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October 14, 2022

Board of Directors
Aging & Community Services of South Central Indiana, Inc.
d/b/a Thrive Alliance
1531 13th Street, Suite G900
Columbus, IN 47201

We have reviewed the audit report of Aging & Community Services of South Central Indiana, Inc. d/b/a Thrive Alliance, which was opined upon by Barnes, Dennig & Co., Ltd., Independent Public Accountants, for the period July 1, 2020 to June 30, 2021. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Aging & Community Services of South Central Indiana, Inc. d/b/a Thrive Alliance, as of June 30, 2021, and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Barnes, Dennig & Co., Ltd. prepared the audit report in accordance with guidelines established by the State Board of Accounts.

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

A handwritten signature in black ink that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

**Aging & Community Services of South Central Indiana, Inc.
(A Member of Thrive Alliance)**

**Financial Statements with Supplementary Information
June 30, 2021 and 2020, and
Independent Auditors' Report**

AGING & COMMUNITY SERVICES OF SOUTH CENTRAL INDIANA, INC
(A MEMBER OF THRIVE ALLIANCE)
June 30, 2021 and 2020

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Independent Auditors' Report

Board of Directors
Aging & Community Services of South Central Indiana, Inc.
Columbus, Indiana

Report on the Financial Statements

We have audited the accompanying financial statements of Aging & Community Services of South Central Indiana, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Effect of Adopting New Accounting Standard

As discussed in Note 1, the Organization has adopted Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Our opinion is not modified with respect to that matter.

Other Matters

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 6, 2022 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



April 6, 2022
Indianapolis, Indiana

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

Statements of Financial Position
June 30, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	\$ 1,336,309	\$ 822,421
Grants receivable	1,117,290	1,057,623
Accounts receivable	10,399	84,168
Notes receivable - HPI	-	200,000
Board designated cash	79,850	70,315
Other assets	18,924	22,115
Total assets	\$ 2,562,772	\$ 2,256,642
Liabilities and Net Assets		
Liabilities		
Accounts payable and other	\$ 237,409	\$ 230,302
Accrued payroll and related liabilities	657,730	482,019
Total liabilities	895,139	712,321
Net assets		
Without donor restrictions - undesignated	1,551,869	1,474,006
Without donor restrictions - board designated	79,850	70,315
With donor restrictions	35,914	-
Total net assets	1,667,633	1,544,321
Total liabilities and net assets	\$ 2,562,772	\$ 2,256,642

See accompanying notes to financial statements

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

**Statements of Activities
Years Ended June 30, 2021 and 2020**

	2021	2020
Revenues and other support		
Grants	\$ 5,642,115	\$ 5,632,885
Medicaid revenue	1,360,765	1,276,936
First Step supporting services, net	41,879	60,003
PPP funds	785,300	-
In-kind	15,391	161,066
Other	176,358	280,004
Total revenues and other support	8,021,808	7,410,894
Expenses		
Program services	6,841,442	6,542,318
Support services	1,092,968	999,881
Total expenses	7,934,410	7,542,199
Change in net assets without donor restrictions	87,398	(131,305)
Net assets with donor restrictions		
Other	35,914	-
Change in net assets with donor restrictions	35,914	-
Change in net assets	123,312	(131,305)
Net assets - beginning of year	1,544,321	1,675,626
Net assets - end of year	\$ 1,667,633	\$ 1,544,321

See accompanying notes to financial statements

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

Statement of Functional Expenses
Year Ended June 30, 2021

	In-home Services	Community Services	Nutrition	Total Program Services	Support Services	Total
Salaries and wages	\$ 1,238,234	\$ 2,342,411	\$ 99,307	\$ 3,679,952	\$ 685,896	\$ 4,365,848
Payroll taxes and benefits	364,097	509,630	13,584	887,311	148,273	1,035,584
Contracted services	9,821	79,645	140	89,606	83,531	173,137
Other direct services	217,807	31,224	-	249,031	314	249,345
Subgrantee contracts	3,900	379,248	34,100	417,248	-	417,248
In-kind expenses	3,809	10,098	1,428	15,335	57	15,392
Occupancy	50,131	84,039	8,963	143,133	52,170	195,303
Other expenditures	22,274	106,097	5,264	133,635	103,636	237,271
Direct food services	32,169	350	462,093	494,612	-	494,612
Travel	1,256	11,338	1,071	13,665	326	13,991
Attendant care	333,751	118,844	-	452,595	-	452,595
Foster grandparent stipend	-	116,652	-	116,652	-	116,652
Supplies	9,863	27,624	795	38,282	12,223	50,505
Telephone and postage	26,508	46,359	9,712	82,579	6,542	89,121
Direct emergency response services	27,806	-	-	27,806	-	27,806
	<u>\$ 2,341,426</u>	<u>\$ 3,863,559</u>	<u>\$ 636,457</u>	<u>\$ 6,841,442</u>	<u>\$ 1,092,968</u>	<u>\$ 7,934,410</u>

See accompanying notes to financial statements

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

Statement of Functional Expenses
Year Ended June 30, 2020

	In-home Services	Community Services	Nutrition	Total Program Services	Support Services	Total
Salaries and wages	\$ 1,207,287	\$ 2,254,538	\$ 97,823	\$ 3,559,648	\$ 593,851	\$ 4,153,499
Payroll taxes and benefits	288,084	400,835	10,442	699,361	153,408	852,769
Contracted services	56	34,590	-	34,646	66,764	101,410
Other direct services	665,917	52,470	-	718,387	-	718,387
Subgrantee contracts	-	327,722	-	327,722	-	327,722
In-kind expenses	15,626	98,875	46,565	161,066	-	161,066
Occupancy	53,507	84,984	12,247	150,738	51,998	202,736
Other expenditures	29,420	85,297	11,616	126,333	101,570	227,903
Direct food services	36,435	88	329,278	365,801	-	365,801
Travel	24,480	89,943	2,385	116,808	2,979	119,787
Foster grandparent stipend	-	140,451	-	140,451	-	140,451
Supplies	14,917	39,842	11,055	65,814	21,988	87,802
Telephone and postage	18,154	21,786	3,397	43,337	7,323	50,660
Direct emergency response services	29,025	3,181	-	32,206	-	32,206
	<u>\$ 2,382,908</u>	<u>\$ 3,634,602</u>	<u>\$ 524,808</u>	<u>\$ 6,542,318</u>	<u>\$ 999,881</u>	<u>\$ 7,542,199</u>

See accompanying notes to financial statements

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

Statements of Cash Flows
Years Ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities		
Change in net assets	\$ 123,312	\$ (131,305)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Changes in:		
Grants and accounts receivable	14,102	238,983
Other assets	3,191	(2,152)
Accounts payable and other	7,107	2,365
Accrued payroll and related liabilities	175,711	84,118
Net cash provided by (used in) operating activities	323,423	192,009
Cash flows from operating activities		
Loan advance to HPI	(50,000)	-
Repayment of funds from HPI	250,000	-
Net cash provided by investing activities	200,000	-
Net change in cash	523,423	192,009
Cash and cash equivalents, beginning of year	892,736	700,727
Cash and cash equivalents, end of year	\$ 1,416,159	\$ 892,736
Reconciliation of cash to statement of financial position		
Cash and cash equivalents	\$ 1,336,309	\$ 822,421
Board designated cash	79,850	70,315
Total cash	\$ 1,416,159	\$ 892,736

See accompanying notes to financial statements

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

Notes to Financial Statements

NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Aging & Community Services of South Central Indiana, Inc. (the Organization) is a not-for-profit corporation. The Organization was founded in 1981 to provide services to elderly and disabled persons in the Bartholomew, Brown, Decatur, Jackson and Jennings County areas in the state of Indiana. The Organization is primarily supported through federal and state government grants. In 2013, the Organization created a supporting organization called Thrive Alliance.

The Organization's direct services include: information and referral, care management, congregate meals, home delivered meals, homemaker, handy chore, outreach, advocacy, Foster Grandparents Program, nursing home preadmission screening, Medicaid Waiver, Caring Connections (volunteers), Guardianship, wellness classes and First Steps. The Organization provides grants through Older Americans Act funds for: senior center operations, transportation, legal services, nursing home ombudsman, adult day care and medication assistance. Through the use of state funds, the Organization purchases on behalf of consumers: attendant care, homemaker services, home health aide, respite care, owner occupied rehabilitation and emergency response systems.

Financial Statement Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP). The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, which are available for use in general operations and not subject to donor restrictions; and net assets with donor restrictions, which are either temporary in nature, such as those that will be met by the passage of time or other events specified by the donor, or are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. In fiscal 2021 the Organization received \$35,914 of guardianship funds that had not yet been expended and were included in donor restricted net assets at year end. There were no net assets with donor restrictions for 2020.

Cash and Cash Equivalents

Cash and cash equivalents includes all cash in bank depository accounts and certificates of deposits used for short-term operating purposes. The Organization maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash.

Grants Receivable

Grants receivable are stated at the amount billed to the funding agencies. If necessary, the Organization provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables and existing economic conditions. Delinquent receivables are written off based on specific circumstances of the funding Organization. As of June 30, 2021 and 2020, the Organization considered all balances collectible; therefore, no allowance was necessary.

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

**Notes to Financial Statements
(Continued)**

NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In-Kind Contributions

The Organization has recorded in-kind contributions for space and professional services in the statement of activities in accordance with generally accepted accounting standards (GAAP) for a total of \$15,391 and \$161,066 for 2021 and 2020, respectively. GAAP requires that only contributions of service received that create or enhance a nonfinancial asset or require a specialized skill by the individual possessing those skills and would typically need to be purchased if not provided by the donation be recorded.

Government Fees and Grants

Support funded by grants is recognized as the Organization performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting organization and, as a result of such audit, adjustments could be required.

Contributions

Gifts of cash and other assets received without donor stipulations are reported as without donor restrictions revenue and net assets. Gifts received with a donor stipulation that limits their use are reported as donor restricted revenue and net assets. When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Gifts having donor stipulations which are satisfied in the period the gift is received are reported as without donor restrictions revenue.

Revenue Recognition

The Organization identifies a contract with a customer for revenue recognition when there is approval and commitment from both parties, the rights of the parties and payment terms are identified, the contract has commercial substance, and the collectability of consideration is probable. The Organization evaluates each contract to determine the number of distinct performance obligations in the contract, which requires the use of judgment. To determine the proper revenue recognition method, the Organization evaluates whether two or more contracts should be combined and accounted for as one single contract and whether the combined or single contract should be accounted for as a single or more than one performance obligation.

Revenue from contracts with customers is primarily recognized from Medicaid Waiver. Due to the nature of contracts, there is no variable consideration and only one performance obligation. Such revenue is conditioned upon meeting a certain performance obligation, and amounts received are recognized as revenue once the requirement has been met. Once a care management service activity is performed, the Organization bills Medicaid at the current waiver rate and the performance obligation is considered to have been met. Each activity has a fixed rate (\$134.33 in 2021) for various care management activities and are eligible to be billed once per month. The Organization bills Medicaid at the end of each month for the services provided during the month and payment is expected upon submission of claims for service, usually within 30 days. Contracts are considered to have commercial substance as they all involve a care service and are then eligible to be billed for reimbursement for the care managers time spent on the activity.

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

**Notes to Financial Statements
(Continued)**

NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Expenses

The costs of providing the various programs and other activities have been summarized in the statement of functional expenses. Costs are charged directly to the programs they benefit whenever possible. Certain overhead costs that cannot be directly charged to an individual program are allocated to the various programs they benefit using relevant statistical allocation bases.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of the revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of Indiana law. However, the Organization is subject to federal income tax on any unrelated business taxable income.

The Organization's IRS Forms 990 are subject to review and examination by federal and state authorities. The Organization believes it has appropriate support for any tax positions taken, and therefore, does not have any uncertain income tax positions that are material to the financial statements.

Effect of Adopting New Accounting Standard

In May 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers* ("ASC 606") which replaces most existing revenue recognition guidance in U.S. GAAP. The ASU is based on the principal that revenue is recognized to depict the transfer of goods and service to customers in an amount that reflects the consideration to which the entity expects to be entitled for those goods or services. The ASU also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Organization adopted the new standard effective July 1, 2020, the first days of its fiscal year using the modified retrospective approach. This guidance was applied to all contracts not completed at the adoption date. The most significant impact of the adoption of this ASU is expanded disclosures for revenue recognition.

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases*. The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the statement of financial position at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the statement of activities. This standard will be effective for Organization's year ending June 30, 2023.

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

**Notes to Financial Statements
(Continued)**

NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements - continued

The Organization is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

Reclassification

Certain reclassifications were made to the prior year financial statements to conform to the current year presentation. These reclassifications had no effect on ending equity.

Subsequent Event Evaluation

In preparing its financial statements, the Organization has evaluated events subsequent to the statement of financial position date through April 6, 2022, which is the date the financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

At June 30, 2021 and 2020 financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprised the following:

	2021	2020
Cash and cash equivalents	\$ 1,336,309	\$ 822,421
Grants receivable	1,117,290	1,057,623
Accounts receivable	10,399	84,168
	\$ 2,463,998	\$ 1,964,212

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 3 BOARD DESIGNATED CASH

The Organization utilizes a third party to handle unemployment claims. Quarterly deposits are made into the account based on the projected unemployment claims as established by the third party. In 2014, the third party stated that excess funds held in the account could be returned to the Organization if not needed. The Board is currently leaving the cash in the account with the third party for use on future unemployment claims.

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

**Notes to Financial Statements
(Continued)**

NOTE 4 GRANT REVENUE AND RECEIVABLE

The Organization's grant revenue and related receivables at June 30, 2021 and 2020 consisted of the following:

June 30, 2021	CFDA No.	Revenue 6/30/21	Collections 6/30/21	Receivable 6/30/21
U.S. Department of Health and Human Services:				
Title III - A	93.044	\$ 98,321	\$ 66,892	\$ 31,429
Title III - A COVID - 19 CARES	93.044	27,813	27,813	-
Title III - B	93.044	232,400	145,466	86,934
Title III - B COVID - 19 CARES	93.044	99,533	99,533	-
Title III - C-1	93.045	353,368	343,026	10,342
Title III - C-1 COVID - 19 FCCRA	93.045	3,082	3,082	-
Title III - C-1 COVID - 19 CARES	93.045	15,912	15,912	-
Title III - C - 2 - Vaccine Outreach	93.045	31,192	31,192	-
Title III - C-2	93.045	202,347	146,145	56,202
Title III - C-2 COVID - 19 FCCRA	93.045	4,408	4,408	-
Title III - C-2 COVID - 19 CARES	93.045	84,205	84,205	-
Title III - D	93.043	19,744	14,781	4,963
Title III - D COVID - 19 CARES	93.043	7,447	7,447	-
Title III - E	93.052	93,784	80,209	13,575
Title III - E COVID - 19 CARES	93.052	7,314	7,314	-
Nutrition Service Incentive Program	93.053	42,299	38,354	3,945
Title VII Ombudsman	93.042	6,350	5,261	1,089
Title VII Ombudsman - COVID-19 CARES	93.042	4,000	4,000	-
Waiver Intake	93.778	240,245	193,431	46,814
Pre-Pass Assessment	93.778	1,593	797	796
Social Services Block Grant	93.667	271,979	222,475	49,504
U.S. Department of Education				
First Step	84.181	2,314,240	1,755,621	558,619
Corporation for National and Community Service				
FGP	94.011	233,502	183,185	50,317
Total federal grants		4,395,078	3,480,549	914,529
State grants		906,641	703,880	202,761
Local grants		340,396	340,396	-
		<u>\$ 5,642,115</u>	<u>\$ 4,524,825</u>	<u>\$ 1,117,290</u>

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

**Notes to Financial Statements
(Continued)**

NOTE 4 GRANT REVENUE AND RECEIVABLE (Continued)

June 30, 2020

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

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

**Notes to Financial Statements
(Continued)**

NOTE 5 OPERATING LEASES

The Organization leases their administrative office and outreach offices under noncancelable operating leases that expire in various years through June 2023. Total rental expense for the years ended June 30, 2021 and 2020 was \$194,707 and \$202,165, respectively. Future annual minimum lease payments at June 30, 2021 were:

2022	\$	136,865
2023		30,417

NOTE 6 RELATED PARTY TRANSACTIONS

In 2013, the Organization and Housing Partnerships, Inc. (HPI) formed a supporting organization called Thrive Alliance. The Organization and HPI remain separate entities. The executive director of the Organization is contracted to be HPI's executive director with a portion of the executive director's time to be billed back to HPI.

Amounts due from HPI totaled \$7,729 and \$39,644 as of June 30, 2021 and 2020 respectively and is included in account receivable. Total transactions for 2021 and 2020 were \$89,141 and \$138,178, respectively.

On July 1, 2015, \$100,000 was loaned to HPI as a line of credit. Interest is earned at 1.93% each year with quarterly interest only payments required. The note matured June 30, 2017 but was renewed by the Organization and HPI through June 30, 2021. An additional \$100,000 was loaned in 2019 and accrues interest at the rate of 1.56% each year with quarterly interest only payments required and matured on December 31, 2019 but was renewed through 12/31/2020. On November 1, 2020, \$50,000 was loaned to HPI as a line of credit. Interest was earned at a rate of .13% each year with quarterly interest only payments required. All three notes were repaid in 2021.

NOTE 7 PPP FUNDS

On July 20, 2020, the Organization entered into a term note pursuant to the Coronavirus Aid, Relief, and Economic Security Act's (CARES Act) Payroll Protection Program (the Program) for \$785,300. All or a portion of the note may be forgiven in accordance with the Program requirements. Interest on the outstanding principal balance will accrue at a fixed rate of 1.00%, but neither principal or interest are due and payable during the initial 6-month deferral period after issuance. After the initial 6-month deferral period expires, the outstanding principal balance that is not forgiven under the Program will convert to an amortizing loan payable in 18 equal installments of principal. As the Organization believed the loan would be forgiven in its entirety, they treated the funds as grant revenue in 2021. The loan was forgiven in its entirety on November 25, 2020.

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

**Notes to Financial Statements
(Continued)**

NOTE 8 COVID-19 PANDEMIC AND SUBSEQUENT EVENT

On March 11, 2020, the World Health Organization (“WHO”) recognized COVID-19 as a global pandemic, prompting many national, regional and local governments to implement preventative or protective measures, such as travel and business restrictions, temporary store closures, and wide-sweeping quarantines and stay-at-home orders. As a result, COVID-19 and the related restrictive measures have had a significant adverse impact upon many sectors of the economy. Consequently, there was some disruption in the Organization’s programs in 2021 and 2020 and the organization received additional funding through FCCRA for approximately \$7,500 and \$142,000 and CARES funds for approximately \$246,000 and \$242,000, respectively. Through the date of issuance of these financial statements there has been no material adverse impact to the Organization’s assets or activities.

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

SUPPLEMENTARY INFORMATION

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

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021**

Federal Grantor Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Dept. of Education:				
Passed through Indiana Family and Social Services Administration				
Special Education Grants for Infants and Family	84.181	#21527	\$ 2,314,240	\$ -
U.S. Dept. of Health & Human Services:				
Passed through Indiana Family and Social Services Administration				
Aging Cluster				
Title III-B Admin	93.044	19AAINT3SS	98,321	-
COVID 19 CARES - Title III-B Admin	93.044	19AAINT3SS	27,813	-
Title III-B Social Services	93.044	19AAINT3SS	232,400	73,360
COVID 19 CARES - Title III-B Social Services	93.044	19AAINT3SS	99,533	-
Total Title III-B			<u>458,067</u>	<u>73,360</u>
Title III- Congregate Meals	93.045	19AAINT3CM	353,368	-
COVID 19 FCCRA -Title III- Congregate Meals	93.045	19AAINT3CM	3,082	-
COVID 19 CARES -Title III- Congregate Meals	93.045	19AAINT3CM	15,912	-
Title III-C Home Delivered Meals	93.045	19AAINT3HD	202,347	-
COVID 19 Vaccine Outreach- Title III-C Home Delivered Meals	93.045	19AAINT3HD	31,192	-
COVID 19 FCCRA - Title III-C Home Delivered Meals	93.045	19AAINT3HD	4,408	-
COVID 19 CARES - Title III-C Home Delivered Meals	93.045	19AAINT3HD	84,205	-
Total Title III-C			<u>694,514</u>	<u>-</u>
Nutrition Services Incentive Program	93.053	19AAINNSIP	42,299	-
Total Aging Cluster			<u>1,194,880</u>	<u>73,360</u>
Title III - D	93.043	19AAINT3PH	19,744	-
COVID 19 CARES - Title III - D	93.043	19AAINT3PH	7,447	-
Title III - E	93.052	19AAINT3FC	93,784	-
COVID 19 CARES - Title III - E	93.052	19AAINT3FC	7,314	-
Title VII - Ombudsman	93.042	19AAINT7OM	6,350	6,350
Title VII - Ombudsman - CARES	93.042	19AAINT7OM	4,000	4,000
Social Services Block Grant	93.667	1002INSOSR	271,979	-
Waiver Intake	93.778	#22140WI	240,245	-
Pre-Pas Assessment	93.778	#22140PPA	1,593	-
Total U.S. Department of Health & Human Services			<u>1,847,336</u>	<u>83,710</u>
Direct Award from Corporation for National and Community Service				
Foster Grandparent Program	94.011	N/A	233,502	-
Total Expenditure of Federal Awards			<u>\$ 4,395,078</u>	<u>\$ 83,710</u>

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

**Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021**

NOTE 1 BASIS OF PRESENTATION

The schedule of expenditures of federal awards includes the federal grant activity of the Organization for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented on this schedule may differ from those amounts presented, or used in, the preparation of the basic combined financial statements.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 INDIRECT COST RATE

The Organization has elected not to use the 10% de minimis indirect cost rate allowed under Uniform Guidance.

**Independent Auditors' Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Board of Directors
Aging & Community Services of South Central Indiana, Inc.
Columbus, Indiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Aging & Community Services of South Central Indiana, Inc. (the Organization), which comprise the statement of financial position as June 30, 2021, 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 April 6, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-01 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Independent Auditors' Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*
(Continued)**

Purpose of this Report

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

Barnes, Dennig & Co., Ltd.

April 6, 2022
Indianapolis, Indiana

**Independent Auditors' Report on Compliance for Each Major Program
and on Internal Control over Compliance Required by the Uniform Guidance**

Board of Directors
Aging & Community Services of South Central Indiana, Inc.
Columbus, Indiana

Report on Compliance for Each Major Federal Program

We have audited Aging & Community Services of South Central Indiana, Inc.'s (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2021. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

**Independent Auditors' Report on Compliance for Each Major Federal Program
and on Internal Control over Compliance Required by Uniform Guidance
(Continued)**

Report on Internal Control over Compliance

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

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

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

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



April 6, 2022
Indianapolis, Indiana

**Aging & Community Services of
South Central Indiana, Inc.
(A Member of Thrive Alliance)**

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2021**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? X Yes _____ No

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None noted

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR Section 200.516(a)? _____ Yes X No

Identification of major programs

<u>CFDA #</u>	<u>Name of Federal Programs or Clusters</u>
93.044, 93.045, 93.053	Aging Cluster

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

Auditee qualified as low-risk auditee? X Yes _____ No

**Aging & Community Services of
South Central Indiana, Inc.
(A Member of Thrive Alliance)**

**Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2021**

Section II - Financial Statement Findings

Item 2021-01: Audit Adjustment

Criteria: The Organization is responsible for establishing and maintaining effective internal control over financial reporting.

Condition and Context: The auditor discovered a misstatement related to recording of revenues and expenses with no effect on the change in net assets on the statement of activities.

Cause: Misunderstanding of the certain pass thru funds paid to other providers of the First Steps funding.

Effect: Revenues and expenses were overstated by the same dollar amount (no effect on the change in net assets on the statement of activities).

Repeat Finding: This is not a repeat finding.

Recommendation: Moving forward do not include pass thru funds paid to other providers of the First Steps funding as revenues and offsetting expenses.

View of Responsible Officials: The Organization will follow the recommendation above.

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

**Aging & Community Services of
South Central Indiana, Inc.
(A Member of Thrive Alliance)**

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2021**

Reference Number	Summary of Finding	Status
	No matters are reportable	