



STATE OF INDIANA
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October 20, 2021

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

We have reviewed the audit report of Affiliated Service Providers of Indiana, Inc., which was opined upon by Kemper CPA Group, LLP, Independent Public Accountants, for the period July 1, 2019 to June 30, 2020. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Affiliated Service Providers of Indiana, Inc. as of June 30, 2020 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Kemper CPA Group, LLP prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

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

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

Paul D. Joyce, CPA
State Examiner

AFFILIATED SERVICE PROVIDERS OF INDIANA, INC.

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

**FOR THE YEARS ENDED
JUNE 30, 2020 AND 2019**

AFFILIATED SERVICE PROVIDERS OF INDIANA, INC.

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Affiliated Service Providers of Indiana, Inc. (a nonprofit Corporation), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Affiliated Service Providers of Indiana, Inc. 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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of state and local expenditures is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2020, on our consideration of Affiliated Service Providers of Indiana, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Affiliated Service Providers of Indiana, Inc.'s internal control over financial reporting and compliance.



Kemper CPA Group LLP
Avon, Indiana
October 26, 2020

AFFILIATED SERVICE PROVIDERS OF INDIANA, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2020 AND 2019

	2020	2019
ASSETS		
Current assets		
Cash	\$ 1,125,750	\$ 876,836
Investments	3,801,050	3,591,091
Grants receivable	391,452	442,360
Accounts receivable	13,193	5,508
Prepaid expenses	9,296	13,636
Total current assets	\$ 5,340,741	\$ 4,929,431
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 559	\$ 10,223
Due to affiliates	360,938	325,284
Accrued payroll	76,635	71,861
Accrued expenses	95,854	69,214
PPP loan payable	199,900	-
Total current liabilities	733,886	476,582
Net assets		
Without donor restrictions	4,606,855	4,452,849
Total liabilities and net assets	\$ 5,340,741	\$ 4,929,431

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

AFFILIATED SERVICE PROVIDERS OF INDIANA, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
SUPPORT AND REVENUE		
Federal funded grants	\$ 4,650,516	\$ 5,299,005
State funded grants	2,183,524	2,760,499
Membership fees	145,624	130,000
Workshop fees	491,397	366,356
Other revenue	11,433	66,920
Interest income	58,846	46,010
Investment loss, net	(81,524)	(19,631)
Total support and revenues	7,459,816	8,649,159
EXPENSES		
Program services	6,808,937	7,642,507
Supporting services		
General and administrative	496,873	567,394
Fundraising	-	-
Total supporting services	496,873	567,394
Total expenses	7,305,810	8,209,901
Change in net assets	154,006	439,258
NET ASSETS - beginning of year	4,452,849	4,013,591
NET ASSETS - end of year	\$ 4,606,855	\$ 4,452,849

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

AFFILIATED SERVICE PROVIDERS OF INDIANA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	Supporting Services				
	Program Services	General & Administrative	Fundraising	Total Supporting Services	Total Expenses
Grants to sub-recipients	\$ 5,593,308	\$ -	\$ -	\$ -	\$ 5,593,308
Salaries, taxes and benefits	640,322	370,324	-	370,324	1,010,646
Professional fees	4,950	27,972	-	27,972	32,922
Tuition dues, fees and licenses	531,521	5,455	-	5,455	536,976
Meetings and staff training	-	3,865	-	3,865	3,865
Travel and transportation	31,659	1,417	-	1,417	33,076
Insurance	-	23,010	-	23,010	23,010
Marketing and advertising	-	1,474	-	1,474	1,474
Office supplies and equipment	1,037	12,701	-	12,701	13,738
Telephone and data service	6,140	3,765	-	3,765	9,905
Office rent and storage	-	43,676	-	43,676	43,676
Miscellaneous	-	3,214	-	3,214	3,214
	<u>\$ 6,808,937</u>	<u>\$ 496,873</u>	<u>\$ -</u>	<u>\$ 496,873</u>	<u>\$ 7,305,810</u>
Total	<u>\$ 6,808,937</u>	<u>\$ 496,873</u>	<u>\$ -</u>	<u>\$ 496,873</u>	<u>\$ 7,305,810</u>

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

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

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

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

AFFILIATED SERVICE PROVIDERS OF INDIANA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 154,006	\$ 439,258
Adjustments to reconcile net income to net cash provided by operating activities:		
Realized gain on sale of investments	(26,851)	(2,408)
Unrealized loss on value of investments	142,888	91,263
(Increase) decrease in current assets		
Grants receivable	50,908	1,710,199
Accounts receivable	(7,685)	9,869
Prepaid expenses	4,340	5,629
Increase (decrease) in current liabilities		
Accounts payable	(9,664)	(1,457)
Due to affiliates	35,654	(1,525,865)
Accrued payroll	4,774	(3,631)
Accrued expenses	26,640	19,656
PPP loan payable	199,900	-
Deferred revenue	-	(16,480)
Net Cash Provided by Operating Activities	574,910	726,033
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of certificates of deposit	-	(970,000)
Maturity of certificates of deposit	503,718	1,221,755
Purchases of investments	(966,214)	(636,742)
Proceeds from sale of investments	136,500	8,500
Net Cash Used by Investing Activities	(325,996)	(376,487)
Net Increase (Decrease) in Cash	248,914	349,546
CASH - beginning of year	876,836	527,290
CASH - end of year	\$ 1,125,750	\$ 876,836

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

AFFILIATED SERVICE PROVIDERS OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities – Affiliated Service Providers of Indiana, Inc. (ASPIN), formerly Addiction Service Providers of Indiana, Inc., was legally incorporated in November 1995 and began providing services with the primary objective to facilitate the provision of behavioral health services by qualified rural providers. ASPIN was certified as a Managed Care Provider for Chronically Addicted Persons, Seriously Emotionally Disturbed Children, Seriously Mentally Ill Adults, Compulsive Gambling Addiction and Opioid Addiction for the years ended June 30, 2020 and 2019 to serve the residents of the State of Indiana. ASPIN has also been awarded funding to support state Navigator services. Through the Navigator Program ASPIN Navigators conduct statewide outreach/enrollment in coverage through the Health Insurance Marketplace and operate a statewide call center, website and market the program through social media.

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

Basis of Presentation – ASPIN reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions. ASPIN did not have any net assets with donor restrictions as of June 30, 2020 and 2019.

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

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

Grants Receivable – Grants receivable represent consideration from state and local government agencies, of which ASPIN has an unconditional right to receive. Grants receivable are stated at the amount management expects to be collected from the outstanding balance. As of June 30, 2020 and 2019, management has determined, based on historical experience, that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

Revenue and Revenue Recognition – ASPIN has adopted Accounting Standards Update (ASU) No. 2018-08 *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 605) as management believes the standard improves the usefulness and understandability of ASPIN's financial reporting.

AFFILIATED SERVICE PROVIDERS OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and Revenue Recognition (Continued) – ASPIN receives membership dues, which are nonrefundable, are comprised of an exchange element based on the value of benefits provided, and a contribution element for the difference between the total dues paid and the exchange element. ASPIN recognizes the exchange portion of membership dues over the membership period of one year. The performance obligation consists of collective efforts for obtaining maximum state and federal funding for the common mission of their members.

A portion of the ASPIN's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue over the life of the grant agreement when ASPIN has incurred expenditures in compliance with specific contract or grant provisions. ASPIN has contracts with member facilities and others to fulfil grant provisions. Workshops are held for provider training and revenue is recognized as tuition fees collected for workshops.

Membership Fees - ASPIN has different classifications of members which are determined based upon the services that are offered by each of the qualified providers. For the years ended June 30, 2020 and 2019 ASPIN had ten members. On an annual basis, the board determines the membership fees. The membership fees for 2020 and 2019 ranged from \$10,000 to \$15,000.

Paycheck Protection Program Loan – ASPIN is accounting for the PPP loan as debt in accordance with FASB ACS 470. Upon partial or total forgiveness of the loan and legal release of the obligation to pay, the liability will be reduced and a gain on extinguishment will be recognized. See Note 7 for disclosure of repayment terms for any unforgiven portion of the loan.

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

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

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

**AFFILIATED SERVICE PROVIDERS OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Subsequent Events – ASPIN evaluated subsequent events through October 26, 2020, the date the financial statements were available to be issued.

Note 2 – LIQUIDITY AND AVAILABILITY

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

	<u>2020</u>	<u>2019</u>
Financial assets at year-end		
Cash	\$ 1,125,750	\$ 876,836
Investments	3,801,050	3,591,091
Grants receivable	391,452	442,360
Accounts receivable	13,193	5,508
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 5,331,445</u>	<u>\$ 4,915,795</u>

Note 3 – FAIR VALUE MEASUREMENTS

Investments consisted of the following at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Mutual funds	\$ 1,513,554	\$ 1,595,079
Certificates of deposit	1,778,343	1,494,114
Annuities	509,153	501,898
Total investments	<u>\$ 3,801,050</u>	<u>\$ 3,591,091</u>

AFFILIATED SERVICE PROVIDERS OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

Note 3 – FAIR VALUE MEASUREMENTS (Continued)

Investment loss consisted of the following for the years ended June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ 44,768	\$ 79,597
Realized gains	26,852	2,408
Unrealized gains (losses)	(142,888)	(91,263)
Management fees	(10,256)	(10,373)
Net investment income (loss)	<u>\$ (81,524)</u>	<u>\$ (19,631)</u>

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

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

Level 2 – Inputs to the valuation methodology include:

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

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

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

The following is a description of the valuation methodologies used for assets measured at fair value, on a recurring basis. There have been no changes to the methodologies used at June 30, 2020 and 2019.

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

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

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

AFFILIATED SERVICE PROVIDERS OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

Note 3 – FAIR VALUE MEASUREMENTS (Continued)

The following table sets forth by level, within the fair value hierarchy, ASPIN's financial instruments at fair value as of June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Measured using level 1 fair value measurements		
Mutual funds	\$ 1,513,554	\$ 1,595,079
Measured using level 2 fair value measurements		
Annuities	509,153	501,898
Certificates of deposits	<u>1,778,343</u>	<u>1,494,114</u>
Total investments measured at fair value	<u>\$ 3,801,050</u>	<u>\$ 3,591,091</u>

Note 4 – CERTIFICATES OF DEPOSIT

Certificates of deposit totaling \$1,778,343 and \$1,494,114 at June 30, 2020 and 2019, respectively are included in investments in the accompanying financial statements. The certificates bear interest ranging from 1.30% to 2.45% at June 30, 2020 and 2019 and have maturities ranging from eleven to twelve months.

Note 5 – OPERATING LEASES

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

ASPIN now leases office space under the terms of an operating lease, requiring month payments of \$3,073 per month in the first year with an annual increase of approximately 2%, through November 2023. Rental expenses for those leases consisted of \$37,420 and \$48,869 for the years ended June 30, 2020 and 2019.

Future minimum lease payments under operating leases that have remaining terms in excess of one year as of June 30, 2020, are:

For the years ending June 30:	
2021	\$ 38,161
2022	38,971
2023	39,780
2024	<u>16,716</u>
	<u>\$ 133,628</u>

AFFILIATED SERVICE PROVIDERS OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

Note 6 – RELATED ENTITIES

ASPIN has ten affiliates that serve as representatives of agencies that are members of the managed care network. These representatives serve on the Board of Directors and have a voting rights for ASPIN. ASPIN also provides operating assistance to the affiliates and in return receives membership fees. For the years ended June 30, 2020 and 2019 transactions with the affiliates were:

	<u>2020</u>	<u>2019</u>
Membership fees	\$ 145,624	\$ 130,000
Grants to sub-recipients	<u>5,593,308</u>	<u>6,350,854</u>
	<u>\$ 5,738,932</u>	<u>\$ 6,480,854</u>

Note 7 – PAYCHECK PROTECTION PROGRAM (PPP) LOAN PAYABLE

On April 20, 2020, ASPIN qualified for and received a loan pursuant to the Paycheck Protection Program, a program implemented by the U.S. Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act, from Key Bank National Association, for an aggregate principal amount of approximately \$199,900. The PPP Loan bears an interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of five years, and is unsecured and guaranteed by the U.S. Small Business Administration. The principal amount of the PPP Loan is subject to forgiveness under the Paycheck Protection Program upon ASPIN’s request to the extent that the PPP Loan proceeds are used to pay expenses permitted by the Paycheck Protection Program, including payroll costs, covered rent and mortgage obligations, and covered utility payments incurred by ASPIN. ASPIN intends to apply for forgiveness of the PPP Loan with respect to these covered expenses. To the extent that all or part of the PPP Loan is not forgiven, ASPIN will be required to pay interest on the PPP Loan at a rate of 1.0% per annum, and commencing in November, 2020 principal and interest payments will be required through the maturity date in March, 2025. The terms of the PPP Loan provide for customary events of default including, among other things, payment defaults, breach of representations and warranties, and insolvency events. The PPP Loan may be accelerated upon the occurrence of an event of default.

SUPPLEMENTAL INFORMATION

AFFILIATED SERVICES PROVIDER OF INDIANA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

Federal Grantor/Pass-Through Grant or Program Title	Federal CFDA Number	Grantor's Award Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services				
Direct Grants:				
Telehealth Programs	93.211	18-3704145		\$ 47,737
Cooperative Agreement to Support Navigators in Federally-facilitated Exchanges	93.332	8-5991266 9-5991266		29,542 <u>226,839</u> <u>256,381</u>
Mental and Behavioral Health Education and Training Grants:				
Behavioral Health Workforce Education and Training Program	93.732	18-2721BHT 19-372BHT3		110 <u>278,019</u> <u>278,129</u>
Opioid Workforce Expansion Program - Paraprofessional		19-372WEPA		<u>275,807</u> <u>553,936</u>
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement	93.912	19-3704140		<u>296,278</u>
Passed Through Four County Comprehensive Mental Health Center Inc:				
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement	93.912	19-3704147		<u>93,280</u>
Passed Through Indiana Division of Mental Health and Addiction				
Social Services Block Grant	93.667	25124	\$ 269,468	<u>269,468</u>
Block Grants for Community Mental Health Services	93.958	25124	<u>376,132</u>	<u>376,132</u>
Block Grants for Prevention and Treatment of Substance Abuse (M)	93.959	25124	<u>2,757,304</u>	<u>2,757,304</u>
Total U.S. Department of Health and Human Services				<u>4,650,516</u>
Total Expenditures of Federal Awards			<u>\$ 3,402,904</u>	<u>\$ 4,650,516</u>

(M) Major Program

**AFFILIATED SERVICE PROVIDERS OF INDIANA, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The accompanying schedule of expenditures of federal awards includes the federal grant activity of ASPIN and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of the operations of Affiliated Service Providers of Indiana, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Affiliated Service Providers of Indiana, Inc.

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

Note 2 – INDIRECT COST RATE

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

Note 3 – SUB-RECIPIENTS

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

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amount Provided</u>
HHS Social Services Block Grant	93.667	\$ 269,468
HHS Block Grants for Community Mental Health Services	93.958	376,132
HHS Block Grants for Prevention and Treatment of Substance Abuse	93.959	2,757,304
Total		<u>\$ 3,402,904</u>

Note 4 – GRANT RECEIPTS RECONCILIATION

Federal and state awards consisted of the following for the year ended June 30, 2020:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amount Provided</u>
Rural Communities Opioid Response (Planning)	93.211	\$ 47,737
Navigators Program	93.332	256,381
Social Services Block Grant	93.667	269,468
Behavior Health Workforce Education and Training Program	93.732	278,129
Opioid Workforce Expansion Program	93.732	275,807
Rural Health Network Development Program	93.912	296,278
Passed Through Four County Comprehensive Mental Health Center Inc.	93.912	93,280
Community Mental Health Services Block Grant	93,958	376,132
Block Grant	93.959	2,757,304
Managed Care Provider Agreement (State of Indiana)	N/A	2,183,524
		<u>\$ 6,834,040</u>

**AFFILIATED SERVICES PROVIDERS OF INDIANA, INC.
SCHEDULE OF EXPENDITURES OF STATE AND LOCAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

<i>State Grantor/Program Title</i>	<i>Agreement Number</i>	<i>State and Local Expenditures</i>
<i>Indiana Division of Mental Health and Addiction Managed Care Provider Agreement</i>	25124	\$ <u>2,183,524</u>
<i>Total Expenditures of State and Local Awards</i>		\$ <u><u>2,183,524</u></u>

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Affiliated Service Providers of Indiana, Inc. (a nonprofit corporation), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated October 26, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Affiliated Service Providers of Indiana, Inc.'s internal control over financial reporting (internal control) 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 Affiliated Service Providers of Indiana, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Affiliated Service Providers of Indiana, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the 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 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.

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

Kemper CPA Group LLP
Avon, Indiana
October 26, 2020



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

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

Report on Compliance for Each Major Federal Program

We have audited Affiliated Service Providers of Indiana, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Affiliated Service Providers of Indiana, Inc.'s major federal programs for the year ended June 30, 2020. Affiliated Service Providers of Indiana, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Affiliated Service Providers of Indiana, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Affiliated Service Providers of Indiana, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Affiliated Service Providers of Indiana, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Affiliated Service Providers of Indiana, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of Affiliated Service Providers of Indiana, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Affiliated Service Providers of Indiana, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on the major federal programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal programs and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Affiliated Service Providers of Indiana, Inc.'s internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Kemper CPA Group LLP

Avon, Indiana

October 26, 2020

**AFFILIATED SERVICE PROVIDERS OF INDIANA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

Summary of Auditor’s Results

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

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

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

Findings Relating to Financial Statements

None

Findings and Questioned Costs for Federal Awards

None