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April 13, 2023

Board of Directors
Area 10 Council on Aging of Monroe and Owen Counties, Inc.
631 West Edgewood Drive
Ellettsville, IN 47429

We have reviewed the audit report of Area 10 Council on Aging of Monroe and Owen Counties, Inc., dba Area 10 Agency On Aging which was opined upon by Comer, Nowling and Associates, P.C., Independent Public Accountants, for the period July 1, 2020 to June 30, 2021. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Area 10 Agency On Aging as of June 30, 2021 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Comer, Nowling and Associates, P.C. prepared the audit report in accordance with guidelines established by the State Board of Accounts.

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

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

Tammy R. White, CPA
Deputy State Examiner

**Area 10 Council on Aging of
Monroe and Owen Counties,
Inc. and Subsidiaries**

**Consolidated Financial Statements
For the Years Ended
June 30, 2021 and 2020
(With Single Audit Section)**

COMER  NOWLING

INDUSTRY ESTABLISHED | FOCUSED ON QUALITY

Certified Public Accountants

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
FINANCIAL STATEMENTS**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Area 10 Council on Aging of Monroe and Owen Counties, Inc. and Subsidiaries

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Area 10 Council on Aging of Monroe and Owen Counties, Inc. (a nonprofit organization) and Subsidiaries, which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Area 10 Council on Aging of Monroe and Owen Counties, Inc. and Subsidiaries as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements of Area 10 Council on Aging of Monroe and Owen Counties, Inc. and Subsidiaries as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statements. The schedule of expenditures of state and local awards is presented for purposes of additional analysis as required by the Indiana State Board of Accounts. 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 November 22, 2021 on our consideration of Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.
Indianapolis, Indiana
November 22, 2021

**AREA 10 COUNCIL ON AGING OF AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

ASSETS

| CURRENT ASSETS: | 2021 | 2020 |
|--------------------------------|----------------------|----------------------|
| Cash and cash equivalents | \$ 2,482,443 | \$ 1,962,021 |
| Restricted cash - reserves | 254,177 | 252,278 |
| Grants receivable | 645,132 | 649,447 |
| Accounts receivable | 6,132 | 67,937 |
| Prepaid expenses | 191,745 | 151,905 |
| Total current assets | <u>3,579,629</u> | <u>3,083,588</u> |
| FIXED ASSETS: | | |
| Land | 942,006 | 942,006 |
| Building | 13,923,393 | 13,916,673 |
| Leasehold improvements | 626,926 | 576,076 |
| Equipment | 397,422 | 360,992 |
| | 15,889,747 | 15,795,747 |
| Less accumulated depreciation | <u>(6,876,385)</u> | <u>(6,360,168)</u> |
| Total fixed assets, net | <u>9,013,362</u> | <u>9,435,579</u> |
| OTHER ASSETS | | |
| Organizational costs | 69,321 | 69,321 |
| Less: accumulated amortization | <u>(54,847)</u> | <u>(47,917)</u> |
| | 14,474 | 21,404 |
| Beneficial Interest | <u>44,225</u> | <u>34,562</u> |
| Total other assets | <u>58,699</u> | <u>55,966</u> |
| Total assets | <u>\$ 12,651,690</u> | <u>\$ 12,575,133</u> |

See accompanying notes to consolidated financial statements.

**AREA 10 COUNCIL ON AGING OF AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

LIABILITIES AND NET ASSETS

| CURRENT LIABILITIES: | 2021 | 2020 |
|----------------------------------------------------|----------------------|----------------------|
| Accounts payable | \$ 148,992 | \$ 198,902 |
| Accrued payroll, taxes, and related expenses | 43,950 | 29,441 |
| Accrued vacation | 70,854 | 73,142 |
| Security deposits payable | 46,840 | 47,826 |
| Deferred revenue | 1,993 | 1,468 |
| Current portion - long term debt | 43,337 | 43,337 |
| Total current liabilities | <u>355,966</u> | <u>394,116</u> |
| LONG TERM LIABILITIES | | |
| Notes payable | 1,618,020 | 2,145,957 |
| Developer fee payable | 1,619 | 1,609 |
| Total long term liabilities | <u>1,619,639</u> | <u>2,147,566</u> |
| Total liabilities | <u>1,975,605</u> | <u>2,541,682</u> |
| NET ASSETS | | |
| NON-CONTROLLING INTEREST IN NET ASSETS | <u>4,989,098</u> | <u>5,374,671</u> |
| NET ASSETS - WITHOUT DONOR RESTRICTIONS | | |
| Undesignated | <u>5,686,987</u> | <u>4,658,780</u> |
| Total net assets | <u>10,676,085</u> | <u>10,033,451</u> |
| Total liabilities and net assets | <u>\$ 12,651,690</u> | <u>\$ 12,575,133</u> |

See accompanying notes to consolidated financial statements.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

| REVENUE AND OTHER SUPPORT | 2021 | 2020 |
|----------------------------------------------------------|----------------------|----------------------|
| Federal grant revenue | \$ 1,967,485 | \$ 1,796,073 |
| State grant revenue | 969,723 | 1,059,409 |
| Local support | 40,857 | 255,726 |
| Service fees | 375,130 | 346,709 |
| Project income | 95,420 | 84,476 |
| Medicaid | 928,788 | 911,143 |
| Donations: | | |
| Indirect public support - United Way | 27,794 | 32,920 |
| Direct public support | 122,919 | 110,645 |
| Rental income | 723,271 | 749,599 |
| Miscellaneous income | 6,833 | 76,065 |
| Forgiveness of debt | 466,205 | - |
| In-kind support | 60,480 | 102,209 |
| Investment income | 11,706 | 437 |
| | <u>5,796,611</u> | <u>5,525,411</u> |
| OPERATING EXPENSES | | |
| Program services: | | |
| Nutrition | 251,043 | 282,040 |
| Transportation | 1,382,382 | 1,475,697 |
| In-Home services | 1,639,751 | 2,106,746 |
| Health & Wellness | 254,308 | 246,627 |
| Information/Referral/Outreach | 108,709 | 126,884 |
| Housing | 1,180,452 | 1,068,359 |
| Total program services | <u>4,816,645</u> | <u>5,306,353</u> |
| Supporting services: | | |
| Management and General | 328,790 | 214,534 |
| Total supporting services | <u>328,790</u> | <u>214,534</u> |
| Total operating expenses | <u>5,145,435</u> | <u>5,520,887</u> |
| Increase (decrease) in net assets | <u>651,176</u> | <u>4,524</u> |
| NET ASSETS - BEGINNING OF YEAR | 10,033,451 | 10,041,642 |
| Non-controlling interest in subsidiary's earnings | (377,040) | (279,461) |
| Controlling interest in subsidiary's earnings and parent | 1,028,216 | 283,985 |
| Distributions | <u>(8,542)</u> | <u>(12,715)</u> |
| NET ASSETS - END OF YEAR | <u>\$ 10,676,085</u> | <u>\$ 10,033,451</u> |

See accompanying notes to consolidated financial statements.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021**

| | <u>Nutrition</u> | <u>Transportation</u> | <u>In-Home Services</u> | <u>Health & Wellness</u> | <u>Information/ Referral/Outreach</u> | <u>Housing</u> | <u>Management & General</u> | <u>2021 Total</u> |
|---------------------------------|-------------------|-----------------------|-----------------------------|----------------------------------|-------------------------------------------|---------------------|-------------------------------------|-----------------------|
| OPERATING EXPENSES | | | | | | | | |
| Personnel costs | \$ 129,860 | \$ 768,451 | \$ 973,225 | \$ 166,391 | \$ 96,844 | \$ 180,615 | \$ 205,346 | \$ 2,520,732 |
| Occupancy | 4,763 | 26,424 | 27,998 | 12,504 | 1,614 | 170,839 | 3,316 | 247,458 |
| Telephone and postage | 870 | 5,300 | 8,810 | 1,081 | 934 | 2,617 | 5,229 | 24,841 |
| Materials and supplies | 1,870 | 386,315 | 17,962 | 16,128 | 943 | 15,326 | 29,095 | 467,639 |
| Printing | 370 | 876 | 1,289 | 457 | 62 | 31 | - | 3,085 |
| Volunteer recognition | - | - | - | 5,460 | - | - | - | 5,460 |
| Travel | 6,892 | 210 | 1,516 | 109 | 1,779 | 3,005 | 201 | 13,712 |
| Contracted services | 7,578 | 34,957 | 49,856 | 19,629 | 2,360 | 110,749 | 49,898 | 275,027 |
| Meals | 95,873 | - | 63,558 | 17,250 | - | - | 90 | 176,771 |
| Home health care | - | - | 476,040 | - | - | - | - | 476,040 |
| Training | 1,273 | - | 239 | 179 | - | - | 201 | 1,892 |
| Insurance | - | 124,465 | 8,367 | 1,050 | 191 | 61,045 | 28,671 | 223,789 |
| Advertising and recruitment | - | 7,125 | 2,432 | 750 | 142 | 1,403 | 574 | 12,426 |
| Other costs | 128 | 1 | 62 | 661 | - | 73,075 | 6,169 | 80,096 |
| Taxes | - | 13,234 | - | - | - | 32,686 | - | 45,920 |
| Interest expense | - | - | - | - | - | 47,525 | - | 47,525 |
| Depreciation | 1,566 | 15,024 | 8,397 | 12,659 | 3,840 | 474,604 | - | 516,090 |
| Amortization | - | - | - | - | - | 6,932 | - | 6,932 |
| Total operating expenses | \$ 251,043 | \$ 1,382,382 | \$ 1,639,751 | \$ 254,308 | \$ 108,709 | \$ 1,180,452 | \$ 328,790 | \$ 5,145,435 |

See accompanying notes to consolidated financial statements.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020**

| | Nutrition | Transportation | In-Home Services | Health & Wellness | Information/ Referral/Outreach | Housing | Management & General | 2020 Total |
|---------------------------------|-------------------|---------------------|---------------------|----------------------|-----------------------------------|---------------------|-------------------------|---------------------|
| OPERATING EXPENSES | | | | | | | | |
| Personnel costs | \$ 122,556 | \$ 820,675 | \$ 980,025 | \$ 193,925 | \$ 112,247 | \$ 146,215 | \$ 177,728 | \$ 2,553,371 |
| Occupancy | 4,523 | 28,402 | 27,580 | 18,649 | 1,930 | 153,019 | 3,551 | 237,654 |
| Telephone and postage | 775 | 5,377 | 10,936 | 1,689 | 1,385 | 2,465 | 6,607 | 29,234 |
| Materials and supplies | 4,197 | 372,623 | 33,126 | 10,747 | 3,558 | 12,259 | 67,892 | 504,402 |
| Printing | 559 | 968 | 1,177 | 5,083 | 268 | 10 | 1,432 | 9,497 |
| Volunteer recognition | - | - | - | 12,795 | - | - | - | 12,795 |
| Travel | 6,372 | 763 | 18,998 | 2,013 | 2,123 | 3,397 | 671 | 34,337 |
| Contracted services | 5,316 | 55,940 | 53,876 | 41,116 | 2,178 | 83,076 | 49,441 | 290,943 |
| Meals | 134,940 | 39,550 | 84,136 | 16,984 | - | - | - | 275,610 |
| Home health care | - | - | 718,170 | - | - | - | 728 | 718,898 |
| Training | - | 35 | 485 | 1,151 | 150 | 1,291 | - | 3,112 |
| Insurance | 1,116 | 83,741 | 11,681 | 773 | 167 | 49,204 | 40,034 | 186,716 |
| Advertising and recruitment | 893 | 4,651 | 3,401 | - | 473 | 3,025 | 462 | 12,905 |
| Other costs | 7 | 46,955 | 157,517 | (70,174) | 149 | 84,579 | (136,678) | 82,355 |
| Taxes | - | 2,073 | 195 | - | - | 31,997 | 667 | 34,932 |
| Interest expense | - | - | - | - | - | 46,362 | - | 46,362 |
| Depreciation | 786 | 13,944 | 5,443 | 11,876 | 2,256 | 444,528 | 1,999 | 480,832 |
| Amortization | - | - | - | - | - | 6,932 | - | 6,932 |
| Total operating expenses | \$ 282,040 | \$ 1,475,697 | \$ 2,106,746 | \$ 246,627 | \$ 126,884 | \$ 1,068,359 | \$ 214,534 | \$ 5,520,887 |

See accompanying notes to consolidated financial statements.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

| CASH FLOWS FROM OPERATING ACTIVITIES: | <u>2021</u> | <u>2020</u> |
|--------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| Increase (decrease) in net assets before non-controlling interest | \$ 651,176 | \$ 4,524 |
| Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities: | | |
| Depreciation and amortization | 524,237 | 488,981 |
| (Gain) loss on disposal of assets | (466,205) | - |
| Increase (decrease) in cash from changes in: | | |
| Grants receivable | 4,315 | (31,283) |
| Accounts receivable | 61,804 | 25,948 |
| Prepaid expenses | (39,840) | 14,123 |
| Restricted cash | (1,899) | (4,878) |
| Accounts payable | (49,900) | (59,172) |
| Accrued payroll, taxes and related expenses | 12,221 | 6,304 |
| Security deposits | (984) | 4,880 |
| Prepaid rent | 525 | (6,628) |
| Net cash provided by (used in) operating activities | <u>695,450</u> | <u>442,799</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of property and equipment | (93,869) | (73,134) |
| Net change in beneficial interest | (9,663) | 2,423 |
| Net cash provided by (used in) investing activities | <u>(103,532)</u> | <u>(70,711)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Distributions | (8,546) | (12,715) |
| Proceeds from notes payable | - | 466,205 |
| Principal payments against notes payable | (62,950) | (62,289) |
| Net cash provided by (used in) financing activities | <u>(71,496)</u> | <u>391,201</u> |
| NET INCREASE (DECREASE) IN CASH | 520,422 | 763,289 |
| CASH, BEGINNING OF YEAR | <u>1,962,021</u> | <u>1,198,732</u> |
| CASH, END OF YEAR | <u>\$ 2,482,443</u> | <u>\$ 1,962,021</u> |
| Supplemental disclosures of cash flow Information: | | |
| Cash paid during the year for interest | <u>\$ 46,308</u> | <u>\$ 45,145</u> |

See accompanying notes to consolidated financial statements.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of Area 10 Council on Aging of Monroe and Owen Counties, Inc., and its wholly-owned subsidiary, Area 10 Development, Inc. Area 10 Development, Inc. serves as the general partner for Cunot Apartments, L.P., Edgewood Village Apartments, L.P., and serves as a managing member of Patterson Pointe Senior Residence, LLC. Area 10 Development, Inc. has a 1% ownership interest in Cunot Apartments L.P. and a .051% interest in Patterson Pointe Senior Residence, LLC. Edgewood Village Apartments, L.P. is wholly owned by Area 10 Development, Inc. In accordance with FASB ASC 958-810-15-14, consolidation is required for each of the previously mentioned entities and all material intercompany transactions have been eliminated in the consolidation.

NATURE OF OPERATIONS

Area 10 Council on Aging of Monroe and Owen Counties, Inc. and Subsidiaries (the “Organization”) was incorporated in 1978, under the laws of the State of Indiana. Area 10 Council on Aging of Monroe and Owen Counties, Inc. is a not-for-profit, charitable and community-based organization that is also a designated Area Agency on Aging for Monroe and Owen counties in the state of Indiana. The Organization’s mission is to serve as a leader in providing resources, solutions and connections for seniors, persons with disabilities and family caregivers living in Monroe and Owen counties. The Organization’s operations are funded through grants and contracts from federal and state governmental agencies, private foundations, the United Way and individual donors.

In 1997, the Organization formed Area 10 Development, Inc. (the “Subsidiary” as a wholly owned subsidiary under the laws of the State of Indiana. The purpose of the Subsidiary is to acquire, construct, rehabilitate, own, finance, lease, and operate qualified low-income-housing tax credit property. In that same year, Cunot Apartments, L.P. and Edgewood Village Apartments, L.P. were formed for the purpose of constructing, owning and operating apartment complexes consisting of 24 and 48 units each, respectively. Units in both apartment complexes are rented to qualified low-income individuals, and, as a result, federal income tax credits are available to investors.

In 2010 Patterson Pointe Senior Residence, LLC was formed by MV Patterson Pointe Senior Residence, LLC, a managing member, to acquire, own, and operate a 61-unit residential property to be rented to qualified low-income individuals. In 2012, Area 10 Development, Inc. was admitted as a managing member of Patterson Pointe Senior Residence, LLC. MV Patterson Pointe Senior Residence, LLC and Area 10 Development, Inc. hold .048% and .051% interest in Patterson Pointe Senior Residence, LLC, respectively.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

BASIS OF ACCOUNTING

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

INCOME TAX STATUS

Area 10 Council on Aging of Monroe and Owen Counties, Inc. is exempt from income tax under Internal Revenue Code Section 501(c)(3) and a similar section of the Indiana Code. Consequently, the accompanying financial statements do not generally include any provision for income taxes. The Internal Revenue Service classifies the Area 10 Council on Aging of Monroe and Owen Counties, Inc. as other than a private foundation under internal Revenue Code Section 509(a)(1).

The mission of the Subsidiary and related partnerships and limited liability company were considered to be related to the mission of the Organization and therefore, no provision for unrelated business income tax has been made for federal income taxes.

The Organization files the required federal and state information returns. Whenever tax returns are filed, the filing organization must evaluate the merits of its tax positions and determine if they will be ultimately sustained. Those tax positions for the Organization include maintaining their tax-exempt status and the taxability of any unrelated business income. The Organization believes these positions are sustainable. Although the Organization has not incurred any interest and penalties associated with these positions, it is their policy to expense them in the statement of activities. With few exceptions, the Organization is generally no longer subject to examination by taxing authorities for years before June 30, 2018.

FINANCIAL STATEMENT PRESENTATION

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board. Per the applicable standards, Area 10 Council on Aging of Monroe and Owen Counties, Inc. is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. A description of the net asset classes follows:

Net assets without donor restrictions represent the portion of net assets of Area 10 Council on Aging of Monroe and Owen Counties, Inc. that is not subject to donor-imposed restrictions. Net assets without donor restrictions include expendable funds available for the support of the Organization. Board designated net assets are net assets without donor restrictions with self-imposed designations by action of the governing board.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

FINANCIAL STATEMENT PRESENTATION – (continued)

Net assets with donor restrictions represent contributions and other inflows of assets whose use by Area 10 Council on Aging of Monroe and Owen Counties, Inc. is limited by donor-imposed stipulations that either expire by passage of time, can be fulfilled and removed by actions of Area 10 Council on Aging of Monroe and Owen Counties, Inc. pursuant to those stipulations, or net assets that must be held in perpetuity.

Net assets with donor restrictions also include, pursuant to Indiana law, cumulative appreciation and reinvested gains on net assets with donor restrictions that are held in perpetuity, which have not been appropriated by the Board of Directors.

CASH AND CASH EQUIVALENTS

The Organization considers time deposits, certificates of deposit, and other highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

RESTRICTED CASH

Restricted cash consist of designated operating reserves and replacement reserves escrow of the Subsidiaries. The replacement reserve escrow is required by the permanent mortgage for Patterson Pointe Senior Residence, LLC. Withdrawals are subject to certain conditions and restrictions as defined in the loan agreement.

GRANTS, CONTRIBUTIONS AND ACCOUNTS RECEIVABLE

Grants and contributions receivable consist of reimbursements due under government cost-reimbursement awards and unconditional promises to give to the Organization. All amounts are due within one year, and no allowance for uncollectible receivables is considered necessary. Accounts receivable consist primarily of amounts due for services rendered, and no allowance for uncollectible receivables is considered necessary. Accounts receivable consist primarily of amounts due for services rendered.

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third party contracts and other circumstances. Receivables are considered impaired if full payment is not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

REVENUE RECOGNITION

The majority of the Organization's revenue is earned under cost-reimbursement awards from governmental agencies. Revenues are recognized under such awards when costs allowable under the terms of the awards are incurred. Advances received in excess of allowable costs are reported as liabilities. Fees for services are recognized as revenue when performance obligations are satisfied which is at the point of service. Fees received in advance of substantial performance are reported as liabilities. Deposits received from customers prior to the date of the performance of services are recorded as deferred revenue.

The Organization reports grants and contributions of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (that is, when a 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 consolidated statements of activities as net assets released from restrictions. However, contributions received with donor-imposed restrictions in which the restrictions are satisfied in the same reporting period received are reported as net assets without donor restrictions.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Amortization of the discounts is included in contributions revenue. Conditional promises to give are not recognized as revenue until the conditions are substantially met.

Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance non-financial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated. The value of contributed services meeting the criteria for recognition and recognized in the accompanying financial statements was \$14,051 and \$39,762 for the years ended June 30, 2021 and 2020, respectively. Management estimates the value of contributed services received during the years ended June 30, 2021 and 2020 that did not meet the criteria for recognition to be \$29,837 and \$47,472, respectively.

The Organization uses certain facilities for its programs without charge or at reduced charge. The difference between the fair value for the use of these facilities and their cost are recognized as revenue and expense. In addition, the Organization receives supplies and materials without charge. The Organization recognized \$46,429 and \$62,447 of revenue for contributed facilities, supplies and materials in the accompanying consolidated financial statements during the years ended June 30, 2021 and 2020, respectively.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

PROPERTY AND EQUIPMENT

Property and equipment is stated at cost, if acquired, or at fair value at the date of receipt, if donated, less accumulated depreciation. Equipment with a unit cost below \$5,000 is expensed in the period acquired. Depreciation is computed by the straight-line method over the estimated useful lives of the assets, which are generally as follows:

| | |
|----------------|---------------|
| Building | 10 - 40 years |
| Equipment..... | 5 - 10 years |

Substantially all of the Organization's equipment has been purchased with funds provided by the State of Indiana and are therefore owned by the State of Indiana. Disposition of these assets, as well as the ownership of any sale proceeds, is subject to funding source and other regulatory directives. Expenditures for maintenance and repairs are expensed when incurred.

Depreciation expense on corporate owned and related housing partnerships' property and equipment totaled \$516,090 and \$480,832 for the years ended June 30, 2021 and 2020, respectively.

USE OF ESTIMATES

The process of preparing consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the consolidated financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Significant estimates used in the accompanying consolidated financial statements include:

- Revenue earned from cost-reimbursement awards. The majority of the Organization's revenue is earned on such awards from governmental agencies that are governed by cost principles and other administrative and programmatic regulations and are subject to audit by regulatory authorities. It is at least reasonably possible that revenue earned under such awards will be adjusted upon audit.
- The valuation of contributed facilities, which is based on rents for comparable facilities.
- The allocations of costs among programs and the supporting services, which are based on time and facility usage studies and other cost allocation methods.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

COST ALLOCATION

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and in the Statements of Functional Expenses.

Joint costs (including general and administrative costs) are allocated to programs, grants and contracts using a base that is most appropriate to those particular costs. Considerations in determining an appropriate base include:

- The relative benefit
- The materiality of the cost
- The amount of time and cost to perform the allocation

Cost allocation methods are as follows:

- All allowable direct costs are charged directly whenever possible.
- All allowable joint or shared costs are allocated to the benefiting programs using a rationale most appropriate for that cost. Some costs will be further allocated to multiple funding sources, when applicable.
- All other allowable general and administrative costs are allocated using an appropriate rationale which fairly allocates costs based on benefits to the particular program.

The Organization's cost allocation plan is revised if significant changes occur during the year. Examples necessitating a revision include if programs are added, terminated or substantially changed. In addition, if square footage is substantially changed during the year, a revision will be made.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The FASB Accounting Standards Codification topic "Fair Value Measurement" defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the Organization's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The standard establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

FAIR VALUE OF FINANCIAL INSTRUMENTS – (continued)

Level 3: Significant unobservable inputs that reflect a reporting entity’s own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement the entire fair value measurement in the hierarchy.

The fair value of endowment funds held by Monroe County Community Foundation and Owen County Community Foundation are based on the Organization’s proportionate share of the foundations’ pooled investment portfolios. Management reviews the valuations and returns but does not receive a detailed listing of the portfolios. The Organization does not have the ability to redeem the funds on a short-term basis. Withdrawals are limited to the terms of the agreements with the foundations.

The endowment funds are described in Note 6 and are classified as Level 2 investments.

ACCOUNTING FOR IMPAIRMENT

As required by the “Accounting for Impairment or Disposal of Long-Lived Assets” topic of the FASB Accounting Standards Codification, long-lived assets and certain identifiable intangibles held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. This standard has not materially affected the Organization’s net change in unrestricted net assets, statement of financial position or statement of cash flows.

SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 22, 2021, which is the date the financial statements were available to be issued.

NOTE 2 – BENEFICIAL INTERESTS

The Organization has established endowment funds with the Monroe County Community Foundation and the Owen County Community Foundation, and the Organization is the named beneficiary of the funds. The funds are reported at fair value with a combined balance of \$44,225 and \$34,562 for the years ended June 30, 2021 and 2020, respectively. The year-end values are determined by the Foundations based on market values of the underlying investments. The endowment funds consist of the amounts transferred to the Foundations by the Organization and the related changes in the market value. Annually, the Organization receives a distribution of a percentage of the average fund balance in the funds.

AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 3 – CONCENTRATION OF RISK

The Organization maintains its cash balance at multiple banks. The accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for the years ended June 30, 2021 and 2020. At June 30, 2021 and 2020, the Organization had uninsured balances of \$1,693,831 and \$1,070,861 respectively.

All of the Organization's programs and activities occur in Central Indiana. Consequently, its sources of support and revenue may be affected by conditions in that area. In addition, for the years ended June 30, 2021 and 2020 approximately 74% and 77% of total revenues, respectively, were received from state and federal governmental sources, with approximately 33% and 31% of total revenues, respectively, received from Indiana Family and Social Services Administration.

Grants receivable are due primarily from Indiana Family and Social Services Administration under contracts and cost-reimbursement grants, which represent a concentration of credit risk.

NOTE 4 – LONG-TERM DEBT

The Organization issued a promissory note in the amount of \$466,205 to German American Bank through the SBA PPP Program on April 21, 2020. The interest rate is 1% and the maturity date is April 2022. On January 15, 2021 this loan was forgiven by the SBA.

The Organization entered into an agreement with the City of Bloomington to borrow up to \$402,000 of Federal HOME Investment Partnership funds for use in the Patterson Pointe Senior Residence housing project. The note bears an interest rate of 0.0% and matures in June 2032. As of June 30, 2021 and 2020 the note balance was \$402,000 and \$402,000, respectively.

Long-term debt of Edgewood Village L.P. consists of the following as of June 30, 2021 and 2020:

Note payable – 8.15% per annum secured by real property, payable in monthly installments of \$5,210 with interest maturing on February 8, 2015. This note was refinanced in February 2015 with principal and interest payments of \$4,906 per month with an annual interest rate of 4.5%. In December 2016, the note was again refinanced with German American Bank in the amount of \$672,912. The mortgage matures on December 9, 2031 with a three-year fixed rate of 3.94% that converts to a three-year adjustable rate using the three-year U.S. Treasury rate index plus 3.25% margin. Collateral is the first real estate mortgage plus assignment of rents and leases on the land and buildings of Edgewood Village. The balance on the note at June 30, 2021 and 2020 was \$519,937 and \$556,513, respectively.

Net deferred financing costs of \$5,124 and \$5,329 for the years ended June 30, 2021 and 2020, respectively, have been offset against notes payable on the statement of financial position.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 4 – LONG-TERM DEBT - (continued)

Estimated maturities of mortgage at June 30, 2021 for each of the next five years and in the aggregate, are as follows:

| | | |
|------------|----|-------------------|
| 2021 | \$ | 39,551 |
| 2022 | | 41,523 |
| 2023 | | 43,593 |
| 2024 | | 45,767 |
| 2025 | | 48,049 |
| Thereafter | | <u>301,454</u> |
| | | <u>\$ 519,937</u> |

Long-term debt of Patterson Pointe Senior Residence, LLC consists of the following as of June 30, 2021 and 2020:

Construction loan – The property of Patterson Pointe Senior Residence, LLC was pledged as security on a construction loan with a bank. The construction loan matured in July 2014 and was converted to a permanent mortgage note which will mature 18 years after the conversion date. The mortgage note bears interest pursuant to Fannie Mae guidelines, which was 5.75% as of June 30, 2021 and 2020. Principal and interest will be due monthly based on a 30-year amortization period. The unpaid principal and interest are due July 2030.

Net deferred financing costs of \$9,091 and \$10,103 for the years ended June 30, 2021 and 2020, respectively, have been offset against notes payable on the statement of financial position.

Estimated maturities of mortgage at June 30, 2021 for each of the next five years and in the aggregate, are as follows:

| | | |
|------------|----|-------------------|
| 2021 | \$ | 6,087 |
| 2022 | | 6,452 |
| 2023 | | 6,838 |
| 2024 | | 7,198 |
| 2025 | | 7,678 |
| Thereafter | | <u>281,881</u> |
| | | <u>\$ 316,134</u> |

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 4 – LONG-TERM DEBT - (continued)

Promissory note – The \$500,000 note is secured by a mortgage on Patterson Pointe Senior Residence, LLC real estate to an unrelated affiliate. The note bears an interest rate of 0.0%. Annual principal payments will be made each year to the extent cash flow is available for distribution in accordance with the operating agreement. As of June 30, 2021 and 2020 the note balance was \$437,501 and \$458,334, respectively.

NOTE 5 – LINE OF CREDIT

The Organization has a \$160,000 line of credit with a maturity date of March 2022. The line bears an interest rate of 1% over the Prime Rate. As of June 30, 2021 and 2020 there was no outstanding balance on the line of credit.

NOTE 6 - ENDOWMENT

The Organization’s endowment consists of two funds managed by two separate community foundations. As required by applicable standards, net assets associated with endowment funds, including those designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of UPMIFA:

The Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

The Organization’s beneficial interest in endowment funds represent board-designated funds and are not subject to donor restrictions. Therefore, the endowment funds are considered unrestricted net assets.

Changes in endowment net assets for the year ended June 30, 2021 and 2020:

| | 2021 | 2020 |
|------------------------------------|----------------------------|----------------------------|
| | <u>Unrestricted</u> | <u>Unrestricted</u> |
| Endowment funds, beginning of year | \$ 34,562 | \$ 36,985 |
| Net investment return | 11,201 | (880) |
| Distributions | <u>(1,538)</u> | <u>(1,543)</u> |
| Endowment funds, end of year | <u>\$ 44,225</u> | <u>\$ 34,562</u> |

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 6 - ENDOWMENT - (continued)

Investment Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation and current yield. The Organization's portfolio offers pooled investments that are diversified among asset classes and investment styles as offered by the Monroe County Community Foundation and Owen County Community Foundations, thus minimizing the risk of large losses over a defined investment horizon.

Return Objectives and Risk Parameters

The Organization has adopted spending and investment policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include board designated assets. Under this policy, the endowment assets are invested in a way to ensure the future growth of the assets is sufficient to exceed the rate of inflation and provide for distribution of earnings, net of fees. All investment decisions have been delegated to the Monroe County Community Foundation and Owen County Community Foundation.

Spending Policy

The spending rate for distributable earnings will be set by the Monroe County Community Foundation and Owen County Community Foundations each year. The foundations act prudently and responsibly when deciding on a distribution that will allow for growth in the endowment fund over the course of Directors oversees the funds' assets held by the foundations, taking into account the purposes, terms and distribution requirements expressed by the governing instruments. The Board of Directors will exercise reasonable care, skill and caution in order to ensure preservation of all funds.

NOTE 7 – RETIREMENT PLAN

The Organization maintains a 401(k) Profit Sharing Plan and Trust offered through a PEO. The plan covers all eligible employees. Employees may contribute the maximum amount allowed. The Organization does not make any matching or elective contributions.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 8 – NON-CONTROLLING INTEREST IN SUBSIDIARIES

As described in Note 1, the Organization has invested in various partnerships in which it holds controlling interest and therefore presents the financial statement of these partnerships consolidated with the financial statements of the Organization.

The changes in the controlling and non-controlling interest in the net assets of the Organization for the years ending June 30, 2021 and 2020 are as follows:

| | <u>Controlling Interest</u> | <u>Non-controlling Interest</u> | <u>Total</u> |
|--------------------------|---------------------------------|-------------------------------------|---------------------|
| Balance July 1, 2019 | \$ 185,046 | \$ 5,666,847 | \$ 5,851,893 |
| Capital contributions | - | - | - |
| Net change in net assets | <u>(106,312)</u> | <u>(292,176)</u> | <u>(398,488)</u> |
| Balance June 30, 2020 | \$ 78,734 | \$ 5,374,671 | \$ 5,453,405 |
| Capital contributions | - | - | - |
| Net change in net assets | <u>(206,396)</u> | <u>(385,573)</u> | <u>(591,969)</u> |
| Balance June 30, 2021 | <u>\$ (127,662)</u> | <u>\$ 4,989,098</u> | <u>\$ 4,861,436</u> |

NOTE 9 – BOARD DESIGNATED NET ASSETS

For the years ended June 30, 2021 and 2020, the Organization had board designated net assets as follows:

| | <u>2021</u> | <u>2020</u> |
|-------------------|-------------------|-------------------|
| Cash reserves | \$ 471,211 | \$ 274,030 |
| Building reserves | <u>40,430</u> | <u>28,400</u> |
| | <u>\$ 511,641</u> | <u>\$ 302,430</u> |

NOTE 10 – INFORMATION ABOUT LIQUIDITY

The Organization's main funding sources are cost reimbursement government grants and contracts. Other funding includes project income, income, rental income and donations. Liquid assets include cash, cash equivalents and receivables. The board has designated some net assets as discussed in Note 9 for cash and building reserves. As discussed in Note 5, the Organization also has a \$160,000 line of credit available to meet cash needs.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 10 – INFORMATION ABOUT LIQUIDITY- (continued)

For the purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing program and support activities to be general expenditures.

The following represents financial assets available for cash needs for general expenditures within one year:

| | <u>2021</u> | <u>2020</u> |
|---------------------------------------------------------------------------------------|---------------------|---------------------|
| Cash and cash equivalents | \$ 2,482,443 | \$ 1,962,021 |
| Grants receivable | 645,132 | 649,447 |
| Accounts receivable | <u>6,132</u> | <u>67,937</u> |
| Total financial assets | 3,133,707 | 2,679,405 |
| Less board designated net assets | <u>(511,641)</u> | <u>(302,430)</u> |
| Financial assets available for cash needs for general expenditures within one year | <u>\$ 2,622,066</u> | <u>\$ 2,376,975</u> |

SUPPLEMENTARY INFORMATION



Independent Auditor's Report on Supplementary Information

Board of Directors
Area 10 Council on Aging of Monroe and Owen Counties, Inc.
Ellettsville, Indiana

Our report on our audit of the consolidated financial statements of Area 10 Council on Aging of Monroe and Owen Counties, Inc. and Subsidiaries as of June 30, 2021 and 2020, appears on page one. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information (shown on pages 23 through 32) is presented for purposes of additional analysis of the consolidated financial statements rather than to present the statements of financial position and results of activities of the individual organizations. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole for the years ended June 30, 2021 and 2020.

Comer, Nowling And Associates, P.C.
Comer, Nowling And Associates, P.C.
Indianapolis, Indiana
November 22, 2021

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2021**

| | ASSETS | | | | | | 2021 Consolidated Total |
|-------------------------------------|---------------------|-------------------------------|---------------------------|--------------------------------------|----------------------------------------------|-----------------------|-------------------------------|
| | Parent | Subsidiaries (Unrestricted) | | | | Eliminations | |
| | Unrestricted | Area Ten Development, Inc. | Cunot Apartments, L.P. | Edgewood Village Apartments, L.P. | Patterson Pointe Senior Residence, LLC | | |
| CURRENT ASSETS: | | | | | | | |
| Cash and cash equivalents | \$ 2,248,472 | \$ - | \$ 24,902 | \$ 115,148 | \$ 93,921 | \$ - | \$ 2,482,443 |
| Restricted cash - reserves | - | - | - | - | 254,177 | - | 254,177 |
| Grants receivable | 645,132 | - | - | - | - | - | 645,132 |
| Accounts receivable | 113,144 | - | 2,034 | 1,055 | - | (110,101) | 6,132 |
| Accounts receivable - related party | 341,569 | - | - | 29,386 | - | (370,955) | - |
| Prepaid expenses | - | - | - | - | 191,745 | - | 191,745 |
| Total current assets | <u>3,348,317</u> | <u>-</u> | <u>26,936</u> | <u>145,589</u> | <u>539,843</u> | <u>(481,056)</u> | <u>3,579,629</u> |
| FIXED ASSETS: | | | | | | | |
| Land | - | - | 38,199 | 170,663 | 733,144 | - | 942,006 |
| Building | 1,419,405 | - | 1,472,889 | 2,894,066 | 8,137,033 | - | 13,923,393 |
| Leasehold improvements | - | - | 169,528 | 457,398 | - | - | 626,926 |
| Equipment | 150,114 | - | - | 1,136 | 246,172 | - | 397,422 |
| | 1,569,519 | - | 1,680,616 | 3,523,263 | 9,116,349 | - | 15,889,747 |
| Less accumulated depreciation | (937,108) | - | (971,324) | (1,833,003) | (3,134,950) | - | (6,876,385) |
| Total fixed assets, net | <u>632,411</u> | <u>-</u> | <u>709,292</u> | <u>1,690,260</u> | <u>5,981,399</u> | <u>-</u> | <u>9,013,362</u> |
| OTHER ASSETS | | | | | | | |
| Notes receivable, net of allowance | 563,061 | - | - | - | - | (563,061) | - |
| Accrued interest receivable | 982,455 | - | - | - | - | (982,455) | - |
| Organizational costs | - | - | - | - | 69,321 | - | 69,321 |
| Less: accumulated amortization | - | - | - | - | (54,847) | - | (54,847) |
| | 1,545,516 | - | - | - | 14,474 | (1,545,516) | 14,474 |
| Investment in subsidiaries | (63,831) | (63,831) | - | - | - | 127,662 | - |
| Beneficial interest | 44,225 | - | - | - | - | - | 44,225 |
| Total other assets, net | <u>1,525,910</u> | <u>(63,831)</u> | <u>-</u> | <u>-</u> | <u>14,474</u> | <u>(1,417,854)</u> | <u>58,699</u> |
| Total assets | <u>\$ 5,506,638</u> | <u>\$ (63,831)</u> | <u>\$ 736,228</u> | <u>\$ 1,835,849</u> | <u>\$ 6,535,716</u> | <u>\$ (1,898,910)</u> | <u>\$ 12,651,690</u> |

See Independent Auditor's Report on Supplementary Information

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION – (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

| | LIABILITIES AND NET ASSETS | | | | | | 2021 Consolidated Total |
|----------------------------------------------|----------------------------|-------------------------------|---------------------------|--------------------------------------|----------------------------------------------|-----------------------|-------------------------------|
| | Parent | Subsidiaries (Unrestricted) | | | | | |
| | Unrestricted | Area Ten Development, Inc. | Cunot Apartments, L.P. | Edgewood Village Apartments, L.P. | Patterson Pointe Senior Residence, LLC | Eliminations | |
| CURRENT LIABILITIES: | | | | | | | |
| Accounts payable | \$ 132,140 | \$ - | \$ 366,535 | \$ 55,617 | \$ 10,510 | \$ (415,810) | \$ 148,992 |
| Accrued payroll, taxes, and related expenses | - | - | - | - | 43,950 | - | 43,950 |
| Accrued vacation | 70,854 | - | - | - | - | - | 70,854 |
| Security deposits payable | 3,230 | - | 8,241 | 23,173 | 12,196 | - | 46,840 |
| Deferred revenue | - | - | - | - | 1,993 | - | 1,993 |
| Current portion - long term debt | - | - | - | 37,645 | 5,692 | - | 43,337 |
| Total current liabilities | <u>206,224</u> | <u>-</u> | <u>374,776</u> | <u>116,435</u> | <u>74,341</u> | <u>(415,810)</u> | <u>355,966</u> |
| LONG TERM LIABILITIES | | | | | | | |
| Notes payable | 402,000 | - | 477,798 | 949,005 | 1,140,852 | (1,351,635) | 1,618,020 |
| Developer fee and accrued interest | - | - | 207,424 | 841,895 | - | (1,047,700) | 1,619 |
| Total long-term liabilities | <u>402,000</u> | <u>-</u> | <u>685,222</u> | <u>1,790,900</u> | <u>1,140,852</u> | <u>(2,399,335)</u> | <u>1,619,639</u> |
| Total liabilities | <u>608,224</u> | <u>-</u> | <u>1,059,998</u> | <u>1,907,335</u> | <u>1,215,193</u> | <u>(2,815,145)</u> | <u>1,975,605</u> |
| NET ASSETS: | | | | | | | |
| Unrestricted net assets - undesignated | 4,962,245 | - | 9,069 | (71,486) | (1,414) | 788,573 | 5,686,987 |
| Parent interest in unrestricted net assets | (63,831) | (63,831) | - | - | - | 127,662 | - |
| Non-controlling interest in net assets | - | - | (332,839) | - | 5,321,937 | - | 4,989,098 |
| Total net assets | <u>4,898,414</u> | <u>(63,831)</u> | <u>(323,770)</u> | <u>(71,486)</u> | <u>5,320,523</u> | <u>916,235</u> | <u>10,676,085</u> |
| Total liabilities and net assets | <u>\$ 5,506,638</u> | <u>\$ (63,831)</u> | <u>\$ 736,228</u> | <u>\$ 1,835,849</u> | <u>\$ 6,535,716</u> | <u>\$ (1,898,910)</u> | <u>\$ 12,651,690</u> |

See Independent Auditor's Report on Supplementary Information

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2020**

| | ASSETS | | | | | | 2020 Consolidated Total |
|-------------------------------------|---------------------|-------------------------------|---------------------------|--------------------------------------|----------------------------------------------|-----------------------|-------------------------------|
| | Parent | Subsidiaries (Unrestricted) | | | | | |
| | Unrestricted | Area Ten Development, Inc. | Cunot Apartments, L.P. | Edgewood Village Apartments, L.P. | Patterson Pointe Senior Residence, LLC | Eliminations | |
| CURRENT ASSETS: | | | | | | | |
| Cash and cash equivalents | \$ 1,637,471 | \$ - | \$ 27,434 | \$ 182,651 | \$ 114,465 | \$ - | \$ 1,962,021 |
| Restricted cash - reserves | - | - | - | - | 252,278 | - | 252,278 |
| Grants receivable | 649,447 | - | - | - | - | - | 649,447 |
| Accounts receivable | 111,797 | - | 2,913 | 5,121 | 42 | (51,936) | 67,937 |
| Accounts receivable - related party | 341,573 | - | - | 29,386 | - | (370,959) | - |
| Prepaid expenses | 12,280 | - | - | - | 139,625 | - | 151,905 |
| Total current assets | 2,752,568 | - | 30,347 | 217,158 | 506,410 | (422,895) | 3,083,588 |
| FIXED ASSETS: | | | | | | | |
| Land | - | - | 38,199 | 170,663 | 733,144 | - | 942,006 |
| Building | 1,419,405 | - | 1,472,889 | 2,894,066 | 8,130,313 | - | 13,916,673 |
| Leasehold improvements | - | - | 169,528 | 406,548 | - | - | 576,076 |
| Equipment | 113,684 | - | - | 1,136 | 246,172 | - | 360,992 |
| | 1,533,089 | - | 1,680,616 | 3,472,413 | 9,109,629 | - | 15,795,747 |
| Less accumulated depreciation | (894,957) | - | (923,921) | (1,746,349) | (2,794,941) | - | (6,360,168) |
| Total fixed assets, net | 638,132 | - | 756,695 | 1,726,064 | 6,314,688 | - | 9,435,579 |
| OTHER ASSETS | | | | | | | |
| Notes receivable, net of allowance | 603,168 | - | - | - | - | (603,168) | - |
| Accrued interest receivable | 942,348 | - | - | - | - | (942,348) | - |
| Organizational costs | - | - | - | - | 69,321 | - | 69,321 |
| Less: accumulated amortization | - | - | - | - | (47,917) | - | (47,917) |
| | 1,545,516 | - | - | - | 21,404 | (1,545,516) | 21,404 |
| Investment in subsidiaries | 39,367 | 39,367 | - | - | - | (78,734) | - |
| Beneficial interest | 34,562 | - | - | - | - | - | 34,562 |
| Total other assets, net | 1,619,445 | 39,367 | - | - | 21,404 | (1,624,250) | 55,966 |
| Total assets | \$ 5,010,145 | \$ 39,367 | \$ 787,042 | \$ 1,943,222 | \$ 6,842,502 | \$ (2,047,145) | \$ 12,575,133 |

See Independent Auditor's Report on Supplementary Information

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION – (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020**

LIABILITIES AND NET ASSETS

| | Parent | Subsidiaries (Unrestricted) | | | | | 2020 Consolidated Total |
|----------------------------------------------|--------------|-------------------------------|---------------------------|--------------------------------------|----------------------------------------------|----------------|-------------------------------|
| | Unrestricted | Area Ten Development, Inc. | Cunot Apartments, L.P. | Edgewood Village Apartments, L.P. | Patterson Pointe Senior Residence, LLC | Eliminations | |
| CURRENT LIABILITIES: | | | | | | | |
| Accounts payable | \$ 155,255 | \$ - | \$ 327,226 | \$ 62,697 | \$ 11,363 | \$ (357,639) | \$ 198,902 |
| Accrued payroll, taxes, and related expenses | - | - | - | - | 29,441 | - | 29,441 |
| Accrued vacation | 73,142 | - | - | - | - | - | 73,142 |
| Security deposits payable | 3,230 | - | 9,347 | 25,053 | 10,196 | - | 47,826 |
| Deferred revenue | - | - | - | - | 1,468 | - | 1,468 |
| Current portion - long term debt | - | - | - | 37,645 | 5,692 | - | 43,337 |
| Total current liabilities | 231,627 | - | 336,573 | 125,395 | 58,160 | (357,639) | 394,116 |
| LONG TERM LIABILITIES | | | | | | | |
| Notes payable | 868,205 | - | 477,798 | 985,376 | 1,166,213 | (1,351,635) | 2,145,957 |
| Developer fee and accrued interest | - | - | 207,424 | 801,789 | - | (1,007,604) | 1,609 |
| Total long-term liabilities | 868,205 | - | 685,222 | 1,787,165 | 1,166,213 | (2,359,239) | 2,147,566 |
| Total liabilities | 1,099,832 | - | 1,021,795 | 1,912,560 | 1,224,373 | (2,716,878) | 2,541,682 |
| NET ASSETS: | | | | | | | |
| Unrestricted net assets - undesignated | 3,870,946 | - | 9,958 | 30,662 | (1,253) | 748,467 | 4,658,780 |
| Parent interest in unrestricted net assets | 39,367 | 39,367 | - | - | - | (78,734) | - |
| Non-controlling interest in net assets | - | - | (244,711) | - | 5,619,382 | - | 5,374,671 |
| Total net assets | 3,910,313 | 39,367 | (234,753) | 30,662 | 5,618,129 | 669,733 | 10,033,451 |
| Total liabilities and net assets | \$ 5,010,145 | \$ 39,367 | \$ 787,042 | \$ 1,943,222 | \$ 6,842,502 | \$ (2,047,145) | \$ 12,575,133 |

See Independent Auditor's Report on Supplementary Information

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2021**

| | Parent | Subsidiaries (Unrestricted) | | | | Eliminations | 2021 |
|-----------------------------------------|--------------|-------------------------------|---------------------------|--------------------------------------|----------------------------------------------|--------------|-----------------------|
| | Unrestricted | Area Ten Development, Inc. | Cunot Apartments, L.P. | Edgewood Village Apartments, L.P. | Patterson Pointe Senior Residence, LLC | | Consolidated Total |
| REVENUE AND OTHER SUPPORT | | | | | | | |
| Federal grant revenue | \$ 1,967,485 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,967,485 |
| State grant revenue | 969,723 | - | - | - | - | - | 969,723 |
| County support | 40,857 | - | - | - | - | - | 40,857 |
| Service fees | 375,130 | - | - | - | - | - | 375,130 |
| Project income | 237,653 | - | - | - | - | (142,233) | 95,420 |
| Medicaid | 928,788 | - | - | - | - | - | 928,788 |
| Donations: | | | | | | | |
| Indirect public support - United Way | 27,794 | - | - | - | - | - | 27,794 |
| Direct public support | 122,919 | - | - | - | - | - | 122,919 |
| Rental income | - | - | 76,986 | 225,453 | 420,832 | - | 723,271 |
| Miscellaneous income | 1,730 | - | 633 | 646 | 3,824 | - | 6,833 |
| Forgiveness of debt | 466,205 | - | - | - | - | - | 466,205 |
| In-kind support | 60,480 | - | - | - | - | - | 60,480 |
| Investment income (loss) - subsidiaries | (103,198) | (103,198) | - | - | - | 206,396 | - |
| Investment income | 11,666 | - | - | 40 | - | - | 11,706 |
| | | | | | | | |
| Total revenue and other support | \$ 5,107,232 | \$ (103,198) | \$ 77,619 | \$ 226,139 | \$ 424,656 | \$ 64,163 | \$ 5,796,611 |

See Independent Auditor's Report on Supplementary Information.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS – (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

| | Parent | Subsidiaries (Unrestricted) | | | | | 2021 Consolidated Total |
|----------------------------------------------------------|---------------------|-------------------------------|---------------------------|--------------------------------------|----------------------------------------------|-------------------|-------------------------------|
| | Unrestricted | Area Ten Development, Inc. | Cunot Apartments, L.P. | Edgewood Village Apartments, L.P. | Patterson Pointe Senior Residence, LLC | Eliminations | |
| OPERATING EXPENSES | | | | | | | |
| Program services: | | | | | | | |
| Nutrition | \$ 251,043 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 251,043 |
| Transportation | 1,382,382 | - | - | - | - | - | 1,382,382 |
| In-Home services | 1,639,751 | - | - | - | - | - | 1,639,751 |
| Health & Wellness | 254,308 | - | - | - | - | - | 254,308 |
| Information/Referral/Outreach | 108,709 | - | - | - | - | - | 108,709 |
| Housing | 154,148 | - | 166,636 | 328,287 | 713,720 | (182,339) | 1,180,452 |
| Total program expenses | <u>3,790,341</u> | <u>-</u> | <u>166,636</u> | <u>328,287</u> | <u>713,720</u> | <u>(182,339)</u> | <u>4,816,645</u> |
| Supporting services: | | | | | | | |
| Management and General | 328,790 | - | - | - | - | - | 328,790 |
| Total supporting services | <u>328,790</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>328,790</u> |
| Total operating expenses | <u>4,119,131</u> | <u>-</u> | <u>166,636</u> | <u>328,287</u> | <u>713,720</u> | <u>(182,339)</u> | <u>5,145,435</u> |
| Increase (decrease) in net assets | <u>988,101</u> | <u>(103,198)</u> | <u>(89,017)</u> | <u>(102,148)</u> | <u>(289,064)</u> | <u>246,502</u> | <u>651,176</u> |
| NET ASSETS - BEGINNING OF YEAR | 3,910,313 | 39,367 | (234,753) | 30,662 | 5,618,129 | 669,733 | 10,033,451 |
| Non-controlling interest in subsidiary's earnings | - | - | (88,127) | - | (288,913) | - | (377,040) |
| Controlling interest in subsidiary's earnings and parent | 988,101 | (103,198) | (890) | (102,148) | (151) | 246,502 | 1,028,216 |
| Distributions | - | - | - | - | (8,542) | - | (8,542) |
| NET ASSETS - END OF YEAR | <u>\$ 4,898,414</u> | <u>\$ (63,831)</u> | <u>\$ (323,770)</u> | <u>\$ (71,486)</u> | <u>\$ 5,320,523</u> | <u>\$ 916,235</u> | <u>\$ 10,676,085</u> |

See Independent Auditor's Report on Supplementary Information.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2020**

| | Parent | Subsidiaries (Unrestricted) | | | | | 2020 |
|-----------------------------------------|---------------------|-------------------------------|---------------------------|--------------------------------------|----------------------------------------------|--------------------|-----------------------|
| | Unrestricted | Area Ten Development, Inc. | Cunot Apartments, L.P. | Edgewood Village Apartments, L.P. | Patterson Pointe Senior Residence, LLC | Eliminations | Consolidated Total |
| REVENUE AND OTHER SUPPORT | | | | | | | |
| Federal grant revenue | \$ 1,796,073 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,796,073 |
| State grant revenue | 1,059,409 | - | - | - | - | - | 1,059,409 |
| County support | 255,726 | - | - | - | - | - | 255,726 |
| Service fees | 346,709 | - | - | - | - | - | 346,709 |
| Project income | 204,004 | - | - | - | - | (119,528) | 84,476 |
| Medicaid | 911,143 | - | - | - | - | - | 911,143 |
| Donations: | | | | | | | |
| Indirect public support - United Way | 32,920 | - | - | - | - | - | 32,920 |
| Direct public support | 110,645 | - | - | - | - | - | 110,645 |
| Rental income | - | - | 83,365 | 254,504 | 411,730 | - | 749,599 |
| Miscellaneous income | 66,615 | - | 654 | 761 | 8,035 | - | 76,065 |
| In-kind support | 102,209 | - | - | - | - | - | 102,209 |
| Investment income (loss) - subsidiaries | (53,156) | (53,156) | - | - | - | 106,312 | - |
| Investment income | 341 | - | - | 96 | - | - | 437 |
| Total revenue and other support | \$ 4,832,638 | \$ (53,156) | \$ 84,019 | \$ 255,361 | \$ 419,765 | \$ (13,216) | \$ 5,525,411 |

See Independent Auditor's Report on Supplementary Information.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS – (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020**

| | Parent | Subsidiaries (Unrestricted) | | | | Eliminations | 2020 Consolidated Total |
|----------------------------------------------------------|--------------|-------------------------------|---------------------------|--------------------------------------|----------------------------------------------|--------------|-------------------------------|
| | Unrestricted | Area Ten Development, Inc. | Cunot Apartments, L.P. | Edgewood Village Apartments, L.P. | Patterson Pointe Senior Residence, LLC | | |
| OPERATING EXPENSES | | | | | | | |
| Program services: | | | | | | | |
| Nutrition | \$ 282,040 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 282,040 |
| Transportation | 1,475,697 | - | - | - | - | - | 1,475,697 |
| In-Home services | 2,106,746 | - | - | - | - | - | 2,106,746 |
| Health & Wellness | 246,627 | - | - | - | - | - | 246,627 |
| Information/Referral/Outreach | 126,884 | - | - | - | - | - | 126,884 |
| Housing | 136,231 | - | 125,836 | 307,963 | 657,963 | (159,634) | 1,068,359 |
| Total program expenses | 4,374,225 | - | 125,836 | 307,963 | 657,963 | (159,634) | 5,306,353 |
| Supporting services: | | | | | | | |
| Management and General | 214,534 | - | - | - | - | - | 214,534 |
| Total supporting services | 214,534 | - | - | - | - | - | 214,534 |
| Total operating expenses | 4,588,759 | - | 125,836 | 307,963 | 657,963 | (159,634) | 5,520,887 |
| Increase (decrease) in net assets | 243,879 | (53,156) | (41,817) | (52,602) | (238,198) | 146,418 | 4,524 |
| NET ASSETS - BEGINNING OF YEAR | 3,666,434 | 92,523 | (192,936) | 83,264 | 5,869,042 | 523,315 | 10,041,642 |
| Non-controlling interest in subsidiary's earnings | - | - | (41,399) | - | (238,062) | - | (279,461) |
| Controlling interest in subsidiary's earnings and parent | 243,879 | (53,156) | (418) | (52,602) | (136) | 146,418 | 283,985 |
| Distributions | - | - | - | - | (12,715) | - | (12,715) |
| NET ASSETS - END OF YEAR | \$ 3,910,313 | \$ 39,367 | \$ (234,753) | \$ 30,662 | \$ 5,618,129 | \$ 669,733 | \$ 10,033,451 |

See Independent Auditor's Report on Supplementary Information.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021**

| | Parent | Subsidiaries (Unrestricted) | | | | | 2021 Consolidated Total |
|-----------------------------------------------------------------------------------------------------------------------|---------------------|-------------------------------|---------------------------|--------------------------------------|----------------------------------------------|-----------------|-------------------------------|
| | Unrestricted | Area Ten Development, Inc. | Cunot Apartments, L.P. | Edgewood Village Apartments, L.P. | Patterson Pointe Senior Residence, LLC | Eliminations | |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | | | | |
| Increase (decrease) in net assets before non-controlling interests | \$ 988,101 | \$ (103,198) | \$ (89,017) | \$ (102,148) | \$ (289,064) | \$ 246,502 | \$ 651,176 |
| Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities: | | | | | | | |
| Depreciation and amortization | 42,023 | - | 47,404 | 86,858 | 347,952 | - | 524,237 |
| Forgiveness of related party debt | (466,205) | - | - | - | - | - | (466,205) |
| (Gain) loss on investment in subsidiaries | 103,198 | 103,198 | - | - | - | (206,396) | - |
| Increase (decrease) in cash from changes in: | | | | | | | |
| Grants receivable | 4,315 | - | - | - | - | - | 4,315 |
| Accounts receivable | (1,343) | - | 878 | 4,066 | 42 | 58,161 | 61,804 |
| Prepaid expenses | 12,280 | - | - | - | (52,120) | - | (39,840) |
| Restricted cash | - | - | - | - | (1,899) | - | (1,899) |
| Accounts payable | (23,115) | - | 39,309 | (7,080) | (853) | (58,161) | (49,900) |
| Accrued payroll, taxes, and related expenses | (2,288) | - | - | - | 14,509 | - | 12,221 |
| Security deposits | - | - | (1,106) | (1,878) | 2,000 | - | (984) |
| Deferred revenue | - | - | - | - | 525 | - | 525 |
| Net cash provided by (used in) operating activities | <u>656,966</u> | <u>-</u> | <u>(2,532)</u> | <u>(20,182)</u> | <u>21,092</u> | <u>40,106</u> | <u>695,450</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | | | | |
| Purchase of property and equipment | (36,302) | - | - | (50,850) | (6,717) | - | (93,869) |
| Net change in beneficial interest | (9,663) | - | - | - | - | - | (9,663) |
| Net cash provided by (used in) investing activities | <u>(45,965)</u> | <u>-</u> | <u>-</u> | <u>(50,850)</u> | <u>(6,717)</u> | <u>-</u> | <u>(103,532)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | | | | | |
| Accrued interest and developer fees | - | - | - | 40,106 | - | (40,106) | - |
| Distributions | - | - | - | - | (8,546) | - | (8,546) |
| Principal payments against notes payable | - | - | - | (36,577) | (26,373) | - | (62,950) |
| Net cash provided by (used in) financing activities | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,529</u> | <u>(34,919)</u> | <u>(40,106)</u> | <u>(71,496)</u> |
| NET INCREASE (DECREASE) IN CASH | <u>611,001</u> | <u>-</u> | <u>(2,532)</u> | <u>(67,503)</u> | <u>(20,544)</u> | <u>-</u> | <u>520,422</u> |
| CASH, BEGINNING OF YEAR | <u>1,637,471</u> | <u>-</u> | <u>27,434</u> | <u>182,651</u> | <u>114,465</u> | <u>-</u> | <u>1,962,021</u> |
| CASH, END OF YEAR | <u>\$ 2,248,472</u> | <u>\$ -</u> | <u>\$ 24,902</u> | <u>\$ 115,148</u> | <u>\$ 93,921</u> | <u>\$ -</u> | <u>\$ 2,482,443</u> |
| Supplemental disclosures of cash flow information: | | | | | | | |
| Cash paid during the year for interest | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 27,367</u> | <u>\$ 18,941</u> | <u>\$ -</u> | <u>\$ 46,308</u> |

See Independent Auditor's Report on Supplementary Information.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020**

| | Parent | Subsidiaries (Unrestricted) | | | | | Eliminations | 2020 Consolidated Total |
|-----------------------------------------------------------------------------------------------------------------------|---------------------|-------------------------------|---------------------------|--------------------------------------|----------------------------------------------|-----------------|---------------------|-------------------------------|
| | Unrestricted | Area Ten Development, Inc. | Cunot Apartments, L.P. | Edgewood Village Apartments, L.P. | Patterson Pointe Senior Residence, LLC | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | | | | | |
| Increase (decrease) in net assets before non-controlling interests | \$ 243,879 | \$ (53,156) | \$ (41,817) | \$ (52,602) | \$ (238,198) | \$ 146,418 | \$ 4,524 | |
| Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities: | | | | | | | | |
| Depreciation and amortization | 36,745 | - | 43,349 | 87,071 | 321,816 | - | 488,981 | |
| (Gain) loss on investment in subsidiaries | 53,156 | 53,156 | - | - | - | (106,312) | - | |
| Increase (decrease) in cash from changes in: | | | | | | | | |
| Grants receivable | (31,283) | - | - | - | - | - | (31,283) | |
| Accounts receivable | 29,979 | - | 2,719 | (616) | 84 | (6,218) | 25,948 | |
| Prepaid expenses | (12,280) | - | - | - | 26,403 | - | 14,123 | |
| Restricted cash | - | - | - | - | (4,878) | - | (4,878) | |
| Accounts payable | (84,874) | - | 6,315 | 6,061 | 7,108 | 6,218 | (59,172) | |
| Accrued payroll, taxes, and related expenses | 5,220 | - | - | - | 1,084 | - | 6,304 | |
| Security deposits | (221) | - | 519 | 1,332 | 3,250 | - | 4,880 | |
| Deferred Revenue | - | - | - | - | (6,628) | - | (6,628) | |
| Net cash provided by (used in) operating activities | <u>240,321</u> | <u>-</u> | <u>11,085</u> | <u>41,246</u> | <u>110,041</u> | <u>40,106</u> | <u>442,799</u> | |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | | | | | |
| Purchase of property and equipment | (56,700) | - | - | (5,175) | (11,259) | - | (73,134) | |
| Net change in beneficial interest | 2,423 | - | - | - | - | - | 2,423 | |
| Net cash provided by (used in) investing activities | <u>(54,277)</u> | <u>-</u> | <u>-</u> | <u>(5,175)</u> | <u>(11,259)</u> | <u>-</u> | <u>(70,711)</u> | |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | | | | | | |
| Accrued interest and developer fees | - | - | - | 40,106 | - | (40,106) | - | |
| Distributions | - | - | - | - | (12,715) | - | (12,715) | |
| Proceeds from notes payable | 466,205 | - | - | - | - | - | 466,205 | |
| Principal payments against notes payable | - | - | - | (35,926) | (26,363) | - | (62,289) | |
| Net cash provided by (used in) financing activities | <u>466,205</u> | <u>-</u> | <u>-</u> | <u>4,180</u> | <u>(39,078)</u> | <u>(40,106)</u> | <u>391,201</u> | |
| NET DECREASE IN CASH | <u>652,249</u> | <u>-</u> | <u>11,085</u> | <u>40,251</u> | <u>59,704</u> | <u>-</u> | <u>763,289</u> | |
| CASH, BEGINNING OF YEAR | <u>985,222</u> | <u>-</u> | <u>16,349</u> | <u>142,400</u> | <u>54,761</u> | <u>-</u> | <u>1,198,732</u> | |
| CASH, END OF YEAR | <u>\$ 1,637,471</u> | <u>\$ -</u> | <u>\$ 27,434</u> | <u>\$ 182,651</u> | <u>\$ 114,465</u> | <u>\$ -</u> | <u>\$ 1,962,021</u> | |
| Supplemental disclosures of cash flow information: | | | | | | | | |
| Cash paid during the year for interest | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 26,190</u> | <u>\$ 18,955</u> | <u>\$ -</u> | <u>\$ 45,145</u> | |

See Independent Auditor's Report on Supplementary Information.

SINGLE AUDIT SECTION

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2021**

| FEDERAL GRANTOR AGENCY Passthrough Agency Program Title | Federal CFDA Number | Grant or Identifying Number | Federal Award (in dollars \$) | Federal Expenditures |
|-----------------------------------------------------------------------------------|------------------------------------|--------------------------------------------|----------------------------------------------|---------------------------------|
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | | |
| Passed through the Indiana Department of Family and Social Services (FSSA): | | | | |
| Aging Cluster: | | | | |
| Title IIIA Administration | 93.044 | 49844 | 57,118 | \$ 3,099 |
| Title IIIA Administration | 93.044 | 38338 | 54,113 | 26,607 |
| Title IIIA Administration - CARES | 93.044 | 42910 | 32,110 | 21,588 |
| Title IIIB Grants for Supportive Services and Senior Centers | 93.044 | 38338 | 183,344 | 91,893 |
| Title IIIB Grants for Supportive Services and Senior Centers - CARES | 93.044 | 42910 | 77,301 | 3,006 |
| Title IIIC Nutrition Services - Congregate Meals | 93.045 | 38338 | 96,137 | 45,779 |
| Title IIIC Nutrition Services - Congregate Meals - FFCRA | 93.045 | 42910 | 31,456 | 1,738 |
| Title IIIC Nutrition Services - Home Delivered Meals | 93.045 | 38338 | 133,388 | 79,286 |
| Title IIIC Nutrition Services - Home Delivered Meals - FFCRA | 93.045 | 42910 | 65,493 | 3,618 |
| Title IIIC Nutrition Services - Home Delivered Meals - CARES | 93.045 | 42910 | 188,735 | 140,495 |
| Title IIIC Nutrition Services - Home Delivered Meals | 93.045 | 52451 | 79,039 | 27,418 |
| Nutrition Services Incentive Program | 93.053 | 38338 | 18,900 | 9,450 |
| Nutrition Services Incentive Program | 93.053 | 49844 | 17,643 | 10,922 |
| Passed through the West Central Indiana Economic Development District | | | | |
| Title IIIB Social Services - Transportation | 93.044 | A5-20A | 13,854 | 6,050 |
| Title IIIB Social Services - Transportation | 93.044 | A5-21 | 10,000 | <u>10,000</u> |
| Total Aging Cluster | | | | 480,949 |
| Passed through the Indiana Department of Family and Social Services (FSSA): | | | | |
| Title VII - Long Term Care Ombudsman Services for Older Individuals | 93.042 | 21693 | 1,190 | 839 |
| Title VII - Long Term Care Ombudsman Services for Older Individuals | 93.042 | 42910 | 4,000 | 4,000 |
| Special Program for the Aging-Disease Prevention and Health Promotion Services | 93.043 | 38338 | 10,123 | 5,696 |
| National Family Caregiver Support, Title IIIE | 93.052 | 38338 | 64,853 | 29,657 |
| National Family Caregiver Support, Title IIIE - CARES | 93.052 | 42910 | 38,519 | 38,519 |
| Social Services Block Grant | 93.667 | 38338 | 171,762 | 28,515 |
| Social Services Block Grant | 93.667 | 49844 | 177,974 | <u>134,418</u> |
| Total U.S. Department of Health and Human Services | | | | <u>722,593</u> |

See accompanying notes to Schedule of Expenditures of Federal Awards

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – (CONTINUED)
JUNE 30, 2021**

| FEDERAL GRANTOR AGENCY Passthrough Agency Program Title | Federal Assistance Listing | Grant or Identifying Number | Federal Award (in dollars \$) | Federal Expenditures |
|-------------------------------------------------------------------------------------------------|-------------------------------------------|--------------------------------------------|----------------------------------------------|---------------------------------|
| U.S. DEPARTMENT OF TRANSPORTATION | | | | |
| Passed through the Indiana Department of Transportation and the Monroe County Commissioners: | | | | |
| Formula Grant for Rural Areas - Mass Transit | 20.509 | A249-20-G200018 | 2,318,355 | \$ 962,449 |
| Bus and Bus Facilities Formula Program | 20.526 | A249-20-G190019 | 240,160 | <u>180,800</u> |
| Total U.S. Department of Transportation | | | | <u>1,143,249</u> |
| CORPORATION FOR NATIONAL AND COMMUNITY SERVICE | | | | |
| Retired and Senior Volunteer Program | 94.002 | 18SRNIN009 | 105,713 | <u>101,643</u> |
| U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | | | | |
| Passed through City of Bloomington Housing and Neighborhood Development | | | | |
| HOME Investment Partnership Act - loan | 14.239 | Patterson Point Senior Residence | n/a | ** <u>402,000</u> |
| Total Schedule of Expenditures of Federal Awards | | | | <u>\$ 2,369,485</u> |

** Represents loan balance

See accompanying notes to Schedule of Expenditures of Federal Awards

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021**

Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Area 10 Council on Aging of Monroe and Owen Counties, Inc. and is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule Expenditures of Federal Awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3 – Indirect Costs

Area 10 Council on Aging of Monroe and Owen Counties, Inc. has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4 – HOME Loan

The Organization entered into an agreement with the City of Bloomington to borrow up to \$402,000 of Federal HOME Investment Partnership funds for use in the Patterson Pointe Senior Residence housing project. The note bears an interest rate of 0.0% and matures in June 2032. As of June 30, 2021 the note balance was \$402,000.

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
SCHEDULE OF EXPENDITURES OF STATE AND LOCAL AWARDS
YEAR ENDED JUNE 30, 2021**

| Passthrough Agency Program Title | Grant or Identifying Number | Grant Award (in dollars \$) | Expenditures |
|---------------------------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------|---------------------|
| Passed through the Indiana Department of Family and Social Services (FSSA): | | | |
| CHOICE | 4550 | 528,183 | \$ 528,183 |
| Older Hoosiers | 4550 | 30,217 | 30,217 |
| AL Ombudsman | 4550 | 5,696 | 5,696 |
| | | | <u>564,096</u> |
| Passed through the Indiana Arts Commission | | | |
| FY21 Arts Project Support | n/a | 4,000 | 4,000 |
| Passed through the Indiana Department of Transportation and the Monroe County Commissioners: | | | |
| Formula Grant for Rural Areas - Mass Transit | A249-20-G200018 | 343,345 | 343,345 |
| Revenue Sharing - FTA Operating | | 15,000 | 15,000 |
| Passed through the Owen County Treasurer | | | |
| Revenue Sharing - FTA Operating | | 3,700 | 3,700 |
| Passed through the Lawrence County Commissioners | | | |
| Revenue Sharing - FTA Operating | | 22,500 | 22,500 |
| Passed through the Putnam County Commissioners | | | |
| Revenue Sharing - FTA Operating | | 10,000 | 10,000 |
| Passed through the City of Greencastle | | | |
| Revenue Sharing - FTA Operating | | 15,000 | 15,000 |
| Passed through the Town of Spencer | | | |
| Revenue Sharing - FTA Operating | | 12,000 | 12,000 |
| Indiana Supreme Court - Division of State Court | | | |
| VASIA | PY20 | 64,116 | 27,879 |
| VASIA | PY21 | 57,362 | 29,736 |
| Passed through the City of Bloomington | | | |
| Grandpads Program | | 9,400 | 3,646 |
| Passed through the City of Bloomington - Parks and Recreation | | | |
| Endwright East Senior Center Support | | 20,000 | 4,046 |
| Total Expenditures of State and Local Awards | | | <u>\$ 1,054,948</u> |

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2021**

Section II – Financial Statement Findings

There were no financial statement findings for the year ended June 30, 2020.

Section III – Federal Award Findings and Questioned Costs

There were no federal award findings for the year ended June 30, 2020.



INDUSTRY ESTABLISHED | FOCUSED ON QUALITY

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

To the Board of Directors
Area 10 Council on Aging of Monroe and Owen Counties, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Area 10 Council on Aging of Monroe and Owen Counties, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 22, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Area 10 Council on Aging of Monroe and Owen Counties, Inc.'s internal control over financial reporting (internal control) to determine the 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 10 Council on Aging of Monroe and Owen Counties, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the organization's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Area 10 Council on Aging of Monroe and Owen Counties, 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.
Indianapolis, Indiana
November 22, 2021



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

To the Board of Directors
Area 10 Council on Aging of Monroe and Owen Counties, Inc.

Report on Compliance for Each Major Federal Program

We have audited Area 10 Council on Aging of Monroe and Owen Counties, Inc. and Subsidiaries' compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each Area 10 Council on Aging of Monroe and Owen Counties, Inc. and Subsidiaries' major federal programs for the year ended June 30, 2021. Area 10 Council on Aging of Monroe and Owen Counties, Inc. and Subsidiaries' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Area 10 Council on Aging of Monroe and Owen Counties, Inc.' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of *Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Area 10 Council on Aging of Monroe and Owen Counties, Inc. and Subsidiaries' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Area 10 Council on Aging of Monroe and Owen Counties, Inc. and Subsidiaries' compliance.

Opinion on Each Major Federal Program

In our opinion, Area 10 Council on Aging of Monroe and Owen Counties, Inc. and Subsidiaries complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021

Report on Internal Control over Compliance

Management of Area 10 Council on Aging of Monroe and Owen Counties, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Area 10 Council on Aging of Monroe and Owen Counties, Inc. and Subsidiaries' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Area 10 Council on Aging of Monroe and Owen Counties, Inc. and Subsidiaries' internal control over compliance.

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

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

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

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.

Indianapolis, Indiana

November 22, 2021

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified? Yes No

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified? Yes No

Type of auditor’s report issued: Unmodified

Any audit findings disclosed required to be reported in
Accordance with 2 CFR section 200.516(a) Yes No

Programs tested as major programs:

| <u>Assistance Listing</u> | <u>Name of Federal Program or Cluster</u> |
|-------------------------------|------------------------------------------------------------------|
| 20.509 | U.S. Department of Transportation—Formula Grants for Rural Areas |

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

Auditee qualified as low-risk auditee? Yes No

**AREA 10 COUNCIL ON AGING OF MONROE AND OWEN COUNTIES, INC.
AND SUBSIDIARIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section II – Financial Statement Findings

There were no financial statement findings for the year ended June 30, 2021.

Section III – Federal Award Findings and Questioned Costs

There were no federal award findings for the year ended June 30, 2021.