services	7,292,668	6,404,190
Support services	<u>999,881</u>	<u>783,492</u>
 Total expenses	 <u>8,292,549</u>	 <u>7,187,682</u>
 Change in net assets	 (131,305)	 206,546
Net assets without donor restrictions:		
Beginning of year	<u>1,675,626</u>	<u>1,469,080</u>
 End of year	 <u>\$ 1,544,321</u>	 <u>\$ 1,675,626</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, 2020

	In-home Services	Community Services	Nutrition	Total Program Services	Support Services	Total
Salaries and wages	\$ 1,207,287	\$ 2,254,538	\$ 97,823	\$ 3,559,648	\$ 593,851	\$ 4,153,499
Payroll taxes and benefits	288,084	400,835	10,442	699,361	153,408	852,769
Contracted services	56	784,940	-	784,996	66,764	851,760
Other direct services	665,917	52,470	-	718,387	-	718,387
Subgrantee contracts	-	327,722	-	327,722	-	327,722
In-kind expenses	15,626	98,875	46,565	161,066	-	161,066
Occupancy	53,507	84,984	12,247	150,738	51,998	202,736
Other expenditures	29,420	85,297	11,616	126,333	101,570	227,903
Direct food services	36,435	88	329,278	365,801	-	365,801
Travel	24,480	89,943	2,385	116,808	2,979	119,787
Foster grandparent stipend	-	140,451	-	140,451	-	140,451
Supplies	14,917	39,842	11,055	65,814	21,988	87,802
Telephone and postage	18,154	21,786	3,397	43,337	7,323	50,660
Direct emergency response services	29,025	3,181	-	32,206	-	32,206
	<u>\$ 2,382,908</u>	<u>\$ 4,384,952</u>	<u>\$ 524,808</u>	<u>\$ 7,292,668</u>	<u>\$ 999,881</u>	<u>\$ 8,292,549</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)

Statements of Cash Flows
Years Ended June 30, 2020 and 2019

	2020	2019
Cash flows from operating activities		
Change in net assets	\$ (131,305)	\$ 206,546
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Changes in:		
Grants and accounts receivable	238,983	(386,944)
Other assets	(2,152)	(10,820)
Accounts payable and other	2,365	(153,034)
Accrued payroll and related liabilities	84,118	(12,193)
Net cash provided by (used in) operating activities	192,009	(356,445)
Cash flows from operating activities		
Loan advance to HPI	-	(100,000)
Net change in cash	192,009	(456,445)
Cash and cash equivalents, beginning of year	700,727	1,157,172
Cash and cash equivalents, end of year	\$ 892,736	\$ 700,727
Reconciliation of cash to statement of financial position		
Cash and cash equivalents	\$ 822,421	\$ 627,548
Board designated cash	70,315	73,179
Total cash	\$ 892,736	\$ 700,727

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 2020 and 2019.

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, 2020 and 2019, 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 \$161,066 and \$203,353 for 2020 and 2019, 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

During 2019, the Organization adopted Financial Accounting Services Board (FASB) Accounting Standards Update (ASU) 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The standard clarified and improved previous guidance about whether a transfer of assets is a contribution or an exchange transaction.

The standard clarified how an entity determined 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 required 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. The ASU has been applied using the modified prospective basis for all grants and contracts that were not completed as of July 1, 2019.

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, 2021.

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, 2023.

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)

Subsequent Event Evaluation

In preparing its financial statements, the Organization has evaluated events subsequent to the statement of financial position date through December 14, 2020, which is the date the financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

At June 30, 2020 and 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, comprised the following:

	2020	2019
Cash and cash equivalents	\$ 822,421	\$ 627,548
Grants receivable	1,057,623	1,135,373
Accounts receivable	84,168	245,401
	\$ 1,964,212	\$ 2,008,322

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, 2020 and 2019 consisted of the following:

June 30, 2020

	CFDA No.	Revenue 6/30/20	Collections 6/30/20	Receivable 6/30/20
U.S. Department of Health and Human Services:				
Title III - A	93.044	\$ 62,020	\$ 62,020	\$ -
Title III - A COVID - 19 FCCRA	93.044	14,240	-	14,240
Title III - A COVID - 19 CARES	93.044	18,345	-	18,345
Title III - B	93.044	268,238	210,671	57,567
Title III - B COVID - 19 CARES	93.044	106,798	-	106,798
Title III - C-1	93.045	192,304	187,428	4,876
Title III - C-1 COVID - 19 FCCRA	93.045	42,719	-	42,719
Title III - C-2	93.045	40,623	31,498	9,125
Title III - C-2 COVID - 19 FCCRA	93.045	85,359	31,738	53,621
Title III - C-2 COVID - 19 CARES	93.045	105,832	46,953	58,879
Title III - D	93.043	13,981	12,979	1,002
Title III - E	93.052	115,759	109,637	6,122
Title III - E COVID - 19 CARES	93.052	10,754	-	10,754
Nutrition Service Incentive Program	93.053	29,530	29,530	-
Title VII Ombudsman	93.042	5,847	4,881	966
Waiver Intake	93.778	231,734	202,233	29,501
Social Services Block Grant	93.667	313,310	299,654	13,656
U.S. Department of Education First Step	84.181	2,370,702	1,912,472	458,230
Corporation for National and Community Service FGP	94.011	281,182	238,909	42,273
Total federal grants		4,309,277	3,380,603	928,674
State grants		963,996	835,047	128,949
Local grants		359,612	359,612	-
		<u>\$ 5,632,885</u>	<u>\$ 4,575,262</u>	<u>\$ 1,057,623</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, 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 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, 2020 and 2019 was \$202,165 and \$211,688, respectively. Future annual minimum lease payments at June 30, 2020 were:

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 \$39,644 and \$44,776 as of June 30, 2020 and 2019 respectively and is included in account receivable. Total transactions for 2020 and 2019 were \$138,178 and \$161,652, respectively.

On July 1, 2015, \$100,000 was loaned to HPI as a line of credit. Interest is earned at 1.93% each year with quarterly interest only payments required. The note matured June 30, 2017 but was renewed by the Organization and HPI through June 30, 2021. An additional \$100,000 was loaned in 2019 and accrues interest at the rate of 1.56% each year with quarterly interest only payments required and matured on December 31, 2019 but was renewed through 12/31/2020.

NOTE 7 COVID-19 PANDEMIC AND SUBSEQUENT EVENT

On March 11, 2020, the World Health Organization ("WHO") recognized COVID-19 as a global pandemic, prompting many national, regional and local governments to implement preventative or protective measures, such as travel and business restrictions, temporary store closures, and wide-sweeping quarantines and stay-at-home orders. As a result, COVID-19 and the related restrictive measures have had a significant adverse impact upon many sectors of the economy. Consequently, there was some disruption in the Organization's programs in 2020 and the organization received additional funding through FCCRA for approximately \$142,000 and CARES funds for approximately \$242,000. Through the date of issuance of these financial statements there has been no material adverse impact to the Organization's assets or activities.

The COVID-19 pandemic remains a rapidly evolving situation. The extent of the impact of COVID-19 on the Organization's business and financial results will depend on future developments, including the duration and spread of the outbreak within the market in which the Organization operates and the related impact on consumer confidence and spending, all of which are highly uncertain.

On July 20, 2020, the Organization entered into a term note pursuant to the Coronavirus Aid, Relief, and Economic Security Act's (CARES Act) Payroll Protection Program (the Program) for \$785,300. All or a portion of the note may be forgiven in accordance with the Program requirements. Interest on the outstanding principal balance will accrue at a fixed rate of 1.00%, but neither principal or interest are due and payable during the initial 6-month deferral period after issuance. After the initial 6-month deferral period expires, the outstanding principal balance that is not forgiven under the Program will convert to an amortizing loan payable in 18 equal installments of principal.

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, 2020**

Federal Grantor Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Dept. of Education:				
Passed through Indiana Family and Social Services Administration				
Special Education Grants for Infants and Family	84.181	#21527	\$ 2,370,702	\$ -
U.S. Dept. of Health & Human Services:				
Passed through Indiana Family and Social Services Administration				
Aging Cluster				
Title III-B Admin	93.044	19AAINT3SS	62,020	-
COVID 19 FCCRA - Title III-B Admin	93.044	19AAINT3SS	14,240	-
COVID 19 CARES - Title III-B Admin	93.044	19AAINT3SS	18,345	-
Title III-B Social Services	93.044	19AAINT3SS	268,238	69,614
COVID 19 CARES - Title III-B Social Services	93.044	19AAINT3SS	106,798	-
Total Title III-B			469,641	69,614
Title III- Congregate Meals	93.045	19AAINT3CM	192,304	-
COVID 19 FCCRA -Title III- Congregate Meals	93.045	19AAINT3CM	42,719	-
Title III-C Home Delivered Meals	93.045	19AAINT3HD	40,623	-
COVID 19 FCCRA - Title III-C Home Delivered Meals	93.045	19AAINT3HD	85,359	-
COVID 19 CARES - Title III-C Home Delivered Meals	93.045	19AAINT3HD	105,832	-
Total Title III-C			466,837	-
Nutrition Services Incentive Program	93.053	19AAINNSIP	29,530	-
Total Aging Cluster			966,008	69,614
Title III - D	93.043	19AAINT3PH	13,981	-
Title III - E	93.052	19AAINT3FC	10,754	-
COVID 19 CARES - Title III - E	93.052	19AAINT3FC	115,759	-
Title VII - Ombudsman	93.042	19AAINT7OM	5,847	12,000
Social Services Block Grant	93.667	1002INSOSR	313,310	-
Waiver Intake	93.778	#22140WI	217,616	-
Pre-Pas Assessment	93.778	#22140PPA	14,118	-
Total U.S. Department of Health & Human Services			1,657,393	81,614
Direct Award from Corporation for National and Community Service				
Foster Grandparent Program	94.011	N/A	281,182	-
Total Expenditure of Federal Awards			\$ 4,309,277	\$ 81,614

**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, 2020**

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, 2020. 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, 2020, 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 14, 2020.

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) as a basis for designing 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 financial statements. 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*.

**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 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 of any other purpose.

Barnes, Dennig & Co., Ltd.

December 14, 2020
Indianapolis, Indiana

**Independent Auditors' Report on Compliance for Each Major Program
and on Internal Control over Compliance Required by the 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, 2020. 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, 2020.

**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

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

Barnes, Dennig & Co., Ltd.

December 14, 2020
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, 2020**

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)

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, 2020**

Reference Number	Summary of Finding	Status
	No matters are reportable	