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

We have reviewed the audit report of Area 10 Council on Aging of Monroe and Owen Counties, Inc. which was opined upon by Comer, Nowling and Associates, PC, Independent Public Accountants, for the period July 1, 2019 to June 30, 2020. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Area 10 Council on Aging of Monroe and Owen Counties, Inc. as of June 30, 2020 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Comer, Nowling and Associates, PC prepared the audit report in accordance with guidelines established by the State Board of Accounts.

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


Paul D. Joyce, CPA
State Examiner

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

**Consolidated Financial Statements
For the Years Ended
June 30, 2020 and 2019
(With Single Audit Section)**

COMER  NOWLING

INDUSTRY ESTABLISHED | FOCUSED ON QUALITY

Certified Public Accountants

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

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Area 10 Council on Aging of Monroe and Owen Counties, Inc. (a nonprofit organization) and Subsidiaries, which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements of Area 10 Council on Aging of Monroe and Owen Counties, Inc. and Subsidiaries as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statements. The schedule of expenditures of state and local awards is presented for purposes of additional analysis as required by the Indiana State Board of Accounts. 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 November 24, 2020 on our consideration of Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.

Indianapolis, Indiana

November 24, 2020

**AREA 10 COUNCIL ON AGING OF AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

ASSETS

CURRENT ASSETS:	2020	2019
Cash and cash equivalents	\$ 1,962,021	\$ 1,198,732
Restricted cash - reserves	252,278	247,400
Grants receivable	649,447	618,164
Accounts receivable	67,937	93,885
Prepaid expenses	151,905	166,028
Total current assets	3,083,588	2,324,209
FIXED ASSETS:		
Land	942,006	942,006
Building	13,916,673	13,913,456
Leasehold improvements	576,076	570,904
Equipment	360,992	296,247
	15,795,747	15,722,613
Less accumulated depreciation	(6,360,168)	(5,879,329)
Total fixed assets, net	9,435,579	9,843,284
OTHER ASSETS		
Organizational costs	69,321	69,321
Less: accumulated amortization	(47,917)	(40,989)
	21,404	28,332
Beneficial Interest	34,562	36,985
Total other assets	55,966	65,317
Total assets	\$ 12,575,133	\$ 12,232,810

See accompanying notes to consolidated financial statements.

**AREA 10 COUNCIL ON AGING OF AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:	2020	2019
Accounts payable	\$ 198,902	\$ 258,074
Accrued payroll, taxes, and related expenses	29,441	28,357
Accrued vacation	73,142	67,922
Security deposits payable	47,826	42,948
Deferred revenue	1,468	8,096
Current portion - long term debt	43,337	42,760
Total current liabilities	394,116	448,157
 LONG TERM LIABILITIES		
Notes payable	2,145,957	1,741,401
Developer fee payable	1,609	1,610
Total long term liabilities	2,147,566	1,743,011
Total liabilities	2,541,682	2,191,168
 NET ASSETS		
NON-CONTROLLING INTEREST IN NET ASSETS	5,374,671	5,666,847
NET ASSETS - WITHOUT DONOR RESTRICTIONS		
Undesignated	4,658,780	4,374,795
Total net assets	10,033,451	10,041,642
Total liabilities and net assets	\$ 12,575,133	\$ 12,232,810

See accompanying notes to consolidated financial statements.

AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

REVENUE AND OTHER SUPPORT	<u>2020</u>	<u>2019</u>
Federal grant revenue	\$ 1,796,073	\$ 1,430,880
State grant revenue	1,059,409	924,874
Local support	255,726	135,837
Service fees	346,709	436,458
Project income	84,476	114,452
Medicaid	911,143	813,432
Donations:		
Indirect public support - United Way	32,920	33,410
Direct public support	110,645	76,379
Rental income	749,599	718,817
Miscellaneous income	76,065	21,690
In-kind support	102,209	102,886
Investment income	437	1,283
	<u>5,525,411</u>	<u>4,810,398</u>
OPERATING EXPENSES		
Program services:		
Nutrition	282,040	266,669
Transportation	1,475,697	1,227,387
In-Home services	2,106,746	1,531,398
Health & Wellness	246,627	318,857
Information/Referral/Outreach	126,884	129,221
Housing	1,068,359	1,093,261
Total program services	<u>5,306,353</u>	<u>4,566,793</u>
Supporting services:		
Management and General	214,534	317,065
Total supporting services	<u>214,534</u>	<u>317,065</u>
Total operating expenses	<u>5,520,887</u>	<u>4,883,858</u>
Increase (decrease) in net assets	<u>4,524</u>	<u>(73,460)</u>
NET ASSETS - BEGINNING OF YEAR	10,041,642	10,115,102
Non-controlling interest in subsidiary's earnings	(279,461)	(336,776)
Controlling interest in subsidiary's earnings and parent	283,985	263,316
Distributions	(12,715)	-
NET ASSETS - END OF YEAR	<u>\$ 10,033,451</u>	<u>\$ 10,041,642</u>

See accompanying notes to consolidated financial statements.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020**

	Nutrition	Transportation	In-Home Services	Health & Wellness	Information/ Referral/Outreach	Housing	Management & General	2020 Total
OPERATING EXPENSES								
Personnel costs	\$ 122,556	\$ 820,675	\$ 980,025	\$ 193,925	\$ 112,247	\$ 146,215	\$ 177,728	\$ 2,553,371
Occupancy	4,523	28,402	27,580	18,649	1,930	153,019	3,551	237,654
Telephone and postage	775	5,377	10,936	1,689	1,385	2,465	6,607	29,234
Materials and supplies	4,197	372,623	33,126	10,747	3,558	12,259	67,892	504,402
Printing	559	968	1,177	5,083	268	10	1,432	9,497
Volunteer recognition	-	-	-	12,795	-	-	-	12,795
Travel	6,372	763	18,998	2,013	2,123	3,397	671	34,337
Contracted services	5,316	55,940	53,876	41,116	2,178	83,076	49,441	290,943
Meals	134,940	39,550	84,136	16,984	-	-	-	275,610
Home health care	-	-	718,170	-	-	-	728	718,898
Training	-	35	485	1,151	150	1,291	-	3,112
Insurance	1,116	83,741	11,681	773	167	49,204	40,034	186,716
Advertising and recruitment	893	4,651	3,401	-	473	3,025	462	12,905
Other costs	7	46,955	157,517	(70,174)	149	84,579	(136,678)	82,355
Taxes	-	2,073	195	-	-	31,997	667	34,932
Interest expense	-	-	-	-	-	46,362	-	46,362
Depreciation	786	13,944	5,443	11,876	2,256	444,528	1,999	480,832
Amortization	-	-	-	-	-	6,932	-	6,932
Total operating expenses	\$ 282,040	\$ 1,475,697	\$ 2,106,746	\$ 246,627	\$ 126,884	\$ 1,068,359	\$ 214,534	\$ 5,520,887

See accompanying notes to consolidated financial statements.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019**

	Nutrition	Transportation	In-Home Services	Health & Wellness	Information/ Referral/Outreach	Housing	Management & General	2019 Total
OPERATING EXPENSES								
Personnel costs	\$ 122,977	\$ 785,390	\$ 821,453	\$ 184,299	\$ 113,456	\$ 173,855	\$ 206,281	\$ 2,407,711
Occupancy	5,079	31,684	28,872	16,047	2,521	146,632	5,021	235,856
Telephone and postage	981	5,872	11,880	2,043	1,546	2,850	4,127	29,299
Materials and supplies	5,570	214,837	38,372	11,088	2,096	12,972	14,042	298,977
Printing	495	1,123	1,310	5,273	191	37	2,087	10,516
Volunteer recognition	-	-	-	27,435	-	-	-	27,435
Travel	7,301	30,076	25,852	2,796	2,493	4,421	800	73,739
Contracted services	3,545	42,175	42,476	35,696	3,240	77,400	53,796	258,328
Meals	118,337	-	65,041	15,685	-	-	12	199,075
Home health care	-	-	474,494	-	-	-	129	474,623
Training	335	-	1,734	1,081	60	291	54	3,555
Insurance	985	88,080	10,610	688	148	45,789	36,359	182,659
Advertising and recruitment	6	4,379	2,408	-	99	2,002	79	8,973
Other costs	-	678	(1,680)	575	337	46,481	(4,028)	42,363
Taxes	-	3,227	-	-	-	33,701	280	37,208
Interest expense	-	-	-	-	-	44,886	-	44,886
Depreciation	1,058	19,866	8,576	16,151	3,034	495,012	(1,974)	541,723
Amortization	-	-	-	-	-	6,932	-	6,932
Total operating expenses	<u>\$ 266,669</u>	<u>\$ 1,227,387</u>	<u>\$ 1,531,398</u>	<u>\$ 318,857</u>	<u>\$ 129,221</u>	<u>\$ 1,093,261</u>	<u>\$ 317,065</u>	<u>\$ 4,883,858</u>

See accompanying notes to consolidated financial statements.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

CASH FLOWS FROM OPERATING ACTIVITIES:	<u>2020</u>	<u>2019</u>
Increase (decrease) in net assets before non-controlling interest	\$ 4,524	\$ (73,460)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	488,981	548,860
Increase (decrease) in cash from changes in:		
Grants receivable	(31,283)	56,626
Accounts receivable	25,948	(19,813)
Prepaid expenses	14,123	(6,703)
Restricted cash	(4,878)	(3,897)
Accounts payable	(59,172)	(19,049)
Accrued payroll, taxes and related expenses	6,304	(12,550)
Security deposits	4,880	1,634
Prepaid rent	(6,628)	3,864
Net cash provided by (used in) operating activities	<u>442,799</u>	<u>475,512</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(73,134)	(8,603)
Net change in beneficial interest	2,423	1,405
Net cash provided by (used in) investing activities	<u>(70,711)</u>	<u>(7,198)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from members' equity receivable	-	(45,459)
Distributions	(12,715)	-
Proceeds from notes payable	466,205	-
Principal payments against notes payable	(62,289)	(60,428)
Net cash provided by (used in) financing activities	<u>391,201</u>	<u>(105,887)</u>
NET INCREASE (DECREASE) IN CASH	763,289	362,427
CASH, BEGINNING OF YEAR	<u>1,198,732</u>	<u>836,305</u>
CASH, END OF YEAR	<u>\$ 1,962,021</u>	<u>\$ 1,198,732</u>
Supplemental disclosures of cash flow information:		
Cash paid during the year for interest	<u>\$ 45,409</u>	<u>\$ 43,669</u>

See accompanying notes to consolidated financial statements.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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

PRINCIPLES OF CONSOLIDATION

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

NATURE OF OPERATIONS

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

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

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

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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

BASIS OF ACCOUNTING

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

INCOME TAX STATUS

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

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

The Organization files the required federal and state information returns. Whenever tax returns are filed, the filing organization must evaluate the merits of its tax positions and determine if they will be ultimately sustained. Those tax positions for the Organization include maintaining their tax-exempt status and the taxability of any unrelated business income. The Organization believes these positions are sustainable. Although the Organization has not incurred any interest and penalties associated with these positions, it is their policy to expense them in the statement of activities. With few exceptions, the Organization is generally no longer subject to examination by taxing authorities for years before June 30, 2017.

FINANCIAL STATEMENT PRESENTATION

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board. Per the applicable standards, Area 10 Council on Aging of Monroe and Owen Counties, Inc. is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. A description of the net asset classes follows:

Net assets without donor restrictions represent the portion of net assets of Area 10 Council on Aging of Monroe and Owen Counties, Inc. that is not subject to donor-imposed restrictions. Net assets without donor restrictions include expendable funds available for the support of the Organization. Board designated net assets are net assets without donor restrictions with self-imposed designations by action of the governing board.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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

FINANCIAL STATEMENT PRESENTATION – (continued)

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

Net assets with donor restrictions also include, pursuant to Indiana law, cumulative appreciation and reinvested gains on net assets with donor restrictions that are held in perpetuity, which have not been appropriated by the Board of Directors.

CASH AND CASH EQUIVALENTS

The Organization considers time deposits, certificates of deposit, and other highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

RESTRICTED CASH

Restricted cash consist of designated operating reserves and replacement reserves escrow of the Subsidiaries. The replacement reserve escrow is required by the permanent mortgage for Patterson Pointe Senior Residence, LLC. Withdrawals are subject to certain conditions and restrictions as defined in the loan agreement.

GRANTS, CONTRIBUTIONS AND ACCOUNTS RECEIVABLE

Grants and contributions receivable consist of reimbursements due under government cost-reimbursement awards and unconditional promises to give to the Organization. All amounts are due within one year, and no allowance for uncollectible receivables is considered necessary. Accounts receivable consist primarily of amounts due for services rendered, and no allowance for uncollectible receivables is considered necessary. Accounts receivable consist primarily of amounts due for services rendered.

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third party contracts and other circumstances. Receivables are considered impaired if full payment is not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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

REVENUE RECOGNITION

The majority of the Organization's revenue is earned under cost-reimbursement awards from governmental agencies. Revenues are recognized under such awards when costs allowable under the terms of the awards are incurred. Advances received in excess of allowable costs are reported as liabilities. Fees for services are recognized as revenue when the services are substantially performed. Fees received in advance of substantial performance are reported as liabilities. Deposits received from customers prior to the date of the performance of services are recorded as deferred revenue.

The Organization reports grants and contributions of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. However, contributions received with donor-imposed restrictions in which the restrictions are satisfied in the same reporting period received are reported as net assets without donor restrictions.

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

Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance non-financial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated. The value of contributed services meeting the criteria for recognition and recognized in the accompanying financial statements was \$39,762 and \$2,138 for the years ended June 30, 2020 and 2019, respectively. Management estimates the value of contributed services received during the years ended June 30, 2020 and 2019 that did not meet the criteria for recognition to be \$47,472 and \$79,972, respectively.

The Organization uses certain facilities for its programs without charge or at reduced charge. The difference between the fair value for the use of these facilities and their cost are recognized as revenue and expense. In addition, the Organization receives supplies and materials without charge. The Organization recognized \$62,447 and \$100,748 of revenue for contributed facilities, supplies and materials in the accompanying consolidated financial statements during the years ended June 30, 2020 and 2019, respectively.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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

PROPERTY AND EQUIPMENT

Property and equipment is stated at cost, if acquired, or at fair value at the date of receipt, if donated, less accumulated depreciation. Equipment with a unit cost below \$5,000 is expensed in the period acquired. Depreciation is computed by the straight-line method over the estimated useful lives of the assets, which are generally as follows:

Building	10 - 40 years
Equipment.....	5 - 10 years

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

Depreciation expense on corporate owned and related housing partnerships' property and equipment totaled \$480,832 and \$541,723 for the years ended June 30, 2020 and 2019, respectively.

USE OF ESTIMATES

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

Significant estimates used in the accompanying consolidated financial statements include:

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

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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

COST ALLOCATION

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

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

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

Cost allocation methods are as follows:

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

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

FAIR VALUE OF FINANCIAL INSTRUMENTS

The FASB Accounting Standards Codification topic "Fair Value Measurement" defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the Organization's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The standard establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
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JUNE 30, 2020 AND 2019**

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

FAIR VALUE OF FINANCIAL INSTRUMENTS – (continued)

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement the entire fair value measurement in the hierarchy.

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

The endowment funds are described in Note 6 and are classified as Level 2 investments.

ACCOUNTING FOR IMPAIRMENT

As required by the "Accounting for Impairment or Disposal of Long-Lived Assets" topic of the FASB Accounting Standards Codification, long-lived assets and certain identifiable intangibles held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. This standard has not materially affected the Organization's net change in unrestricted net assets, statement of financial position or statement of cash flows.

RECLASSIFICATION

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

SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 24, 2020, which is the date the financial statements were available to be issued.

AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 2 – BENEFICIAL INTERESTS

The Organization has established endowment funds with the Monroe County Community Foundation and the Owen County Community Foundation, and the Organization is the named beneficiary of the funds. The funds are reported at fair value with a combined balance of \$34,562 and \$36,985 for the years ended June 30, 2020 and 2019, respectively. The year-end values are determined by the Foundations based on market values of the underlying investments. The endowment funds consist of the amounts transferred to the Foundations by the Organization and the related changes in the market value. Annually, the Organization receives a distribution of a percentage of the average fund balance in the funds.

NOTE 3 – CONCENTRATION OF RISK

The Organization maintains its cash balance at multiple banks. The accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for the years ended June 30, 2020 and 2019. At June 30, 2020 and 2019, the Organization had uninsured balances of \$1,070,861 and \$438,989 respectively.

All of the Organization's programs and activities occur in Central Indiana. Consequently, its sources of support and revenue may be affected by conditions in that area. In addition, for the years ended June 30, 2020 and 2019 approximately 77% and 75% of total revenues, respectively, were received from state and federal governmental sources, with approximately 31% and 29% of total revenues, respectively, received from Indiana Family and Social Services Administration.

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

NOTE 4 – LONG-TERM DEBT

The Organization issued a promissory note in the amount of \$466,205 to German American Bank through the SBA PPP Program on April 21, 2020. The interest rate is 1% and the maturity date is April 2022. Under the terms of the note, the Organization expects that the entire amount will be fully forgiven prior to the commencement of payments.

The Organization entered into an agreement with the City of Bloomington to borrow up to \$402,000 of Federal HOME Investment Partnership funds for use in the Patterson Pointe Senior Residence housing project. The note bears an interest rate of 0.0% and matures in June 2032. As of June 30, 2020 and 2019 the note balance was \$402,000 and \$402,000, respectively.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 4 – LONG-TERM DEBT - (continued)

Long-term debt of Edgewood Village L.P. consists of the following as of June 30, 2020 and 2019:

Note payable – 8.15% per annum secured by real property, payable in monthly installments of \$5,210 with interest maturing on February 8, 2015. This note was refinanced in February 2015 with principal and interest payments of \$4,906 per month with an annual interest rate of 4.5%. In December 2016, the note was again refinanced with German American Bank in the amount of \$672,912. The mortgage matures on December 9, 2031 with a three-year fixed rate of 3.94% that converts to a three-year adjustable rate using the three-year U.S. Treasury rate index plus 3.25% margin. Collateral is the first real estate mortgage plus assignment of rents and leases on the land and buildings of Edgewood Village. The balance on the note at June 30, 2020 and 2019 was \$556,513 and \$592,440, respectively.

Net deferred financing costs of \$5,329 and \$5,534 for the years ended June 30, 2020 and 2019, respectively, have been offset against notes payable on the statement of financial position.

Estimated maturities of mortgage at June 30, 2020 for each of the next five years and in the aggregate, are as follows:

2021	\$ 38,147
2022	39,551
2023	41,523
2024	43,593
2025	45,767
Thereafter	<u>347,932</u>
	<u>\$ 556,513</u>

Long-term debt of Patterson Pointe Senior Residence, LLC consists of the following as of June 30, 2020 and 2019:

Construction loan – The property of Patterson Pointe Senior Residence, LLC was pledged as security on a construction loan with a bank. The construction loan matured in July 2014 and was converted to a permanent mortgage note which will mature 18 years after the conversion date. The mortgage note bears interest pursuant to Fannie Mae guidelines, which was 5.75% as of June 30, 2020 and 2019. Principal and interest will be due monthly based on a 30-year amortization period. The unpaid principal and interest are due July 2030.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 4 – LONG-TERM DEBT - (continued)

Net deferred financing costs of \$10,103 and \$11,114 for the years ended June 30, 2020 and 2019, respectively, have been offset against notes payable on the statement of financial position.

Estimated maturities of mortgage at June 30, 2020 for each of the next five years and in the aggregate, are as follows:

2021	\$	5,692
2022		6,087
2023		6,452
2024		6,838
2025		7,198
Thereafter		<u>289,408</u>
		<u>\$ 321,675</u>

Promissory note – The \$500,000 note is secured by a mortgage on Patterson Pointe Senior Residence, LLC real estate to an unrelated affiliate. The note bears an interest rate of 0.0%. The unpaid balance shall be paid in full upon the earlier of (i) the sale or refinance of the project, (ii) March 31, 2041, or (iii) the date upon the lender accelerates the obligations due. As of June 30, 2020 and 2019 the note balance was \$500,000 and \$500,000, respectively.

NOTE 5 – LINE OF CREDIT

The Organization has a \$160,000 line of credit with a maturity date of March 2021. The line bears an interest rate of 1% over the Prime Rate. As of June 30, 2020 and 2019 there was no outstanding balance on the line of credit.

NOTE 6 - ENDOWMENT

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

Interpretation of UPMIFA:

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

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 6 - ENDOWMENT - (continued)

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

Changes in endowment net assets for the year ended June 30, 2020 and 2019:

	2020	2019
	<u>Unrestricted</u>	<u>Unrestricted</u>
Endowment funds, beginning of year	\$ 36,985	\$ 38,390
Net investment return	(880)	137
Distributions	<u>(1,543)</u>	<u>(1,542)</u>
Endowment funds, end of year	<u>\$ 34,562</u>	<u>\$ 36,985</u>

Investment Objectives

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

Return Objectives and Risk Parameters

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

Spending Policy

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

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 7 – RETIREMENT PLAN

The Organization maintains a 401(k) Profit Sharing Plan and Trust offered through a PEO. The plan covers all eligible employees. Employees may contribute the maximum amount allowed. The Organization does not make any matching or elective contributions.

NOTE 8 – NON-CONTROLLING INTEREST IN SUBSIDIARIES

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

The changes in the controlling and non-controlling interest in the net assets of the Organization for the years ending June 30, 2020 and 2019 are as follows:

	<u>Controlling Interest</u>	<u>Non-controlling Interest</u>	<u>Total</u>
Balance July 1, 2018	\$ 309,924	\$ 6,003,623	\$ 6,313,547
Capital contributions	-	-	-
Net change in net assets	<u>(124,878)</u>	<u>(336,776)</u>	<u>(461,654)</u>
Balance June 30, 2019	\$ 185,046	\$ 5,666,847	\$ 5,851,893
Capital contributions	-	-	-
Net change in net assets	<u>(106,312)</u>	<u>(279,461)</u>	<u>(385,773)</u>
Balance June 30, 2020	<u>\$ 78,734</u>	<u>\$ 5,387,386</u>	<u>\$ 5,466,120</u>

NOTE 9 – BOARD DESIGNATED NET ASSETS

For the years ended June 30, 2020 and 2019, the Organization had board designated net assets as follows:

	<u>2020</u>	<u>2019</u>
Cash reserves	\$ 274,030	\$ 108,627
Building reserves	<u>28,400</u>	<u>50,000</u>
	<u>\$ 302,430</u>	<u>\$ 158,627</u>

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 10 – INFORMATION ABOUT LIQUIDITY

The Organization’s main funding sources are cost reimbursement government grants and contracts. Other funding includes project income, income, rental income and donations. Liquid assets include cash, cash equivalents and receivables. The board has designated some net assets as discussed in Note 9 for cash and building reserves. As discussed in Note 5, the Organization also has a \$160,000 line of credit available to meet cash needs.

For the purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing program and support activities to be general expenditures.

The following represents financial assets available for cash needs for general expenditures within one year:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 1,962,021	\$ 1,198,732
Grants receivable	649,447	618,164
Accounts receivable	<u>67,937</u>	<u>93,885</u>
Total financial assets	2,679,405	1,910,781
Less board designated net assets	<u>(302,430)</u>	<u>(158,627)</u>
Financial assets available for cash needs for general expenditures within one year	<u>\$ 2,376,975</u>	<u>\$ 1,752,154</u>

SUPPLEMENTARY INFORMATION



Independent Auditor's Report on Supplementary Information

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

Our report on our audit of the consolidated financial statements of Area 10 Council on Aging of Monroe and Owen Counties, Inc. and Subsidiaries as of June 30, 2020 and 2019, appears on page one. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information (shown on pages 23 through 32) is presented for purposes of additional analysis of the consolidated financial statements rather than to present the statements of financial position and results of activities of the individual organizations. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole for the years ended June 30, 2020 and 2019.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.
Indianapolis, Indiana
November 24, 2020

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2020**

ASSETS

	Parent		Subsidiaries (Unrestricted)				2020 Consolidated Total
	Unrestricted	Area Ten Development, Inc.	Cunot Apartments, L.P.	Edgewood Village Apartments, L.P.	Patterson Pointe Senior Residence, LLC	Eliminations	
CURRENT ASSETS:							
Cash and cash equivalents	\$ 1,637,471	\$ -	\$ 27,434	\$ 182,651	\$ 114,465	\$ -	\$ 1,962,021
Restricted cash - reserves	-	-	-	-	252,278	-	252,278
Grants receivable	649,447	-	-	-	-	-	649,447
Accounts receivable	111,797	-	2,913	5,121	42	(51,936)	67,937
Accounts receivable - related party	341,573	-	-	29,386	-	(370,959)	-
Prepaid expenses	12,280	-	-	-	139,625	-	151,905
Total current assets	<u>2,752,568</u>	<u>-</u>	<u>30,347</u>	<u>217,158</u>	<u>506,410</u>	<u>(422,895)</u>	<u>3,083,588</u>
FIXED ASSETS:							
Land	-	-	38,199	170,663	733,144	-	942,006
Building	1,419,405	-	1,472,889	2,894,066	8,130,313	-	13,916,673
Leasehold improvements	-	-	169,528	406,548	-	-	576,076
Equipment	113,684	-	-	1,136	246,172	-	360,992
	1,533,089	-	1,680,616	3,472,413	9,109,629	-	15,795,747
Less accumulated depreciation	<u>(894,957)</u>	<u>-</u>	<u>(923,921)</u>	<u>(1,746,349)</u>	<u>(2,794,941)</u>	<u>-</u>	<u>(6,360,168)</u>
Total fixed assets, net	<u>638,132</u>	<u>-</u>	<u>756,695</u>	<u>1,726,064</u>	<u>6,314,688</u>	<u>-</u>	<u>9,435,579</u>
OTHER ASSETS							
Notes receivable, net of allowance	603,168	-	-	-	-	(603,168)	-
Accrued interest receivable	942,348	-	-	-	-	(942,348)	-
Organizational costs	-	-	-	-	69,321	-	69,321
Less: accumulated amortization	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(47,917)</u>	<u>-</u>	<u>(47,917)</u>
	1,545,516	-	-	-	21,404	(1,545,516)	21,404
Investment in subsidiaries	39,367	39,367	-	-	-	(78,734)	-
Beneficial interest	34,562	-	-	-	-	-	34,562
Total other assets, net	<u>1,619,445</u>	<u>39,367</u>	<u>-</u>	<u>-</u>	<u>21,404</u>	<u>(1,624,250)</u>	<u>55,966</u>
Total assets	<u>\$ 5,010,145</u>	<u>\$ 39,367</u>	<u>\$ 787,042</u>	<u>\$ 1,943,222</u>	<u>\$ 6,842,502</u>	<u>\$ (2,047,145)</u>	<u>\$ 12,575,133</u>

See Independent Auditor's Report on Supplementary Information

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION – (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020**

	LIABILITIES AND NET ASSETS							2020 Consolidated Total
	Parent	Subsidiaries (Unrestricted)					Eliminations	
	Unrestricted	Area Ten Development, Inc.	Cunot Apartments, L.P.	Edgewood Village Apartments, L.P.	Patterson Pointe Senior Residence, LLC			
CURRENT LIABILITIES:								
Accounts payable	\$ 155,255	\$ -	\$ 327,226	\$ 62,697	\$ 11,363	\$ (357,639)	\$ 198,902	
Accrued payroll, taxes, and related expenses	-	-	-	-	29,441	-	29,441	
Accrued vacation	73,142	-	-	-	-	-	73,142	
Security deposits payable	3,230	-	9,347	25,053	10,196	-	47,826	
Deferred revenue	-	-	-	-	1,468	-	1,468	
Current portion - long term debt	-	-	-	37,645	5,692	-	43,337	
Total current liabilities	<u>231,627</u>	<u>-</u>	<u>336,573</u>	<u>125,395</u>	<u>58,160</u>	<u>(357,639)</u>	<u>394,116</u>	
LONG TERM LIABILITIES								
Notes payable	868,205	-	477,798	985,376	1,166,213	(1,351,635)	2,145,957	
Developer fee and accrued interest	-	-	207,424	801,789	-	(1,007,604)	1,609	
Total long-term liabilities	<u>868,205</u>	<u>-</u>	<u>685,222</u>	<u>1,787,165</u>	<u>1,166,213</u>	<u>(2,359,239)</u>	<u>2,147,566</u>	
Total liabilities	<u>1,099,832</u>	<u>-</u>	<u>1,021,795</u>	<u>1,912,560</u>	<u>1,224,373</u>	<u>(2,716,878)</u>	<u>2,541,682</u>	
NET ASSETS:								
Unrestricted net assets - undesignated	3,870,946	-	9,958	30,662	(1,253)	748,467	4,658,780	
Parent interest in unrestricted net assets	39,367	39,367	-	-	-	(78,734)	-	
Non-controlling interest in net assets	-	-	(244,711)	-	5,619,382	-	5,374,671	
Total net assets	<u>3,910,313</u>	<u>39,367</u>	<u>(234,753)</u>	<u>30,662</u>	<u>5,618,129</u>	<u>669,733</u>	<u>10,033,451</u>	
Total liabilities and net assets	<u>\$ 5,010,145</u>	<u>\$ 39,367</u>	<u>\$ 787,042</u>	<u>\$ 1,943,222</u>	<u>\$ 6,842,502</u>	<u>\$ (2,047,145)</u>	<u>\$ 12,575,133</u>	

See Independent Auditor's Report on Supplementary Information

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2019**

ASSETS

	Parent	Subsidiaries (Unrestricted)				Eliminations	2019 Consolidated Total
	Unrestricted	Area Ten Development, Inc.	Cunot Apartments, L.P.	Edgewood Village Apartments, L.P.	Patterson Pointe Senior Residence, LLC		
CURRENT ASSETS:							
Cash and cash equivalents	\$ 985,222	\$ -	\$ 16,349	\$ 142,400	\$ 54,761	\$ -	\$ 1,198,732
Restricted cash - reserves	-	-	-	-	247,400	-	247,400
Grants receivable	618,164	-	-	-	-	-	618,164
Accounts receivable	141,770	-	5,632	4,505	126	(58,148)	93,885
Accounts receivable - related party	341,579	-	-	29,386	-	(370,965)	-
Prepaid expenses	-	-	-	-	166,028	-	166,028
Total current assets	2,086,735	-	21,981	176,291	468,315	(429,113)	2,324,209
FIXED ASSETS:							
Land	-	-	38,199	170,663	733,144	-	942,006
Building	1,419,405	-	1,472,889	2,894,066	8,127,096	-	13,913,456
Leasehold improvements	-	-	169,528	401,376	-	-	570,904
Equipment	56,984	-	-	1,136	238,127	-	296,247
	1,476,389	-	1,680,616	3,467,241	9,098,367	-	15,722,613
Less accumulated depreciation	(858,212)	-	(880,572)	(1,659,483)	(2,481,062)	-	(5,879,329)
Total fixed assets, net	618,177	-	800,044	1,807,758	6,617,305	-	9,843,284
OTHER ASSETS							
Notes receivable, net of allowance	643,274	-	-	-	-	(643,274)	-
Accrued interest receivable	902,242	-	-	-	-	(902,242)	-
Organizational costs	-	-	-	-	69,321	-	69,321
Less: accumulated amortization	-	-	-	-	(40,989)	-	(40,989)
	1,545,516	-	-	-	28,332	(1,545,516)	28,332
Investment in subsidiaries	92,523	92,523	-	-	-	(185,046)	-
Beneficial interest	36,985	-	-	-	-	-	36,985
Total other assets, net	1,675,024	92,523	-	-	28,332	(1,730,562)	65,317
Total assets	\$ 4,379,936	\$ 92,523	\$ 822,025	\$ 1,984,049	\$ 7,113,952	\$ (2,159,675)	\$ 12,232,810

See Independent Auditor's Report on Supplementary Information

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION – (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

LIABILITIES AND NET ASSETS

	Parent	Subsidiaries (Unrestricted)					2019 Consolidated Total
	Unrestricted	Area Ten Development, Inc.	Cunot Apartments, L.P.	Edgewood Village Apartments, L.P.	Patterson Pointe Senior Residence, LLC	Eliminations	
CURRENT LIABILITIES:							
Accounts payable	\$ 240,129	\$ -	\$ 320,911	\$ 56,636	\$ 4,255	\$ (363,857)	\$ 258,074
Accrued payroll, taxes, and related expenses	-	-	-	-	28,357	-	28,357
Accrued vacation	67,922	-	-	-	-	-	67,922
Security deposits payable	3,451	-	8,828	23,723	6,946	-	42,948
Deferred revenue	-	-	-	-	8,096	-	8,096
Current portion - long term debt	-	-	-	37,645	5,115	-	42,760
Total current liabilities	311,502	-	329,739	118,004	52,769	(363,857)	448,157
LONG TERM LIABILITIES							
Notes payable	402,000	-	477,798	1,021,097	1,192,141	(1,351,635)	1,741,401
Developer fee and accrued interest	-	-	207,424	761,684	0	(967,498)	1,610
Total long-term liabilities	402,000	-	685,222	1,782,781	1,192,141	(2,319,133)	1,743,011
Total liabilities	713,502	-	1,014,961	1,900,785	1,244,910	(2,682,990)	2,191,168
NET ASSETS:							
Unrestricted net assets - undesignated	3,573,911	-	10,376	83,264	(1,117)	708,361	4,374,795
Parent interest in unrestricted net assets	92,523	92,523	-	-	-	(185,046)	-
Non-controlling interest in net assets	-	-	(203,312)	-	5,870,159	-	5,666,847
Total net assets	3,666,434	92,523	(192,936)	83,264	5,869,042	523,315	10,041,642
Total liabilities and net assets	\$ 4,379,936	\$ 92,523	\$ 822,025	\$ 1,984,049	\$ 7,113,952	\$ (2,159,675)	\$ 12,232,810

See Independent Auditor's Report on Supplementary Information

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2020**

	Parent	Subsidiaries (Unrestricted)					Eliminations	2020 Consolidated Total
	Unrestricted	Area Ten Development, Inc.	Cunot Apartments, L.P.	Edgewood Village Apartments, L.P.	Patterson Pointe Senior Residence, LLC			
REVENUE AND OTHER SUPPORT								
Federal grant revenue	\$ 1,796,073	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,796,073
State grant revenue	1,059,409	-	-	-	-	-	-	1,059,409
County support	255,726	-	-	-	-	-	-	255,726
Service fees	346,709	-	-	-	-	-	-	346,709
Project income	204,004	-	-	-	-	(119,528)	-	84,476
Medicaid	911,143	-	-	-	-	-	-	911,143
Donations:								
Indirect public support - United Way	32,920	-	-	-	-	-	-	32,920
Direct public support	110,645	-	-	-	-	-	-	110,645
Rental income	-	-	83,365	254,504	411,730	-	-	749,599
Miscellaneous income	66,615	-	654	761	8,035	-	-	76,065
In-kind support	102,209	-	-	-	-	-	-	102,209
Investment income (loss) - subsidiaries	(53,156)	(53,156)	-	-	-	106,312	-	-
Investment income	341	-	-	96	-	-	-	437
Total revenue and other support	\$ 4,832,638	\$ (53,156)	\$ 84,019	\$ 255,361	\$ 419,765	\$ (13,216)	\$	5,525,411

See Independent Auditor's Report on Supplementary Information.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS – (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020**

	Parent	Subsidiaries (Unrestricted)					2020 Consolidated Total
	Unrestricted	Area Ten Development, Inc.	Cunot Apartments, L.P.	Edgewood Village Apartments, L.P.	Patterson Pointe Senior Residence, LLC	Eliminations	
OPERATING EXPENSES							
Program services:							
Nutrition	\$ 282,040	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 282,040
Transportation	1,475,697	-	-	-	-	-	1,475,697
In-Home services	2,106,746	-	-	-	-	-	2,106,746
Health & Wellness	246,627	-	-	-	-	-	246,627
Information/Referral/Outreach	126,884	-	-	-	-	-	126,884
Housing	136,231	-	125,836	307,963	657,963	(159,634)	1,068,359
Total program expenses	<u>4,374,225</u>	<u>-</u>	<u>125,836</u>	<u>307,963</u>	<u>657,963</u>	<u>(159,634)</u>	<u>5,306,353</u>
Supporting services:							
Management and General	214,534	-	-	-	-	-	214,534
Total supporting services	<u>214,534</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>214,534</u>
Total operating expenses	<u>4,588,759</u>	<u>-</u>	<u>125,836</u>	<u>307,963</u>	<u>657,963</u>	<u>(159,634)</u>	<u>5,520,887</u>
Increase (decrease) in net assets	<u>243,879</u>	<u>(53,156)</u>	<u>(41,817)</u>	<u>(52,602)</u>	<u>(238,198)</u>	<u>146,418</u>	<u>4,524</u>
NET ASSETS - BEGINNING OF YEAR	3,666,434	92,523	(192,936)	83,264	5,869,042	523,315	10,041,642
Non-controlling interest in subsidiary's earnings	-	-	(41,399)	-	(238,062)	-	(279,461)
Controlling interest in subsidiary's earnings and parent	243,879	(53,156)	(418)	(52,602)	(136)	146,418	283,985
Distributions	-	-	-	-	(12,715)	-	(12,715)
NET ASSETS - END OF YEAR	<u>\$ 3,910,313</u>	<u>\$ 39,367</u>	<u>\$ (234,753)</u>	<u>\$ 30,662</u>	<u>\$ 5,618,129</u>	<u>\$ 669,733</u>	<u>\$ 10,033,451</u>

See Independent Auditor's Report on Supplementary Information.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2019**

	Parent	Subsidiaries (Unrestricted)				Eliminations	2019 Consolidated Total
	Unrestricted	Area Ten Development, Inc.	Cunot Apartments, L.P.	Edgewood Village Apartments, L.P.	Patterson Pointe Senior Residence, LLC		
REVENUE AND OTHER SUPPORT							
Federal grant revenue	\$ 1,430,880	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,430,880
State grant revenue	924,874	-	-	-	-	-	924,874
County support	135,837	-	-	-	-	-	135,837
Service fees	436,458	-	-	-	-	-	436,458
Project income	233,880	-	-	-	-	(119,428)	114,452
Medicaid	813,432	-	-	-	-	-	813,432
Donations:							
Indirect public support - United Way	33,410	-	-	-	-	-	33,410
Direct public support	76,379	-	-	-	-	-	76,379
Rental income	-	-	77,899	247,680	393,238	-	718,817
Miscellaneous income	15,385	-	440	270	5,595	-	21,690
In-kind support	102,886	-	-	-	-	-	102,886
Investment income (loss) - subsidiaries	(62,439)	(62,439)	-	-	-	124,878	-
Investment income	1,213	-	-	70	-	-	1,283
Total revenue and other support	\$ 4,142,195	\$ (62,439)	\$ 78,339	\$ 248,020	\$ 398,833	\$ 5,450	\$ 4,810,398

See Independent Auditor's Report on Supplementary Information.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS – (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

	Parent	Subsidiaries (Unrestricted)				Eliminations	2019
	Unrestricted	Area Ten Development, Inc.	Cunot Apartments, L.P.	Edgewood Village Apartments, L.P.	Patterson Pointe Senior Residence, LLC		Consolidated Total
OPERATING EXPENSES							
Program services:							
Nutrition	\$ 266,669	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 266,669
Transportation	1,227,387	-	-	-	-	-	1,227,387
In-Home services	1,531,398	-	-	-	-	-	1,531,398
Health & Wellness	318,857	-	-	-	-	-	318,857
Information/Referral/Outreach	129,221	-	-	-	-	-	129,221
Housing	128,388	-	140,835	309,702	673,870	(159,534)	1,093,261
Total program expenses	<u>3,601,920</u>	<u>-</u>	<u>140,835</u>	<u>309,702</u>	<u>673,870</u>	<u>(159,534)</u>	<u>4,566,793</u>
Supporting services:							
Management and General	317,065	-	-	-	-	-	317,065
Total supporting services	<u>317,065</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>317,065</u>
Total operating expenses	<u>3,918,985</u>	<u>-</u>	<u>140,835</u>	<u>309,702</u>	<u>673,870</u>	<u>(159,534)</u>	<u>4,883,858</u>
Increase (decrease) in net assets	<u>223,210</u>	<u>(62,439)</u>	<u>(62,496)</u>	<u>(61,682)</u>	<u>(275,037)</u>	<u>164,984</u>	<u>(73,460)</u>
NET ASSETS - BEGINNING OF YEAR	3,443,224	154,962	(130,440)	144,946	6,144,079	358,331	10,115,102
Non-controlling interest in subsidiary's earnings	-	-	(61,871)	-	(274,905)	-	(336,776)
Controlling interest in subsidiary's earnings and parent	223,210	(62,439)	(625)	(61,682)	(132)	164,984	263,316
NET ASSETS - END OF YEAR	<u>\$ 3,666,434</u>	<u>\$ 92,523</u>	<u>\$ (192,936)</u>	<u>\$ 83,264</u>	<u>\$ 5,869,042</u>	<u>\$ 523,315</u>	<u>\$ 10,041,642</u>

See Independent Auditor's Report on Supplementary Information.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020**

	Parent	Subsidiaries (Unrestricted)					2020
	Unrestricted	Area Ten Development, Inc.	Cunot Apartments, L.P.	Edgewood Village Apartments, L.P.	Patterson Pointe Senior Residence, LLC	Eliminations	Consolidated Total
CASH FLOWS FROM OPERATING ACTIVITIES:							
Increase (decrease) in net assets before non-controlling interests	\$ 243,879	\$ (53,156)	\$ (41,817)	\$ (52,602)	\$ (238,198)	\$ 146,418	\$ 4,524
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:							
Depreciation and amortization	36,745	-	43,349	87,071	321,816	-	488,981
(Gain) loss on investment in subsidiaries	53,156	53,156	-	-	-	(106,312)	-
Increase (decrease) in cash from changes in:							
Grants receivable	(31,283)	-	-	-	-	-	(31,283)
Accounts receivable	29,979	-	2,719	(616)	84	(6,218)	25,948
Prepaid expenses	(12,280)	-	-	-	26,403	-	14,123
Restricted cash	-	-	-	-	(4,878)	-	(4,878)
Accounts payable	(84,874)	-	6,315	6,061	7,108	6,218	(59,172)
Accrued payroll, taxes, and related expenses	5,220	-	-	-	1,084	-	6,304
Security deposits	(221)	-	519	1,332	3,250	-	4,880
Deferred revenue	-	-	-	-	(6,628)	-	(6,628)
Net cash provided by (used in) operating activities	240,321	-	11,085	41,246	110,041	40,106	442,799
CASH FLOWS FROM INVESTING ACTIVITIES:							
Purchase of property and equipment	(56,700)	-	-	(5,175)	(11,259)	-	(73,134)
Net change in beneficial interest	2,423	-	-	-	-	-	2,423
Net cash provided by (used in) investing activities	(54,277)	-	-	(5,175)	(11,259)	-	(70,711)
CASH FLOWS FROM FINANCING ACTIVITIES:							
Payments of accrued interest and developer fees	-	-	-	40,106	-	(40,106)	-
Distributions	-	-	-	-	(12,715)	-	(12,715)
Proceeds from notes payable	466,205	-	-	-	-	-	466,205
Principal payments against notes payable	-	-	-	(35,926)	(26,363)	-	(62,289)
Net cash provided by (used in) financing activities	466,205	-	-	4,180	(39,078)	(40,106)	391,201
NET INCREASE (DECREASE) IN CASH	652,249	-	11,085	40,251	59,704	-	763,289
CASH, BEGINNING OF YEAR	985,222	-	16,349	142,400	54,761	-	1,198,732
CASH, END OF YEAR	\$ 1,637,471	\$ -	\$ 27,434	\$ 182,651	\$ 114,465	\$ -	\$ 1,962,021
Supplemental disclosures of cash flow information:							
Cash paid during the year for interest	\$ -	\$ -	\$ -	\$ 26,190	\$ 19,219	\$ -	\$ 45,409

See Independent Auditor's Report on Supplementary Information.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019**

	Parent	Subsidiaries (Unrestricted)					Eliminations	2019 Consolidated Total
	Unrestricted	Area Ten Development, Inc.	Cunot Apartments, L.P.	Edgewood Village Apartments, L.P.	Patterson Pointe Senior Residence, LLC			
CASH FLOWS FROM OPERATING ACTIVITIES:								
Increase (decrease) in net assets before non-controlling interests	\$ 223,210	\$ (62,439)	\$ (62,496)	\$ (61,682)	\$ (275,037)	\$ 164,984	\$ (73,460)	
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:								
Depreciation and amortization	47,422	-	45,850	93,302	362,286	-	548,860	
(Gain) loss on investment in subsidiaries	62,439	62,439	-	-	-	(124,878)	-	
Increase (decrease) in cash from changes in:								
Grants receivable	56,626	-	-	-	-	-	56,626	
Accounts receivable	(35,464)	-	982	1,765	-	12,904	(19,813)	
Prepaid expenses	983	-	-	-	(7,686)	-	(6,703)	
Restricted cash	-	-	-	-	(3,897)	-	(3,897)	
Accounts payable	(18,963)	-	5,683	(3,361)	10,496	(12,904)	(19,049)	
Accrued payroll, taxes, and related expenses	2,245	-	-	-	(14,795)	-	(12,550)	
Security deposits	355	-	(653)	(1,368)	3,300	-	1,634	
Deferred Revenue	-	-	-	(267)	4,131	-	3,864	
Net cash provided by (used in) operating activities	338,853	-	(10,634)	28,389	78,798	40,106	475,512	
CASH FLOWS FROM INVESTING ACTIVITIES:								
Purchase of property and equipment	(881)	-	-	-	(7,722)	-	(8,603)	
Net change in beneficial interest	1,405	-	-	-	-	-	1,405	
Net cash provided by (used in) investing activities	524	-	-	-	(7,722)	-	(7,198)	
CASH FLOWS FROM FINANCING ACTIVITIES:								
Proceeds from developer fees and accrued interest on notes payable	-	-	-	40,106	(45,459)	(40,106)	(45,459)	
Proceeds from notes payable	-	-	-	-	-	-	-	
Principal payments against notes payable	-	-	-	(35,843)	(24,585)	-	(60,428)	
Net cash provided by (used in) financing activities	-	-	-	4,263	(70,044)	(40,106)	(105,887)	
NET DECREASE IN CASH	339,377	-	(10,634)	32,652	1,032	-	362,427	
CASH, BEGINNING OF YEAR	645,845	-	26,983	109,748	53,729	-	836,305	
CASH, END OF YEAR	\$ 985,222	\$ -	\$ 16,349	\$ 142,400	\$ 54,761	\$ -	\$ 1,198,732	
Supplemental disclosures of cash flow information:								
Cash paid during the year for interest	\$ -	\$ -	\$ -	\$ 24,450	\$ 19,219	\$ -	\$ 43,669	

See Independent Auditor's Report on Supplementary Information.

SINGLE AUDIT SECTION

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2020**

FEDERAL GRANTOR AGENCY				
Passthrough Agency				
Program Title	Federal CFDA Number	Grant or Identifying Number	Federal Award (in dollars \$)	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through the Indiana Department of Family and Social Services (FSSA): Aging Cluster:				
Title IIIA Administration	93.044	21693	16,445	\$ 12,263
Title IIIA Administration	93.044	38338	54,113	27,506
Title IIIA Administration - FFCRA	93.044	42910	9,906	9,905
Title IIIA Administration - CARES	93.044	42910	32,110	10,523
Title IIIB Grants for Supportive Services and Senior Centers	93.044	21693	79,815	39,623
Title IIIB Grants for Supportive Services and Senior Centers	93.044	38338	183,344	85,240
Title IIIB Grants for Supportive Services and Senior Centers - CARES	93.044	42910	74,295	74,295
Title IIIC Nutrition Services - Congregate Meals	93.045	21693	63,511	22,657
Title IIIC Nutrition Services - Congregate Meals	93.045	38338	96,137	48,653
Title IIIC Nutrition Services - Congregate Meals - FFCRA	93.045	42910	29,718	29,718
Title IIIC Nutrition Services - Home Delivered Meals	93.045	21693	56,469	34,280
Title IIIC Nutrition Services - Home Delivered Meals	93.045	38338	133,388	53,393
Title IIIC Nutrition Services - Home Delivered Meals - FFCRA	93.045	42910	61,875	61,875
Title IIIC Nutrition Services - Home Delivered Meals - CARES	93.045	42910	178,307	48,240
Nutrition Services Incentive Program	93.053	21693	9,187	9,187
Nutrition Services Incentive Program	93.053	38338	18,900	9,450
Passed through the West Central Indiana Economic Development District				
Title IIIB Social Services - Transportation	93.044	A5-19	25,000	6,000
Title IIIB Social Services - Transportation	93.044	A5-20	10,000	5,387
Total Aging Cluster				588,195
Passed through the Indiana Department of Family and Social Services (FSSA):				
Title VII - Long Term Care Ombudsman Services for Older Individuals	93.042	21693	1,190	917
Title VII - Long Term Care Ombudsman Services for Older Individuals	93.042	38338	3,391	2,252
Special Program for the Aging-Disease Prevention and Health Promotion Services	93.043	21693	5,004	1,430
Special Program for the Aging-Disease Prevention and Health Promotion Services	93.043	38338	10,123	6,321
National Family Caregiver Support, Title IIIE	93.052	21693	38,262	8,368
National Family Caregiver Support, Title IIIE	93.052	38338	64,853	33,186
National Family Caregiver Support, Title IIIE - CARES	93.052	42910	36,391	-
Social Services Block Grant	93.667	21693	59,718	48,769
Social Services Block Grant	93.667	38338	171,762	135,006
Total U.S. Department of Health and Human Services				824,444

See accompanying notes to Schedule of Expenditures of Federal Awards

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
JUNE 30, 2020**

FEDERAL GRANTOR AGENCY Passthrough Agency Program Title	Federal CFDA Number	Grant or Identifying Number	Federal Award (in dollars \$)	Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION				
Passed through the Indiana Department of Transportation and the Monroe County Commissioners:				
Formula Grant for Rural Areas - Mass Transit	20.509	A249-19-G180464	719,024	\$ 366,830
Formula Grant for Rural Areas - Mass Transit	20.509	A249-20-G190078	748,544	311,250
Bus and Bus Facilities Formula Program	20.526	A249-19-G180369	88,160	88,160
Bus and Bus Facilities Formula Program	20.526	A249-20-G190019	240,160	<u>59,360</u>
Total U.S. Department of Transportation				<u>825,600</u>
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				
Retired and Senior Volunteer Program	94.002	18SRNIN009	100,713	<u>100,713</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through City of Bloomington Housing and Neighborhood Development				
HOME Investment Partnership Act - loan	14.239	Patterson Point Senior Residence	n/a	** <u>402,000</u>
NATIONAL ENDOWMENT FOR THE HUMANITIES				
Passed through Community Foundation of Bloomington and Monroe County:				
Promotion of the Arts Partnership	45.025	NEA# 1855937-61-19	4,000	<u>4,000</u>
Total Schedule of Expenditures of Federal Awards				<u>\$ 2,156,757</u>

** Represents loan balance

See accompanying notes to Schedule of Expenditures of Federal Awards

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020**

Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Area 10 Council on Aging of Monroe and Owen Counties, Inc. and is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule Expenditures of Federal Awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3 – Indirect Costs

Area 10 Council on Aging of Monroe and Owen Counties, Inc. has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4 – HOME Loan

The Organization entered into an agreement with the City of Bloomington to borrow up to \$402,000 of Federal HOME Investment Partnership funds for use in the Patterson Pointe Senior Residence housing project. The note bears an interest rate of 0.0% and matures in June 2032. As of June 30, 2020 the note balance was \$402,000.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
SCHEDULE OF EXPENDITURES OF STATE AND LOCAL AWARDS
YEAR ENDED JUNE 30, 2020**

Passthrough Agency Program Title	Grant or Identifying Number	Grant Award (in dollars \$)	Expenditures
Passed through the Indiana Department of Family and Social Services (FSSA):			
CHOICE	36158	679,563	\$ 679,563
Older Hoosiers	36158	28,754	20,193
AL Ombudsman	21693	1,190	1,190
AL Ombudsman	38338	3,629	<u>2,449</u>
			<u>703,395</u>
Passed through the Indiana Department of Transportation and the Monroe County Commissioners:			
Formula Grant for Rural Areas - Mass Transit	A249-19-G180464/A249-20- G190078	306,875 / 308,250	287,518
Revenue Sharing - FTA Operating		48,756	48,756
Passed through the Owen County Treasurer			
Revenue Sharing - FTA Operating		4,000	4,000
Passed through the Lawrence County Commissioners			
Revenue Sharing - FTA Operating		22,000	22,000
Passed through the Putnam County Commissioners			
Revenue Sharing - FTA Operating		13,700	13,700
Passed through the City of Greencastle			
Revenue Sharing - FTA Operating		15,000	15,000
Passed through the Town of Spencer			
Revenue Sharing - FTA Operating		18,000	18,000
Indiana Supreme Court - Division of State Court			
VASIA		66,817	66,817
Monroe County Council			
Sofia Travis Comm Grant - Vol Guardianship Program		n/a	3,000
Passed through the City of Bloomington - Parks and Recreation			
Recreational Services for Senior Citizens		n/a	<u>7617</u>
Total Expenditures of State and Local Awards			<u>\$ 1,189,803</u>

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2020**

Section II – Financial Statement Findings

There were no financial statement findings for the year ended June 30, 2019.

Section III – Federal Award Findings and Questioned Costs

There were no federal award findings for the year ended June 30, 2019.



INDUSTRY ESTABLISHED | FOCUSED ON QUALITY

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Area 10 Council on Aging of Monroe and Owen Counties, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 24, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the organization's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.

Indianapolis, Indiana

November 24, 2020



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

Report on Compliance for Each Major Federal Program

We have audited Area 10 Council on Aging of Monroe and Owen Counties, Inc. and Subsidiaries' compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each Area 10 Council on Aging of Monroe and Owen Counties, Inc. and Subsidiaries' major federal programs for the year ended June 30, 2020. Area 10 Council on Aging of Monroe and Owen Counties, Inc. and Subsidiaries' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Area 10 Council on Aging of Monroe and Owen Counties, Inc.' 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 (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and 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 Area 10 Council on Aging of Monroe and Owen Counties, Inc. and Subsidiaries' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Area 10 Council on Aging of Monroe and Owen Counties, Inc. and Subsidiaries' compliance.

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

Management of Area 10 Council on Aging of Monroe and Owen Counties, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Area 10 Council on Aging of Monroe and Owen Counties, Inc. and Subsidiaries' 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 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 Area 10 Council on Aging of Monroe and Owen Counties, Inc. and Subsidiaries' 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.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.

Indianapolis, Indiana

November 24, 2020

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
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 No
- Significant deficiencies identified? Yes No

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified? Yes No

Type of auditor’s report issued: Unmodified

Any audit findings disclosed required to be reported in
Accordance with 2 CFR section 200.516(a) Yes No

Programs tested as major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.044*	U.S. Department of Health and Human Services—Special Programs for the Aging—Title III, Part B—Grants for Supportive Services and Senior Centers
93.045*	U.S. Department of Health and Human Services—Special Programs for the Aging—Title III, Part C-Nutrition Services
93.053*	U.S. Department of Health and Human Services—Nutrition Services Incentive Program

* Represents Aging Cluster

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

Auditee qualified as low-risk auditee? Yes No

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
YEAR ENDED JUNE 30, 2020**

Section II – Financial Statement Findings

There were no financial statement findings for the year ended June 30, 2020.

Section III – Federal Award Findings and Questioned Costs

There were no federal award findings for the year ended June 30, 2020.