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February 10, 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, 2021 to December 31, 2021. 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, 2021 and the results of its operations for the period then ended, on the basis of accounting described in the report.

We call your attention to the findings included in the report on pages 43 and 44. Please see the Schedule of Findings and Questioned Costs for complete details related to the finding. Management's Corrective Action Plan appears on pages 45 and 46.

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 cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

Area IV Agency on Aging Community Action Program, Inc.

Lafayette, Indiana

Financial Statements and
Supplementary Information

Years Ended December 31, 2021 and 2020



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

Financial Statements and Supplementary Information
Years Ended December 31, 2021 and 2020

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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 Audit of the Financial Statements

Opinion

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, 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.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Area IV Agency on Aging and Community Action Programs, Inc. as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Area IV Agency on Aging and Community Action Programs, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Area IV Agency on Aging and Community Action Programs, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Area IV Agency on Aging and Community Action Programs, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Area IV Agency on Aging and Community Action Programs, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of Area IV Agency on Aging and Community Action Programs, Inc. as a whole. The accompanying schedule of program activity, Schedules A-1 to A-10, and the schedule of expenditures of federal awards, Schedule B, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not 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 December 27, 2022, 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 27, 2022
Madison, Wisconsin

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

Statements of Financial Position

December 31, 2021 and 2020

<i>Assets</i>	2021	2020
Current assets:		
Cash and cash equivalents	\$ 611,546	\$ 565,681
Grants receivable	1,291,069	1,335,153
Prepaid expenses and other assets	104,097	44,323
Total current assets	2,006,712	1,945,157
Long-term asset: Beneficial interest in assets held by others	43,592	38,303
Property and equipment, net	118,481	174,013
TOTAL ASSETS	\$ 2,168,785	\$ 2,157,473
<i>Liabilities and Net Assets</i>		
Current liabilities:		
Accounts payable	\$ 365,591	\$ 546,385
Accrued payroll and related expenses	278,970	271,648
Refundable advances	13,683	28,295
Total current liabilities	658,244	846,328
Net assets:		
Without donor restriction	1,419,089	1,190,355
With donor restriction	91,452	120,790
Total net assets	1,510,541	1,311,145
TOTAL LIABILITIES AND NET ASSETS	\$ 2,168,785	\$ 2,157,473

See accompanying notes to financial statements.

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

Statements of Activities

Years Ended December 31, 2021 and 2020

	2021		
	Without Donor Restriction	With Donor Restriction	Total
Revenue:			
Grant revenue	\$ 9,596,420	\$ 0	\$ 9,596,420
Contract revenue	1,745,591	0	1,745,591
Program contributions	48,530	0	48,530
Cash contributions	20,651	0	20,651
Special events	0	0	0
Change in beneficial interest in assets held by others	0	6,856	6,856
Net assets released from restrictions	36,194	(36,194)	0
Total revenue	11,447,386	(29,338)	11,418,048
Expenses:			
Program activities:			
Energy assistance	3,741,103	0	3,741,103
Weatherization	730,173	0	730,173
Housing	1,068,304	0	1,068,304
Case management	1,117,050	0	1,117,050
Transportation	176,324	0	176,324
Community services	1,567,826	0	1,567,826
Other programs	1,980,334	0	1,980,334
Total program expenses	10,381,114	0	10,381,114
Supportive services:			
Management and general	837,538	0	837,538
Total expenses	11,218,652	0	11,218,652
Changes in net assets	228,734	(29,338)	199,396
Net assets - Beginning of year	1,190,355	120,790	1,311,145
Net assets - End of year	\$ 1,419,089	\$ 91,452	\$ 1,510,541

See accompanying notes to financial statements.

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

Statements of Activities (Continued)

Years Ended December 31, 2021 and 2020

	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 Functional Expenses

Year Ended December 31, 2021

	Energy Assistance	Weatherization	Housing	Care Management	Transportation	Community Services	Other Programs	Total Program Expenses	Management and General	Total
Expenses										
Salaries	\$ 197,522	\$ 192,973	\$ 88,528	\$ 784,503	\$ 96,426	\$ 278,278	\$ 428,907	\$ 2,067,137	\$ 572,492	\$ 2,639,629
Fringe	33,375	41,330	22,555	164,236	11,793	71,843	114,212	459,344	108,118	567,462
Contract services	12,606	6,576	4,075	25,985	6,427	21,665	15,912	93,246	30,741	123,987
Travel	493	4,542	108	1,040	21,849	52	576	28,660	1,054	29,714
Space	42,678	12,839	4,190	40,444	8,330	33,361	23,161	165,003	26,934	191,937
Consumable supplies	31,670	7,204	4,464	17,563	4,817	80,121	505,458	651,297	67,246	718,543
Equipment lease	176	133	85	604	91	361	358	1,808	304	2,112
Direct client assistance	3,388,801	435,481	937,941	54,609	280	1,058,072	871,972	6,747,156	2,235	6,749,391
Other operational	33,782	29,095	6,358	28,066	26,311	24,073	19,778	167,463	28,414	195,877
Total Expenses	\$3,741,103	\$ 730,173	\$ 1,068,304	\$ 1,117,050	\$ 176,324	\$ 1,567,826	\$1,980,334	\$10,381,114	\$ 837,538	\$ 11,218,652

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, 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
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 Cash Flows

Years Ended December 31, 2021 and 2020

	2021	2020
Increase in cash and cash equivalents:		
Cash flows from operating activities:		
Changes in net assets	\$ 199,396	\$ 137,590
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Change in value of beneficial interest in assets held by others	(6,856)	(2,636)
Depreciation	55,532	58,496
Changes in operating assets and liabilities:		
Grants receivable	44,084	(145,723)
Prepaid expenses and other assets	(59,774)	31,108
Accounts payable	(180,794)	70,130
Accrued payroll and related expenses	7,322	528
Refundable advances	(14,612)	8,628
Net cash provided by operating activities	44,298	158,121
Cash flows from investing activities:		
Transfers from Community Foundation	1,567	1,570
Net cash provided by investing activities	1,567	1,570
Changes in cash and cash equivalents	45,865	159,691
Cash and cash equivalents - Beginning of year	565,681	405,990
Cash and cash equivalents - End of year	\$ 611,546	\$ 565,681

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% of total revenue for the years ended December 31, 2021 and 2020. In addition, for the years ended December 31, 2021 and 2020, approximately 62% and 52% of total revenue was received from Indiana Housing and Community Development Authority and approximately 19% and 29% 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 of America 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)

Grants Receivable

Grants receivable consist primarily of reimbursements received as part of programs operated by the Organization. Amounts are reviewed for collectability by management and an allowance for doubtful accounts is recorded as needed based on collection history and customer attributes. The Organization considers these receivables to be collectible and, therefore, no allowance for uncollectible amounts has been recorded.

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 \$103,710 and \$150,381 at December 31, 2021 and 2020, respectively. These assets are included in the property and equipment shown on the statements of financial position.

Beneficial Interest in Assets Held by Others

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

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

Revenue Recognition

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

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

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

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

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

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

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

Grant Revenue

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

A. Grant Awards That Are Contributions

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

B. Grant Awards That Are Exchange Transactions

Exchange transactions are reimbursed based on a predetermined rate for services performed 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, 2021 and 2020:

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)

	2021	2020
Area IV transit	\$ 34,739	\$ 21,817
Medicaid Waiver A&D	1,416,305	1,325,260
Learning center	199,837	115,231
Organizational payee	59,990	64,435
Area IV Development management services	34,720	22,416
Totals	\$ 1,745,591	\$ 1,549,159

The Organization determined at December 31, 2021 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, 2020 from contracts with customers totaled \$19,319. The receivables at December 31, 2020 from contracts with customers totaled \$128,312. The receivables at December 31, 2021 from contracts with customers, totaling \$28,097 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, 2021 or 2020 and January 1, 2020.

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.

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)

Medicaid Waiver – A&D (Continued)

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, 2021, 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 2021 and 2020. 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 energy assistance and community services programs 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 \$4,545,851 and \$2,810,619 of revenue and expense during the years ended December 31, 2021 and 2020, 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 during the years ended December 31, 2021 and 2020. 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 \$58,323 and \$95,538 during the years ended December 31, 2021 and 2020, predominantly in the Aging programs, which are not recorded on the statements of activities or functional expenses.

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.

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Non-Financial Assets* (Topic 958). The amendments in this update will require entities to present contributed nonfinancial assets as a separate line item in the statement of activities, expand disclosures on the various contributed nonfinancial assets recognized, including disaggregated category types, the valuation techniques and inputs used to arrive at fair value, and the policy for either monetizing or utilizing contributed nonfinancial assets. The amendments in this update are effective for annual financial statements issued for fiscal years beginning after June 15, 2021, applied on a retrospective basis. The Organization is currently evaluating the impact this standard will have on its financial statements.

Subsequent Events

Subsequent events have been evaluated through December 27, 2022, 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.

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

Notes to Financial Statements

Note 3: Liquidity and Availability

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

	2021	2020
Cash and cash equivalents	\$ 611,546	\$ 565,681
Grants receivable	1,291,069	1,335,153
Subtotal financial assets	1,902,615	1,900,834
Cash and cash equivalents included in net assets with donor restrictions	(47,860)	(82,487)
Accounts payable	(365,591)	(546,385)
Accrued payroll and related expenses	(278,970)	(271,648)
Refundable advances	(13,683)	(28,295)
Totals	\$ 1,196,511	\$ 972,019

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 two line of credits available for cash flow needs up to \$250,000, each, 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 \$17,512,000 as further described in Note 15.

Note 4: Grants Receivable

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

	2021	2020
Indiana Family and Social Services Administration	\$ 677,148	\$ 596,445
Indiana Housing and Community Development Authority	445,701	511,806
Other sources	168,220	226,902
Totals	\$ 1,291,069	\$ 1,335,153

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

Notes to Financial Statements

Note 5: Property and Equipment

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

	2021	2020
Vehicles	\$ 389,020	\$ 389,020
Program equipment	151,525	151,525
Subtotal	540,545	540,545
Accumulated depreciation	(422,064)	(366,532)
Property and equipment, net	\$ 118,481	\$ 174,013

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, 2021 and 2020 is \$43,592 and \$38,303, 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 \$6,856 in 2021, and an increase of \$2,636 in 2020, and are reported as such in the accompanying statements of activities. Distributions received from the fund in 2021 were \$1,567 and in 2020 were \$1,570.

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, 2021, the interest rate was 3.25%. During the year ended December 31, 2021, a second line of credit was opened from a different bank. The line of credit was set up for \$250,000 and the interest rate at December 31, 2021 was 3.25%. There were no outstanding balances on the two line of credits as of December 31, 2021 or the one line of credit as of December 31, 2020.

Note 8: Refundable Advances

The Organization had refundable advances in various programs of \$13,683 and \$28,295 as of December 31, 2021 and 2020, respectively.

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

Notes to Financial Statements

Note 9: Net Assets with Donor Restrictions

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

	2021	2020
Subject to expenditure for specified purposes	\$ 47,860	\$ 82,487
Beneficial interest – perpetual in nature	23,455	23,455
Beneficial interest – investment earnings	20,137	14,848
<u>Totals</u>	<u>\$ 91,452</u>	<u>\$ 120,790</u>

Net assets released from restrictions through satisfaction of program restrictions was \$36,194 and \$30,057 during the years ended December 31, 2021 and 2020, 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, 2021, the Organization recorded revenue of \$34,720 for shared personnel and administrative services, and there were no amounts subcontracted to Area IV Development. At December 31, 2021, the Organization had a receivable from Area IV Development of \$13,954 and no amount payable to Area IV Development.

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.

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 \$260 and \$7,281 for the years ending December 31, 2021 and 2020. At December 31, 2021 and 2020, the amount payable to Teragraphics Ink, LLC was \$0.

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.

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

Notes to Financial Statements

Note 11: Fair Value Measurements (Continued)

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, 2021, is as follows:

	<u>Recurring Fair Value Measurements Using</u>			
	<u>Assets Measured at Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Beneficial interest in assets held by others	\$ 43,592	\$ 0	\$ 0	\$ 43,592
Totals	\$ 43,592	\$ 0	\$ 0	\$ 43,592

Information regarding the fair value of assets measured at fair value on a recurring basis as of December 31, 2020, is as follows:

	<u>Recurring Fair Value Measurements Using</u>			
	<u>Assets Measured at Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Beneficial interest in assets held by others	\$ 38,303	\$ 0	\$ 0	\$ 38,303
Totals	\$ 38,303	\$ 0	\$ 0	\$ 38,303

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.

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

Notes to Financial Statements

Note 11: Fair Value Measurements (Continued)

Information regarding the fair value of assets measured at fair value on a recurring basis using Level 3 inputs as of December 31, 2021 and 2020, is as follows:

	2021	2020
Balance at beginning of year	\$ 38,303	\$ 37,237
Distributions	(1,567)	(1,570)
Change in value	6,856	2,636
Balance at end of year	\$ 43,592	\$ 38,303

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, 2021 and 2020 is disclosed in Note 11.

Note 13: Operating Leases

The Organization leases various facilities for operation of its programs. Rent expense for the year ended December 31, 2021 and 2020 was \$113,759 and \$140,220, respectively. Future minimum lease payments beyond December 31, 2021, are as follows:

2022	\$ 84,000
Total	\$ 84,000

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

Notes to Financial Statements

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 \$52,198 and \$45,233 for the years ended December 31, 2021 and 2020, respectively.

Note 15: Grant Awards

As of December 31, 2019, the Organization had received commitments for future funding under various grant awards of approximately \$17,512,000. These commitments are not recognized in the accompanying financial statements as they are conditional awards.

Supplementary Information

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

Schedule A-1

Schedule of Program Activity

Year Ended December 31, 2021

	FEDERAL PROGRAMS								
	Department of Agriculture				Dept of Housing and Urban Development				
	10.558		10.559		14.228		14.231		14.871
	Total	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)	
REVENUE									
Grant revenue	\$ 9,596,420	\$ 11,899	\$ 16,728	\$ 28,627	\$ 0	\$ 1,186	\$ 305,306	\$ 751,721	
Contract revenue	1,745,591	0	0	0	0	0	0	0	
Program contributions	48,530	0	0	0	0	0	0	0	
Cash contributions	20,651	0	0	0	0	0	0	0	
Special events	0	0	0	0	0	0	0	0	
Change in beneficial interest	6,856	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	34,399	
Older Hoosier transfers	0	0	0	0	0	0	0	0	
Other transfers	0	0	0	0	91	(1,172)	698	838	
Total Revenue	11,418,048	11,899	16,728	28,627	91	14	306,004	786,958	
EXPENSES									
Salaries	2,639,629	0	0	0	0	7	14,103	95,124	
Fringe	567,462	0	0	0	0	6	3,566	23,340	
Contract services	123,987	0	0	0	0	1	274	4,295	
Travel	29,714	0	0	0	0	0	5	115	
Space	191,937	0	0	0	6	0	422	4,607	
Consumable supplies	718,543	11,899	16,728	28,627	1	0	209	4,612	
Equipment lease	2,112	0	0	0	0	0	6	89	
Direct client assistance	6,749,391	0	0	0	0	0	287,206	650,735	
Other operational	195,877	0	0	0	84	0	213	4,041	
In-kind expense	0	0	0	0	0	0	0	0	
Total Expenses	11,218,652	11,899	16,728	28,627	91	14	306,004	786,958	
Change in Net Assets	199,396	0	0	0	0	0	0	0	
Net assets - Beginning of year	1,311,145	0	0	0	0	0	0	0	
NET ASSETS - End of year	\$ 1,510,541	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	

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

Schedule A-2

Schedule of Program Activity

Year Ended December 31, 2021

	FEDERAL PROGRAMS							
	Department of Transportation			Department of Energy			Dept of Health and Human Services	
	20.507			81.042			93.042	
	Federal Transit Formula Grants (7)	CARES Federal Transit Formula Grants (8)	20.507 Subtotal	Weatherization (9)	Weatherization (10)	81.042 Subtotal	Title VII Long Term Care (11)	Title VII Long Term Care (12)
REVENUE								
Grant revenue	\$ 14,978	\$ 88,524	\$ 103,502	\$ 80,653	\$ 213,227	\$ 293,880	\$ 5,950	\$ 1,355
Contract revenue	0	0	0	0	0	0	0	0
Program contributions	10	0	10	0	30	30	0	0
Cash contributions	10,000	0	10,000	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	0	0	0	0	0	0	0	0
Older Hoosier transfers	0	0	0	0	0	0	0	0
Other transfers	29,588	0	29,588	171	1,348	1,519	231	1,355
Total Revenue	54,576	88,524	143,100	80,824	214,605	295,429	6,181	2,710
EXPENSES								
Salaries	31,091	50,727	81,818	28,960	86,359	115,319	0	0
Fringe	4,545	7,416	11,961	6,284	18,476	24,760	0	0
Contract services	1,799	2,936	4,735	825	2,401	3,226	0	0
Travel	6,385	10,418	16,803	355	1,422	1,777	0	0
Space	1,384	2,258	3,642	1,471	4,691	6,162	0	0
Consumable supplies	1,587	2,591	4,178	293	1,686	1,979	0	0
Equipment lease	27	42	69	15	50	65	0	0
Direct client assistance	96	156	252	40,575	81,434	122,009	6,181	2,710
Other operational	7,662	11,980	19,642	2,046	18,086	20,132	0	0
In-kind expense	0	0	0	0	0	0	0	0
Total Expenses	54,576	88,524	143,100	80,824	214,605	295,429	6,181	2,710
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, 2021

	FEDERAL PROGRAMS									
	Department of Health and Human Services									
	93.042	93.043			93.044					
	93.042 Subtotal	Title III Prevention (13)	Title III Prevention (14)	HBC/Covid Prevention (15)	93.043 Subtotal	Title III Admin Services (16)	Title III Admin Services (17)	Title III Admin Services (18)	Title III Admin Services (19)	
REVENUE										
Grant revenue	\$ 7,305	\$ 0	\$ 0	\$ 20,115	\$ 20,115	\$ 53,130	(\$ 18,929)	\$ 21,291	\$ 54,349	
Contract revenue	0	0	0	0	0	0	0	0	0	
Program contributions	0	0	0	0	0	0	0	0	0	
Cash contributions	0	0	0	0	0	0	0	0	0	
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	1,416	10,876	
CSBG transfers	0	2,204	346	0	2,550	0	0	0	0	
Older Hoosier transfers	0	0	0	0	0	0	0	0	0	
Other transfers	1,586	0	867	1,570	2,437	1	18,929	307	418	
Total Revenue	8,891	2,204	1,213	21,685	25,102	53,131	0	23,014	65,643	
EXPENSES										
Salaries	0	832	413	17,412	18,657	39,985	0	15,645	40,112	
Fringe	0	35	17	4,273	4,325	8,035	0	3,811	7,843	
Contract services	0	98	52	0	150	1,366	0	646	1,225	
Travel	0	0	0	0	0	15	0	0	78	
Space	0	630	421	0	1,051	2,162	0	860	2,081	
Consumable supplies	0	324	65	0	388	590	0	245	1,359	
Equipment lease	0	0	0	0	1	18	0	15	34	
Direct client assistance	8,891	0	0	0	0	0	0	0	0	
Other operational	0	285	245	0	530	960	0	376	2,035	
In-kind expense	0	0	0	0	0	0	0	1,416	10,876	
Total Expenses	8,891	2,204	1,213	21,685	25,102	53,131	0	23,014	65,643	
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	

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

Schedule A-4

Schedule of Program Activity

Year Ended December 31, 2021

	FEDERAL PROGRAMS							
	Department of Health and Human Services							
	93.044				93.045			
	Title III Supportive Services (20)	Title III Supportive Services (21)	Title III Supportive Services (22)	93.044 Subtotal	Title III Nutrition Services (23)	Title III Nutrition Services (24)	Title III Nutrition Services (25)	HDC 5 Title III Nutrition Services (26)
REVENUE								
Grant revenue	(\$ 888)	\$ 208,099	\$ 116,928	\$ 433,980	\$ 125,082	\$ 42,881	\$ 152,990	\$ 120,902
Contract revenue	0	0	0	0	0	0	0	0
Program contributions	0	0	0	0	0	17,005	10,324	127
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	12,292	0	31,675	14,313	0
CSBG transfers	0	24,873	0	24,873	0	0	0	0
Older Hoosier transfers	0	0	0	0	0	0	0	0
Other transfers	888	16,735	41,919	79,197	0	15,392	328	380
Total Revenue	0	249,707	158,847	550,342	125,082	106,953	177,955	121,409
EXPENSES								
Salaries	0	51,172	71,318	218,232	0	(1)	0	0
Fringe	0	13,277	17,055	50,021	0	0	0	0
Contract services	0	1,985	1,115	6,337	0	49	30	0
Travel	0	84	56	233	0	0	0	0
Space	0	2,645	1,733	9,481	0	38	14	0
Consumable supplies	0	1,678	1,112	4,984	125,082	74,916	163,367	121,409
Equipment lease	0	34	34	135	0	0	0	0
Direct client assistance	0	176,842	64,066	240,908	0	0	0	0
Other operational	0	1,990	2,358	7,719	0	276	231	0
In-kind expense	0	0	0	12,292	0	31,675	14,313	0
Total Expenses	0	249,707	158,847	550,342	125,082	106,953	177,955	121,409
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, 2021

FEDERAL PROGRAMS								
Department of Health and Human Services								
93.045	93.052				93.568			
93.045 Subtotal	Family Caregiver Support (27)	Family Caregiver Support (28)	Family Caregiver Support (29)	93.052 Subtotal	EAP LIHEAP (30)	EAP LIHEAP (31)	EAP CARES LIHEAP (32)	
REVENUE								
Grant revenue	\$ 441,855	\$ 36,006	\$ 21,038	\$ 45,449	\$ 102,493	\$ 2,816,567	\$ 64,962	\$ 1,034,165
Contract revenue	0	0	0	0	0	0	0	0
Program contributions	27,456	0	0	0	0	0	0	0
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	45,988	0	43	0	43	0	0	0
CSBG transfers	0	0	0	0	0	0	0	0
Older Hoosier transfers	0	0	0	0	0	0	0	0
Other transfers	16,100	(7,354)	16,345	7,712	16,703	(17,709)	(30,051)	567
Total Revenue	531,399	28,652	37,426	53,161	119,239	2,798,858	34,911	1,034,732
EXPENSES								
Salaries	(1)	19,853	26,397	38,682	84,932	138,072	2,775	49,126
Fringe	0	6,205	7,325	9,303	22,833	30,033	847	8,425
Contract services	79	803	1,059	1,018	2,880	9,367	124	1,824
Travel	0	0	0	122	122	385	0	2
Space	52	778	1,033	1,135	2,946	31,595	0	8,824
Consumable supplies	484,774	331	611	829	1,771	10,124	20	11,878
Equipment lease	0	15	17	32	64	130	0	79
Direct client assistance	0	0	0	0	0	2,561,037	29,840	952,255
Other operational	507	667	941	2,040	3,648	18,115	1,305	2,319
In-kind expense	45,988	0	43	0	43	0	0	0
Total Expenses	531,399	28,652	37,426	53,161	119,239	2,798,858	34,911	1,034,732
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

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

Schedule A-6

Schedule of Program Activity

Year Ended December 31, 2021

FEDERAL PROGRAMS								
Department of Health and Human Services								
93.568					93.569			
Weatherization HEAP (33)	American Rescue Plan EAP (34)	American Rescue Plan WX (35)	American Rescue Plan WATER (36)	93.568 Subtotal	CSBG (37)	Cares CSBG (38)	Impact CSBG (39)	
REVENUE								
Grant revenue	\$ 316,043	\$ 958,034	\$ 97,325	\$ 0	\$ 5,287,096	\$ 274,421	\$ 201,714	\$ 9,500
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	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	0	0	0	0	(193,350)	(24,873)	0	0
Older Hoosier transfers	0	0	0	0	0	0	0	0
Other transfers	(321)	15,038	10,298	100	(22,078)	338	1,360	0
Total Revenue	315,722	973,072	107,623	100	5,265,018	81,409	178,201	9,500
EXPENSES								
Salaries	72,285	105,696	32,768	70	400,792	53,065	44,055	0
Fringe	14,930	13,188	7,532	30	74,985	11,918	9,604	0
Contract services	2,704	4,528	1,412	0	19,959	1,276	4,181	8,550
Travel	1,558	200	1,218	0	3,363	293	35	0
Space	5,623	13,385	2,741	0	62,168	2,294	7,858	0
Consumable supplies	1,957	22,402	4,150	0	50,531	739	26,958	0
Equipment lease	44	70	39	0	362	25	88	0
Direct client assistance	208,481	797,924	55,707	0	4,605,244	6,279	79,953	0
Other operational	8,140	15,679	2,056	0	47,614	5,520	5,469	950
In-kind expense	0	0	0	0	0	0	0	0
Total Expenses	315,722	973,072	107,623	100	5,265,018	81,409	178,201	9,500
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

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

Schedule A-7

Schedule of Program Activity

Year Ended December 31, 2021

FEDERAL PROGRAMS										
Department of Health and Human Services										
93.569	93.667				93.778					
93.569	Social Services	Social Services	93.667	Medical	Medical	Waiver	Waiver	93.778	Total Federal	
Subtotal	Block Grant	Block Grant	Subtotal	Assistance	Assistance	Intake	Intake	Subtotal	Programs	
	(40)	(41)		(42)	(43)	(44)	(45)			
REVENUE										
Grant revenue	\$ 485,635	\$ 144,325	\$ 124,885	\$ 269,210	\$ 1,792	\$ 1,314	\$ 138,870	\$ 122,551	\$ 264,527	\$ 8,796,438
Contract revenue	0	0	0	0	0	0	0	0	0	0
Program contributions	0	0	0	0	0	0	0	0	0	27,496
Cash contributions	0	0	0	0	0	0	0	0	0	10,000
Special events	0	0	0	0	0	0	0	0	0	0
Change in beneficial interest	0	0	0	0	0	0	0	0	0	0
In-kind contributions	0	0	0	0	0	0	0	0	0	58,323
CSBG transfers	(218,223)	0	0	0	0	0	0	0	0	(156,401)
Older Hoosier transfers	0	0	0	0	0	0	0	0	0	0
Other transfers	1,698	4,817	3,681	8,498	(1,179)	(703)	(15,251)	33,535	16,402	152,105
Total Revenue	269,110	149,142	128,566	277,708	613	611	123,619	156,086	280,929	8,887,961
EXPENSES										
Salaries	97,120	34,816	34,364	69,180	366	315	87,859	112,568	201,108	1,396,391
Fringe	21,522	8,051	7,511	15,562	99	96	23,158	28,255	51,608	304,489
Contract services	14,007	1,321	751	2,072	24	28	2,880	2,669	5,601	63,616
Travel	328	(26)	138	112	0	0	69	352	421	23,279
Space	10,152	3,539	2,401	5,940	36	36	5,394	4,957	10,423	117,052
Consumable supplies	27,697	787	680	1,467	29	44	1,737	2,344	4,154	615,372
Equipment lease	113	21	21	42	0	0	61	62	123	1,069
Direct client assistance	86,232	99,589	81,320	180,909	0	0	9	0	9	6,182,395
Other operational	11,939	1,044	1,380	2,424	59	92	2,452	4,879	7,482	125,975
In-kind expense	0	0	0	0	0	0	0	0	0	58,323
Total Expenses	269,110	149,142	128,566	277,708	613	611	123,619	156,086	280,929	8,887,961
Change in Net Assets	0	0	0	0	0	0	0	0	0	0
Net assets - Beginning of year	0	0	0	0	0	0	0	0	0	0
NET ASSETS - End of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

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

Schedule A-8

Schedule of Program Activity

Year Ended December 31, 2021

STATE AND LOCAL PROGRAMS								
	Older Hoosier Act (46)	CHOICE (47)	CHOICE (48)	Assisted Living Ombudsman (49)	Section 5311 CARES Grant State Portion (50)	Area IV Transit (51)	Private Pay Transportation (52)	Medicaid Waiver A& D (53)
REVENUE								
Grant revenue	\$ 1,277	\$ 298,920	\$ 295,692	\$ 9,358	\$ 34,756	\$ 0	\$ 0	\$ 0
Contract revenue	0	0	0	0	0	34,739	0	1,416,305
Program contributions	0	1,901	406	0	965	0	3,210	0
Cash contributions	0	0	0	0	240	125	105	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	3,809	6,764	0
Older Hoosier transfers	(1)	0	0	0	0	0	0	0
Other transfers	(280)	72,558	22,694	4,045	(35,853)	(2,782)	3,062	(419,009)
Total Revenue	996	373,379	318,792	13,403	108	35,891	13,141	997,296
EXPENSES								
Salaries	0	115,433	55,600	0	0	19,415	7,875	709,115
Fringe	0	31,132	12,144	0	0	1,948	459	146,590
Contract services	0	5,201	4,867	0	0	1,279	493	21,684
Travel	0	33	104	0	0	3,405	1,648	753
Space	0	8,167	8,014	0	0	4,297	635	29,544
Consumable supplies	996	7,690	9,277	0	108	504	180	13,556
Equipment lease	0	110	111	0	0	16	8	519
Direct client assistance	0	201,358	220,101	13,403	0	27	0	54,609
Other operational	0	4,255	8,574	0	0	5,000	1,843	20,926
In-kind expense	0	0	0	0	0	0	0	0
Total Expenses	996	373,379	318,792	13,403	108	35,891	13,141	997,296
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

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

Schedule A-9

Schedule of Program Activity

Year Ended December 31, 2021

STATE AND LOCAL PROGRAMS								
	Learning Center (54)	Private Pay Case Management (55)	Share the Warmth (56)	Vectren DSM (57)	State Weatherization HEAP (58)	Organizational Payee (59)	AEP (60)	IHCDA IN Emergency Rental Assistance IERA (61)
REVENUE								
Grant revenue	\$ 64,106	\$ 0	\$ 10,000	\$ 0	\$ 8,182	\$ 0	\$ 30,292	\$ 22,550
Contract revenue	199,837	0	0	0	0	59,990	0	0
Program contributions	0	0	0	6,161	0	0	0	0
Cash contributions	1,025	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	0	0	0	0	0
CSBG transfers	105,674	0	0	0	0	39,013	0	0
Older Hoosier transfers	0	0	0	0	0	0	0	0
Other transfers	(46,889)	430	1,087	18,216	368	451	5,382	(7,360)
Total Revenue	323,753	430	11,087	24,377	8,550	99,454	35,674	15,190
EXPENSES								
Salaries	217,824	195	1,428	0	648	65,291	2,401	12,197
Fringe	52,779	34	329	0	293	20,176	690	2,993
Contract services	7,638	58	62	0	0	2,618	0	0
Travel	41	0	0	0	0	4	0	0
Space	17,505	59	72	0	0	5,036	0	0
Consumable supplies	11,099	28	30	0	0	3,685	0	0
Equipment lease	214	1	1	0	0	49	0	0
Direct client assistance	1,108	0	9,092	24,377	7,609	0	32,583	0
Other operational	15,545	55	73	0	0	2,595	0	0
In-kind expense	0	0	0	0	0	0	0	0
Total Expenses	323,753	430	11,087	24,377	8,550	99,454	35,674	15,190
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

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

Schedule A-10
 Schedule of Program Activity
 Year Ended December 31, 2021

	STATE AND LOCAL PROGRAMS				DISCRETIONARY			
	IDA Program (62)	Beed Loan operations (63)	Revolving Loans Receivable (64)	Beneficial Interest in Assets (65)	Total State & Local	Other Activities (66)	GAAP Adjustments (67)	TOTAL DISCRETIONARY
REVENUE								
Grant revenue	\$ 755	\$ 0	\$ 0	\$ 0	\$ 775,888	\$ 24,094	\$ 0	\$ 24,094
Contract revenue	0	0	0	0	1,710,871	34,720	0	34,720
Program contributions	0	100	0	0	12,743	8,291	0	8,291
Cash contributions	0	348	0	0	1,843	8,808	0	8,808
Special events	0	0	0	0	0	0	0	0
Change in beneficial interest	0	0	0	6,856	6,856	0	0	0
In-kind contributions	0	0	0	0	0	0	(58,323)	(58,323)
CSBG transfers	1,141	0	0	0	156,401	0	0	0
Older Hoosier transfers	0	0	0	0	(1)	1	0	1
Other transfers	193	(401)	0	(1,567)	(385,655)	233,550	0	233,550
Total Revenue	2,089	47	0	5,289	2,278,946	309,464	(58,323)	251,141
EXPENSES								
Salaries	1,472	0	0	0	1,208,894	34,344	0	34,344
Fringe	434	0	0	0	270,001	5,159	(12,187)	(7,028)
Contract services	37	0	0	0	43,937	16,434	0	16,434
Travel	0	14	0	0	6,002	433	0	433
Space	81	0	0	0	73,410	1,475	0	1,475
Consumable supplies	14	0	0	0	47,167	471	55,533	56,004
Equipment lease	1	0	0	0	1,030	13	0	13
Direct client assistance	0	0	0	0	564,267	2,729	0	2,729
Other operational	50	33	0	0	58,949	10,953	0	10,953
In-kind expense	0	0	0	0	0	0	(58,323)	(58,323)
Total Expenses	2,089	47	0	0	2,273,657	72,011	(14,977)	57,034
Change in Net Assets	0	0	0	5,289	5,289	237,453	(43,346)	194,107
Net assets - Beginning of year	0	0	32,201	38,303	70,504	1,180,463	60,178	1,240,641
NET ASSETS - End of year	\$ 0	\$ 0	\$ 32,201	\$ 43,592	\$ 75,793	\$ 1,417,916	\$ 16,832	\$ 1,434,748

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

Schedule B-1

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2021

Federal Grantor/Pass-Through Entity/Program Title		AL 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	\$ 11,899
(2)	Child and Adult Care Food Program	10.558	1790160	0	16,728
Total Federal Expenditures AL 10.558				0	28,627
Child Nutrition Cluster:					
(3)	Summer Food Service Program for Children	10.559	1790160	0	0
Total Federal Expenditures AL 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	1,186
Total Federal Expenditures AL 14.228				0	1,186
(5)	COVID-19 Emergency Solutions Grant	14.231	ESHP-CV-020-0004	0	305,306
Total Federal Expenditures AL 14.231				0	305,306
Passed-Through Indiana Housing and Community Development Authority					
Housing Voucher Cluster					
(6)	Section 8 Housing Choice Vouchers	14.871	HVC-0200-1	0	751,721
Total Federal Expenditures AL 14.871 Housing Voucher Cluster				0	751,721
DEPARTMENT OF TRANSPORTATION					
Passed-Through Indiana Department of Transportation					
Federal Transit Cluster:					
(7)	Federal Transit - Formula Grants	20.507	A249-19-G180373	0	14,978
(8)	Covid-19 Federal Transit - Formula Grants CARES	20.507	A249-19-G180373	0	88,524
Total Federal Expenditures AL 20.507 Federal Transit Cluster				0	103,502
DEPARTMENT OF ENERGY					
Passed-Through Indiana Housing and Community Development Authority					
(9)	Weatherization	81.042	WX-020-003	0	80,653
(10)	Weatherization	81.042	WX-021-003	0	213,227
Total Federal Expenditures AL 81.042				0	293,880
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Passed-Through Indiana Family and Social Services Administration					
(11)	Special Programs for the Aging -Title VII-Long Term Care Ombudsman Services for Older Individuals	93.042	49630	5,950	5,950
(12)	Special Programs for the Aging -Title VII-Long Term Care Ombudsman Services for Older Individuals	93.042	59508	1,355	1,355
Total Federal Expenditures AL 93.042				7,305	7,305
(13)	Special Programs for the Aging -Title III, Part D - Disease Prevention and Health Promotion Services	93.043	49630	0	0
(14)	Special Programs for the Aging -Title III, Part D - Disease Prevention and Health Promotion Services	93.043	59508	0	0
(15)	COVID-19 Special Programs for the Aging -Title III, Part D - Disease Prevention and Health Promotion Services	93.043	52445	0	20,115
Total Federal Expenditures AL 93.043				0	20,115

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

Schedule B-2
 Schedule of Expenditures of Federal Awards
 Year Ended December 31, 2021

Federal Grantor/Program Title		AL 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:					
(16)	Special Programs for the Aging-Title III, Part A-Grants for Administrative Services	93.044	38355	\$ 0	\$ 53,130
(17)	Special Programs for the Aging-Title III, Part A-Grants for Administrative Services	93.044	42915	0	(18,929)
(18)	Special Programs for the Aging-Title III, Part A-Grants for Administrative Services	93.044	49630	0	21,291
(19)	Special Programs for the Aging-Title III, Part A-Grants for Administrative Services	93.044	59508	0	54,349
(20)	Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	93.044	42915	0	(888)
(21)	Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	93.044	38355	0	18,479
	Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	93.044	49630	53,566	189,620
(22)	Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	93.044	59508	<u>26,840</u>	<u>116,928</u>
	Total Federal Expenditures AL 93.044			<u>80,406</u>	<u>433,980</u>
(23)	Special Programs for the Aging-Title III, Part C-Nutrition Services	93.045	38355	125,082	125,082
(24)	Special Programs for the Aging-Title III, Part C-Nutrition Services	93.045	49630	42,881	42,881
(25)	Special Programs for the Aging-Title III, Part C-Nutrition Services	93.045	59508	152,990	152,990
(26)	COVID-19 Special Programs for the Aging-Title III, Part C2-Nutrition Services	93.045	52445	<u>120,902</u>	<u>120,902</u>
	Total Federal Expenditures AL 93.045			<u>441,855</u>	<u>441,855</u>
	Total Federal Expenditures Aging Cluster			<u>522,261</u>	<u>875,835</u>
(27)	National Family Caregiver Support, Title III, Part E	93.052	38355	0	36,006
(28)	National Family Caregiver Support, Title III, Part E	93.052	49630	0	21,038
(29)	National Family Caregiver Support, Title III, Part E	93.052	59508	<u>0</u>	<u>45,449</u>
	Total Federal Expenditures AL 93.052			<u>0</u>	<u>102,493</u>
Passed-Through Indiana Housing and Community Development Authority					
(30)	Low-Income Home Energy Assistance	93.568	LI-020-003	0	2,816,567
(31)	Low-Income Home Energy Assistance	93.568	LI-022-003	0	64,962

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

Schedule B-3

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2021

Federal Grantor/Program Title		AL Number	Contract or Agreement Number	Passed through to Subrecipients	Federal Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)					
Passed-Through Indiana Housing and Community Development Authority					
(32)	COVID-19 Low-Income Home Energy Assistance- CARES	93.568	LI-CV-022-003	\$ 0	\$ 1,034,165
(33)	Low-Income Home Energy Assistance-Weatherization	93.568	WL-021-003	0	316,043
(34)	COVID-19 Low-Income Home Energy Assistance-Weatherization	93.568	LI-ARPA-021-003	0	958,034
(35)	COVID-19 Low-Income Home Energy Assistance-Weatherization	93.568	ARPA-WA-021-003	0	97,325
(36)	COVID-19 Low-Income Home Energy Assistance-Weatherization	93.568	WAT-ARPA-022-003	0	0
Total Federal Expenditures AL 93.568				0	5,287,096
(37)	Community Services Block Grant	93.569	CS-021-003	0	274,421
(38)	COVID-19 Community Services Block Grant	93.569	CS-CV-020-003	0	201,714
(39)	Community Services Block Grant	93.569	CS-021-003-IG	0	9,500
Total Federal Expenditures AL 93.569				0	485,635
(40)	Social Services Block Grant	93.667	49630	0	144,325
(41)	Social Services Block Grant	93.667	59508	0	124,885
Total Federal Expenditures AL 93.667				0	269,210
Passed-Through Indiana Family and Social Services Administration					
Medicaid Cluster:					
(42)	Medical Assistance Program	93.778	35347	0	1,792
(43)	Medical Assistance Program	93.778	55471	0	1,314
(44)	Waiver Intake	93.778	35347	0	138,870
(45)	Waiver Intake	93.778	55471	0	122,551
Total Federal Expenditures AL 93.778 Medicaid Cluster				0	264,527
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 529,566	\$ 8,796,438

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, 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). 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 of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Area IV Agency on Aging and Community Action Programs, Inc., which comprise the statement of financial position as of December 31, 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 December 27, 2022.

Report on 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 or significant deficiencies may exist that have not been identified.

Report on 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 27, 2022
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 Each Major Federal Program

Qualified and Unmodified Opinions

We have audited Area IV Agency on Aging and Community Action Programs, Inc.'s compliance with the types of compliance requirements identified as subject to audit 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, 2021. 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.

Qualified Opinion on the Aging Cluster

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, 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 the Aging Cluster program for the year ended December 31, 2021.

Unmodified Opinion on Each of the Other Major Programs

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 other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2021.

Basis for Qualified and Unmodified Opinions

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Area IV Agency on Aging and Community Action Programs, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Area IV Agency on Aging and Community Action Programs, Inc.'s compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinion on the Aging Cluster

As described in the accompanying schedule of findings and questioned costs, Area IV Agency on Aging and Community Action Programs, Inc. did not comply with requirements regarding Assistance Listing Nos. 93.044, 93.045, and 93.053, Aging Cluster, as described in finding number 2021-002 for matching.

Compliance with such requirements is necessary, in our opinion, for Area IV Agency on Aging and Community Action Programs, Inc. to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Area IV Agency on Aging and Community Action Programs, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Area IV Agency on Aging and Community Action Programs, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Area IV Agency on Aging and Community Action Programs, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Area IV Agency on Aging and Community Action Programs, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Area IV Agency on Aging and Community Action Programs, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Area IV Agency on Aging and Community Action Programs, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed another instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as items 2021-001. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on Area IV Agency on Aging and Community Action Programs, Inc.'s response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Area IV Agency on Aging and Community Action Programs, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a material weakness and a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-002 to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Area IV Agency on Aging and Community Action Programs, Inc.'s response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Area IV Agency on Aging and Community Action Programs, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 27, 2022

Madison, Wisconsin

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

Schedule of Findings and Questioned Costs
Year Ended December 31, 2021

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?	Yes
Significant deficiencies identified?	Yes
Type of auditor’s report issued on compliance for major programs	Modified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance [2 CFR 200.516(a)]?	Yes
Identification of major federal programs:	
<u>Name of Federal Major Program or Cluster</u>	<u>AL No.</u>
Emergency Solutions Grant	14.231
Section 8 Housing Choice Voucher Program	14.871
Aging Cluster	93.044, 93.045, 93.053
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

Section II - Financial Statement Findings

None

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

Schedule of Findings and Questioned Costs
Year Ended December 31, 2021

Section III - Federal Award Findings and Questioned Costs

Finding 2021-001: Submission of Data Collection Form (DCF)

Aging Cluster Programs AL #93.044, 93.045, 93.053

<u>Federal Grantor/Pass-Through Grantor</u>	<u>Grant Number</u>	<u>Grant Period</u>
Indiana Family and Social Services Administration	42915	03/20/2020 – 09/30/2021
Indiana Family and Social Services Administration	38355	10/01/2019 – 09/30/2021
Indiana Family and Social Services Administration	49630	10/01/2020 – 09/30/2021
Indiana Family and Social Services Administration	59508	08/01/2021 – 09/30/2023
Indiana Family and Social Services Administration	52445	12/01/2021 – 12/31/2021

COVID-19 Emergency Solutions Grant AL #14.231

<u>Federal Grantor/Pass-Through Grantor</u>	<u>Grant Number</u>	<u>Grant Period</u>
Indiana Housing and Community Development Authority	ESHP-CV-020-0004	07/01/2020 – 06/30/2022

Section 8 Housing Choice Vouchers AL #14.871

<u>Federal Grantor/Pass-Through Grantor</u>	<u>Grant Number</u>	<u>Grant Period</u>
Indiana Housing and Community Development Authority	HVC-0200-1	01/01/2021 – 12/31/2021

Questioned costs: None

How the questioned costs were computed: N/A

Condition: Area IV Agency on Aging and Community Action Programs, Inc. did not submit the data collection form and reporting package to the Federal Audit Clearinghouse in a timely manner.

Criteria: The Report Submission that is codified in 2 CFR Part 200.512 requires the auditee must submit the applicable data elements of the data collection form to the Federal Audit Clearinghouse within the earlier of 30 calendar days after receipt of the auditor's report or nine months after the end of the audit period.

Cause: Area IV Agency on Aging and Community Action Programs, Inc. did not have procedures in place to adequately track its non-federal matching requirements (see finding 2021-002), which caused the delay in completion of the audit so management could determine the actual matching amounts to report.

Effect: Area IV Agency on Aging and Community Action Programs, Inc. was not in compliance with audit submission requirements, resulting in a non-material noncompliance and significant deficiency in internal controls over compliance.

Recommendation: We recommend Area IV Agency on Aging and Community Action Programs, Inc. implement systems and procedures to ensure timely completion of its audit and submission of the audit package to the Federal Audit Clearinghouse.

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

Schedule of Findings and Questioned Costs Year Ended December 31, 2021

View of Responsible Officials: Management agrees with the assessment and has committed to a corrective action plan.

Finding 2021-002: Matching Requirement

Aging Cluster Programs AL #93.044, 93.045, 93.053

<u>Federal Grantor/Pass-Through Grantor</u>	<u>Grant Number</u>	<u>Grant Period</u>
Indiana Family and Social Services Administration	42915	03/20/2020 – 09/30/2021
Indiana Family and Social Services Administration	38355	10/01/2019 – 09/30/2021
Indiana Family and Social Services Administration	49630	10/01/2020 – 09/30/2021

Questioned costs: \$33,869

How the questioned costs were computed: The amount of the cash match deficiency that is required to be returned to the state.

Condition: Regulations require the federal participation in the Aging Cluster programs cannot exceed various thresholds established within the grant agreements. Area IV Agency on Aging and Community Action Programs, Inc. did not meet its match obligations for the Aging Cluster grant numbers 38355 and 49630, resulting in the reporting of questioned costs. For the Aging Cluster grant number 42915, the funding source identified that Area IV Agency on Aging and Community Action Programs, Inc. was below the non-federal requirements, which resulted in grant funds being returned to the funding source.

Criteria: Procedures should be in place to assure compliance with the non-federal matching requirements of the Aging Cluster grants.

Cause: Area IV Agency on Aging and Community Action Programs, Inc. did not have procedures in place to adequately track its non-federal matching requirements.

Effect: Area IV Agency on Aging and Community Action Programs, Inc. was not in compliance with the matching regulations for its Aging Cluster grants, resulting in a material noncompliance and material weakness in internal controls over compliance for the matching requirement.

Recommendation: We recommend Area IV Agency on Aging and Community Action Programs, Inc. implement systems, procedures, and training to ensure all non-federal matching requirements are being tracked appropriately.

View of Responsible Officials: Management agrees with the assessment and has committed to a corrective action plan.

Section IV - Summary Schedule of Prior Year Findings

None



Corrective Action Plan for Current Year Findings

Finding 2021-001: Submission of Data Collection Form (DCF)

Aging Cluster Programs AL #93.044, 93.045, 93.053

<u>Federal Grantor/Pass-Through Grantor</u>	<u>Grant Number</u>	<u>Grant Period</u>
Indiana Family and Social Services Administration	42915	03/20/2020 – 09/30/2021
Indiana Family and Social Services Administration	38355	10/01/2019 – 09/30/2021
Indiana Family and Social Services Administration	49630	10/01/2020 – 09/30/2021
Indiana Family and Social Services Administration	59508	08/01/2021 – 09/30/2023
Indiana Family and Social Services Administration	52445	12/01/2021 – 12/31/2021

COVID-19 Emergency Solutions Grant AL #14.231

<u>Federal Grantor/Pass-Through Grantor</u>	<u>Grant Number</u>	<u>Grant Period</u>
Indiana Housing and Community Development Authority	ESHP-CV-020-0004	07/01/2020 – 06/30/2022

Section 8 Housing Choice Vouchers AL #14.871

<u>Federal Grantor/Pass-Through Grantor</u>	<u>Grant Number</u>	<u>Grant Period</u>
Indiana Housing and Community Development Authority	HVC-0200-1	01/01/2021 – 12/31/2021

Corrective Action Plan

The audit was/is late because of our problem with not properly tracking both regular In Kind and the Older Hoosiers In-Kind Match Claims for the Aging Cluster. We began tracking it properly immediately with the 10/1/2021 contract period and all moving forward.

Person(s) Responsible: Theresa Bradley, Controller; Elva James, Executive Director; and Claims Staff in Fiscal Department.

Timing for Implementation: October 1, 2021



Finding 2021-002: Matching Requirement

Aging Cluster Programs AL #93.044, 93.045, 93.053

<u>Federal Grantor/Pass-Through Grantor</u>	<u>Grant Number</u>	<u>Grant Period</u>
Indiana Family and Social Services Administration	42915	03/20/2020 – 09/30/2021
Indiana Family and Social Services Administration	38355	10/01/2019 – 09/30/2021
Indiana Family and Social Services Administration	49630	10/01/2020 – 09/30/2021

Corrective Action Plan

- We will: Accurately and timely tracking of all In-Kind provided to Area IV
- Proper claiming of Older Hoosier Funds on a monthly basis

Person(s) Responsible: 1) Theresa Bradley, Controller; Harshada Sarde, Claims Specialist; and oversight by Elva James, Executive Director

Timing for Implementation: October 1, 2021 and on.


Theresa Bradley, Controller


Elva James, Executive Director