

**CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.**

COMBINED FINANCIAL STATEMENTS
June 30, 2019 and 2018

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
Indianapolis, Indiana

COMBINED FINANCIAL STATEMENTS
June 30, 2019 and 2018

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INDEPENDENT AUDITOR'S REPORT

Boards of Directors
CICOA Aging & In-Home Solutions, Inc.
and CICOA Foundation, Inc.
Indianapolis, Indiana

Report on the Financial Statements

We have audited the accompanying combined financial statements of CICOA Aging & In-Home Solutions, Inc. and CICOA Foundation, Inc. (the "Organization"), which comprise the combined statements of financial position as of June 30, 2019 and 2018, and the related combined 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 combined 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 combined 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 combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entities' preparation and fair presentation of the combined 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 entities' 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 combined financial statements.

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

(Continued)

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of CICOA Aging & In-Home Solutions, Inc. and CICOA Foundation, Inc. as of June 30, 2019 and 2018, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Organization has adopted ASU 2016-14 - *Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities* for the year ended June 30, 2019. Our opinion is not modified with respect to this matter.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining schedules of financial position, combining schedules of activities, the schedule of expenditures of federal awards 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 schedule of expenditures of state and local awards are presented for purposes of additional analysis and are not a required part of the combined financial statements. In addition, the combining schedules are not intended to present the financial position and results of operations of the individual entities. 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 combined financial statements. The combining and other information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined 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 February 26, 2020 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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* in considering the Organization's internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

Indianapolis, Indiana
February 26, 2020

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
COMBINED STATEMENTS OF FINANCIAL POSITION
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 942,545	\$ 453,635
Grant reimbursements receivable	3,122,451	4,832,809
Medicaid service fees receivable	3,447,025	610,673
Contributions receivable, net	49,676	120,329
Other receivables	12,792	307,939
Prepaid expenses	81,963	103,039
Beneficial interest in assets held by Central Indiana Community Foundation, Inc. (Note 3)	887,468	852,157
Property and equipment, net (Note 4)	<u>204,681</u>	<u>289,008</u>
	<u>\$ 8,748,601</u>	<u>\$ 7,569,589</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 1,160,576	\$ 1,037,656
Accrued payroll and expenses	513,115	407,430
Accrued leave	722,746	642,218
Due to funding source (Note 2)	-	4,498
Other liabilities	<u>49,560</u>	<u>78,798</u>
Total liabilities	2,445,997	2,170,600
Net assets		
Without donor restrictions	4,620,849	3,999,021
Without donor restrictions – board designated	<u>435,116</u>	<u>414,515</u>
Total net assets without donor restrictions	5,055,965	4,413,536
With donor restrictions	<u>1,246,639</u>	<u>985,453</u>
Total net assets	<u>6,302,604</u>	<u>5,398,989</u>
	<u>\$ 8,748,601</u>	<u>\$ 7,569,589</u>

See accompanying notes to combined financial statements.

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
COMBINED STATEMENT OF ACTIVITIES
Year ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	2019 Total
Revenue			
Federal and state grants and contracts	\$ 14,980,060	\$ -	\$ 14,980,060
Medicaid service fees	9,216,325	-	9,216,325
Project income	560,848	-	560,848
Contributions and grants	101,140	471,679	572,819
Fund raising events	165,087	-	165,087
Interest income	7,788	-	7,788
Gain on beneficial interest (Note 3)	20,601	14,710	35,311
Other income	609,313	-	609,313
In-kind contributions	443,635	-	443,635
	<u>26,104,797</u>	<u>486,389</u>	<u>26,591,186</u>
Net assets released from restrictions	225,203	(225,203)	-
Total revenue	<u>26,330,000</u>	<u>261,186</u>	<u>26,591,186</u>
Expenses			
Program services			
In-home services	12,850,752	-	12,850,752
Transportation	1,536,755	-	1,536,755
Nutrition	3,760,994	-	3,760,994
Aging & Disability Resource Center	4,747,964	-	4,747,964
Other (Note 6)	826,068	-	826,068
Total program services	<u>23,722,533</u>	<u>-</u>	<u>23,722,533</u>
Administration	1,567,627	-	1,567,627
Fund raising	397,411	-	397,411
Total expenses	<u>25,687,571</u>	<u>-</u>	<u>25,687,571</u>
Change in net assets	642,429	261,186	903,615
Net assets at beginning of year	<u>4,413,536</u>	<u>985,453</u>	<u>5,398,989</u>
Net assets at end of year	<u>\$ 5,055,965</u>	<u>\$ 1,246,639</u>	<u>\$ 6,302,604</u>

See accompanying notes to combined financial statements.

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
COMBINED STATEMENT OF ACTIVITIES
Year ended June 30, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2018 Total</u>
Revenue			
Federal and state grants and contracts	\$ 14,457,387	\$ -	\$ 14,457,387
Medicaid service fees	5,760,671	-	5,760,671
Project income	569,513	-	569,513
Contributions and grants	269,799	337,285	607,084
Fund raising events	139,110	-	139,110
Interest income	2,048	-	2,048
Gain on beneficial interest (Note 3)	16,880	29,472	46,352
Other income	639,774	-	639,774
In-kind contributions	438,843	-	438,843
	<u>22,294,025</u>	<u>366,757</u>	<u>22,660,782</u>
Net assets released from restrictions	<u>500,550</u>	<u>(500,550)</u>	<u>-</u>
Total revenue	<u>22,794,575</u>	<u>(133,793)</u>	<u>22,660,782</u>
Expenses			
Program services			
In-home services	11,067,603	-	11,067,603
Transportation	1,360,662	-	1,360,662
Nutrition	3,583,796	-	3,583,796
Aging & Disability Resource Center	3,638,712	-	3,638,712
Other (Note 6)	585,130	-	585,130
Total program services	<u>20,235,903</u>	<u>-</u>	<u>20,235,903</u>
Administration	1,543,000	-	1,543,000
Fund raising	280,787	-	280,787
Total expenses	<u>22,059,690</u>	<u>-</u>	<u>22,059,690</u>
Change in net assets	734,885	(133,793)	601,092
Net assets at beginning of year	<u>3,678,651</u>	<u>1,119,246</u>	<u>4,797,897</u>
Net assets at end of year	<u>\$ 4,413,536</u>	<u>\$ 985,453</u>	<u>\$ 5,398,989</u>

See accompanying notes to combined financial statements.

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2019

	In-Home Services	Transportation	Nutrition	Aging & Disability Resource Center	Other	Total Program Services	Administration	Fund Raising	Total Expenses
Personnel costs	\$ 7,958,478	\$ 877,802	\$ 960,940	\$ 3,995,687	\$ 484,308	\$14,277,215	\$1,301,896	\$ 236,690	\$ 15,815,801
Office rent	317,807	15,704	22,823	168,848	13,697	538,879	38,605	6,627	584,111
In-kind – rent	-	-	443,636	-	-	443,636	-	-	443,636
Other office costs	1,083,298	93,070	148,325	338,975	56,297	1,719,965	113,657	54,451	1,888,073
Contracted services	105,890	247,877	65,659	88,699	117,042	625,167	22,322	49,832	697,321
Food and related costs	-	-	2,093,028	-	-	2,093,028	-	-	2,093,028
Equipment and maintenance	92,315	228,874	10,069	50,074	2,946	384,278	9,265	845	394,388
Other community services	229,894	2,116	16,514	105,681	144,318	498,523	46,386	48,966	593,875
Sub-Grantee disbursements and contracted services	3,063,040	-	-	-	-	3,063,040	-	-	3,063,040
Depreciation	30	71,312	-	-	7,460	78,802	5,525	-	84,327
Interest expense	-	-	-	-	-	-	29,971	-	29,971
Total expenses	\$ 12,850,752	\$ 1,536,755	\$ 3,760,994	\$ 4,747,964	\$ 826,068	\$23,722,533	\$1,567,627	\$ 397,411	\$ 25,687,571

See accompanying notes to combined financial statements.

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2018

	In-Home Services	Transportation	Nutrition	Aging & Disability Resource Center		Other	Total Program		Fund Raising	Total Expenses
							Services	Administration		
Personnel costs	\$ 6,628,731	\$ 779,894	\$ 951,767	\$ 3,158,009	\$ 326,352	\$ 11,844,753	\$ 1,245,588	\$ 193,753	\$ 13,284,094	
Office rent	236,116	12,065	19,492	108,513	10,133	386,319	30,087	4,628	421,034	
In-kind – rent	-	-	438,843	-	-	438,843	-	-	438,843	
Other office costs	425,486	57,656	135,170	210,894	43,148	872,354	63,682	29,564	965,600	
Contracted services	114,603	272,158	57,398	66,864	187,421	698,444	23,930	10,426	732,800	
Food and related costs	-	-	1,961,342	-	-	1,961,342	-	-	1,961,342	
Equipment and maintenance	39,131	152,076	4,577	12,963	-	208,747	118,495	3,366	330,608	
Other community services	197,114	3,446	13,347	76,847	10,616	301,370	43,680	38,388	383,438	
Sub-Grantee disbursements and contracted services	3,409,026	-	-	-	-	3,409,026	-	-	3,409,026	
Depreciation	17,396	83,367	1,860	4,622	7,460	114,705	16,929	662	132,296	
Interest expense	-	-	-	-	-	-	609	-	609	
Total expenses	\$ 11,067,603	\$ 1,360,662	\$ 3,583,796	\$ 3,638,712	\$ 585,130	\$ 20,235,903	\$ 1,543,000	\$ 280,787	\$ 22,059,690	

See accompanying notes to combined financial statements.

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
COMBINED STATEMENTS OF CASH FLOWS
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Change in net assets	\$ 903,615	\$ 601,092
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	84,327	132,296
Gain on beneficial interest	(35,311)	(46,352)
Changes in assets and liabilities:		
Accounts receivable	-	800
Grant reimbursements receivable	1,710,358	(1,395,072)
Medicaid service fees receivable	(2,836,352)	(50,173)
Contributions receivable	70,653	163,600
Other receivables	295,147	(307,939)
Prepaid expenses	21,076	(89,177)
Accounts payable	122,920	(339,979)
Accrued payroll and expenses	105,685	22,829
Accrued leave	80,528	108,980
Due to funding source	(4,498)	(6,152)
Other liabilities	(29,238)	78,798
Net cash from (used by) operating activities	<u>488,910</u>	<u>(1,126,449)</u>
Cash flows from investing activities		
Purchase of property and equipment	<u>-</u>	<u>(213,511)</u>
Net cash from (used by) investing activities	<u>-</u>	<u>(213,511)</u>
Net change in cash and cash equivalents	488,910	(1,339,960)
Cash and cash equivalents at beginning of year	<u>453,635</u>	<u>1,793,595</u>
Cash and cash equivalents at end of year	<u>\$ 942,545</u>	<u>\$ 453,635</u>
Supplemental disclosures of cash flow information		
In-kind contributions	\$ 443,635	\$ 438,843

(Continued)

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2019 and 2018

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

General: The combined financial statements include the accounts of CICOA Aging & In-Home Solutions, Inc. (CICOA) and CICOA Foundation, Inc. (Foundation). CICOA commenced operations in January 1974 and the Foundation commenced operations in January 1992. Both entities are not-for-profit organizations under the laws of the State of Indiana. The mission of CICOA and the Foundation is to empower older adults, those of any age with a disability and family caregivers to achieve the greatest possible independence, dignity and quality of life. As the central Indiana area agency on aging, CICOA provides services to eligible residents of Boone, Hamilton, Hancock, Hendricks, Johnson, Marion, Morgan and Shelby counties.

CICOA and the Foundation have been combined for financial statement presentation purposes. All inter-company accounts and transactions have been eliminated in the combination. The combined financial statements have been prepared on the accrual basis of accounting wherein revenues and expenses are recognized in the period earned and incurred, respectively.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of the revenues, expenses, gains, losses and other changes in net assets during the reporting periods. Actual results could differ from those estimates.

Income Taxes: CICOA and the Foundation are exempt from income taxes on income from related activities under Section 501(c)(3) of the U. S. Internal Revenue Code and corresponding state tax law. Accordingly, no provision has been made for federal or state income taxes. Additionally, neither organization has been determined to be a private foundation under Section 509(a) of the Internal Revenue Code.

GAAP requires CICOA and the Foundation to recognize a tax liability only if it is “more likely than not” that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the “more likely than not” test, no tax benefit will be recorded. CICOA and the Foundation have examined this issue and have determined there are no material contingent tax liabilities or questionable tax positions.

CICOA and the Foundation do not expect the total amount of unrecorded tax benefits to significantly change in the next 12 months. CICOA and the Foundation recognize interest and/or penalties related to income tax matters in income tax expense. CICOA and the Foundation did not have any amounts accrued for interest and penalties at June 30, 2019 or 2018.

Cash and Cash Equivalents: Cash and cash equivalents consist of bank deposits in accounts that are federally insured up to \$250,000 per financial institution. For purposes of the combined statements of cash flows, CICOA considers all highly liquid debt instruments, if any, purchased with an original maturity of three months or less to be cash equivalents.

Grant Reimbursements Receivable: CICOA's grant reimbursements receivable balances consist of amounts billed or billable for services provided or contracted, net of an allowance for uncollectible accounts. CICOA does not accrue interest on any of its grants and accounts receivables.

(Continued)

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2019 and 2018

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

Allowance for Uncollectible Accounts: The allowance for uncollectible accounts is determined by management based upon CICOA's historical losses, specific circumstances and general economic conditions. Periodically, management reviews accounts receivable and records an allowance based on current circumstances, and charges off the receivable against the allowance when all attempts to collect the receivable are deemed to have failed in accordance with the organization's collection policy. At June 30, 2019 and 2018, management estimated that no material allowances were needed.

Property and Equipment: Property and equipment with a unit cost of \$5,000 or greater are recorded at cost, except for donated items, which are recorded at fair value at donation date. Depreciation is computed using the straight-line method over the assets' estimated useful lives, which range from three to ten years. Leasehold improvements are depreciated over the shorter of the assets' useful lives or the lease terms. Equipment acquired with government grants has been capitalized for financial statement purposes but was expensed by CICOA for grant reporting purposes. If program services are discontinued, disposition of property and equipment acquired with federal or state funding is subject to guidelines as set forth by the grantor.

Impairment of Long-Lived Assets: On an ongoing basis, CICOA reviews its long-lived assets for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. CICOA recognizes impairment losses if the undiscounted cash flows expected to be generated are less than the carrying value of the related assets. If impaired, the assets are adjusted to fair value based on the discounted cash flows. No impairment loss has been recognized during either of the years ended June 30, 2019 and 2018.

Accounts Payable: In addition to trade accounts payable, CICOA's accounts payable balances include amounts due to various vendors for the provision of grant funded services to clients. The payables exist due to time lags between the dates of service and grantor payments to CICOA.

Net Asset Classifications: GAAP requires that the combined financial statements report the changes in and total of each of the net asset classes, based upon the donor restrictions, as applicable. Net assets are to be classified as without donor restrictions or with donor restrictions. The following classes of net assets are maintained:

Without Donor Restrictions - This net asset class includes general and Board designated assets and liabilities of CICOA and the Foundation. Net assets without donor restrictions may be used at the discretion of management to support CICOA's and the Foundation's purposes and operations.

The Board has designated \$435,116 and \$414,515 as endowments at June 30, 2019 and 2018, respectively, as described in Note 10.

With Donor Restrictions - This net asset class includes assets of CICOA and the Foundation related to gifts with explicit donor-imposed restrictions that have not been met as to specified purposes, or to later periods of time or after specified dates. The with donor restrictions net assets have been restricted by donors for waiting list management, quality assurance services and other program activities. Amounts are released from restriction when used for satisfaction of the donors' restrictions. Releases during the years ended June 30, 2019 and 2018 totaled \$225,203 and \$500,550, respectively, and related primarily to the Foundation's support of CICOA's client assistance programs.

(Continued)

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2019 and 2018

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

This net asset class also includes assets of the Foundation for which the donors have stipulated that the contributions be maintained in perpetuity. Donor-imposed restrictions limiting the use of the assets or their economic benefit neither expire with the passage of time nor can be removed by satisfying a specific purpose.

Functional Expenses: The costs of providing various programs and other activities have been summarized on a functional basis in the combined statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on time charged by employees and square footage occupancy of the various departments.

Support and Revenue: CICOA reports gifts 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 are reported in the statement of activities as net assets released from restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, CICOA reports with donor restrictions revenue and a release from restrictions.

Government Grants: Support funded by grants is recognized as CICOA performs the contracted services under grant agreements. Grant revenue is typically recognized as earned as the eligible expenses are incurred. Some of CICOA's grant agreements are fee-for-service in nature, and support is recognized when earned. Grant expenditures are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

Medicaid Service Fees: Medicaid and Medicaid Waiver pays CICOA for providing care management and other services for Medicaid and Medicaid Waiver clients. The payments are made on a per unit basis, where each unit is a unit of time. The revenue is recognized in the period which the services are performed.

Contributions: Contributions received and unconditional promises to give are recorded as without donor restrictions and with donor restrictions revenue depending on the existence of donor restrictions and the nature of such restrictions, if they exist.

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 statement of activities as net assets released from restrictions. The gross amount of outstanding unconditional promises as of June 30, 2019 and 2018, was \$51,746 and \$121,409, respectively. An allowance is made for uncollectible contributions based on management's expectation regarding collection of outstanding promises to give and CICOA's collection experience. The allowance at June 30, 2019 and 2018 was \$2,070 and \$1,080, respectively.

Donated Services and In-Kind Contributions: Contributions of services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Donated services of \$443,635 and \$438,843 are recorded as in-kind revenue for the years ended June 30, 2019 and 2018, respectively, consisting primarily of free space for congregate meals.

In addition, a substantial number of volunteers have donated significant amounts of their time in relation to the organizations' program services; however, no amounts have been reflected in the accompanying financial statements for the value of these donated services because they do not meet the recognition criteria.

(Continued)

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2019 and 2018

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

Other Revenue: Project income, service fees and other revenues are recognized as earned.

Recent Accounting Guidance: In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The guidance in this ASU substantially changes the financial statement presentation and disclosure requirements of not-for-profit entities to provide more relevant information about their financial resources, liquidity and changes to those financial resources. These changes include qualitative and quantitative requirements in the presentation and disclosure of net asset classes, investment return, expenses, liquidity and availability of resources, and operating cash flows. CICOA implemented this guidance for the year ended June 30, 2019 and retroactively applied the guidance to the year ended June 30, 2018. The new disclosures are presented in the statements of financial position, statements of activities and Note 11.

Reclassifications: Certain reclassifications have been made to present last year's combined financial statements on a basis comparable to the current year's financial statements. These reclassifications had no effect on the change in net assets or total net assets.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to June 30, 2019, to determine the need for any adjustments or disclosures within the financial statements for the year ended June 30, 2019. Management has performed their analysis through February 26, 2020, the date the financial statements were available to be issued.

NOTE 2 - GOVERNMENT GRANT ACTIVITIES

CICOA receives a majority of its federal and state grant and contract funding from a third party, the Indiana Family and Social Services Administration (FSSA), by submitting claims to the third party for approval and payment. CICOA depends significantly on this third party for funding to carry out its program activities.

The grant amounts are appropriated each year by federal and state agencies. If significant budget cuts are made at the federal and/or state level, the amount of funds that CICOA receives could be reduced significantly and have an adverse impact on its operations.

CICOA uses certain funds received under federal and state grants and contracts to issue its own contracts to subrecipients and service providers. Although the expenditures made and units of service performed by these subrecipients and service providers are certified as bona fide, documentation of the purpose of such expenditures and units of service performed are subject to audit and review by funding sources. Some of the contracts include a local cost sharing provision similar to those which apply to contracts awarded to CICOA. CICOA could become liable for funds required to be returned to the federal agency issuing the contract if a subrecipient or service provider would be unable to adequately document expenditures, substantiate its local cost sharing requirement, document the units of services performed, or if they are unable to refund any unearned federal funds.

The amount of unexpended contract funds and settlements related to grant revenues are payable to the funding source (FSSA). As of June 30, 2019 and 2018, the amount payable was \$0 and \$4,498, respectively.

(Continued)

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 3 - BENEFICIAL INTEREST IN ASSETS HELD BY CENTRAL INDIANA COMMUNITY FOUNDATION, INC.

The Foundation has two accounts held at CICF. The Foundation previously transferred \$446,000 to the Central Indiana Community Foundation, Inc. (CICF) for investment in CICF's pooled endowment. Variance power was transferred to CICF. The Foundation may withdraw up to 5% of the fund's balance annually, as long as the withdrawal would not lower the fund's balance below the original corpus. This asset transfer is recorded in accordance with GAAP, and accordingly is recorded as a beneficial interest in assets held by CICF in the accompanying statements of financial position. The fair value of this beneficial interest at June 30, 2019 and 2018, is \$820,810 and \$784,942, respectively.

During 2009, the Foundation transferred \$24,552 to CICF to establish the Duane J. and Jewell Etienne Fund. This asset transfer is recorded in accordance with GAAP, and accordingly is recorded as a beneficial interest in assets held by CICF in the accompanying statements of financial position. The fair value of this beneficial interest at June 30, 2019 and 2018, is \$66,658 and \$67,215, respectively. The Duane J. and Jewell Etienne Fund is an endowment to promote educational and professional development for CICOA staff, to help promote interest in careers serving the needs of older adults, and to address emerging needs. Investment earnings were not able to be spent until the fund reached \$50,000. Now that the fund has reached that level, the Foundation may withdraw up to 5% of the fund's investment balance annually, as long as the withdrawal would not lower the fund's balance below the greater of original corpus or \$50,000. There were no contributions to the Fund during 2019 and 2018. Gains (losses) of \$(557) and \$6,611 on this beneficial interest are included in the combined statements of activities at June 30, 2019 and 2018, respectively.

Fair value is reported based upon CICF's valuation of CICOA's portion of the pooled fund using a net asset value (NAV) approach. Pursuant to the adoption of ASU 2015-07, *Fair Value Measurement*, those investments which are valued at net asset value are excluded from the fair value hierarchy. The Foundation's management and Finance Committee review the valuations and returns in comparison to industry benchmarks and other information provided by CICF, but do not receive a detailed listing of the holdings, in which CICF invests. The Foundation does not have the ability to redeem this beneficial interest on a short-term basis. Withdrawals are limited to the terms of the Foundation's agreement with CICF.

The fair value of the beneficial interest at June 30, 2019 and 2018, is \$887,468 and \$852,157, respectively. The gain of \$35,311 and \$46,352 on this beneficial interest are included in the combined statements of activities at June 30, 2019 and 2018, respectively.

(Continued)

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 4 - PROPERTY AND EQUIPMENT

CICOA's property and equipment at June 30, 2019 and 2018, are as follows:

	<u>2019</u>	<u>2018</u>
Furnishings and equipment	\$ 3,161	\$ 168,544
Computer equipment	105,413	209,580
Vehicles	464,754	476,540
Leasehold improvements and equipment	<u>1,868</u>	<u>25,392</u>
	575,196	880,056
Accumulated depreciation	<u>(370,515)</u>	<u>(591,048)</u>
	<u>\$ 204,681</u>	<u>\$ 289,008</u>

Depreciation expense was \$84,327 and \$132,296 for the years ended June 30, 2019 and 2018, respectively.

NOTE 5 - OPERATING LEASES

CICOA leases office space and equipment under noncancelable operating lease arrangements. These leases expire at various dates through September 2028. Rental expense for these leases included in the combined statements of activities was \$584,111 and \$421,034 for the years ended June 30, 2019 and 2018, respectively.

Future minimum annual rental payments required under operating leases are as follows at June 30:

2020	\$ 738,289
2021	748,333
2022	763,847
2023	778,740
2024	681,816
Thereafter	<u>3,289,602</u>
	<u>\$ 7,000,627</u>

(Continued)

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 6 - OTHER PROGRAM SERVICE EXPENSES

Other program expenses relate to the following at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Nursing Home Collaborative	\$ -	\$ 18,453
Hospital Based Initiatives	<u>826,068</u>	<u>566,677</u>
	<u>\$ 826,068</u>	<u>\$ 585,130</u>

NOTE 7 - LINE OF CREDIT

At June 30, 2018, CICOA had an available line of credit of \$2,000,000 with a financial institution with a variable interest rate. In May 2019, CICOA's available line of credit increased to \$4,000,000. At June 30, 2019 and 2018, the rate was 3.75%. The line was secured by the assets of CICOA and the Foundation. The agreement also contained various financial and non-financial covenants. At June 30, 2019 and 2018, CICOA reported compliance with all covenants. As of June 30, 2019 and 2018, there were no outstanding borrowings on the line of credit. The line expires on May 23, 2020.

NOTE 8 - EMPLOYEE BENEFITS

CICOA has a Section 401(k) defined contribution plan that is available to all employees. The employer matches contributions of eligible employees. Employees who have completed one year of employment at 1,000 or more hours, and who are regularly scheduled to work more than 20 hours per week are eligible for a matching contribution from CICOA. The maximum match expense is five percent of their compensation for employees who have from one to ten years of service, and employees with more than ten years of service are eligible for an eight percent match of their compensation. All amounts are deposited in the employees' custodial accounts. Retirement expense was \$356,653 and \$316,203 for the years ended June 30, 2019 and 2018, respectively.

(Continued)

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions of are comprised of the following at June 30:

	<u>2019</u>	<u>2018</u>
Subject to expenditure for specified purposes:		
Transportation	\$ 502,660	\$ 359,280
Accumulated earnings on endowed CICF funds	252,352	237,642
Lifelong living communities	138,154	94,465
Safe at home	49,463	47,545
Other	<u>104,010</u>	<u>46,521</u>
	<u>1,046,639</u>	<u>785,453</u>
Subject to the Organization's spending policy and appropriation:		
Endowment funds restricted in perpetuity	<u>200,000</u>	<u>200,000</u>
Total net assets with donor restrictions	<u>\$ 1,246,639</u>	<u>\$ 985,453</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	<u>2019</u>	<u>2018</u>
Purpose restrictions accomplished:		
Transportation	\$ 88,228	\$ 211,221
Lifelong living communities	78,311	97,646
Safe at home	22,073	21,066
Other	<u>36,591</u>	<u>170,617</u>
Total net assets released from restrictions	<u>\$ 225,203</u>	<u>\$ 500,550</u>

(Continued)

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 10 - ENDOWMENT COMPOSITION

The Foundation's endowment consists of donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by applicable standards, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Endowment net asset composition by type of fund as of June 30, 2019:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor restricted funds	\$ -	\$ 452,352	\$ 452,352
Board-designated funds	<u>435,116</u>	<u>-</u>	<u>435,116</u>
Total funds	<u>\$ 435,116</u>	<u>\$ 452,352</u>	<u>\$ 887,468</u>

Endowment net asset composition by type of fund as of June 30, 2018:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor restricted funds	\$ -	\$ 437,642	\$ 437,642
Board-designated funds	<u>414,515</u>	<u>-</u>	<u>414,515</u>
Total funds	<u>\$ 414,515</u>	<u>\$ 437,642</u>	<u>\$ 852,157</u>

Changes in endowment net assets for year ended June 30, 2019:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Net assets, beginning of year	\$ 414,515	\$ 437,642	\$ 852,157
Gain on beneficial interest	<u>20,601</u>	<u>14,710</u>	<u>35,311</u>
Net assets, end of year	<u>\$ 435,116</u>	<u>\$ 452,352</u>	<u>\$ 887,468</u>

Changes in endowment net assets for year ended June 30, 2018:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Net assets, beginning of year	\$ 397,635	\$ 408,170	\$ 805,805
Gain on beneficial interest	<u>16,880</u>	<u>29,472</u>	<u>46,352</u>
Net assets, end of year	<u>\$ 414,515</u>	<u>\$ 437,642</u>	<u>\$ 852,157</u>

(Continued)

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 10 - ENDOWMENT COMPOSITION (Continued)

Interpretation of SPMIFA: The Board of Directors of the Foundation have interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund remains classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purposes of the organization and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the organization
- 7) The investment policies of the organization

Investment Objectives: The Foundation's board has adopted CFCF's investment and spending policies for endowment assets that attempt to preserve the real (i.e., after-inflation) purchasing power of the endowment and to provide a relatively predictable, stable and, in real terms, constant stream of current income for annual operating needs. The concept of maintenance of purchasing power presumes that today's Foundation board has an obligation to the future as well as the present.

The investment objective for the endowment is to earn long-term growth and produce a stable stream of income. The financial and the investment objectives for the endowment should be achieved within acceptable risk levels, while striving to avoid large short-term declines in market value.

Distributions from the Fund should be, over time, of a level no greater than the total return that the endowment can generate above inflation. Growth in the real value of distributions would be increased if assets are enhanced by either gifts or by investment performance that exceeds that of the above standards.

Spending Policy: The Foundation may take a maximum 5% annual distribution from the funds. The Foundation can request a check for the full spendable amount each year, or save all or part of it for future years. Donor-restricted principal, unless otherwise directed by the donor, shall not be disbursed.

(Continued)

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 11 - LIQUIDITY AND AVAILABILITY

The Organization's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	<u>2019</u>	<u>2018</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 942,545	\$ 453,635
Grant reimbursements receivable	3,122,451	4,832,809
Medicaid service fees receivable	3,447,025	610,673
Contributions receivable	49,676	120,329
Other receivables	12,792	307,939
Beneficial interest in assets held by Central Indiana Community Foundation, Inc.	<u>887,468</u>	<u>852,157</u>
Total financial assets	8,461,957	7,177,542
Less amounts not available to be used within one year:		
Board-designated endowment funds	435,116	414,515
Donor restricted endowment funds	452,352	437,642
Contributions receivable, non-current	<u>-</u>	<u>40,000</u>
Financial assets not available to be used within one year	887,468	892,157
Add back funds able to be available for operations per endowment spending policy within one year	<u>44,373</u>	<u>42,608</u>
Financial assets available to meet general expenditures within one year	<u>\$ 7,618,862</u>	<u>\$ 6,327,993</u>

The endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

Endowment funds are subject to the spending policy as described in Note 10. Although the Organization does not intend to spend from the board-designated endowment (other than amounts appropriated for general expenditure as part of the spending policy), these amounts could be made available if necessary or can be drawn for special purposes.

As part of the Organization's liquidity management, the Organization invests its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Organization has a committed line of credit in the amount of \$4,000,000 and \$2,000,000 as of June 30, 2019 and 2018, respectively, which it could draw upon. The use of this line of credit is generally restricted to the extent that the Organization is in need of liquidity to fund program-related obligations.

SUPPLEMENTARY INFORMATION

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
COMBINING SCHEDULE OF FINANCIAL POSITION
June 30, 2019

	CICOA Aging & In-Home Solutions, Inc.	CICOA Foundation, Inc.	Eliminations	Combined Total
ASSETS				
Cash and cash equivalents	\$ 504,726	\$ 437,819	\$ -	\$ 942,545
Accounts receivable	5,635	34,724	(40,359)	-
Loans receivable	-	1,000,000	(1,000,000)	-
Grant reimbursements receivable	3,122,451	-	-	3,122,451
Medicaid service fees receivable	3,447,025	-	-	3,447,025
Contributions receivable, net	-	49,676	-	49,676
Other receivables	12,792	-	-	12,792
Prepaid expenses	81,264	699	-	81,963
Beneficial interest in assets held by Central Indiana Community Foundation, Inc.	-	887,468	-	887,468
Property and equipment, net	<u>204,681</u>	<u>-</u>	<u>-</u>	<u>204,681</u>
	<u>\$ 7,378,574</u>	<u>\$ 2,410,386</u>	<u>\$(1,040,359)</u>	<u>\$ 8,748,601</u>
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable	\$ 1,184,229	\$ 16,706	\$ (40,359)	\$ 1,160,576
Accrued payroll and expenses	513,115	-	-	513,115
Accrued leave	722,746	-	-	722,746
Loans payable	1,000,000	-	(1,000,000)	-
Other liabilities	<u>49,560</u>	<u>-</u>	<u>-</u>	<u>49,560</u>
Total liabilities	3,469,650	16,706	(1,040,359)	2,445,997
Net assets				
Without donor restrictions	3,908,924	1,147,041	-	5,055,965
With donor restrictions	<u>-</u>	<u>1,246,639</u>	<u>-</u>	<u>1,246,639</u>
Total net assets	<u>3,908,924</u>	<u>2,393,680</u>	<u>-</u>	<u>6,302,604</u>
	<u>\$ 7,378,574</u>	<u>\$ 2,410,386</u>	<u>\$(1,040,359)</u>	<u>\$ 8,748,601</u>

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
COMBINING SCHEDULE OF FINANCIAL POSITION
June 30, 2018

	CICOA Aging & In-Home Solutions, Inc.	CICOA Foundation, Inc.	Eliminations	Combined Total
ASSETS				
Cash and cash equivalents	\$ 407,274	\$ 46,361	\$ -	\$ 453,635
Accounts receivable	175,413	9,199	(184,612)	-
Loans receivable	-	1,400,000	(1,400,000)	-
Grant reimbursements receivable	4,832,809	-	-	4,832,809
Medicaid service fees receivable	610,673	-	-	610,673
Contributions receivable, net	-	120,329	-	120,329
Interest receivable	-	7,850	(7,850)	-
Other receivables	307,939	-	-	307,939
Prepaid expenses	103,039	-	-	103,039
Beneficial interest in assets held by Central Indiana Community Foundation, Inc.	-	852,157	-	852,157
Property and equipment, net	<u>289,008</u>	<u>-</u>	<u>-</u>	<u>289,008</u>
	<u>\$ 6,726,155</u>	<u>\$ 2,435,896</u>	<u>\$(1,592,462)</u>	<u>\$ 7,569,589</u>
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable	\$ 1,042,399	\$ 179,869	\$ (184,612)	\$ 1,037,656
Accrued payroll and expenses	407,430	-	-	407,430
Accrued interest	7,850	-	(7,850)	-
Accrued leave	642,218	-	-	642,218
Due to funding source	4,498	-	-	4,498
Loans payable	1,400,000	-	(1,400,000)	-
Other liabilities	<u>78,798</u>	<u>-</u>	<u>-</u>	<u>78,798</u>
Total liabilities	3,583,193	179,869	(1,592,462)	2,170,600
Net assets				
Without donor restrictions	3,142,962	1,270,574	-	4,413,536
With donor restrictions	<u>-</u>	<u>985,453</u>	<u>-</u>	<u>985,453</u>
Total net assets	<u>3,142,962</u>	<u>2,256,027</u>	<u>-</u>	<u>5,398,989</u>
	<u>\$ 6,726,155</u>	<u>\$ 2,435,896</u>	<u>\$(1,592,462)</u>	<u>\$ 7,569,589</u>

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
COMBINING SCHEDULE OF ACTIVITIES
Year ended June 30, 2019

	CICOA Aging & In-Home Solutions, Inc.	CICOA Foundation, Inc.	Eliminations	Combined Total
Revenue				
Federal and state grants and contracts	\$14,980,060	\$ -	\$ -	\$14,980,060
Medicaid service fees	9,216,325	-	-	9,216,325
Project income	560,848	-	-	560,848
Contributions and grants	43,863	528,956	-	572,819
Fund raising events	-	165,087	-	165,087
Interest income	4,324	31,097	(27,633)	7,788
Gain on beneficial interest	-	35,311	-	35,311
Other income	879,068	-	(269,755)	609,313
In-kind contributions	443,635	-	-	443,635
Total revenue	<u>26,128,123</u>	<u>760,451</u>	<u>(297,388)</u>	<u>26,591,186</u>
Expenses				
Program services				
In-home services	12,850,897	167,882	(168,027)	12,850,752
Transportation	1,536,447	88,536	(88,228)	1,536,755
Nutrition	3,760,994	9,900	(9,900)	3,760,994
Aging & Disability Resource Center	4,747,964	-	-	4,747,964
Other	826,068	-	-	826,068
Total program services	<u>23,722,370</u>	<u>266,318</u>	<u>(266,155)</u>	<u>23,722,533</u>
Administration	1,595,260	-	(27,633)	1,567,627
Fund raising	44,531	356,480	(3,600)	397,411
Total expenses	<u>25,362,161</u>	<u>622,798</u>	<u>(297,388)</u>	<u>25,687,571</u>
Change in net assets	765,962	137,653	-	903,615
Net assets at beginning of year	<u>3,142,962</u>	<u>2,256,027</u>	<u>-</u>	<u>5,398,989</u>
Net assets at end of year	<u>\$ 3,908,924</u>	<u>\$ 2,393,680</u>	<u>\$ -</u>	<u>\$ 6,302,604</u>

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
COMBINING SCHEDULE OF ACTIVITIES
Year ended June 30, 2018

	CICOA Aging & In-Home Solutions, Inc.	CICOA Foundation, Inc.	Eliminations	Combined Total
Revenue				
Federal and state grants and contracts	\$14,457,387	\$ -	\$ -	\$14,457,387
Medicaid service fees	5,760,671	-	-	5,760,671
Project income	569,513	-	-	569,513
Contributions and grants	18,795	588,289	-	607,084
Fund raising events	-	139,110	-	139,110
Interest income	1,006	49,911	(48,869)	2,048
Gain on beneficial interest	-	46,352	-	46,352
Other income	1,166,288	-	(526,514)	639,774
In-kind contributions	438,843	-	-	438,843
Total revenue	<u>22,412,503</u>	<u>823,662</u>	<u>(575,383)</u>	<u>22,660,782</u>
Expenses				
Program services				
In-home services	11,067,603	150,030	(150,030)	11,067,603
Transportation	1,360,662	211,221	(211,221)	1,360,662
Nutrition	3,583,796	-	-	3,583,796
Aging & Disability Resource Center	3,638,712	-	-	3,638,712
Other	585,130	47,497	(47,497)	585,130
Total program services	<u>20,235,903</u>	<u>408,748</u>	<u>(408,748)</u>	<u>20,235,903</u>
Administration	1,591,869	114,166	(163,035)	1,543,000
Fund raising	24,366	260,021	(3,600)	280,787
Total expenses	<u>21,852,138</u>	<u>782,935</u>	<u>(575,383)</u>	<u>22,059,690</u>
Change in net assets	560,365	40,727	-	601,092
Net assets at beginning of year	<u>2,582,597</u>	<u>2,215,300</u>	-	<u>4,797,897</u>
Net assets at end of year	<u>\$ 3,142,962</u>	<u>\$ 2,256,027</u>	<u>\$ -</u>	<u>\$ 5,398,989</u>

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2019

<u>Federal Grantor/ Pass-through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Grant or Pass-through Number</u>	<u>Expenditures</u>	<u>Amounts Awarded to Subrecipients</u>
<u>U.S. Department of Health and Human Services</u>				
Pass-through program: Indiana Family and Social Services Administration				
Title VII-G Elder Abuse Prevention	93.041	18AAINT7EA	\$ 48,000	\$ 48,000
Title VII Long-Term Care Ombudsman	93.042	18AAINT7OM	52,315	52,315
Title III-D Preventative Health	93.043	49-16-OV-1581-10	81,235	40,254
Aging Cluster:				
Title III-A Administration	93.044	49-16-OV-1581-02	471,713	-
Title III-B Supportive Services	93.044	49-16-OV-1581-04 49-16-OV-1581-06 /	1,345,948	335,670
Title III-C Nutrition Services	93.045	49-16-OV-1581-08	2,212,220	-
Nutrition Services Incentive Program	93.053	49-16-02-1581-02	<u>251,376</u>	<u>-</u>
Total Aging Cluster			4,281,257	335,670
Indiana No Wrong Door Business Case	93.048	90NWBC0001-01-00	50,343	-
Title III-E Family Caregiver	93.052	49-16-OV-1581-12	531,748	387,087
Social Services Block Grant	93.667	1002INSOSR	2,203,267	-
Pass-through program: Eskenazi Health Services				
Health Care Innovation Awards	93.610	1C1CMS331000-01-00	94,678	-
Pass-through program: IAAA Education Institute				
Senior Medicare Patrol Program	93.048	90MPPG0035-01-00	3,683	3,683
Pass-through program: Trustees of Indiana University				
PPHF Geriatric Education Centers	93.969	U1QHP28719	<u>12,993</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>7,359,519</u>	<u>867,009</u>
<u>U.S. Department of Transportation</u>				
Pass-through program: Indiana Public Transportation Corporation				
Federal Transit Formula Grants	20.507	2017-2018	<u>91,413</u>	<u>-</u>
Total Federal Expenditures			<u>7,450,932</u>	<u>867,009</u>
<u>Subtotals of Multiple Awards</u>				
Indiana No Wrong Door Business Case	93.048		50,343	-
Senior Medicare Patrol Program	93.048		<u>3,683</u>	<u>3,683</u>
			54,026	3,683

See accompanying note to Schedule of Expenditures of Federal Awards.

CICOA AGING & IN-HOME SOLUTIONS, INC.
AND CICOA FOUNDATION, INC.
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2019

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of CICOA Aging & In-Home Solutions, Inc., under programs of the federal government for the year ended June 30, 2019. CICOA Foundation, Inc. did not expend any federal awards during the year ended June 30, 2019. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the combined financial statements.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. CICOA has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations 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.

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*

Boards of Directors
CICOA Aging & In-Home Solutions, Inc.
Indianapolis, Indiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the combined financial statements of CICOA Aging & In-Home Solutions, Inc. (Organization), which comprise the combined statement of financial position as of June 30, 2019, and the related combined statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 26, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the combined financial statements, we considered the Organization'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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's combined financial statements are free of 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 over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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.

Crowe LLP

Crowe LLP

Indianapolis, Indiana
February 26, 2020

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Boards of Directors
CICOA Aging & In-Home Solutions, Inc.
Indianapolis, Indiana

Report on Compliance for Each Major Federal Program

We have audited CICOA Aging & In-Home Solutions, Inc.'s (CICOA) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of CICOA's major federal programs for the year ended June 30, 2019. CICOA's major federal program is 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of CICOA's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and 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 CICOA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, CICOA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2019.

(Continued)

Report on Internal Control Over Compliance

Management of CICOA 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 CICOA's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of CICOA's internal control over compliance.

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

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

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



Crowe LLP

Indianapolis, Indiana
February 26, 2020

CICOA AGING & IN-HOME SOLUTIONS, INC.
 AND CICOA FOUNDATION, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year ended June 30, 2019

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified? ___ Yes X No

Significant deficiencies identified not considered to be material weaknesses? ___ Yes X No

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal Control over major programs:

Material weakness(es) identified? ___ Yes X No

Significant deficiencies identified not considered to be material weaknesses? ___ Yes X None Reported

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

Unmodified

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.044, 93.045, 93.053	Aging Cluster
Dollar threshold used to distinguish between Type A and Type B programs: <u>\$750,000</u>	
Auditee qualified as low-risk auditee? <u> X </u> Yes ___ No	

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.

CICOA AGING & IN-HOME SOLUTIONS, INC.
 AND CICOA FOUNDATION, INC.
 SCHEDULE OF EXPENDITURES OF STATE AND LOCAL AWARDS
 June 30, 2019

<u>Grantor/Program Title</u>	<u>Amount</u>
Indiana Family and Social Services Administration	
CHOICE	\$ 4,998,666
Older Hoosiers Act	364,884
SSBG	80,237
Assisted Living Ombudsman	<u>52,315</u>
Indiana Department of Health	
Commodity Supplemental Food Program	69,464
Indiana Department of Insurance	
State Health Insurance Program (SHIP)	<u>13,090</u>
Total state expenditures	<u>5,578,656</u>
Morgan County	
Morgan County Commissioners Funds	<u>10,000</u>
Total local expenditures	<u>10,000</u>
Total state and local expenditures	<u>\$ 5,588,656</u>

**See schedule of expenditures of federal awards on page 24 for federal grant activity.