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February 16, 2023

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

We have reviewed the audit report of Aging & Community Services of South Central Indiana, Inc. d/b/a Thrive Alliance, which was opined upon by Barnes Dennig, Independent Public Accountants, for the period July 1, 2021 to June 30, 2022. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Aging & Community Services of South Central Indiana, Inc. d/b/a Thrive Alliance, as of June 30, 2022, and the results of its operations for the period then ended, on the basis of accounting described in the report.

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

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

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

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

**Financial Statements with Supplementary Information
June 30, 2022 and 2021, and
Independent Auditors' Report**

AGING & COMMUNITY SERVICES OF SOUTH CENTRAL INDIANA, INC
(A MEMBER OF THRIVE ALLIANCE)
June 30, 2022 and 2021

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Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Aging & Community Services of South Central Indiana, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, 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 the Organization as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 the Organization'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 the Organization'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 the Organization'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 as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards 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 January 24, 2023 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the Organization'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 the Organization's internal control over financial reporting and compliance.



January 24, 2023
Indianapolis, Indiana

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

Statements of Financial Position
June 30, 2022 and 2021

	2022	2021
Assets		
Cash and cash equivalents	\$ 1,065,076	\$ 1,336,309
Grants receivable	926,727	1,117,290
Accounts receivable	163,637	10,399
Board designated cash	72,895	79,850
Other assets	22,177	18,924
Total assets	\$ 2,250,512	\$ 2,562,772
Liabilities and Net Assets		
Liabilities		
Accounts payable and other	\$ 195,175	\$ 237,409
Accrued payroll and related liabilities	629,762	657,730
Total liabilities	824,937	895,139
Net assets		
Without donor restrictions - undesignated	1,352,680	1,551,869
Without donor restrictions - board designated	72,895	79,850
With donor restrictions	-	35,914
Total net assets	1,425,575	1,667,633
Total liabilities and net assets	\$ 2,250,512	\$ 2,562,772

See accompanying notes to financial statements

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

Statements of Activities
Years Ended June 30, 2022 and 2021

	2022	2021
Revenues and other support		
Grants	\$ 5,636,724	\$ 5,642,115
Medicaid revenue	1,661,460	1,360,765
First Step supporting services, net	207,165	41,879
PPP funds	-	785,300
In-kind contributions	47,283	15,391
Other	261,529	176,358
Net assets released from restrictions	35,914	-
Total revenues and other support	7,850,075	8,021,808
Expenses		
Program services	6,944,703	6,841,442
Support services	1,111,516	1,092,968
Total expenses	8,056,219	7,934,410
Change in net assets without donor restrictions	(206,144)	87,398
Net assets with donor restrictions		
Net assets released from restrictions	(35,914)	-
Other	-	35,914
Change in net assets with donor restrictions	(35,914)	35,914
Change in net assets	(242,058)	123,312
Net assets - beginning of year	1,667,633	1,544,321
Net assets - end of year	\$ 1,425,575	\$ 1,667,633

See accompanying notes to financial statements

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

Statement of Functional Expenses
Year Ended June 30, 2022

	In-home Services	Community Services	Nutrition	Total Program Services	Support Services	Total
Salaries and wages	\$ 1,557,310	\$ 2,273,752	\$ 80,684	\$ 3,911,746	\$ 643,919	\$ 4,555,665
Payroll taxes and benefits	505,520	556,030	8,828	1,070,378	205,786	1,276,164
Other expenditures	206,016	77,348	759	284,123	113,406	397,529
Direct food services	57,888	385	324,201	382,474	-	382,474
Attendant care	354,473	22,430	-	376,903	-	376,903
Occupancy	53,370	92,521	6,439	152,330	46,091	198,421
Subgrantee contracts	-	154,784	18,000	172,784	-	172,784
Contracted services	38,788	55,547	35	94,370	78,202	172,572
Other direct services	107,762	1,743	-	109,505	-	109,505
Telephone and postage	33,491	63,462	3,117	100,070	8,513	108,583
Foster grandparent stipend	-	99,564	-	99,564	-	99,564
Travel	5,857	70,943	2,973	79,773	368	80,141
In-kind expenses	24,238	8,389	14,656	47,283	-	47,283
Supplies	4,285	22,268	2,794	29,347	15,231	44,578
Direct emergency response services	29,133	4,920	-	34,053	-	34,053
	<u>\$ 2,978,131</u>	<u>\$ 3,504,086</u>	<u>\$ 462,486</u>	<u>\$ 6,944,703</u>	<u>\$ 1,111,516</u>	<u>\$ 8,056,219</u>

See accompanying notes to financial statements

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

Statement of Functional Expenses
Year Ended June 30, 2021

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

See accompanying notes to financial statements

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

Statements of Cash Flows
Years Ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities		
Change in net assets	\$ (242,058)	\$ 123,312
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Changes in:		
Grants and accounts receivable	37,325	14,102
Other assets	(3,253)	3,191
Accounts payable and other	(42,234)	7,107
Accrued payroll and related liabilities	(27,968)	175,711
	(278,188)	323,423
Net cash provided by (used in) operating activities		
Cash flows from operating activities		
Loan advance to HPI	-	(50,000)
Repayment of funds from HPI	-	250,000
	-	200,000
Net cash provided by investing activities		
Net change in cash	(278,188)	523,423
Cash and cash equivalents, beginning of year	1,416,159	892,736
Cash and cash equivalents, end of year	\$ 1,137,971	\$ 1,416,159
Reconciliation of cash to statement of financial position		
Cash and cash equivalents	\$ 1,065,076	\$ 1,336,309
Board designated cash	72,895	79,850
	\$ 1,137,971	\$ 1,416,159
Total cash		

See accompanying notes to financial statements

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

Notes to Financial Statements

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

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

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

Financial Statement Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP). The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, which are available for use in general operations and not subject to donor restrictions; and net assets with donor restrictions, which are either temporary in nature, such as those that will be met by the passage of time or other events specified by the donor, or are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. There were no net assets with donor restrictions for 2022. In fiscal year 2021, the Organization received \$35,914 of guardianship funds that had not yet been expended and were included in donor restricted net assets at 2021 and were released in 2022.

Cash and Cash Equivalents

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

Grants Receivable

Grants receivable are stated at the amount billed to the funding agencies. If necessary, the Organization provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables and existing economic conditions. Delinquent receivables are written off based on specific circumstances of the funding Organization. As of June 30, 2022 and 2021, the Organization considered all balances collectible; therefore, no allowance was necessary.

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

**Notes to Financial Statements
(Continued)**

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

In-Kind Contributions

The Organization has recorded in-kind contributions for space and professional services in the statement of activities in accordance with generally accepted accounting standards (GAAP) for a total of \$47,283 and \$15,391 for 2022 and 2021, respectively. GAAP requires that only contributions of service received that create or enhance a nonfinancial asset or require a specialized skill by the individual possessing those skills and would typically need to be purchased if not provided by the donation be recorded.

Government Fees and Grants

Support funded by grants is recognized as the Organization performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting organization and, as a result of such audit, adjustments could be required. At June 30, 2022 and 2021 the Organization had available award balances (conditional promises to give) of Federal, state, and local grants of \$1,596,758 and \$562,196, respectively.

Contributions

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

Revenue Recognition

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

Revenue from contracts with customers is primarily recognized from Medicaid Waiver. Due to the nature of the contracts, there is no variable consideration and only one performance obligation. Such revenue is conditioned upon meeting a certain performance obligation, and amounts received are recognized as revenue once the requirement has been met. Once a care management service activity is performed, the Organization bills Medicaid at the current waiver rate and the performance obligation is considered to have been met. Each activity has a fixed rate (\$134.33 in 2022 and 2021) for various care management activities and are eligible to be billed once per month.

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

**Notes to Financial Statements
(Continued)**

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

Revenue Recognition - continued

The Organization bills Medicaid at the end of each month for the services provided during the month and payment is expected upon submission of claims for service, usually within 30 days. Contracts are considered to have commercial substance as they all involve a care service and are then eligible to be billed for reimbursement for the care managers time spent on the activity. Contract receivables at June 30, 2022, were \$148,825. Contract receivables June 30, 2021 and 2020 were \$2,670 and \$44,523, respectively.

Functional Expenses

The costs of providing the various programs and other activities have been summarized in the statement of functional expenses. Costs are charged directly to the programs they benefit whenever possible. Certain overhead costs that cannot be directly charged to an individual program are allocated to the various programs they benefit using relevant statistical allocation bases. The most significant allocations were salaries and related expenses which were allocated based on time and effort, contracted services and other expenses were allocated based on usage between program and support services.

Use of Estimates

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

Income Taxes

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

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

Effect of Adopting New Accounting Standard

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities* (Topic 958): *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This standard requires nonprofits to expand their financial statement presentation and disclosure of contributed nonfinancial assets, including in-kind contributions. The standard includes disclosure of information on an entity's policies on contributed nonfinancial assets about monetization and utilization during the reporting period, information on donor-imposed restrictions, and valuation techniques.

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

**Notes to Financial Statements
(Continued)**

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

Effect of Adopting New Accounting Standard - continued

The new standard, as amended, is to be applied retrospectively to annual reporting period beginning after June 15, 2021, and interim periods within annual reporting periods beginning after June 15, 2022. The Organization adopted the standard on July 1, 2022. The standard did not have a material impact on the financial statements. The Organization has updated disclosures as necessary.

Recent Accounting Pronouncements

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

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

Subsequent Event Evaluation

In preparing its financial statements, the Organization has evaluated events subsequent to the statement of financial position date through January 24, 2023, which is the date the financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

At June 30, 2022 and 2021 financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprised the following:

	2022	2021
Cash and cash equivalents	\$ 1,065,076	\$ 1,336,309
Grants receivable	926,727	1,117,290
Accounts receivable	163,637	10,399
	\$ 2,155,440	\$ 2,463,998

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

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

**Notes to Financial Statements
(Continued)**

NOTE 3 BOARD DESIGNATED CASH

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

NOTE 4 GRANT REVENUE AND RECEIVABLE

The Organization's grant revenue and related receivables at June 30, 2022 and 2021 consisted of the following:

June 30, 2022	Federal Assistance Listing No.	Revenue 06/30/2022	Collections 06/30/2022	Receivable 06/30/2022
U.S. Department of Health and Human Services:				
Title III - A	93.044	\$ 100,578	\$ 79,898	\$ 20,680
Title III - B	93.044	299,420	295,305	4,115
Title III - C-1	93.045	184,596	157,472	27,124
Title III - C-2	93.045	225,037	212,584	12,453
Title III - C -2 Vaccine - VAC5	93.045	18,063	1,988	16,075
Title III - C -2 Vaccine - ADRCVAC	93.045	4,909	637	4,272
Title III - D	93.043	16,366	15,517	849
Title III - E	93.052	107,638	93,173	14,465
Nutrition Service Incentive Program				
	93.053	33,898	28,482	5,416
Title VII Ombudsman	93.042	6,845	5,678	1,167
Waiver Intake	93.778	242,629	240,480	2,149
Pre-Pass Assessment	93.778	1,195	1,195	-
HCBS - Waiver Intake	93.778	44,955	1	44,954
Social Services Block Grant	93.667	328,832	277,240	51,592
U.S. Department of Education				
First Step	84.181	2,370,702	1,882,780	487,922
Corporation for National and Community Service				
FGP	94.011	238,201	211,356	26,845
Total federal grants		4,223,864	3,503,786	720,078
State grants		1,221,102	1,038,914	182,188
Local grants		191,758	167,297	24,461
		<u>\$ 5,636,724</u>	<u>\$ 4,709,997</u>	<u>\$ 926,727</u>

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

**Notes to Financial Statements
(Continued)**

NOTE 4 GRANT REVENUE AND RECEIVABLE (Continued)

June 30, 2021	Federal Assistance Listing No.	Revenue 06/30/2021	Collections 06/30/2021	Receivable 06/30/2021
U.S. Department of Health and Human Services:				
Title III - A	93.044	\$ 98,321	\$ 66,892	\$ 31,429
Title III - A COVID - 19 CARES	93.044	27,813	27,813	-
Title III - B	93.044	232,400	145,466	86,934
Title III - B COVID - 19 CARES	93.044	99,533	99,533	-
Title III - C-1	93.045	353,368	343,026	10,342
Title III - C-1 COVID - 19 FCCRA	93.045	3,082	3,082	-
Title III - C-1 COVID - 19 CARES	93.045	15,912	15,912	-
Title III - C - 2 - Vaccine Outreach	93.045	31,192	31,192	-
Title III - C-2	93.045	202,347	146,145	56,202
Title III - C-2 COVID - 19 FCCRA	93.045	4,408	4,408	-
Title III - C-2 COVID - 19 CARES	93.045	84,205	84,205	-
Title III - D	93.043	19,744	14,781	4,963
Title III - D COVID - 19 CARES	93.043	7,447	7,447	-
Title III - E	93.052	93,784	80,209	13,575
Title III - E COVID - 19 CARES	93.052	7,314	7,314	-
Nutrition Service Incentive Program				
	93.053	42,299	38,354	3,945
Title VII Ombudsman	93.042	6,350	5,261	1,089
Title VII Ombudsman - COVID-19 CARES	93.042	4,000	4,000	-
Waiver Intake	93.778	240,245	193,431	46,814
Pre-Pass Assessment	93.778	1,593	797	796
Social Services Block Grant	93.667	271,979	222,475	49,504
U.S. Department of Education				
First Step	84.181	2,314,240	1,755,621	558,619
Corporation for National and Community Service				
FGP	94.011	<u>233,502</u>	<u>183,185</u>	<u>50,317</u>
Total federal grants		4,395,078	3,480,549	914,529
State grants		906,641	703,880	202,761
Local grants		<u>340,396</u>	<u>340,396</u>	<u>-</u>
		<u>\$ 5,642,115</u>	<u>\$ 4,524,825</u>	<u>\$ 1,117,290</u>

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

**Notes to Financial Statements
(Continued)**

NOTE 5 OPERATING LEASES

The Organization leases their administrative office and outreach offices under noncancelable operating leases that expire in various years through June 2024. Total rental expense for the years ended June 30, 2022 and 2021 was \$197,685 and \$194,707, respectively. Future annual minimum lease payments at June 30, 2022 were:

2023	\$	172,917
2024		103,500

NOTE 6 RELATED PARTY TRANSACTIONS

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

Amounts due from HPI totaled \$14,812 and \$7,729 as of June 30, 2022 and 2021 respectively and is included in account receivable. Total transactions for 2022 and 2021 were \$94,174 and \$89,141, respectively.

NOTE 7 PENSION PLAN

The Organization provides pension benefits for all of its full-time employees through a 403(b) Plan. The Organization matches 1% of the participating employee's annual pay. The Organization's contributions to the plan for the years ended June 30, 2022 and 2021, were \$35,912 and \$32,990, respectively.

NOTE 8 DONATED GOODS AND SERVICES

Contribution revenue recognized for the years ended June 30, 2022 and 2021 from donated goods and services consisted of:

	2022	2021
Teaching and meal services	\$ 17,923	\$ 10,102
Food donations	29,360	5,289
	\$ 47,283	\$ 15,391

Donated goods and services are without donor restrictions and are reported in the statement of functional expenses by function. Contributed services are valued and reported at estimated fair value in the financial statements based on current rates for similar services. Contributed goods are valued and reported at the estimated fair value on the basis of wholesale values that would be received by selling similar products.

SUPPLEMENTARY INFORMATION

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

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022**

Federal Grantor Pass-Through Grantor Program Title	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Dept. of Education:				
Passed through Indiana Family and Social Services Administration				
Special Education Grants for Infants and Family	84.181	#21527	\$ 2,370,702	\$ -
Total U.S. Department of Education			<u>2,370,702</u>	<u>-</u>
U.S. Dept. of Health & Human Services:				
Passed through Indiana Family and Social Services Administration				
Aging Cluster				
Title III-B Admin	93.044	19AAINT3SS	100,578	-
Title III-B Social Services	93.044	19AAINT3SS	299,420	60,678
Total Title III-B			<u>399,998</u>	<u>60,678</u>
Title III- Congregate Meals	93.045	19AAINT3CM	184,596	-
Title III-C Home Delivered Meals	93.045	19AAINT3HD	225,037	-
Vaccine Outreach- Title III-C Home Delivered Meals	93.045	19AAINT3HD	22,972	-
Total Title III-C			<u>432,605</u>	<u>-</u>
Nutrition Services Incentive Program	93.053	19AAINNSIP	33,898	-
Total Aging Cluster			<u>866,501</u>	<u>60,678</u>
Title III - D	93.043	19AAINT3PH	16,366	-
Title III - E	93.052	19AAINT3FC	107,638	-
Title VII - Ombudsman	93.042	19AAINT7OM	6,845	6,845
Social Services Block Grant	93.667	1002INSOSR	328,832	-
Waiver Intake	93.778	#22140WI	242,630	-
HCBS - Waiver Intake	93.778	N/A	44,954	-
Pre-Pas Assessment	93.778	#22140PPA	1,195	-
Total U.S. Department of Health & Human Services			<u>1,614,961</u>	<u>67,523</u>
Direct Award from Corporation for National and Community Service				
Foster Grandparent Program	94.011	N/A	238,201	-
Total Direct Awards from Corporation for National and Community Service			<u>238,201</u>	<u>-</u>
Total Expenditure of Federal Awards			<u>\$ 4,223,864</u>	<u>\$ 67,523</u>

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

**Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022**

NOTE 1 BASIS OF PRESENTATION

The schedule of expenditures of federal awards includes the federal grant activity of the Organization for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented on this schedule may differ from those amounts presented, or used in, the preparation of the basic financial statements.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 INDIRECT COST RATE

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

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Aging & Community Services of South Central Indiana, Inc. (the Organization), which comprise the statement of financial position as June 30, 2022, 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 January 24, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

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

Purpose of this Report

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

Barnes, Dennig & Co., Ltd.

January 24, 2023
Indianapolis, Indiana

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Aging & Community Services of South Central Indiana, Inc.'s (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2022. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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 the Organization 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 the Organization compliance with the compliance requirements referred to above.

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 Organization'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 Organization'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 Organization's compliance with the requirements of each major federal program as a whole.

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

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 Organization'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 the Organization'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 the Organization'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.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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.



January 24, 2023
Indianapolis, Indiana

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

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2022**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs

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

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

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

Identification of major programs

<u>Federal Assistance Listing Number</u>	<u>Name of Federal Programs or Clusters</u>
84.181	Special Education – Grants for Infants and Families (First Steps)

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

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

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

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

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

Reference Number	Summary of Finding	Status
2021-01: Audit Adjustment	Pass through revenue and expenses were not netted properly in the prior year	Resolved