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AN EQUAL OPPORTUNITY EMPLOYER

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January 19, 2023

Board of Directors
Area IV Agency on Aging Community Action Program, Inc.
660 N. 36th Street
Lafayette, IN 47905

We have reviewed the audit report of Area IV Agency on Aging Community Action Program, Inc. which was opined upon by Wipfli LLP, Independent Public Accountants, for the period January 1, 2020 to December 31, 2020. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Area IV Agency on Aging Community Action Program, Inc. as of December 31, 2020 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 black ink that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

Area IV Agency on Aging Community Action Program, Inc.

Financial Statements and
Supplementary Information

Years Ended December 31, 2020 and 2019



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

Financial Statements and Supplementary Information
Years Ended December 31, 2020 and 2019

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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, 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; 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, 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.

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 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. The accompanying schedule of program activity is also presented for the purpose 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. 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 7, 2021, 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

Wipfli LLP

December 7, 2021
Madison, Wisconsin

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

Statements of Financial Position

December 31, 2020 and 2019

<i>Assets</i>	2020	2019
Current assets:		
Cash and cash equivalents	\$ 565,681	\$ 405,990
Grants receivable	1,335,153	1,189,430
Prepaid expenses and other assets	44,323	75,431
Total current assets	1,945,157	1,670,851
Long-term asset: Beneficial interest in assets held by others	38,303	37,237
Property and equipment, net	174,013	232,509
TOTAL ASSETS	\$ 2,157,473	\$ 1,940,597
<i>Liabilities and Net Assets</i>		
Current liabilities:		
Accounts payable	\$ 546,385	\$ 476,255
Accrued payroll and related expenses	271,648	271,120
Refundable advances	28,295	19,667
Total current liabilities	846,328	767,042
Net assets:		
Without donor restriction	1,190,355	1,025,344
With donor restriction	120,790	148,211
Total net assets	1,311,145	1,173,555
TOTAL LIABILITIES AND NET ASSETS	\$ 2,157,473	\$ 1,940,597

See accompanying notes to financial statements.

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

Statements of Activities

Years Ended December 31, 2020 and 2019

	2020		
	Without Donor Restriction	With Donor Restriction	Total
Revenue:			
Grant revenue	\$ 8,849,070	\$ 0	\$ 8,849,070
Contract revenue	1,549,159	0	1,549,159
Program contributions	82,314	0	82,314
Cash contributions	13,819	0	13,819
Special events	4,000	0	4,000
Change in beneficial interest in assets held by others	0	2,636	2,636
Net assets released from restrictions	30,057	(30,057)	0
Total revenue	10,528,419	(27,421)	10,500,998
Expenses:			
Program activities:			
Energy assistance	3,213,376	0	3,213,376
Weatherization	647,835	0	647,835
Housing	856,227	0	856,227
Case management	1,037,773	0	1,037,773
Transportation	153,143	0	153,143
Community services	702,739	0	702,739
Other programs	2,994,691	0	2,994,691
Total program expenses	9,605,784	0	9,605,784
Supportive services:			
Management and general	757,624	0	757,624
Total expenses	10,363,408	0	10,363,408
Changes in net assets	165,011	(27,421)	137,590
Net assets - Beginning of year	1,025,344	148,211	1,173,555
Net assets - End of year	\$ 1,190,355	\$ 120,790	\$ 1,311,145

See accompanying notes to financial statements.

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

Statements of Activities (Continued)

Years Ended December 31, 2020 and 2019

	2019		
	Without Donor Restriction	With Donor Restriction	Total
Revenue:			
Grant revenue	\$ 9,505,066	\$ 17,213	\$ 9,522,279
Contract revenue	1,090,814	0	1,090,814
Program contributions	201,769	23,007	224,776
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
Total revenue	10,872,128	71,276	10,943,404
Expenses:			
Program activities:			
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
Total program expenses	9,808,331	0	9,808,331
Supportive services:			
Management and general	710,490	0	710,490
Total expenses	10,518,821	0	10,518,821
Changes in net assets	353,307	71,276	424,583
Net assets - Beginning of year	672,037	76,935	748,972
Net assets - End of year	\$ 1,025,344	\$ 148,211	\$ 1,173,555

See accompanying notes to financial statements.

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

Statements of Functional Expenses

Year Ended December 31, 2020

	Energy Assistance	Weatherization	Housing	Care Management	Transportation	Community Services	Other Programs	Total Program Expenses	Management and General	Total
Expenses										
Salaries	\$ 237,774	\$ 151,717	\$ 87,830	\$ 681,305	\$ 85,893	\$ 238,268	\$ 444,317	\$ 1,927,104	\$ 486,104	\$ 2,413,208
Fringe	61,897	40,024	14,811	173,547	20,313	71,653	116,428	498,673	132,792	631,465
Contract services	16,359	4,920	3,045	19,835	3,108	15,598	24,755	87,620	7,922	95,542
Travel	964	4,315	850	4,447	15,412	150	1,858	27,996	1,974	29,970
Space	47,717	9,519	4,152	55,791	7,367	22,637	48,067	195,250	23,333	218,583
Consumable supplies	44,140	9,855	6,164	38,324	13,017	78,860	827,532	1,017,892	71,976	1,089,868
Equipment lease	654	258	113	830	130	512	709	3,206	374	3,580
Direct client assistance	2,767,378	412,264	728,657	36,886	227	258,546	1,507,252	5,711,210	4,705	5,715,915
Other operational	36,493	14,963	10,605	26,808	7,676	16,515	23,773	136,833	28,444	165,277
In-kind expense	0	0	0	0	0	0	0	0	0	0
Total Expenses	\$3,213,376	\$ 647,835	\$ 856,227	\$ 1,037,773	\$ 153,143	\$ 702,739	\$2,994,691	\$ 9,605,784	\$ 757,624	\$ 10,363,408

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, 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
Total Expenses	\$4,055,975	\$ 839,698	\$ 875,012	\$ 908,623	\$ 186,786	\$ 497,834	\$ 2,444,403	\$9,808,331	\$ 710,490	\$ 10,518,821

See accompanying notes to financial statements.

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

Statements of Cash Flows

Years Ended December 31, 2020 and 2019

	2020	2019
Increase in cash and cash equivalents:		
Cash flows from operating activities:		
Changes in net assets	\$ 137,590	\$ 424,583
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	(2,636)	(6,164)
Depreciation	58,496	34,455
Changes in operating assets and liabilities:		
Grants receivable	(145,723)	(37,691)
Prepaid expenses and other assets	31,108	(42,029)
Accounts payable	70,130	(48,778)
Accrued payroll and related expenses	528	45,007
Refundable advances	8,628	(146,400)
Net cash provided by operating activities	158,121	222,983
Cash flows from investing activities:		
Purchase of property and equipment	0	(184,235)
Transfers from Community Foundation	1,570	1,589
Net cash provided by (used in) investing activities	1,570	(182,646)
Changes in cash and cash equivalents	159,691	40,337
Cash and cash equivalents - Beginning of year	405,990	365,653
Cash and cash equivalents - End of year	\$ 565,681	\$ 405,990
Supplemental schedule of other cash activity:		
Interest paid and expensed	\$ 0	\$ 25

See accompanying notes to financial statements.

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

Notes to Financial Statements

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 84% and 87% of total revenue for the years ended December 31, 2020 and 2019, respectively. In addition, for the years ended December 31, 2020 and 2019, approximately 52% and 59% of total revenue was received from Indiana Housing and Community Development Authority and approximately 29% and 25% 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

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 \$150,381 and \$200,415 at December 31, 2020 and 2019, 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.

Change in Accounting Policy

In May 2014, the FASB issued ASU 2014-09 *Revenue from Contracts with Customers (Topic 606)*. The amendments in this ASU, along with numerous clarifications and modifications, require an Organization to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services. The Organization adopted this guidance as of January 1, 2020 and applied Topic 606 on a modified retrospective basis and elected the practical expedient provided in Topic 606, under which an entity need not restate contracts that begin and are completed within the same annual reporting period. There was no change to reported assets, liabilities, net assets, expenses or change in net assets for 2020 and no cumulative adjustment for prior periods as a result of adopting this standard. Management believes the standard improves the usefulness and understandability of the Organization's financial reporting.

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

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Change in Accounting Policy (Continued)

Following are the line items on the statement of activities for the year ended December 31, 2019, that were affected, the amounts that would have been reported under the former guidance, the effects of applying the new guidance, and the balances reported under the new guidance:

	As Originally Reported	Effects of New Accounting Policy	As Reported
Statement of Activities:			
Grant revenue	\$ 9,558,127	(\$ 35,848)	\$ 9,522,279
Contract revenue	0	1,090,814	1,090,814
Program income	1,279,742	(1,054,966)	224,776

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.

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.

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

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Grant Revenue (Continued)

B. Grant Awards That Are Exchange Transactions

Exchange transactions are reimbursed based on a predetermined rate for services performed in accordance with the terms of the award and ASC Topic 606. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability.

Contract Revenue

The Organization recognized revenue from exchange transactions from contracts with customers for transportation services, medical services, childcare fees, and management services. The Organization recognizes revenue in accordance with Financial Accounting Standard Board (FASB) Accounting Standards Update (ASU 2014-09) and ASC 606, *Revenue from Contracts with Customers*, as amended. ASU 2014-09 applies to exchange transactions that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition with a focus on the transfer of control of promised goods or services to a customer. The Organization reported the following exchange transaction revenue in its statements of activities for the years ended December 31, 2020 and 2019:

	2020	2019
Area IV transit	\$ 21,817	\$ 19,207
Medicaid Waiver A&D	1,325,260	783,466
Learning center	115,231	188,793
Organizational payee	64,435	63,500
Area IV Development management services	22,416	35,848
Totals	\$ 1,549,159	\$ 1,090,814

The Organization determined at December 31, 2020 there were no services provided without a contract in place and, therefore, has no expected adjustments to receivables and revenue. The receivables at January 1, 2019 from contracts with customers totaled \$152,467. The receivables at December 31, 2019 from contracts with customers totaled \$19,319. The receivables at December 31, 2020 from contracts with customers, totaling \$128,312, are for services provided during the year and are included in grants receivable on the statements of financial position. Contract assets arise when the Organization provides goods or services to a customer in advance of receiving consideration and the right to consideration is conditioned on something other than the passage of time, such as work in process or unbilled receivables. Contract assets are transferred to receivables when the right to receive consideration becomes unconditional and the Organization is able to invoice the customer. Contract liabilities represent the Organization's obligation to provide goods or services to a customer when consideration has already been received from the customer, such as tuition deposits and deferred revenue. When goods or services are provided, contract liabilities are reclassified, and revenue is recognized. There are no contract assets or contract liabilities at December 31, 2020 or 2019 and January 1, 2019.

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

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Contract Revenue (Continued)

Area IV Transit

The Organization provides transportation services within Tippecanoe and Benton Counties. These transit services range from Medicaid reimbursed medical trips, rides reimbursed through the 5311 IN Dot funds, private pay and on a donation basis. The transaction price is ordinarily set by negotiated contract and billed monthly. Customers are invoiced, and revenue is recognized over time because the participant simultaneously receives and consumes the benefits provided by the Organization's performance as the Organization provides the services. A receivable is recorded at the time the service and or product is billed to the customer. The receivables at year end are for services provided and billed through year end.

Medicaid Waiver – A&D

Care Coordination Services are provided to program participants (individuals who are assessed and meet eligibility for the Medicaid Waivered Program Services) in Benton, Carroll, Clinton, Fountain, Montgomery, Tippecanoe, Warren, and White Counties through the Organization's contract with the State of Indiana. These Care Coordination services are paid for by the State of Indiana and are funded through the Aged and Disabilities Medicaid Waiver and the Traumatic Brain Injury Medicaid Waiver. Each program participant has their own agreed upon service care plan/contract that is renewed annually and periodically as needed. The rates paid are set by the State of Indiana and are based on the units of service defined in the service/care plan and approved by the State office.

The performance obligations in the program participant service contracts include assessment, care plan development, service monitoring, contacts, and updates. The services provided to the program participants are determined through the type of waived services the program participant chooses at the beginning of the care plan service/contract and renewed at least annually. The care plan/service contracts include a rate for each unit of service for each service provided as defined by the State. The units of service can be daily, hourly, every fifteen minutes or one-way or two-way for transportation. There is no variable consideration in the service contracts when it comes to rate of payment. The Organization bills the state monthly and also bills for replacement claims/rebills as needed at the unit rate based on units of service provided.

Revenue is recognized over time because the participant simultaneously receives and consumes the benefits provided by the Organization's actions as the Organization performs the services. The Organization recognizes revenue at the amount of consideration that the Organization expects to be entitled to in exchange for providing its services. The consideration is the unit rates provided in the service contracts multiplied by the days attended and/or the number of minutes/hours increments that services are provided. At year end, the Organization records a receivable for services performed through the last day of the year based on attendance and services provided to the program participants. Occasionally services are provided before the service agreement is in place. The Organization records a receivable and related revenue for these services when the services are provided. Once the contract is in place the Organization will bill the State of Indiana based on the rates in the contract and will record the receivable and revenue in the month the services were provided. The Organization has determined that on December 31, 2019, and 2020 there were no services provided without a contract in place and therefore had no expected adjustments to receivables and revenue. The receivables at year end are for services provided and billed through year end.

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

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Contract Revenue (Continued)

Learning Center

The Organization offers extended care before and after school to families participating in its licensed child-care (early learning) program in White County only. Contract terms are established using a sign-up form in which the family will indicate the days and times (before or after school) when care is needed. Pricing is included in the extended care form and is established for infants, toddlers, and preschool children based on a.m. care, p.m. care, or both. Families are responsible for paying for blocks of care in daily, weekly, or monthly increments, but can cancel care with one day's notice. If a family is eligible for Title XX Childcare Subsidy through the State of Indiana, the family is responsible for applying for and maintaining eligibility. Payments from Title XX Childcare Subsidy are considered third-party reimbursements on behalf of the family receiving care and are treated as exchange revenues similar to parent fees paid. Payments are to be made weekly by the parents, and monthly by Title XX Childcare Subsidy. No payment discounts or financing options are provided. The performance obligation is providing participating families with the agreed upon services for the period covered by the contract. Revenues are recognized over time as the services are provided to the participating families, over the duration of the contract.

Organizational Payee

The organizational payee program receives referrals from the Social Security Administration (SSA). The fees are established by SSA and are not subject to any adjustments or changes by the Organization. These are monthly fees paid to the Organization for the management of each individual's SSA Benefits. All fees are assigned to the Organizational Payee program for support of the program and associated expenses. Revenue is recognized over time because the participant simultaneously receives and consumes the benefits provided by the Organization's performance as the Organization performs the services.

Area IV Development – Management Services

The Organization has a contract with Area IV Development (see note 10) to perform management services, including accounting, treasury operations, financial reporting, tax preparation and filing, and supervision of the capital, maintenance, and repair projects at its facilities. The Organization is paid on a monthly basis and recognized revenues from Area IV Development management services for 2020 and 2019. The Organization considers the performance obligation to be providing these management services and the performance obligation is satisfied as the services are provided. Revenue is recognized over time as Area IV Development is simultaneously receiving and consuming the benefits of the service. The Organization feels the input method is the most faithful depiction of the transfer of the services to Area IV Development, using time elapsed.

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 \$2,810,619 and \$3,664,382 of revenue and expense during the years ended December 31, 2020 and 2019, for such payments made by IHCDA.

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

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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 \$0 and \$14,737 during the years ended December 31, 2020 and 2019. 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 \$95,538 and \$129,403 during the years ended December 31, 2020 and 2019, 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

Note 1: Summary of Significant Accounting Policies (Continued)

Upcoming Accounting Pronouncement

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.

Subsequent Events

Subsequent events have been evaluated through December 7, 2021, which is the date the financial statements were available to be issued.

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.

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:

	2020	2019
Cash and cash equivalents	\$ 565,681	\$ 405,990
Grants receivable	1,335,153	1,189,430
Subtotal financial assets	1,900,834	1,595,420
Cash and cash equivalents included		
in net assets with donor restrictions	(82,487)	(110,974)
Accounts payable	(546,385)	(476,255)
Accrued payroll and related expenses	(271,648)	(271,120)
Refundable advances	(28,295)	(19,667)
Totals	\$ 972,019	\$ 717,404

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

Notes to Financial Statements

Note 3: Liquidity and Availability (Continued)

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 \$8,560,000 as further described in Note 15.

Note 4: Grants Receivable

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

	2020	2019
Indiana Family and Social Services Administration	\$ 596,445	\$ 627,291
Indiana Housing and Community Development Authority	511,806	491,256
Other sources	226,902	70,883
Totals	\$ 1,335,153	\$ 1,189,430

Note 5: Property and Equipment

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

	2020	2019
Vehicles	\$ 389,020	\$ 419,963
Program equipment	151,525	151,525
Subtotal	571,488	571,488
Accumulated depreciation	(366,532)	(338,979)
Property and equipment, net	\$ 174,013	\$ 232,509

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, 2020 and 2019 is \$38,303 and \$37,237, 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 \$2,636 in 2020, and an increase of \$6,164 in 2019, and are reported as such in the accompanying statements of activities. Distributions received from the fund in 2020 were \$1,570 and 2019 were \$1,589.

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

Notes to Financial Statements

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, 2020, the interest rate was 3.25%. There was no balance on the line of credit for the years ended December 31, 2020 and December 31, 2019.

Note 8: Refundable Advances

The Organization had refundable advances in various programs of \$28,295 and \$19,667 as of December 31, 2020 and 2019, respectively.

Note 9: Net Assets with Donor Restrictions

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

	2020	2019
Subject to expenditure for specified purposes	\$ 82,487	\$ 110,974
Beneficial interest – perpetual in nature	23,455	23,455
Beneficial interest – investment earnings	14,848	13,782
Totals	\$ 120,790	\$ 148,211

Net assets released from restrictions through satisfaction of program restrictions was \$30,057 and \$1,589 at December 31, 2020 and 2019, 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, 2020, the Organization recorded revenue of \$22,416 for shared personnel and administrative services, and there were no amounts subcontracted to Area IV Development. At December 31, 2020, the Organization had a receivable from Area IV Development of \$6,962 and no amount payable to Area IV Development.

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.

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 \$7,281 and \$11,288 for the years ending December 31, 2020 and 2019. At December 31, 2020 and 2019, the amount payable to Teragraphics Ink, LLC was \$0.

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, 2020, 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	\$ 38,303	\$ 0	\$ 0	\$ 38,303
Totals	\$ 38,303	\$ 0	\$ 0	\$ 38,303

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

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, 2020 and 2019, is as follows:

	2020	2019
Balance at beginning of year	\$ 37,237	\$ 32,662
Distributions	(1,570)	(1,589)
Change in value	2,636	6,164
Balance at end of year	\$ 38,303	\$ 37,237

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, 2020 and 2019 is disclosed in Note 11.

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

Notes to Financial Statements

Note 13: Operating Leases

The Organization leases various facilities for operation of its programs. Rent expense for the year ended December 31, 2020 and 2019 was \$140,220 and \$139,599, respectively. Future minimum lease payments beyond December 31, 2020, are as follows:

2021	\$	106,526
<u>2022</u>		<u>106,051</u>
Total	\$	<u>212,577</u>

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 \$45,233 and \$50,271 for the years ended December 31, 2020 and 2019, respectively.

Note 15: Grant Awards

As of December 31, 2019, the Organization had received commitments for future funding under various grant awards of approximately \$8,560,000. These commitments are not recognized in the accompanying financial statements as they are conditional awards.

Note 16: Risks and Uncertainties

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, 2020

	FEDERAL PROGRAMS							
	Department of Agriculture				HUD			
	10.558		10.559		14.228		14.871	
	Child & Adult Care Food (1)	Child & Adult Care Food (2)	10.558 Subtotal	Child Nutrition (3)	Community Development Block Grant (4)	Emergency Solutions Grant Housing (5)	Section 8 Housing (6)	
Total								
REVENUE								
Grant revenue	\$ 8,849,070	\$ 9,367	\$ 4,668	\$ 14,035	\$ 0	\$ 0	\$ 47,132	\$ 781,615
Contract revenue	1,549,159	0	0	0	0	0	0	0
Program contributions	82,314	0	0	0	0	0	0	0
Cash contributions	13,819	0	0	0	1,623	0	0	0
Special events	4,000	0	0	0	0	0	0	0
Change in beneficial interest	2,636	0	0	0	0	0	0	0
In-kind contributions	0	0	0	0	0	0	0	0
CSBG transfers	0	0	0	0	0	0	0	43,000
Older Hoosier transfers	0	0	0	0	0	0	0	0
Other transfers	0	0	0	0	(1,542)	225	0	(546)
Total Revenue	10,500,998	9,367	4,668	14,035	81	225	47,132	824,069
EXPENSES								
Salaries	2,413,208	0	0	0	0	97	5,028	95,019
Fringe	631,465	0	0	0	0	3	1,006	16,318
Contract services	95,542	0	0	0	0	14	0	3,208
Travel	29,970	0	0	0	0	0	0	852
Space	218,583	0	0	0	4	83	0	4,836
Consumable supplies	1,089,868	9,367	4,668	14,035	0	5	0	6,382
Equipment lease	3,580	0	0	0	0	1	0	119
Direct client assistance	5,715,915	0	0	0	3	0	41,098	687,563
Other operational	165,277	0	0	0	74	22	0	9,772
In-kind expense	0	0	0	0	0	0	0	0
Total Expenses	10,363,408	9,367	4,668	14,035	81	225	47,132	824,069
Change in Net Assets	137,590	0	0	0	0	0	0	0
Net assets - Beginning of year	1,173,555	0	0	0	0	0	0	0
NET ASSETS - End of year	\$ 1,311,145	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

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, 2020

	FEDERAL PROGRAMS							
	HUD	DOT	Department of Energy			Department of Health and Human Services		
	14.871	20.507	81.042			93.042		
	14.871	Federal Transit	Weatherization		81.042	Title VII	Title VII	93.042
Subtotal	Formula Grants	Weatherization	Weatherization	Subtotal	Long Term	Long Term	Subtotal	
	(7)	(8)	(9)		Care	Care		
					(10)	(11)		
REVENUE								
Grant revenue	\$ 828,747	\$ 67,237	\$ 110,154	\$ 154,299	\$ 264,453	\$ 5,293	\$ 4,065	\$ 9,358
Contract revenue	0	0	0	0	0	0	0	0
Program contributions	0	3,811	0	0	0	0	0	0
Cash contributions	0	548	0	0	0	0	0	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	0	0	0	0	0	0	0	0
CSBG transfers	43,000	0	0	0	0	0	0	0
Older Hoosier transfers	0	0	0	0	0	0	0	0
Other transfers	(546)	7,615	275	(9)	266	0	0	0
Total Revenue	871,201	79,211	110,429	154,290	264,719	5,293	4,065	9,358
EXPENSES								
Salaries	100,047	46,299	35,468	52,487	87,955	0	0	0
Fringe	17,324	9,780	6,091	15,983	22,074	0	0	0
Contract services	3,208	570	468	1,983	2,451	0	0	0
Travel	852	9,041	307	999	1,306	0	0	0
Space	4,836	2,226	1,392	4,051	5,443	0	0	0
Consumable supplies	6,382	7,273	1,437	3,288	4,725	0	0	0
Equipment lease	119	16	20	125	145	0	0	0
Direct client assistance	728,661	193	61,059	70,473	131,532	5,293	4,065	9,358
Other operational	9,772	3,813	4,187	4,901	9,088	0	0	0
In-kind expense	0	0	0	0	0	0	0	0
Total Expenses	871,201	79,211	110,429	154,290	264,719	5,293	4,065	9,358
Change in Net Assets	0	0	0	0	0	0	0	0
Net assets - Beginning of year	0	0	0	0	0	0	0	0
NET ASSETS - End of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

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, 2020

	FEDERAL PROGRAMS							
	Department of Health and Human Services							
	93.043			93.044				
	Title III Prevention (12)	Title III Prevention (13)	93.043 Subtotal	Title III Admin Services (14)	Title III Admin Services (15)	Title III Supportive Services (16)	Title III Supportive Services (17)	93.044 Subtotal
REVENUE								
Grant revenue	\$ 9,048	\$ 991	\$ 10,039	\$ 77,779	\$ 34,179	\$ 398,384	\$ 99,671	\$ 610,013
Contract revenue	0	0	0	0	0	0	0	0
Program contributions	136	84	220	0	0	1,170	0	1,170
Cash contributions	0	0	0	0	0	0	0	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	0	0	0	567	2,227	0	0	2,794
CSBG transfers	8,512	0	8,512	0	0	12,502	0	12,502
Older Hoosier transfers	0	0	0	0	0	7,744	0	7,744
Other transfers	(42)	625	583	49	3	28,501	54,982	83,535
Total Revenue	17,654	1,700	19,354	78,395	36,409	448,301	154,653	717,758
EXPENSES								
Salaries	6,379	0	6,379	57,712	26,490	80,809	21,712	186,723
Fringe	265	0	265	12,799	5,746	20,283	4,696	43,524
Contract services	4,410	381	4,791	791	324	2,718	1,100	4,933
Travel	3	2	5	17	10	462	8	497
Space	2,730	984	3,714	2,323	710	7,918	2,561	13,512
Consumable supplies	2,689	86	2,775	2,245	114	6,046	312	8,717
Equipment lease	45	8	53	41	7	132	24	204
Direct client assistance	7	1	8	7	2	325,361	123,490	448,860
Other operational	1,126	238	1,364	1,893	779	4,572	750	7,994
In-kind expense	0	0	0	567	2,227	0	0	2,794
Total Expenses	17,654	1,700	19,354	78,395	36,409	448,301	154,653	717,758
Change in Net Assets	0	0	0	0	0	0	0	0
Net assets - Beginning of year	0	0	0	0	0	0	0	0
NET ASSETS - End of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

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, 2020

	FEDERAL PROGRAMS							
	Department of Health and Human Services							
	93.045			93.052			93.053	93.568
	Title III Nutrition Services (18)	Title III Nutrition Services (19)	93.045 Subtotal	Family Caregiver Support (20)	Family Caregiver Support (21)	93.052 Subtotal	Incentive Program (22)	EAP LIHEAP (23)
REVENUE								
Grant revenue	\$ 564,477	\$ 141,965	\$ 706,442	\$ 87,054	\$ 27,937	\$ 114,991	\$ 43,225	\$ 2,289,022
Contract revenue	0	0	0	0	0	0	0	0
Program contributions	30,349	7,252	37,601	0	0	0	0	0
Cash contributions	0	0	0	0	25	25	0	2,090
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	69,314	20,380	89,694	2,098	567	2,665	0	0
CSBG transfers	1,143	558	1,701	13,413	0	13,413	0	0
Older Hoosier transfers	2,488	619	3,107	0	0	0	0	0
Other transfers	(33)	(289)	(322)	(36)	(5)	(41)	0	148,902
Total Revenue	667,738	170,485	838,223	102,529	28,524	131,053	43,225	2,440,014
EXPENSES								
Salaries	1,462	4	1,466	65,671	18,965	84,636	0	190,821
Fringe	449	0	449	16,318	4,424	20,742	0	56,875
Contract services	480	202	682	2,673	1,137	3,810	0	12,208
Travel	3	2	5	10	6	16	0	766
Space	1,435	459	1,894	7,278	2,440	9,718	0	36,575
Consumable supplies	593,458	149,283	742,741	4,134	259	4,393	43,225	25,038
Equipment lease	23	4	27	133	24	157	0	577
Direct client assistance	5	1	6	26	4	30	0	2,091,362
Other operational	1,109	149	1,258	4,188	699	4,887	0	25,792
In-kind expense	69,314	20,381	89,695	2,098	566	2,664	0	0
Total Expenses	667,738	170,485	838,223	102,529	28,524	131,053	43,225	2,440,014
Change in Net Assets	0	0	0	0	0	0	0	0
Net assets - Beginning of year	0	0	0	0	0	0	0	0
NET ASSETS - End of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

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, 2020

	FEDERAL PROGRAMS							
	Department of Health and Human Services							
	93.568				93.569			
	EAP LIHEAP (24)	EAP CARES LIHEAP (25)	Weatherization HEAP (26)	Weatherization HEAP (27)	93.568 Subtotal	CSBG (28)	Cares CSBG (29)	93.569 Subtotal
REVENUE								
Grant revenue	\$ 882,963	\$ 50,889	\$ 268,670	\$ 103,136	\$ 3,594,680	\$ 445,327	\$ 359,091	\$ 804,418
Contract revenue	0	0	0	0	0	0	0	0
Program contributions	0	0	0	0	0	0	0	0
Cash contributions	0	0	0	0	2,090	0	0	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	0	0	0	0	0	0	0	0
CSBG transfers	0	0	0	0	0	(333,876)	0	(333,876)
Older Hoosier transfers	0	0	0	0	0	0	0	0
Other transfers	(40,347)	0	(311)	32	108,276	1,322	(29,382)	(28,060)
Total Revenue	842,616	50,889	268,359	103,168	3,705,046	112,773	329,709	442,482
EXPENSES								
Salaries	99,171	6,386	54,015	26,820	377,213	61,063	85,282	146,345
Fringe	16,081	1,278	16,069	5,796	96,099	14,725	18,295	33,020
Contract services	4,696	0	2,009	882	19,795	1,093	5,853	6,946
Travel	213	0	2,521	492	3,992	91	13	104
Space	13,719	0	4,229	1,429	55,952	2,973	1,185	4,158
Consumable supplies	20,209	0	5,355	228	50,830	1,229	23,541	24,770
Equipment lease	108	0	106	21	812	44	0	44
Direct client assistance	676,032	43,225	179,020	66,902	3,056,541	28,834	195,541	224,375
Other operational	12,387	0	5,035	598	43,812	2,721	(1)	2,720
In-kind expense	0	0	0	0	0	0	0	0
Total Expenses	842,616	50,889	268,359	103,168	3,705,046	112,773	329,709	442,482
Change in Net Assets	0	0	0	0	0	0	0	0
Net assets - Beginning of year	0	0	0	0	0	0	0	0
NET ASSETS - End of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

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, 2020

	FEDERAL PROGRAMS								
	Department of Health and Human Services								
	93.667			93.778					
	Social Services Block Grant (30)	Social Services Block Grant (31)	93.667 Subtotal	Medical Assistance (32)	Medical Assistance (33)	Waiver Intake (34)	Waiver Intake (35)	93.778 Subtotal	Total Federal Programs
REVENUE									
Grant revenue	\$ 264,634	\$ 68,769	\$ 333,403	\$ 2,329	\$ 995	\$ 128,896	\$ 153,806	\$ 286,026	\$ 7,687,067
Contract revenue	0	0	0	0	0	0	0	0	0
Program contributions	0	0	0	0	0	0	0	0	42,802
Cash contributions	0	0	0	0	0	0	0	0	4,286
Special events	0	0	0	0	0	0	0	0	0
Change in beneficial interest	0	0	0	0	0	0	0	0	0
In-kind contributions	0	0	0	0	0	0	0	0	95,153
CSBG transfers	26,748	0	26,748	0	0	0	0	0	(228,000)
Older Hoosier transfers	0	0	0	0	0	0	0	0	10,851
Other transfers	47,083	170	47,253	(310)	441	(8,657)	(46,083)	(54,609)	162,633
Total Revenue	338,465	68,939	407,404	2,019	1,436	120,239	107,723	231,417	7,774,792
EXPENSES									
Salaries	48,088	19,620	67,708	895	632	79,153	69,229	149,909	1,254,777
Fringe	12,589	4,355	16,944	293	104	19,072	17,264	36,733	296,957
Contract services	2,006	805	2,811	97	174	2,236	3,190	5,697	55,708
Travel	243	86	329	61	1	1,425	30	1,517	17,664
Space	6,098	2,357	8,455	233	242	7,166	7,902	15,543	125,538
Consumable supplies	3,079	163	3,242	299	79	6,758	6,203	13,339	926,452
Equipment lease	102	18	120	5	8	93	137	243	1,941
Direct client assistance	263,966	41,054	305,020	1	0	26	7	34	4,904,621
Other operational	2,294	481	2,775	135	196	4,310	3,761	8,402	95,981
In-kind expense	0	0	0	0	0	0	0	0	95,153
Total Expenses	338,465	68,939	407,404	2,019	1,436	120,239	107,723	231,417	7,774,792
Change in Net Assets	0	0	0	0	0	0	0	0	0
Net assets - Beginning of year	0	0	0	0	0	0	0	0	0
NET ASSETS - End of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

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, 2020

STATE AND LOCAL PROGRAMS								
Older Hoosier Act (36)	CHOICE (37)	CHOICE (38)	Assisted Living Ombudsman (39)	Section 5311 Grant State Portion (40)	Section 5311 CARES Grant State Portion (41)	Area IV Transit (42)	Medicaid Waiver A & D (43)	
REVENUE								
Grant revenue	\$ 10,851	\$ 520,629	\$ 531,040	\$ 10,015	\$ 8,103	\$ 1,159	\$ 172	\$ 356
Contract revenue	0	0	0	0	0	21,817	1,325,260	
Program contributions	0	2,770	2,882	0	0	0	0	
Cash contributions	0	0	0	0	0	5,190	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	35,702	0	
Older Hoosier transfers	(10,851)	0	0	0	0	0	0	
Other transfers	0	55,600	4,108	0	(6,455)	(1,159)	7,958	(496,471)
Total Revenue	0	578,999	538,030	10,015	1,648	0	70,839	829,145
EXPENSES								
Salaries	0	142,587	128,496	0	0	38,143	554,606	
Fringe	0	40,485	38,224	0	0	10,177	137,973	
Contract services	0	2,810	3,921	0	0	2,682	13,840	
Travel	0	626	90	0	1,634	4,576	3,303	
Space	0	11,200	11,076	0	0	5,435	34,460	
Consumable supplies	0	14,018	8,142	0	14	5,722	28,849	
Equipment lease	0	126	151	0	0	120	606	
Direct client assistance	0	360,895	342,989	10,015	0	36	36,842	
Other operational	0	6,252	4,941	0	0	3,948	18,666	
In-kind expense	0	0	0	0	0	0	0	
Total Expenses	0	578,999	538,030	10,015	1,648	0	70,839	829,145
Change in Net Assets	0	0	0	0	0	0	0	0
Net assets - Beginning of year	0	0	0	0	0	0	0	0
NET ASSETS - End of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

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, 2020

	STATE AND LOCAL PROGRAMS						
	Learning Center (44)	Twin Lakes School Corp Woodlawn (45)	Share the Warmth (46)	Vectren DSM (47)	State Weatherization HEAP (48)	Organizational Payee (49)	IDA Program (50)
REVENUE							
Grant revenue	\$ 2,358	\$ 10,605	\$ 15,000	\$ 0	\$ 25,798	\$ 0	\$ 0
Contract revenue	115,231	0	0	0	0	64,435	0
Program contributions	0	300	0	11,657	0	0	0
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	385	0
CSBG transfers	158,905	0	0	0	0	30,496	2,897
Older Hoosier transfers	0	0	0	0	0	0	0
Other transfers	(10)	5,629	586	4,779	399	210	0
Total Revenue	276,484	16,534	15,586	16,436	26,197	95,526	2,897
EXPENSES							
Salaries	165,773	9,997	1,293	0	10,128	58,633	2,001
Fringe	50,627	878	543	0	2,168	18,813	571
Contract services	6,730	717	8	0	153	2,598	66
Travel	126	1	0	0	0	4	33
Space	15,188	288	71	0	328	7,039	41
Consumable supplies	21,601	3,399	3	0	186	4,919	71
Equipment lease	360	43	0	0	9	123	5
Direct client assistance	2,552	25	13,639	16,436	12,043	40	1
Other operational	13,527	1,186	29	0	1,182	2,972	108
In-kind expense	0	0	0	0	0	385	0
Total Expenses	276,484	16,534	15,586	16,436	26,197	95,526	2,897
Change in Net Assets	0	0	0	0	0	0	0
Net assets - Beginning of year	0	0	0	0	0	0	0
NET ASSETS - End of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

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, 2020

	STATE AND LOCAL PROGRAMS				DISCRETIONARY		
	Beed Loan operations (51)	Revolving Loans Receivable (52)	Beneficial Interest in Assets (53)	Total State & Local (54)	Other Activities (55)	GAAP Adjustments (56)	TOTAL DISCRETIONARY
REVENUE							
Grant revenue	\$ 0	\$ 0	\$ 0	\$ 1,136,086	\$ 25,917	\$ 0	\$ 25,917
Contract revenue	0	0	0	1,526,743	22,416	0	22,416
Program contributions	0	0	0	17,609	21,903	0	21,903
Cash contributions	2,848	0	0	8,038	1,495	0	1,495
Special events	0	0	0	0	4,000	0	4,000
Change in beneficial interest	0	0	2,636	2,636	0	0	0
In-kind contributions	0	0	0	385	0	(95,538)	(95,538)
CSBG transfers	0	0	0	228,000	0	0	0
Older Hoosier transfers	0	0	0	(10,851)	0	0	0
Other transfers	(2,822)	0	(1,570)	(429,218)	266,585	0	266,585
Total Revenue	26	0	1,066	2,479,428	342,316	(95,538)	246,778
EXPENSES							
Salaries	16	0	0	1,111,673	46,758	0	46,758
Fringe	1	0	0	300,460	10,356	23,692	34,048
Contract services	0	0	0	33,525	6,309	0	6,309
Travel	0	0	0	10,393	1,913	0	1,913
Space	0	0	0	85,126	7,919	0	7,919
Consumable supplies	0	12,072	0	98,996	5,924	58,496	64,420
Equipment lease	0	0	0	1,543	96	0	96
Direct client assistance	0	0	0	795,513	15,781	0	15,781
Other operational	9	0	0	52,820	16,476	0	16,476
In-kind expense	0	0	0	385	0	(95,538)	(95,538)
Total Expenses	26	12,072	0	2,490,434	111,532	(13,350)	98,182
Change in Net Assets	0	(12,072)	1,066	(11,006)	230,784	(82,188)	148,596
Net assets - Beginning of year	0	44,273	37,237	81,510	949,679	142,366	1,092,045
NET ASSETS - End of year	\$ 0	\$ 32,201	\$ 38,303	\$ 70,504	\$ 1,180,463	\$ 60,178	\$ 1,240,641

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, 2020

Federal Grantor/Pass-Through Entity/Program Title	CFDA Number	Contract or Agreement Number	Passed through to Subrecipients	Federal Expenditures
DEPARTMENT OF AGRICULTURE				
Passed-Through Indiana Department of Education				
(1) Child and Adult Care Food Program	10.558	1790160	\$ 0	\$ 9,367
(2) Child and Adult Care Food Program	10.558	1790160	0	4,668
Total Federal Expenditures CFDA 10.558			0	14,035
Child Nutrition Cluster:				
(3) Summer Food Service Program for Children	10.559	1790160	0	0
Total Federal Expenditures CFDA 10.559 Child Nutrition Cluster			0	0
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed-Through Indiana Housing and Community Development Authority				
(4) Community Development Block Grant	14.228	LCAP-19-03	0	0
Passed-Through Indiana Housing and Community Development Authority				
(5) Emergency Solutions Grant	14.871	ESHP-CV-020-0004	0	47,132
Passed-Through Indiana Housing and Community Development Authority Housing Voucher Cluster				
(6) Section 8 Housing Choice Vouchers	14.871	HCV-0200-01	0	781,615
Total Federal Expenditures CFDA 14.871 Housing Voucher Cluster			0	828,747
DEPARTMENT OF TRANSPORTATION				
Passed-Through Indiana Department of Transportation Federal Transit Cluster:				
(7) Federal Transit - Formula Grants	20.507	A249-20-G180373	0	67,237
Total Federal Expenditures CFDA 20.507 Federal Transit Cluster			0	67,237
DEPARTMENT OF ENERGY				
Passed-Through Indiana Housing and Community Development Authority				
(8) Weatherization	81.042	WX-019-003	0	110,154
(9) Weatherization	81.042	WX-020-003	0	154,299
Total Federal Expenditures CFDA 81.042			0	264,453
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed-Through Indiana Family and Social Services Administration				
(10) Special Programs for the Aging -Title VII-Long Term Care Ombudsman Services for Older Individuals	93.042	38355	5,293	5,293
(11) Special Programs for the Aging -Title VII-Long Term Care Ombudsman Services for Older Individuals	93.042	49630	4,065	4,065
Total Federal Expenditures CFDA 93.042			9,358	9,358
(12) Special Programs for the Aging -Title III, Part D - Disease Prevention and Health Promotion Services	93.043	38355	0	9,048
(13) Special Programs for the Aging -Title III, Part D - Disease Prevention and Health Promotion Services	93.043	49630	0	991
Total Federal Expenditures CFDA 93.043			0	10,039

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

Schedule B-2
 Schedule of Expenditures of Federal Awards
 Year Ended December 31, 2020

Federal Grantor/Program Title	CFDA Number	Contract or Agreement Number	Passed through to Subrecipients	Federal Expenditures	
DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)					
Passed-Through Indiana Family and Social Services Administration					
Aging Cluster:					
(14)	Special Programs for the Aging-Title III, Part A-Grants for Administrative Services	93.044	38355	\$ 0	\$ 24,647
	COVID-19 Special Programs for the Aging-Title III Part A-Grants for Administrative Services CARES	93.044	42915	0	53,132
				0	77,779
(15)	Special Programs for the Aging-Title III, Part A-Grants for Administrative Services	93.044	49630	0	4,459
	COVID-19 Special Programs for the Aging-Title III Part A-Grants for Administrative Services CARES	93.044	42915	0	29,720
				0	34,179
(16)	Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	93.044	38355	0	119,050
	COVID-19 Special Programs for the Aging-Title III Part B-Grants for Supportive Services and Senior Centers CARES	93.044	42915	0	50,147
	Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	93.044	49630	0	229,187
				0	398,384
(17)	Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	93.044	49630	0	99,671
	Total Federal Expenditures CFDA 93.044			0	610,013
(18)	Special Programs for the Aging-Title III, Part C-Nutrition Services	93.045	38355	116,416	116,416
	COVID-19 Special Programs for the Aging-Title III Part C-Nutrition Services FFRCA	93.045	42915	111,710	111,710
	COVID-19 Special Programs for the Aging-Title III Part C-Nutrition Services CARES	93.045	42915	336,351	336,351
				564,477	564,477
(19)	Special Programs for the Aging-Title III, Part C-Nutrition Services	93.045	49630	141,965	141,965
	Total Federal Expenditures CFDA 93.045			706,442	706,442
(20)	National Family Caregiver Support, Title III, Part E	93.052	38355	0	31,972
	COVID-19 National Family Caregiver Support Title III, Part E CARES	93.052	42915	0	55,082
				0	87,054
(21)	National Family Caregiver Support, Title III, Part E	93.052	49630	0	27,937
	Total Federal Expenditures CFDA 93.052			0	114,991
(22)	Nutritional Services Incentive Program	93.053	49630	0	43,225
	Total Federal Expenditures Aging Cluster (CFDA 93.044, 93.045, 93.053)			706,442	1,359,680

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, 2020

<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>
DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
Passed-Through Indiana Housing and Community Development Authority				
(23) Low-Income Home Energy Assistance	93.568	LI-020-003	0	2,289,022
(24) Low-Income Home Energy Assistance	93.568	LI-021-003	0	882,963
(25) COVID-19 Low-Income Home Energy Assistance CARES	93.568	LI-CV-020-003	0	50,889
(26) Low-Income Home Energy Assistance-Weatherization	93.568	WL-020-003	0	268,670
(27) Low-Income Home Energy Assistance-Weatherization	93.568	WL-021-003	0	103,136
Total Federal Expenditures CFDA 93.568			0	3,594,680
(28) Community Services Block Grant	93.569	CS-020-003	0	445,327
(29) COVID-19 Community Services Block Grant CARES	93.569	CS-CV-020-003	0	359,091
Total Federal Expenditures CFDA 93.569			0	804,418
Passed-Through Indiana Family and Social Services Administration				
(30) Social Services Block Grant	93.667	38355	0	264,634
(31) Social Services Block Grant	93.667	49630	0	68,769
Total Federal Expenditures CFDA 93.667			0	333,403
Medicaid Cluster:				
(32) Medical Assistance Program	93.778	38355	\$ 0	\$ 2,329
(33) Medical Assistance Program	93.778	44167	0	995
(34) Waiver Intake	93.778	38355	0	128,896
(35) Waiver Intake	93.778	44167	0	153,806
Total Federal Expenditures CFDA 93.778 Medicaid Cluster			0	286,026
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 715,800	\$ 7,687,067

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

Schedule B-4
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2020

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, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 7, 2021.

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.

Wipfli LLP

Wipfli LLP

December 7, 2021
Madison, Wisconsin

Independent Auditor’s Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

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, 2020. 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 program. 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, 2020.

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.

Wipfli LLP

Wipfli LLP

December 7, 2021
Madison, Wisconsin

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

Schedule of Findings and Questioned Costs
Year Ended December 31, 2020

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?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
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>
Low Income Home Energy Assistance Program	93.568
Community Services Block Grant	93.569

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
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Auditee qualified as low-risk auditee?	Yes
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Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Section IV - Summary Schedule of Prior Year Findings

None