

**SOUTHWESTERN INDIANA REGIONAL
COUNCIL ON AGING, INC.**

**REPORTS PRESCRIBED BY
OMB CIRCULAR A-133**

JUNE 30, 2009



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

Board of Directors
Southwestern Indiana Regional Council on Aging, Inc.
Evansville, Indiana

We have audited the financial statements of Southwestern Indiana Regional Council on Aging, Inc. (SWIRCA) as of and for the year ended June 30, 2009, and have issued our report thereon dated February 12, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial reporting contained in Government Auditing Standards, issued by the Comptroller General of the United States.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered SWIRCA's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SWIRCA's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of SWIRCA's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether SWIRCA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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.

This report is intended solely for the information and use of SWIRCA's Board of Directors, management, others within the entity, and the federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Gauthier Summering, LLC

February 12, 2009



Report on Compliance with Requirements Applicable to
Each Major Program and on Internal Control Over
Compliance in Accordance with OMB Circular A-133

Board of Directors
Southwestern Indiana Regional Council on Aging, Inc.
Evansville, Indiana

COMPLIANCE

We have audited the compliance of Southwestern Indiana Regional Council on Aging, Inc. (SWIRCA) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2009. SWIRCA's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of SWIRCA's management. Our responsibility is to express an opinion on SWIRCA's compliance based on our audit.

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 OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 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 SWIRCA'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. Our audit does not provide a legal determination of SWIRCA's compliance with those requirements.

In our opinion, SWIRCA complied in a material respect, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

INTERNAL CONTROL OVER COMPLIANCE

The management of SWIRCA is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered SWIRCA's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion in the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of SWIRCA's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

We have audited the basic financial statements of SWIRCA as of and for the year ended June 30, 2009, and have issued our report thereon dated February 12, 2010. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information of SWIRCA's Board of Directors, management, others within the entity, and the federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Gauthier & Kimmeling, LLC

February 12, 2010

Southwestern Indiana Regional Council on Aging, Inc.
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2009

Federal Grantor Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<i>U.S. Department of Health and Human Services:</i>			
Pass-through programs from Indiana Family and Social Services Administration			
Aging Cluster			
NSIP Nutrition Program for the Elderly	93.053	82-08-02-2326-02	\$ 113,338
Title III-B Administration	93.044	82-08-0V-2326-02	123,540
Title III-B Social Services	93.044	82-08-0V-2326-04	<u>374,163</u>
Total Title III-B			<u>497,703</u>
Title III-C Nutrition - Congregate Meals	93.045	82-08-0V-2326-06	338,435
Title III-C Nutrition - Home Delivered Meals	93.045	82-08-0V-2326-08	<u>343,006</u>
Total Title III-C			<u>681,441</u>
ARRA - Aging Home-delivered Nutrition Services for States	93.705	A345-82-09-OV-2326	36,390
ARRA - Aging Congregate Nutrition Services for States	93.707	A345-82-09-OV-2326	<u>75,634</u>
Total ARRA			<u>112,024</u>
Total Aging Cluster			<u>1,404,506</u>
Title III-E Family Caregivers	93.052	82-08-0V-2326-12	189,337
Title VII Ombudsman	93.042	82-08-2V-2326-04	18,491
Title III-D Preventative Health	93.043	82-08-0V-2326-10	30,303
Social Services Block Grant	93.667	82-08-0G-2326-01	646,831
Pre-Admission Screening	93.778	82-08-70-2326-02	307,936
Aging and Disability Resource Centers	93.779	82-08-3N-2326-02	<u>56,662</u>
Total U.S. Department of Health and Human Services			<u>2,654,066</u>
Total Expenditure of Federal Awards			<u>\$2,654,066</u>

The accompanying notes are an integral part of this schedule.

Southwestern Indiana Regional Council on Aging, Inc.
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009

The following describes the significant accounting policies used in the preparation of the schedule of expenditures of federal awards:

Basis of Accounting – SWIRCA maintains its financial records using the accrual basis of accounting in which revenues are recognized when earned and expenses are recognized when the related goods or services are received. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basis financial statements.

Subrecipients – Of the federal expenditures in the schedule, SWIRCA provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Title III-B Social Services	93.044	<u>\$ 155,031</u>
Title VII Ombudsman	93.042	<u>\$ 18,491</u>

Southwestern Indiana Regional Council on Aging, Inc.
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2009

ITEM NUMBER

AUDIT FINDING

None Noted.

Southwestern Indiana Regional Council on Aging, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009

Section I - Summary of Auditors' Results

Financial Statements:

Type of auditor report issued: *Unqualified*

Internal control over financial reporting:

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

Noncompliance material to financial statements noted: *No*

Federal Awards:

Internal control over major programs:

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

Type of auditors' report issued on compliance for major programs: *Unqualified*

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? *No*

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
93.053	NSIP Nutritional Program for the Elderly
93.045	Title III-C Nutrition
93.044	Title III-B Social Services
93.052	Title III-E Family Caregivers
93.705	American Recovery Reinvestment Act - Home-delivered Nutrition Service for States
93.707	American Recovery Reinvestment Act - Congregate Nutrition Service for States

Southwestern Indiana Regional Council on Aging, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009

Section I - Summary of Auditors' Results – continued

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? Yes

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.