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August 19, 2021

Board of Directors  
Area IV Agency on Aging and Community Action Programs, Inc.  
660 N. 36<sup>th</sup> Street  
Lafayette, IN 47905

We have reviewed the audit report of Area IV Agency on Aging and Community Action Programs, Inc. which was opined upon by Wipfli LLP, Independent Public Accountants, for the period January 1, 2019 to December 31, 2019. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Area IV Agency on Aging and Community Action Programs, Inc. as of December 31, 2019 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Wipfli LLP 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.

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

Paul D. Joyce, CPA  
State Examiner

# Area IV Agency on Aging Community Action Program, Inc.

Financial Statements and  
Supplementary Information

Year Ended December 31, 2019



# Area IV Agency on Aging and Community Action Programs, Inc.

Financial Statements and Supplementary Information  
Years Ended December 31, 2019 and 2018

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## **Independent Auditor's Report**

Board of Directors  
Area IV Agency on Aging and  
Community Action Programs, Inc.  
Lafayette, Indiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Area IV Agency on Aging and Community Action Programs, Inc., which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; 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 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 Area IV Agency on Aging and Community Action Programs, Inc. as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

## Other Matters

### *Supplementary Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of program activity and 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*, are presented for purposes of additional analysis, and are not required parts 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. 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 11, 2020, on our consideration of Area IV Agency on Aging and Community Action Programs, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of Area IV Agency on Aging and Community Action Programs, Inc.'s 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 Area IV Agency on Aging and Community Action Programs, Inc.'s internal control over financial reporting and compliance.



Wipfli LLP

December 11, 2020  
Madison, Wisconsin

# Area IV Agency on Aging and Community Action Programs, Inc.

## Statements of Financial Position

December 31, 2019 and 2018

<i>Assets</i>	<b>2019</b>	<b>2018</b>
Current assets:		
Cash and cash equivalents	\$ 405,990	\$ 365,653
Grants receivable	1,189,430	1,151,739
Prepaid expenses and other assets	75,431	33,402
Total current assets	1,670,851	1,550,794
Long-term assets: Beneficial interest in assets held by others	37,237	32,662
Property and equipment, net	232,509	82,729
<b>TOTAL ASSETS</b>	<b>\$ 1,940,597</b>	<b>\$ 1,666,185</b>
<i>Liabilities and Net Assets</i>		
Current liabilities:		
Accounts payable	\$ 476,255	\$ 525,033
Accrued payroll and related expenses	271,120	226,113
Refundable advances	19,667	166,067
Total current liabilities	767,042	917,213
Net assets:		
Without donor restriction	1,025,344	672,037
With donor restriction	148,211	76,935
Total net assets	1,173,555	748,972
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,940,597</b>	<b>\$ 1,666,185</b>

See accompanying notes to financial statements.

## Area IV Agency on Aging and Community Action Programs, Inc.

### Statements of Activities

Years Ended December 31, 2019 and 2018

	<b>2019</b>		
	<b>Without Donor Restriction</b>	<b>With Donor Restriction</b>	<b>Total</b>
<b>Revenue:</b>			
Grant revenue	\$ 9,540,914	\$ 17,213	\$ 9,558,127
Program income	1,256,735	23,007	1,279,742
Cash contributions	11,219	0	11,219
Special events	46,934	26,481	73,415
Change in beneficial interest in assets held by others	0	6,164	6,164
In-kind contributions	14,737	0	14,737
Net assets released from restrictions	1,589	( 1,589)	0
<b>Total revenue</b>	<b>10,872,128</b>	<b>71,276</b>	<b>10,943,404</b>
<b>Expenses:</b>			
<b>Program activities:</b>			
Energy assistance	4,055,975	0	4,055,975
Weatherization	839,698	0	839,698
Housing	875,012	0	875,012
Case management	908,623	0	908,623
Transportation	186,786	0	186,786
Community services	497,834	0	497,834
Other programs	2,444,403	0	2,444,403
<b>Total program expenses</b>	<b>9,808,331</b>	<b>0</b>	<b>9,808,331</b>
<b>Supportive services:</b>			
Management and general	710,490	0	710,490
<b>Total expenses</b>	<b>10,518,821</b>	<b>0</b>	<b>10,518,821</b>
Changes in net assets	353,307	71,276	424,583
Net assets - Beginning of year	672,037	76,935	748,972
<b>Net assets - End of year</b>	<b>\$ 1,025,344</b>	<b>\$ 148,211</b>	<b>\$ 1,173,555</b>

See accompanying notes to financial statements.

## Area IV Agency on Aging and Community Action Programs, Inc.

### Statements of Activities (Continued)

Years Ended December 31, 2019 and 2018

	2018		
	Without Donor Restriction	With Donor Restriction	Total
Revenue:			
Grant revenue	\$ 9,690,150	\$ 0	\$ 9,690,150
Program income	946,920	0	946,920
Cash contributions	68,292	0	68,292
Special events	46,127	0	46,127
Change in beneficial interest in assets held by others	0	( 3,519)	( 3,519)
In-kind contributions	57,016	0	57,016
Net assets released from restrictions	1,498	( 1,498)	0
Total revenue	10,810,003	( 5,017)	10,804,986
Expenses:			
Program activities:			
Energy assistance	4,362,407	0	4,362,407
Weatherization	809,478	0	809,478
Housing	895,546	0	895,546
Case management	805,960	0	805,960
Transportation	59,060	0	59,060
Community services	438,952	0	438,952
Other programs	2,517,139	0	2,517,139
Total program expenses	9,888,542	0	9,888,542
Supportive services:			
Management and general	744,751	0	744,751
Total expenses	10,633,293	0	10,633,293
Changes in net assets	176,710	( 5,017)	171,693
Net assets - Beginning of year	495,327	81,952	577,279
Net assets - End of year	\$ 672,037	\$ 76,935	\$ 748,972

See accompanying notes to financial statements.

## Area IV Agency on Aging and Community Action Programs, Inc.

### Statements of Functional Expenses

Year Ended December 31, 2019

	Energy Assistance	Weatherization	Housing	Care Management	Transportation	Community Services	Other Programs	Total Program Expenses	Management and General	Total
Expenses										
Salaries	\$ 260,587	\$ 204,529	\$ 88,695	\$ 547,854	\$ 30,830	\$ 289,522	\$ 535,277	\$ 1,957,294	\$ 468,605	\$ 2,425,899
Fringe	30,738	42,968	14,594	149,046	6,642	64,905	105,326	414,219	107,248	521,467
Contract services	12,480	5,584	2,834	21,057	1,278	10,056	19,738	73,027	11,779	84,806
Travel	3,053	10,757	2,135	18,698	5,445	709	13,015	53,812	8,026	61,838
Space	45,983	13,559	6,297	57,277	2,762	25,142	52,542	203,562	27,313	230,875
Consumable supplies	59,581	11,154	9,211	44,086	4,077	77,524	638,383	844,016	54,393	898,409
Equipment lease	258	131	66	458	23	277	404	1,617	262	1,879
Direct client assistance	3,586,643	526,641	742,730	44,540	108,010	8,181	1,048,154	6,064,899	94	6,064,993
Other operational	56,652	24,375	8,450	25,607	27,719	18,618	24,954	186,375	27,543	213,918
In-kind expense	0	0	0	0	0	2,900	6,610	9,510	5,227	14,737
<b>Total Expenses</b>	<b>\$4,055,975</b>	<b>\$ 839,698</b>	<b>\$ 875,012</b>	<b>\$ 908,623</b>	<b>\$ 186,786</b>	<b>\$ 497,834</b>	<b>\$2,444,403</b>	<b>\$ 9,808,331</b>	<b>\$ 710,490</b>	<b>\$ 10,518,821</b>

See accompanying notes to financial statements.

## Area IV Agency on Aging and Community Action Programs, Inc.

### Statements of Functional Expenses (Continued)

Year Ended December 31, 2018

	Energy Assistance	Weatherization	Housing	Care Management	Transportation	Community Services	Other Programs	Total Program Expenses	Management and General	Total
Expenses										
Salaries	\$ 171,347	\$ 201,766	\$ 87,432	\$ 513,250	\$ 31,097	\$ 261,444	\$ 463,796	\$ 1,730,132	\$ 463,645	\$ 2,193,777
Fringe	12,819	42,348	16,863	131,885	8,425	47,039	113,109	372,488	107,871	480,359
Contract services	9,521	5,826	3,236	23,462	1,114	13,427	66,049	122,635	24,128	146,763
Travel	2,848	10,938	2,495	20,476	6,579	1,251	15,753	60,340	8,784	69,124
Space	36,280	13,345	6,899	56,464	2,151	22,200	47,445	184,784	28,532	213,316
Consumable supplies	30,044	5,502	5,295	14,381	1,736	49,919	640,682	747,559	46,092	793,651
Equipment lease	1,990	150	82	543	28	360	515	3,668	355	4,023
Direct client assistance	4,078,721	512,061	766,337	20,960	0	25,548	1,111,203	6,514,830	6,172	6,521,002
Other operational	18,837	17,542	6,907	24,539	7,390	17,718	25,745	118,678	35,584	154,262
In-kind expense	0	0	0	0	540	46	32,842	33,428	23,588	57,016
<b>Total Expenses</b>	<b>\$ 4,362,407</b>	<b>\$ 809,478</b>	<b>\$ 895,546</b>	<b>\$ 805,960</b>	<b>\$ 59,060</b>	<b>\$ 438,952</b>	<b>\$ 2,517,139</b>	<b>\$ 9,888,542</b>	<b>\$ 744,751</b>	<b>\$ 10,633,293</b>

See accompanying notes to financial statements.

## Area IV Agency on Aging and Community Action Programs, Inc.

### Statements of Cash Flows

Years Ended December 31, 2019 and 2018

	2019	2018
Increase in cash and cash equivalents:		
Cash flows from operating activities:		
Changes in net assets	\$ 424,583	\$ 171,693
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Change in value of beneficial interest in assets held by others	( 6,164)	3,519
Depreciation	34,455	15,741
Changes in operating assets and liabilities:		
Grants receivable	( 37,691)	( 191,340)
Prepaid expenses and other assets	( 42,029)	5,587
Accounts payable	( 48,778)	99,828
Accrued payroll and related expenses	45,007	18,351
Refundable advances	( 146,400)	104,766
Net cash provided by operating activities	222,983	228,145
Cash flows from investing activities:		
Purchase of property and equipment	( 184,235)	( 44,310)
Transfers from Community Foundation	1,589	1,498
Net cash used in investing activities	( 182,646)	( 42,812)
Cash flows from financing activities:		
Payments on line of credit	0	( 128,620)
Proceeds from line of credit	0	100,000
Net cash used in financing activities	0	( 28,620)
Changes in cash and cash equivalents	40,337	156,713
Cash and cash equivalents - Beginning of year	365,653	208,940
Cash and cash equivalents - End of year	\$ 405,990	\$ 365,653
<b>Supplemental schedule of other cash activity:</b>		
Interest paid and expensed	\$ 25	\$ 2,810

See accompanying notes to financial statements.

# Area IV Agency on Aging and Community Action Programs, Inc.

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies**

#### **Nature of Operations**

Area IV Agency on Aging and Community Action Programs, Inc. (the “Organization”) is an Indiana nonprofit corporation administering programs that assist older adults and low-income persons in mid-northwest Indiana. Its operations are supported primarily by grants from, and contracts with, government agencies. Revenues from governmental sources were approximately 87% and 90% of total revenue for the years ended December 31, 2019 and 2018, respectively. In addition, for the years ended December 31, 2019 and 2018, approximately 59% and 60% of total revenue was received from Indiana Housing and Community Development Authority and approximately 25% and 26% of total revenue was received from Indiana Family and Social Services Administration.

#### **Basis of Presentation**

The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

#### **Classification of Net Assets**

Net assets and revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

**Net Assets Without Donor Restrictions** - Net assets that are not subject to donor-imposed stipulations and donor-imposed stipulations that are met in the year of the contribution.

**Net Assets With Donor Restrictions** - Net assets subject to donor-imposed stipulations. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other explicit donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

#### **Use of Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **Cash and Cash Equivalents**

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

# Area IV Agency on Aging and Community Action Programs, Inc.

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Property and Equipment**

Property and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful life of the asset. The Organization capitalizes property and equipment purchased with a cost greater than \$5,000 and a useful life of more than one year. Donations of property and equipment are recorded as support at their estimated fair value on the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. If there are no donor restrictions, regarding how long a donated asset must be maintained, the Organization reports expirations of donor restrictions when the donated assets are placed in service.

Property and equipment purchased with grant funds are owned by the Organization while used in the program for which they were purchased or in other future authorized programs. However, the various funding sources have a reversionary interest in the property and equipment purchased with grant funds. Its disposition, as well as the ownership of any proceeds therefrom, is subject to funding source regulations. The net book value of property and equipment purchased with grant funds is \$200,015 and \$41,373 at December 31, 2019 and 2018, respectively. These assets are included in the property and equipment shown on the statements of financial position.

#### **Beneficial Interest in Assets Held by Others**

The Organization recognizes its beneficial rights in assets held by others unless the donor has granted the recipient organization variance power. However, if the Organization is both the donor and the beneficiary of the assets, those rights are recognized even if the recipient organization has been granted variance power.

The beneficial interest in assets held by others is stated at fair value, based on the value of the underlying assets, as provided by the Community Foundation that holds the assets, which approximates the present value of expected future distributions. Changes in the value of the beneficial interest are included in revenue in the statements of activities.

#### **Revenue Recognition**

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identifying of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

# Area IV Agency on Aging and Community Action Programs, Inc.

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Revenue Recognition (Continued)**

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions.

Program income represent amounts contributed by program beneficiaries, individuals, or organizations. The income is to help defray the cost of a specific program. The income is recognized as donor restricted revenue and the income is used in the specific program when there is a stipulation by the donor. If the restriction is satisfied in the period the income is received, the income is recorded as revenue without donor restrictions.

#### **Grant Revenue**

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

##### **A. Grant Awards That Are Contributions**

Grants awards that are contributions are evaluated for conditions and recognized as revenue when conditions in the award are satisfied. Unconditional awards are recognized as revenue when the award is received. Amounts received in which conditions have not been met are reported as a refundable advance liability.

##### **B. Grant Awards That Are Exchange Transactions**

Exchange transactions are reimbursed based on a predetermined rate for services performed. Revenue is recognized in the period the service is performed. Amounts received in excess of recognized revenue are reflected as deferred revenue.

#### **Energy Assistance Payments**

Indiana Housing and Community Development Authority (“IHCDA”) makes energy assistance payments for participants in the Low Income Home Energy Assistance Program directly to the energy providers on behalf of all entities administering the program. Because the Organization performs all intake functions and is liable for errors made in determining participant eligibility, such payments made by IHCDA to the providers are recorded as both grant revenue and energy assistance expense in the accompanying financial statements. The Organization recognized \$3,664,382 and \$3,941,992 of revenue and expense during the years ended December 31, 2019 and 2018, for such payments made by IHCDA.

#### **Special Events Revenue**

Special events revenue consists of amounts received related to a special event. The revenue is recognized in the period the special event takes place and any services have been substantially performed.

# Area IV Agency on Aging and Community Action Programs, Inc.

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **In-Kind Contributions**

The Organization recognizes in-kind contributions for space, donated materials, and professional services in the statements of activities in accordance with a financial accounting standard related to accounting for contributions received and contributions made. The Organization recognized in-kind contributions for space, donated materials, and professional services of \$14,737 and \$57,016 during the years ended December 31, 2019 and 2018. This standard requires that only contributions of services received that create or enhance a nonfinancial asset or require specialized skill by the individual possessing those skills and would typically need to be purchased if not provided by donation be recorded. The requirements of this standard are different than the in-kind requirements of several of the Organization's grant awards. The Organization has received contributions of nonprofessional volunteers in the amounts of \$129,403 and \$144,851 during the years ended December 31, 2019 and 2018, predominantly in the Aging programs, which are not recorded on the statements of activities.

#### **Functional Allocation of Costs**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The Organization utilizes various cost allocation formulas to distribute certain direct and shared costs, such as salaries, fringe, materials, etc. to its programs. Costs, which are common to more than one program, have been identified and classified into cost pools. These cost pools have been allocated to the programs based on formulas developed by the Organization, which approximate the benefits each program derives from the costs. Occupancy and related costs are allocated based on square footage.

#### **Income Taxes**

The Organization has been granted exemption from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is exempt from Indiana state tax as well.

The Organization is required to assess whether it is more likely than not that a tax position will be sustained upon examination on the technical merits of the position assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the financial statements. The Organization has determined there are no amounts to record as assets or liabilities related to uncertain tax positions.

# Area IV Agency on Aging and Community Action Programs, Inc.

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Change in Accounting Policy**

On June 21, 2018, the FASB issued ASU 2018-08 *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this ASU assist in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) subject to Subtopic 958-605 or as exchange (reciprocal) transactions subject to Accounting Standards Codification 606 and (2) determining whether a contribution is conditional. The contribution guidance in Subtopic 958-605 requires an entity to determine whether a transaction is conditional, which affects the timing of the revenue recognized. The Organization has applied the amendments in this ASU on a modified prospective basis. There was no change on opening balances of net assets and no prior period results were restated.

#### **New Accounting Pronouncements**

In 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606). This ASU, as amended, provides comprehensive guidance on the recognition of revenue from customers arising from the transfer of goods and services, guidance on accounting for certain contract costs, and new disclosures. The new standard replaces the current revenue recognition requirements and most industry-specific guidance. When adopted, the amendments in this ASU must be applied using one of two retrospective methods. ASU No. 2014-09 is effective for nonpublic entities for annual periods beginning after December 15, 2018. On June 3, 2020, FASB issued ASU No. 2020-05, *Revenue from Contracts with Customers* (Topic 606) and *Leases* (Topic 842) that extended the effective date for certain entities to annual periods beginning after December 15, 2019. The Organization is currently evaluating the impact of the provisions of ASU Topic 606.

In 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842), which is intended to improve financial reporting on leasing transactions. ASU No. 2016-02 will require lessees to recognize right of use assets and lease obligations for operating and finance leases under terms greater than 12 months. ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2021, with early adoption permitted. ASU No. 2016-02 must be applied modified retrospectively. On June 3, 2020, FASB issued ASU No. 2020-05, *Revenue from Contracts with Customers* (Topic 606) and *Leases* (Topic 842) that extended the effective date for certain entities to annual periods beginning after December 15, 2021. The Organization is currently evaluating the impact of the provisions of ASU Topic 842.

#### **Reclassification**

Certain amounts as previously reported in the December 31, 2018 financial statements have been reclassified to conform to the December 31, 2019 presentation. Such reclassifications have no effect on reported amounts of net assets or change in net assets.

### **Note 2: Concentration of Credit Risk**

The Organization maintains cash balances at three financial institutions. Balances in the bank accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times during the year, balances in these accounts may exceed the insurance limits. Management believes these financial institutions have strong credit ratings and the credit risk related to these deposits is minimal.

# Area IV Agency on Aging and Community Action Programs, Inc.

## Notes to Financial Statements

### Note 3: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions or designations limiting their use, within twelve months of the statement of financial position date, are comprised of the following as of December 31:

	2019	2018
Cash and cash equivalents	\$ 405,990	\$ 365,653
Grants receivable	1,189,430	1,151,739
Subtotal financial assets	1,595,420	1,517,392
Cash and cash equivalents included in net assets with donor restrictions	( 27,920)	( 18,795)
Accounts payable	( 476,255)	( 525,033)
Accrued payroll and related expenses	( 271,120)	( 226,113)
Refundable advances	( 19,667)	( 166,067)
<b>Totals</b>	<b>\$ 800,458</b>	<b>\$ 581,384</b>

The Organization does not have a formal liquidity policy but generally maintains financial assets in liquid form such as cash and cash equivalents for approximately three to four months of operating expenses. The Organization also has one line of credit available for cash flow needs up to \$250,000 as further described in Note 7. The Organization can rely on a lower cash balance as it is primarily funded with cost reimbursement grants. Under cost reimbursement grants, an organization can request reimbursement from the funding source. In addition, the Organization has grant commitments available for future expenses of approximately \$5,455,000 as further described in Note 15.

### Note 4: Grants Receivable

The Organization had grants receivable as of December 31 from the following sources:

	2019	2018
Indiana Family and Social Services Administration	\$ 627,291	\$ 670,147
Indiana Housing and Community Development Authority	491,256	263,814
Other sources	70,883	217,778
<b>Totals</b>	<b>\$ 1,189,430</b>	<b>\$ 1,151,739</b>

# Area IV Agency on Aging and Community Action Programs, Inc.

## Notes to Financial Statements

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### Note 5: Property and Equipment

The following summarizes the Organization's property and equipment as of December 31:

	<b>2019</b>	<b>2018</b>
Vehicles	\$ 419,963	\$ 347,745
Program equipment	151,525	151,525
Subtotal	571,488	499,270
Accumulated depreciation	( 338,979)	( 416,541)
Property and equipment, net	\$ 232,509	\$ 82,729

### Note 6: Beneficial Interest in Assets Held by Others

The Organization is the beneficiary of an endowment fund held by Greater Lafayette Community Foundation (the "Community Foundation"), to which members of the community contributed to the fund through the Organization or donated directly to the Community Foundation. The Organization and donors have granted the Community Foundation variance power in the determination of annual distributions and transfer of the accounts to other community organizations in certain circumstances. The contributions made through the Organization total \$23,455. The value of the portion of the fund attributable to contributions made through the Organization at December 31, 2019 and 2018 is \$37,237 and \$32,662, respectively, which is reported as beneficial interest in assets held by others in the accompanying statements of financial position. The changes in the value of the fund were an increase of \$4,575 in 2019, and a decrease of \$5,017 in 2018, and are reported as such in the accompanying statements of activities. Distributions received from the fund in 2019 were \$1,589 and 2018 were \$1,498.

### Note 7: Line of Credit

The Organization has a \$250,000 line of credit from a bank that is collateralized by deposit accounts. At December 31, 2019, the interest rate was 5.25%. There was no balance on the line of credit for the years ended December 31, 2019 and December 31, 2018.

### Note 8: Refundable Advances

The Organization had refundable advances of the following as of December 31:

	<b>2019</b>	<b>2018</b>
Medicaid waiver program	\$ 0	\$ 50,000
Other programs	19,667	116,067
Totals	\$ 19,667	\$ 166,067

# Area IV Agency on Aging and Community Action Programs, Inc.

## Notes to Financial Statements

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### Note 9: Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following as of December 31:

	2019	2018
Subject to expenditure for specified purposes	\$ 110,974	\$ 44,273
Beneficial interest – perpetual in nature	23,455	23,455
Beneficial interest – investment earnings	13,782	9,207
<u>Totals</u>	<u>\$ 148,211</u>	<u>\$ 76,935</u>

Net assets released from restrictions through satisfaction of program restrictions was \$1,589 and \$1,498 at December 31, 2019 and 2018, respectively.

### Note 10: Related Party

The Organization is related through common management to Area IV Development, Inc. (“Area IV Development”), an Indiana nonprofit corporation exempt from income tax under Internal Revenue Code Section 501(c)(3). Under Area IV Development’s bylaws, the Organization appoints both one-third of Area IV Development’s Board of Directors and its President, who must also be the Organization’s Executive Director. Area IV Development provides affordable housing projects that benefit low and moderate-income persons, older adults, disabled, and homeless persons.

For the year ended December 31, 2019, the Organization recorded revenue of \$35,848 for shared personnel and administrative services, and there were no amounts subcontracted to Area IV Development. At December 31, 2019, the Organization had a receivable from Area IV Development of \$11,914 and no amount payable to Area IV Development.

For the year ended December 31, 2018, the Organization recorded revenue of \$34,732 for shared personnel and administrative services, and there were no amounts subcontracted to Area IV Development. At December 31, 2018, the Organization had a receivable from Area IV Development of \$5,698 and no amount payable to Area IV Development.

For the year ended December 31, 2018, the Organization received a contribution of \$50,000 for the purchase of a new phone system from Area IV Development.

The Board approved transactions with Teragraphics Ink, LLC, which is related to the Organization through a member of the Board. The related board member recused herself from the vote. Teragraphics Ink LLC. has been hired for a number of printing projects that include item such as flyers, medal ribbons and various other brochures totaling \$11,288 and \$20,825 for the years ending December 31, 2019 and 2018. At December 31, 2019 and 2018, the amount payable to Teragraphics Ink LLC. was \$0 and \$7,975.

# Area IV Agency on Aging and Community Action Programs, Inc.

## Notes to Financial Statements

### Note 11: Fair Value Measurements

Generally accepted accounting principles require disclosure of the measurement of assets and liabilities at fair value. In general, the Organization determines fair values determined by Level 1 inputs utilizing quoted market prices in active markets. Fair values determined by Level 2 inputs utilize market information that is observable, such as quoted market prices for similar items, broker/dealer quotes, or models using market interest rates or yield curves. Fair values determined by Level 3 inputs are based on valuation models or methodologies that incorporate at least one significant assumption that cannot be corroborated by observable market data. Level 3 measurements reflect the Organization's estimates about assumptions market participants would use in measuring fair value of the asset or liability.

Some assets and liabilities are measured at fair value on a recurring basis under accounting principles generally accepted in the United States. Other assets and liabilities are measured at fair value on a nonrecurring basis. The Organization does not have any assets or liabilities measured at fair value on a nonrecurring basis or liabilities that are measured at fair value on a recurring basis.

Information regarding the fair value of assets measured at fair value on a recurring basis as of December 31, 2019, is as follows:

	Assets Measured at Fair Value	Recurring Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Beneficial interest in assets held by others	\$ 37,237	\$ 0	\$ 0	\$ 37,237
Totals	\$ 37,237	\$ 0	\$ 0	\$ 37,237

Information regarding the fair value of assets measured at fair value on a recurring basis as of December 31, 2018, is as follows:

	Assets Measured at Fair Value	Recurring Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Beneficial interest in assets held by others	\$ 32,662	\$ 0	\$ 0	\$ 32,662
Totals	\$ 32,662	\$ 0	\$ 0	\$ 32,662

# Area IV Agency on Aging and Community Action Programs, Inc.

## Notes to Financial Statements

### Note 11: Fair Value Measurements (Continued)

The following is a description of the valuation methodology used for the asset measured at fair value on a recurring basis:

- Beneficial interest in assets held by others is valued based on the market value of the underlying assets, consisting mainly of equity securities and fixed-income securities, which are valued based on quoted market prices, based on recent trading activity and other observable market data.

Information regarding the fair value of assets measured at fair value on a recurring basis using Level 3 inputs as of December 31, 2019 and 2018, is as follows:

	2019	2018
Balance at beginning of year	\$ 32,662	\$ 37,679
Distributions	( 1,589)	( 1,498)
Change in value	6,164	( 3,519)
Balance at end of year	\$ 37,237	\$ 32,662

### Note 12: Endowment

The Organization's endowment consists of a fund established for the furtherance of the purpose and work of the Organization. The Organization's endowment is a donor restricted endowment. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as adopted by the State of Indiana, as requiring the Organization to preserve the fair value of the donor's original gift, as of the date of the gift, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization retains in perpetuity (a) the original value of the donor's gifts, (b) the original value of a donor's subsequent gifts, and (c) accumulations made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Organization in a manner consistent with the standards of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

The investment and spending policies for this fund are established by the Community Foundation's governing body and are not under the control of the Organization.

The change in the endowment for the years ended December 31, 2019 and 2018 is disclosed in Note 11.

# Area IV Agency on Aging and Community Action Programs, Inc.

## Notes to Financial Statements

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### Note 13: Operating Leases

The Organization leases various facilities for operation of its programs. Rent expense for the year ended December 31, 2019 and 2018 was \$139,599 and \$134,466, respectively. Future minimum lease payments beyond December 31, 2019, are as follows:

2020	\$	111,275
2021		71,176
<hr/>		
Total	\$	182,451

### Note 14: Retirement Plan

The Organization has a defined contribution retirement plan covering substantially all employees who meet certain eligibility requirements. The Organization contributes 3% of the gross salaries of employees who have provided at least two years of continuous service. The Organization's contribution to the plan was \$50,271 and \$52,208 for the years ended December 31, 2019 and 2018, respectively.

### Note 15: Grant Awards

As of December 31, 2019, the Organization had received commitments for future funding under various grant awards of approximately \$5,455,000. These commitments are not recognized in the accompanying financial statements as they are conditional awards.

### Note 16: Subsequent Events

Subsequent events have been evaluated through December 11, 2020, which is the date the financial statements were available to be issued.

Beginning in March 2020, the United States economy began suffering adverse effects from the COVID 19 virus crisis ("CV19 Crisis"). While the Organization revenues are primarily derived from federal and state grant sources which currently have not been impacted, other sources of revenue were impacted. Management believes the Organization is taking appropriate actions to mitigate any negative impact. The future impact of the CV19 Crisis on the Organization cannot be reasonably estimated at this time.

# **Supplementary Information**

# Area IV Agency on Aging and Community Action Programs, Inc.

## Schedule A-1

### Schedule of Program Activity

Year Ended December 31, 2019

	FEDERAL PROGRAMS							
	Total	Department of Agriculture			HUD		DOT	
		10.558			10.559	14.228	14.871	20.507
		Child & Adult Care Food (1)	Child & Adult Care Food (2)	10.558 Subtotal	Child Nutrition (3)	Community Development Block Grant (4)	Section 8 Housing (5)	Federal Transit Formula Grants (6)
<b>REVENUE</b>								
Grant revenue	\$ 9,558,127	\$ 17,030	\$ 6,226	\$ 23,256	\$ 1,164	\$ 32,760	\$ 844,054	\$ 142,164
Program income	1,279,742	0	0	0	0	0	0	19,207
Cash contributions	11,219	679	0	679	0	0	0	0
Special events	73,415	0	0	0	0	0	0	0
Change in beneficial interest	6,164	0	0	0	0	0	0	0
In-kind contributions	14,737	0	0	0	0	0	0	0
CSBG transfers	0	0	0	0	0	0	45,226	22,606
Older Hoosier transfers	0	0	0	0	0	0	0	0
Other transfers	0	0	0	0	( 1)	3,883	( 550)	12,924
<b>Total Revenue</b>	<b>10,943,404</b>	<b>17,709</b>	<b>6,226</b>	<b>23,935</b>	<b>1,163</b>	<b>36,643</b>	<b>888,730</b>	<b>196,901</b>
<b>EXPENSES</b>								
Salaries	2,425,899	0	0	0	288	3,246	101,772	38,644
Fringe	521,467	0	0	0	113	992	17,307	8,345
Contract services	84,806	0	0	0	0	37	3,253	1,449
Travel	61,838	0	0	0	0	27	2,136	5,451
Space	230,875	0	0	0	7	6	7,159	2,868
Consumable supplies	898,409	17,516	6,226	23,742	575	242	9,477	112,030
Equipment lease	1,879	0	0	0	0	0	76	27
Direct client assistance	6,064,993	193	0	193	0	32,081	742,698	164
Other operational	213,918	0	0	0	180	12	4,852	27,923
In-kind expense	14,737	0	0	0	0	0	0	0
<b>Total Expenses</b>	<b>10,518,821</b>	<b>17,709</b>	<b>6,226</b>	<b>23,935</b>	<b>1,163</b>	<b>36,643</b>	<b>888,730</b>	<b>196,901</b>
<b>Change in Net Assets</b>	<b>424,583</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net assets - Beginning of year	748,972	0	0	0	0	0	0	0
<b>NET ASSETS - End of year</b>	<b>1,173,555</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

See Independent Auditor's Report.

# Area IV Agency on Aging and Community Action Programs, Inc.

## Schedule A-2

### Schedule of Program Activity

Year Ended December 31, 2019

	FEDERAL PROGRAMS						
	Department of Energy			Department of Health and Human Services			
	81.042			93.042		93.043	
	Weatherization	Weatherization	81.042	Title VII Long	Title VII Long	93.042	Title III
(7)	(8)	Subtotal	Term	Term	Subtotal	Prevention	
			Care	Care		(11)	
			(9)	(10)			
<b>REVENUE</b>							
Grant revenue	\$ 109,495	\$ 270,153	\$ 379,648	\$ 11,149	\$ 4,065	\$ 15,214	\$ 16,800
Program income	0	0	0	0	0	0	472
Cash contributions	0	0	0	0	0	0	194
Special events	0	0	0	0	0	0	0
Change in beneficial interest	0	0	0	0	0	0	0
In-kind contributions	0	0	0	0	0	0	0
CSBG transfers	0	0	0	1,082	0	1,082	18,316
Older Hoosier transfers	0	0	0	0	0	0	0
Other transfers	62	290	352	0	0	0	( 1,345)
<b>Total Revenue</b>	<b>109,557</b>	<b>270,443</b>	<b>380,000</b>	<b>12,231</b>	<b>4,065</b>	<b>16,296</b>	<b>34,437</b>
<b>EXPENSES</b>							
Salaries	42,879	89,829	132,708	0	0	0	26,216
Fringe	8,394	19,686	28,080	0	0	0	1,078
Contract services	673	2,546	3,219	0	0	0	1,216
Travel	481	2,660	3,141	0	0	0	664
Space	1,506	4,937	6,443	0	0	0	3,295
Consumable supplies	710	5,023	5,733	0	0	0	803
Equipment lease	11	81	92	0	0	0	27
Direct client assistance	51,306	135,682	186,988	12,231	4,065	16,296	0
Other operational	3,597	9,999	13,596	0	0	0	1,138
In-kind expense	0	0	0	0	0	0	0
<b>Total Expenses</b>	<b>109,557</b>	<b>270,443</b>	<b>380,000</b>	<b>12,231</b>	<b>4,065</b>	<b>16,296</b>	<b>34,437</b>
<b>Change in Net Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net assets - Beginning of year	0	0	0	0	0	0	0
<b>NET ASSETS - End of year</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

See Independent Auditor's Report.

# Area IV Agency on Aging and Community Action Programs, Inc.

## Schedule A-3

### Schedule of Program Activity

Year Ended December 31, 2019

	FEDERAL PROGRAMS						
	Department of Health and Human Services						
	93.043		93.044				
	Title III Prevention (12)	93.043 Subtotal	Title III Admin Services (13)	Title III Admin Services (14)	Title III Supportive Services (15)	Title III Supportive Services (16)	93.044 Subtotal
<b>REVENUE</b>							
Grant revenue	\$ 4,990	\$ 21,790	\$ 68,387	\$ 24,473	\$ 234,457	\$ 73,361	\$ 400,678
Program income	193	665	0	0	6,030	1,631	7,661
Cash contributions	0	194	0	0	4,000	0	4,000
Special events	0	0	0	0	0	0	0
Change in beneficial interest	0	0	0	0	0	0	0
In-kind contributions	950	950	20,279	1,050	0	0	21,329
CSBG transfers	8,773	27,089	0	0	15,196	30,763	45,959
Older Hoosier transfers	0	0	0	0	13,751	0	13,751
Other transfers	10	( 1,335)	43	0	12,363	2,785	15,191
<b>Total Revenue</b>	<b>14,916</b>	<b>49,353</b>	<b>88,709</b>	<b>25,523</b>	<b>285,797</b>	<b>108,540</b>	<b>508,569</b>
<b>EXPENSES</b>							
Salaries	11,574	37,790	48,136	18,302	103,834	50,975	221,247
Fringe	450	1,528	11,373	3,988	19,993	7,982	43,336
Contract services	251	1,467	1,550	344	4,850	1,210	7,954
Travel	106	770	55	18	6,079	584	6,736
Space	967	4,262	3,537	1,120	12,657	3,667	20,981
Consumable supplies	195	998	1,979	401	8,294	2,310	12,984
Equipment lease	0	27	39	0	105	0	144
Direct client assistance	0	0	0	0	123,499	40,857	164,356
Other operational	423	1,561	1,761	300	6,486	955	9,502
In-kind expense	950	950	20,279	1,050	0	0	21,329
<b>Total Expenses</b>	<b>14,916</b>	<b>49,353</b>	<b>88,709</b>	<b>25,523</b>	<b>285,797</b>	<b>108,540</b>	<b>508,569</b>
<b>Change in Net Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net assets - Beginning of year	0	0	0	0	0	0	0
<b>NET ASSETS - End of year</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

See Independent Auditor's Report.

# Area IV Agency on Aging and Community Action Programs, Inc.

## Schedule A-4

### Schedule of Program Activity

Year Ended December 31, 2019

	FEDERAL PROGRAMS						
	Department of Health and Human Services						
	93.045		93.052		93.053		
	Title III Nutrition Services (17)	Title III Nutrition Services (18)	93.045 Subtotal	Family Caregiver Support (19)	Family Caregiver Support (20)	93.052 Subtotal	Incentive Program (21)
<b>REVENUE</b>							
Grant revenue	\$ 311,447	\$ 124,089	\$ 435,536	\$ 95,866	\$ 31,971	\$ 127,837	\$ 56,284
Program income	39,304	12,154	51,458	0	0	0	0
Cash contributions	0	0	0	550	0	550	0
Special events	0	0	0	0	0	0	0
Change in beneficial interest	0	0	0	0	0	0	0
In-kind contributions	62,019	25,540	87,559	28,731	2,220	30,951	0
CSBG transfers	0	0	0	12,478	9,259	21,737	0
Older Hoosier transfers	24,545	7,711	32,256	8,373	0	8,373	0
Other transfers	56,303	14,438	70,741	110	66	176	( 56,284)
<b>Total Revenue</b>	<b>493,618</b>	<b>183,932</b>	<b>677,550</b>	<b>146,108</b>	<b>43,516</b>	<b>189,624</b>	<b>0</b>
<b>EXPENSES</b>							
Salaries	15,278	4,277	19,555	83,047	27,025	110,072	0
Fringe	4,914	1,036	5,950	19,345	5,353	24,698	0
Contract services	739	164	903	3,147	666	3,813	0
Travel	80	131	211	110	0	110	0
Space	1,874	604	2,478	5,983	1,986	7,969	0
Consumable supplies	407,616	152,069	559,685	2,324	5,879	8,203	0
Equipment lease	20	0	20	98	0	98	0
Direct client assistance	0	0	0	0	0	0	0
Other operational	1,078	111	1,189	3,323	387	3,710	0
In-kind expense	62,019	25,540	87,559	28,731	2,220	30,951	0
<b>Total Expenses</b>	<b>493,618</b>	<b>183,932</b>	<b>677,550</b>	<b>146,108</b>	<b>43,516</b>	<b>189,624</b>	<b>0</b>
<b>Change in Net Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net assets - Beginning of year	0	0	0	0	0	0	0
<b>NET ASSETS - End of year</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

See Independent Auditor's Report.

# Area IV Agency on Aging and Community Action Programs, Inc.

## Schedule A-5

### Schedule of Program Activity

Year Ended December 31, 2019

	FEDERAL PROGRAMS						
	Department of Health and Human Services						
	93.053		93.568				
	Incentive Program (22)	93.053 Subtotal	EAP LIHEAP (23)	EAP LIHEAP (24)	Weatherization HEAP (25)	Weatherization HEAP (26)	
<b>REVENUE</b>							
Grant revenue	\$ 14,408	\$ 70,692	\$ 2,645,057	\$ 1,510,465	\$ 423,369	\$ 109,500	\$ 4,688,391
Program income	0	0	0	85,575	14,000	0	99,575
Cash contributions	0	0	0	0	0	0	0
Special events	0	0	0	0	0	0	0
Change in beneficial interest	0	0	0	0	0	0	0
In-kind contributions	0	0	0	0	0	0	0
CSBG transfers	0	0	0	0	0	0	0
Older Hoosier transfers	0	0	0	0	0	0	0
Other transfers	( 14,408)	( 70,692)	( 35,874)	( 85,575)	7	302	( 121,140)
<b>Total Revenue</b>	<b>0</b>	<b>0</b>	<b>2,609,183</b>	<b>1,510,465</b>	<b>437,376</b>	<b>109,802</b>	<b>4,666,826</b>
<b>EXPENSES</b>							
Salaries	0	0	183,805	132,653	81,453	26,540	424,451
Fringe	0	0	21,662	21,638	17,441	5,793	66,534
Contract services	0	0	11,088	2,621	2,702	568	16,979
Travel	0	0	2,267	854	6,124	1,529	10,774
Space	0	0	36,708	11,352	6,898	2,161	57,119
Consumable supplies	0	0	51,512	9,643	81,906	679	143,740
Equipment lease	0	0	292	0	65	0	357
Direct client assistance	0	0	2,262,958	1,312,233	228,965	72,210	3,876,366
Other operational	0	0	38,891	19,471	11,822	322	70,506
In-kind expense	0	0	0	0	0	0	0
<b>Total Expenses</b>	<b>0</b>	<b>0</b>	<b>2,609,183</b>	<b>1,510,465</b>	<b>437,376</b>	<b>109,802</b>	<b>4,666,826</b>
<b>Change in Net Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net assets - Beginning of year	0	0	0	0	0	0	0
<b>NET ASSETS - End of year</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

See Independent Auditor's Report.

# Area IV Agency on Aging and Community Action Programs, Inc.

## Schedule A-6

### Schedule of Program Activity

Year Ended December 31, 2019

	<b>FEDERAL PROGRAMS</b>					
	<b>Department of Health and Human Services</b>					
	<b>93.569</b>	<b>93.667</b>			<b>93.778</b>	
	<b>CSBG (27)</b>	<b>Social Services Block Grant (28)</b>	<b>Social Services Block Grant (29)</b>	<b>93.667 Subtotal</b>	<b>Medical Assistance (30)</b>	<b>Medical Assistance (31)</b>
<b>REVENUE</b>						
Grant revenue	\$ 498,918	\$ 248,803	\$ 70,244	\$ 319,047	\$ 2,788	\$ 3,106
Program income	0	0	54	54	0	0
Cash contributions	0	0	0	0	0	0
Special events	0	0	0	0	0	0
Change in beneficial interest	0	0	0	0	0	0
In-kind contributions	0	0	0	0	0	0
CSBG transfers	( 396,949)	0	0	0	0	0
Older Hoosier transfers	0	0	0	0	0	0
Other transfers	908	1,296	515	1,811	668	1,128
<b>Total Revenue</b>	<b>102,877</b>	<b>250,099</b>	<b>70,813</b>	<b>320,912</b>	<b>3,456</b>	<b>4,234</b>
<b>EXPENSES</b>						
Salaries	51,239	60,890	14,681	75,571	2,490	2,944
Fringe	10,038	16,575	3,858	20,433	348	671
Contract services	1,472	2,615	529	3,144	74	62
Travel	716	1,638	388	2,026	134	196
Space	3,527	7,089	2,114	9,203	224	202
Consumable supplies	28,341	1,659	388	2,047	74	87
Equipment lease	28	61	0	61	1	2
Direct client assistance	3,012	156,904	48,615	205,519	0	0
Other operational	4,504	2,668	240	2,908	111	70
In-kind expense	0	0	0	0	0	0
<b>Total Expenses</b>	<b>102,877</b>	<b>250,099</b>	<b>70,813</b>	<b>320,912</b>	<b>3,456</b>	<b>4,234</b>
<b>Change in Net Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net assets - Beginning of year	0	0	0	0	0	0
<b>NET ASSETS - End of year</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

See Independent Auditor's Report.

# Area IV Agency on Aging and Community Action Programs, Inc.

## Schedule A-7

### Schedule of Program Activity

Year Ended December 31, 2019

	<b>FEDERAL PROGRAMS</b>				
	<b>DHHS</b>				
	<b>93.778</b>				
	<b>Waiver Intake (32)</b>	<b>Waiver Intake (33)</b>	<b>93.778 Subtotal</b>	<b>Total Federal Programs</b>	
<b>REVENUE</b>					
Grant revenue	\$ 107,026	\$ 108,549	\$ 221,469	\$	8,222,618
Program income	0	71	71		178,691
Cash contributions	0	0	0		5,423
Special events	0	0	0		0
Change in beneficial interest	0	0	0		0
In-kind contributions	0	0	0		140,789
CSBG transfers	0	18,245	18,245	(	215,005)
Older Hoosier transfers	0	0	0		54,380
Other transfers	( 22,447)	0	( 20,651)	(	108,383)
<b>Total Revenue</b>	<b>84,579</b>	<b>126,865</b>	<b>219,134</b>		<b>8,278,513</b>
<b>EXPENSES</b>					
Salaries	54,209	83,881	143,524		1,360,107
Fringe	10,404	14,689	26,112		253,466
Contract services	2,320	1,790	4,246		47,936
Travel	2,840	2,863	6,033		38,131
Space	8,201	7,645	16,272		138,294
Consumable supplies	2,465	13,095	15,721		923,518
Equipment lease	36	51	90		1,020
Direct client assistance	0	0	0		5,227,673
Other operational	4,104	2,851	7,136		147,579
In-kind expense	0	0	0		140,789
<b>Total Expenses</b>	<b>84,579</b>	<b>126,865</b>	<b>219,134</b>		<b>8,278,513</b>
<b>Change in Net Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>
Net assets - Beginning of year	0	0	0		0
<b>NET ASSETS - End of year</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$</b>	<b>0</b>

See Independent Auditor's Report.

# Area IV Agency on Aging and Community Action Programs, Inc.

Schedule A-8

Schedule of Program Activity

Year Ended December 31, 2019

	STATE AND LOCAL PROGRAMS						
	Older Hoosier			Assisted Living		Section 5311 Grant	Medicaid
	Act	CHOICE	CHOICE	Ombudsman	Ramp up	State Portion	Waiver
	(33)	(34)	(35)	(36)	(37)	(38)	A& D
	(33)	(34)	(35)	(36)	(37)	(38)	(39)
<b>REVENUE</b>							
Grant revenue	\$ 54,380	\$ 540,839	\$ 473,098	\$ 15,214	\$ 2,000	\$ 10,886	\$ 0
Program income	0	3,454	2,810	0	0	0	783,466
Cash contributions	0	0	0	0	0	0	0
Special events	0	0	0	0	0	0	0
Change in beneficial interest	0	0	0	0	0	0	0
In-kind contributions	0	0	0	0	0	0	0
CSBG transfers	0	0	0	1,082	0	0	0
Older Hoosier transfers	(54,380)	0	0	0	0	0	0
Other transfers	0	651	339	0	1	(10,819)	(103,567)
<b>Total Revenue</b>	<b>0</b>	<b>544,944</b>	<b>476,247</b>	<b>16,296</b>	<b>2,001</b>	<b>67</b>	<b>679,899</b>
<b>EXPENSES</b>							
Salaries	0	128,804	111,017	0	0	0	415,453
Fringe	0	31,050	30,033	0	0	0	111,417
Contract services	0	5,709	4,329	0	0	0	13,123
Travel	0	1,580	1,563	0	0	0	12,642
Space	0	14,341	13,862	0	0	0	31,548
Consumable supplies	0	26,171	14,116	0	1	67	35,324
Equipment lease	0	84	112	0	0	0	314
Direct client assistance	0	330,045	297,833	16,296	2,000	0	44,515
Other operational	0	7,160	3,382	0	0	0	15,563
In-kind expense	0	0	0	0	0	0	0
<b>Total Expenses</b>	<b>0</b>	<b>544,944</b>	<b>476,247</b>	<b>16,296</b>	<b>2,001</b>	<b>67</b>	<b>679,899</b>
<b>Change in Net Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net assets - Beginning of year	0	0	0	0	0	0	0
<b>NET ASSETS - End of year</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

See Independent Auditor's Report.

# Area IV Agency on Aging and Community Action Programs, Inc.

## Schedule A-9

### Schedule of Program Activity

Year Ended December 31, 2019

	STATE AND LOCAL PROGRAMS							
	Learning Center	Twin Lakes School Corp Woodlawn	Share the Warmth	Vectren DSM	State LIHEAP	State Weatherization HEAP	Organizational Payee	IDA Program
	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)
<b>REVENUE</b>								
Grant revenue	\$ 0	\$ 29,554	\$ 24,270	\$ 17,213	\$ 100,761	\$ 27,735	\$ 0	\$ 0
Program income	188,793	750	0	25,911	0	0	63,500	0
Cash contributions	1,675	0	0	0	0	0	15	0
Special events	0	0	0	0	0	0	0	0
Change in beneficial interest	0	0	0	0	0	0	0	0
In-kind contributions	962	0	0	0	0	0	2,389	0
CSBG transfers	135,135	0	0	0	0	0	71,123	7,665
Older Hoosier transfers	0	0	0	0	0	0	0	0
Other transfers	331	5,806	606	(40,221)	464	721	164	3
<b>Total Revenue</b>	<b>326,896</b>	<b>36,110</b>	<b>24,876</b>	<b>2,903</b>	<b>101,225</b>	<b>28,456</b>	<b>137,191</b>	<b>7,668</b>
<b>EXPENSES</b>								
Salaries	213,998	27,310	2,146	0	9,954	9,533	84,326	5,695
Fringe	45,399	1,736	477	0	2,278	1,650	26,064	1,388
Contract services	7,390	927	43	0	112	322	2,945	79
Travel	507	31	1	0	2	7	151	76
Space	21,176	627	39	0	176	581	6,428	174
Consumable supplies	21,546	3,608	31	0	54	167	9,974	143
Equipment lease	206	29	1	0	3	6	65	1
Direct client assistance	1,679	542	22,050	2,892	88,516	15,803	0	0
Other operational	14,033	1,300	88	11	130	387	4,849	112
In-kind expense	962	0	0	0	0	0	2,389	0
<b>Total Expenses</b>	<b>326,896</b>	<b>36,110</b>	<b>24,876</b>	<b>2,903</b>	<b>101,225</b>	<b>28,456</b>	<b>137,191</b>	<b>7,668</b>
<b>Change in Net Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net assets - Beginning of year	0	0	0	0	0	0	0	0
<b>NET ASSETS - End of year</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

See Independent Auditor's Report.

# Area IV Agency on Aging and Community Action Programs, Inc.

## Schedule A-10 Schedule of Program Activity Year Ended December 31, 2019

	STATE AND LOCAL PROGRAMS				DISCRETIONARY		
	Beed Loan operations (48)	Revolving Loans Receivable (49)	Beneficial Interest in Assets (50)	Total State & Local	Other Activities (51)	GAAP Adjustments (52)	TOTAL DISCRETIONARY
<b>REVENUE</b>							
Grant revenue	\$ 0	\$ 0	\$ 0	\$ 1,295,950	\$ 39,559	\$ 0	\$ 39,559
Program income	0	0	0	1,068,684	32,367	0	32,367
Cash contributions	6	0	0	1,696	4,100	0	4,100
Special events	0	0	0	0	73,415	0	73,415
Change in beneficial interest	0	0	6,164	6,164	0	0	0
In-kind contributions	0	0	0	3,351	0	( 129,403)	( 129,403)
CSBG transfers	0	0	0	215,005	0	0	0
Older Hoosier transfers	0	0	0	( 54,380)	0	0	0
Other transfers	0	0	( 1,589)	( 147,110)	255,493	0	255,493
<b>Total Revenue</b>	<b>6</b>	<b>0</b>	<b>4,575</b>	<b>2,389,360</b>	<b>404,934</b>	<b>( 129,403)</b>	<b>275,531</b>
<b>EXPENSES</b>							
Salaries	0	0	0	1,008,236	57,556	0	57,556
Fringe	0	0	0	251,492	9,095	7,414	16,509
Contract services	0	0	0	34,979	1,891	0	1,891
Travel	0	0	0	16,560	7,147	0	7,147
Space	0	0	0	88,952	3,629	0	3,629
Consumable supplies	0	0	0	111,202	13,469	( 149,780)	( 136,311)
Equipment lease	0	0	0	821	38	0	38
Direct client assistance	0	0	0	822,171	15,149	0	15,149
Other operational	6	0	0	47,021	19,318	0	19,318
In-kind expense	0	0	0	3,351	0	( 129,403)	( 129,403)
<b>Total Expenses</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>2,384,785</b>	<b>127,292</b>	<b>( 271,769)</b>	<b>( 144,477)</b>
<b>Change in Net Assets</b>	<b>0</b>	<b>0</b>	<b>4,575</b>	<b>4,575</b>	<b>277,642</b>	<b>142,366</b>	<b>420,008</b>
Net assets - Beginning of year	0	44,273	32,662	76,935	672,037	0	672,037
<b>NET ASSETS - End of year</b>	<b>\$ 0</b>	<b>\$ 44,273</b>	<b>\$ 37,237</b>	<b>\$ 81,510</b>	<b>\$ 949,679</b>	<b>\$ 142,366</b>	<b>\$ 1,092,045</b>

See Independent Auditor's Report.

## Area IV Agency on Aging and Community Action Programs, Inc.

Schedule B-1  
 Schedule of Expenditures of Federal Awards  
 Year Ended December 31, 2019

<u>Federal Grantor/Pass-Through Entity/Program Title</u>	<u>CFDA Number</u>	<u>Contract or Agreement Number</u>	<u>Passed through to Subrecipients</u>	<u>Federal Expenditures</u>
<b>DEPARTMENT OF AGRICULTURE</b>				
<b>Passed-Through Indiana Department of Education</b>				
( 1) Child and Adult Care Food Program	10.558	1790160	\$ 0	\$ 17,030
( 2) Child and Adult Care Food Program	10.558	1790160	0	6,226
<b>Total Federal Expenditures CFDA 10.558</b>			<b>0</b>	<b>23,256</b>
Child Nutrition Cluster:				
( 3) Summer Food Service Program for Children	10.559	1790160	0	1,164
<b>Total Federal Expenditures CFDA 10.559 Child Nutrition Cluster</b>			<b>0</b>	<b>1,164</b>
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
<b>Passed-Through Indiana Housing and Community Development Authority</b>				
( 4) Community Development Block Grant	14.228	LCAP-19-03	0	32,760
<b>Passed-Through Indiana Housing and Community Development Authority Housing Voucher Cluster</b>				
( 5) Section 8 Housing Choice Vouchers	14.871	HVC-019-03	0	844,054
<b>Total Federal Expenditures CFDA 14.871 Housing Voucher Cluster</b>			<b>0</b>	<b>844,054</b>
<b>DEPARTMENT OF TRANSPORTATION</b>				
<b>Passed-Through Indiana Department of Transportation</b>				
Federal Transit Cluster:				
( 6) Federal Transit - Formula Grants	20.507	A249-19-G180373	0	142,164
<b>Total Federal Expenditures CFDA 20.507 Federal Transit Cluster</b>			<b>0</b>	<b>142,164</b>
<b>DEPARTMENT OF ENERGY</b>				
<b>Passed-Through Indiana Housing and Community Development Authority</b>				
( 7) Weatherization	81.042	WX-019-003	0	109,495
( 8) Weatherization	81.042	WX-020-003	0	270,153
<b>Total Federal Expenditures CFDA 81.042</b>			<b>0</b>	<b>379,648</b>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
<b>Passed-Through Indiana Family and Social Services Administration</b>				
( 9) Special Programs for the Aging -Title VII-Long Term Care Ombudsman Services for Older Individuals	93.042	21664	11,149	11,149
( 10) Special Programs for the Aging -Title VII-Long Term Care Ombudsman Services for Older Individuals	93.042	38355	4,065	4,065
<b>Total Federal Expenditures CFDA 93.042</b>			<b>15,214</b>	<b>15,214</b>
( 11) Special Programs for the Aging -Title III, Part D - Disease Prevention and Health Promotion Services	93.043	21664	0	16,800
( 12) Special Programs for the Aging -Title III, Part D - Disease Prevention and Health Promotion Services	93.043	38355	0	4,990
<b>Total Federal Expenditures CFDA 93.043</b>			<b>0</b>	<b>21,790</b>

## Area IV Agency on Aging and Community Action Programs, Inc.

Schedule B-2  
 Schedule of Expenditures of Federal Awards  
 Year Ended December 31, 2019

<u>Federal Grantor/Program Title</u>		<u>CFDA Number</u>	<u>Contract or Agreement Number</u>	<u>Passed through to Subrecipients</u>	<u>Federal Expenditures</u>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)</b>					
<b>Passed-Through Indiana Family and Social Services Administration</b>					
Aging Cluster:					
( 13)	Special Programs for the Aging-Title III, Part A-Grants for Administrative Services	93.044	21664	\$ 0	\$ 68,387
( 14)	Special Programs for the Aging-Title III, Part A-Grants for Administrative Services	93.044	38355	0	24,473
( 15)	Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	93.044	21664	85,763	234,457
( 16)	Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	93.044	38355	28,626	73,361
<b>Total Federal Expenditures CFDA 93.044</b>				<b>114,389</b>	<b>400,678</b>
( 17)	Special Programs for the Aging-Title III, Part C-Nutrition Services	93.045	21664	204,870	311,447
( 18)	Special Programs for the Aging-Title III, Part C-Nutrition Services	93.045	38355	222,839	124,089
<b>Total Federal Expenditures CFDA 93.045</b>				<b>427,709</b>	<b>435,536</b>
( 21)	Nutritional Services Incentive Program	93.053	21664	14,408	56,284
( 22)	Nutritional Services Incentive Program	93.053	38355	14,408	14,408
<b>Total Federal Expenditures CFDA 93.053</b>				<b>28,816</b>	<b>70,692</b>
<b>Total Federal Expenditures Aging Cluster</b>				<b>570,914</b>	<b>906,906</b>
( 19)	National Family Caregiver Support, Title III, Part E	93.052	21664	0	95,866
( 20)	National Family Caregiver Support, Title III, Part E	93.052	38355	0	31,971
<b>Total Federal Expenditures CFDA 93.052</b>				<b>0</b>	<b>127,837</b>
<b>Passed-Through Indiana Housing and Community Development Authority</b>					
( 23)	Low-Income Home Energy Assistance	93.568	LI-019-003	0	2,645,057
( 24)	Low-Income Home Energy Assistance	93.568	LI-020-003	0	1,510,465
( 25)	Low-Income Home Energy Assistance-Weatherization	93.568	WL-019-003	0	423,369
( 26)	Low-Income Home Energy Assistance-Weatherization	93.568	WL-020-003	0	109,500
<b>Total Federal Expenditures CFDA 93.568</b>				<b>0</b>	<b>4,688,391</b>
( 27)	Community Services Block Grant	93.569	CS-019-003	0	498,918
<b>Passed-Through Indiana Family and Social Services Administration</b>					
( 28)	Social Services Block Grant	93.667	21664	0	248,803
( 29)	Social Services Block Grant	93.667	38355	0	70,244
<b>Total Federal Expenditures CFDA 93.667</b>				<b>0</b>	<b>319,047</b>

See Independent Auditor's Report.

## Area IV Agency on Aging and Community Action Programs, Inc.

Schedule B-3

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2019

Federal Grantor/Program Title	CFDA Number	Contract or Agreement Number	Passed through to Subrecipients	Federal Expenditures
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)</b>				
Passed-Through Indiana Family and Social Services Administration				
Medicaid Cluster:				
( 30)      Medical Assistance Program	93.778	27440	\$       0	\$       2,788
( 31)      Medical Assistance Program	93.778	35347	0	3,106
( 32)      Waiver Intake	93.778	27440	0	107,026
( 33)      Waiver Intake	93.778	35347	0	108,549
<b>Total Federal Expenditures CFDA 93.778 Medicaid Cluster</b>			<b>0</b>	<b>221,469</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$   586,128</b>	<b>\$  8,222,618</b>

### Notes to Schedule of Expenditures of Federal Awards

#### Note 1 - Basis of Presentation

The Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of Area IV Agency on Aging and Community Action Programs, Inc. under programs of the federal government for the year ended December 31, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Area IV Agency on Aging and Community Action Programs, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Area IV Agency on Aging and Community Action Programs, Inc.

#### Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

#### Note 3 - Indirect Cost Rate

Area IV Agency on Aging and Community Action Programs, Inc. has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

## **Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters**

Board of Directors  
Area IV Agency on Aging and Community Action Programs, Inc.  
Lafayette, Indiana

We have audited, in accordance with the auditing standards generally accepted in the United States 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 IV Agency on Aging and Community Action Programs, Inc., which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 11, 2020.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Area IV Agency on Aging and Community Action Programs, Inc.’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 Area IV Agency on Aging and Community Action Programs, Inc.’s internal control. Accordingly, we do not express an opinion on the effectiveness of Area IV Agency on Aging and Community Action Programs, Inc.’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 the 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 IV Agency on Aging and Community Action Programs, 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 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*.

## **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 Area IV Agency on Aging and Community Action Programs, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Area IV Agency on Aging and Community Action Programs, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP

December 11, 2020  
Madison, Wisconsin

## **Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance**

Board of Directors  
Area IV Agency on Aging and Community Action Programs, Inc.  
Lafayette, Indiana

### **Report on Compliance for the Major Federal Program**

We have audited Area IV Agency on Aging and Community Action Programs, Inc.'s compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of Area IV Agency on Aging and Community Action Programs, Inc.'s major federal programs for the year ended December 31, 2019. Area IV Agency on Aging and Community Action Programs, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility for Compliance**

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 Area IV Agency on Aging and Community Action Programs, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; 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 the major federal programs occurred. An audit includes examining, on a test basis, evidence about Area IV Agency on Aging and Community Action Programs, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal programs. However, our audit does not provide legal determination on Area IV Agency on Aging and Community Action Programs, Inc.'s compliance.

### **Opinion**

In our opinion, Area IV Agency on Aging and Community Action Programs, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

## Report on Internal Control Over Compliance

The management of Area IV Agency on Aging and Community Action Programs, 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 IV Agency on Aging and Community Action Programs, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 the Area IV Agency on Aging and Community Action Programs, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a 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.

Handwritten signature of Wipfli LLP in cursive script.

Wipfli LLP

December 11, 2020  
Madison, Wisconsin

# Area IV Agency on Aging and Community Action Programs, Inc.

Schedule of Findings and Questioned Costs  
December 31, 2019

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## Section I – Summary of Auditor’s Results

### Financial Statements

Type of auditor’s report issued?	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	No
Noncompliance material to financial statements noted?	No

### Federal Awards

Internal control over major federal programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	No
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 the Uniform Guidance [2 CFR 200.516(a)]?	No
Identification of major federal programs:	
<u>Name of Federal Major Program or Cluster</u>	<u>CFDA No.</u>
Section 8 Housing Choice Voucher Cluster	14.871
Aging Cluster	93.044, 93.045 & 93.053
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

## Section II - Financial Statement Findings

None

## Section III - Federal Award Findings and Questioned Costs

None

## Section IV - Summary Schedule of Prior Year Findings

None