

INDEPENDENT AUDITORS' REPORT
LICKING COUNTY AGING PROGRAM, INC.

December 31, 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Licking County Aging Program, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Licking County Aging Program, Inc. (a non-profit Ohio corporation), which are comprised of the statements of financial position as of December 31, 2020 and 2019, and the related 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditors' 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 auditors consider 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 financial statements referred to above present fairly, in all material respects, the financial position of Licking County Aging Program, Inc. as of December 31, 2020 and 2019, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the Licking County Aging Program, Inc.'s financial statements as a whole.

The Schedule of Expenditures of Federal Awards presents 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 is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. We subjected this information to the auditing procedures we applied to the financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2021, on our consideration of Licking County Aging Program, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Licking County Aging Program, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Licking County Aging Program, Inc.'s internal control over financial reporting and compliance.

Wilson, Shannon & Sons, Inc.

Newark, Ohio
September 17, 2021

Licking County Aging Program, Inc.

STATEMENTS OF FINANCIAL POSITION

ASSETS	December 31	
	2020	2019
CURRENT ASSETS		
Cash and cash equivalents	\$ 3,105,023	\$ 2,749,886
Certificates of deposit	524,751	513,697
Accounts and contributions receivable	38,709	65,823
Inventory - food items	39,461	33,868
Prepaid expenses	37,029	53,194
Beneficial interest in assets held by community foundation	908,903	788,305
Total current assets	4,653,876	4,204,773
PROPERTY AND EQUIPMENT		
Building - Heritage Hall	1,891,080	1,872,653
Kitchen equipment	285,445	244,877
Banquet equipment	22,698	22,698
Office equipment	206,138	174,697
Transportation vehicles	1,092,263	1,027,398
Furniture and fixtures	75,910	68,539
Land improvements	72,437	72,437
	3,645,971	3,483,299
Less accumulated depreciation	1,520,276	1,313,976
	2,125,695	2,169,323
Land	306,600	306,600
Total property and equipment	2,432,295	2,475,923
OTHER ASSETS		
Note receivable - affiliate	500,000	500,000
Interest receivable - affiliate	392,739	357,055
	892,739	857,055
TOTAL ASSETS	\$ 7,978,910	\$ 7,537,751

LIABILITIES AND NET ASSETS	<u>2020</u>	<u>2019</u>
CURRENT LIABILITIES		
Accounts payable	\$ 77,499	\$ 67,120
Accrued liabilities		
Salaries and wages	115,775	181,041
Payroll taxes	2,531	8,174
Real estate taxes	330	330
Unearned revenue	<u>1,114</u>	<u>300</u>
Total current liabilities	197,249	256,965
 LONG-TERM DEBT		
Notes payable	500,000	500,000
Accrued interest	<u>829,644</u>	<u>794,644</u>
	<u>1,329,644</u>	<u>1,294,644</u>
TOTAL LIABILITIES	1,526,893	1,551,609
 NET ASSETS		
Without donor restrictions	6,396,975	5,911,412
With donor restrictions	<u>55,042</u>	<u>74,730</u>
TOTAL NET ASSETS	<u>6,452,017</u>	<u>5,986,142</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 7,978,910</u>	<u>\$ 7,537,751</u>

The accompanying notes are an integral part of this statement.

Licking County Aging Program, Inc.

STATEMENT OF ACTIVITIES

Year ended December 31, 2020

	Without donor restrictions	With donor restrictions	Total
Revenues and support			
Senior Services Levy	\$ 3,420,000	\$ -	\$ 3,420,000
Program contributions	146,398	-	146,398
United Way	4,851	3,148	7,999
Grants from government agencies	1,152,071	-	1,152,071
Reimbursement from other agencies	75,854	-	75,854
Trip revenue	73	-	73
Interest and dividend income	63,648	-	63,648
Realized and unrealized gain on investment	106,427	-	106,427
Fundraising	5,606	-	5,606
Other revenue	214,452	7,721	222,173
Vehicle pledges and support	14,484	-	14,484
Equity in gain of affiliate	684	-	684
Unrelated income	7,277	-	7,277
	5,211,825	10,869	5,222,694
Net assets released from restrictions			
Satisfaction of restrictions	30,557	(30,557)	-
Total revenues and support	5,242,382	(19,688)	5,222,694
Expenses			
Program services			
Title III-C Seniors Nutrition	1,834,719	-	1,834,719
Title III-B Transportation/Chore	437,594	-	437,594
Title III-B Homemaker/Home Health Aide	855,553	-	855,553
Title III-D Respite	15,522	-	15,522
Title III-E	58,561	-	58,561
LICCO and MR/DD	57,397	-	57,397
Senior Housing	36,237	-	36,237
Outreach	241,740	-	241,740
Alzheimer's	98	-	98
Annex/Reese Adult Day Center	138,626	-	138,626
Banquet	19,422	-	19,422
Supporting services			
General and administrative	1,048,286	-	1,048,286
Fundraising	13,064	-	13,064
Total expenses	4,756,819	-	4,756,819
Change in net assets	485,563	(19,688)	465,875
Net assets at January 1, 2020	5,911,412	74,730	5,986,142
Net assets at December 31, 2020	\$ 6,396,975	\$ 55,042	\$ 6,452,017

The accompanying notes are an integral part of this statement.

Licking County Aging Program, Inc.

STATEMENT OF ACTIVITIES

Year ended December 31, 2019

	Without donor restrictions	With donor restrictions	Total
Revenues and support			
Senior Services Levy	\$ 3,400,000	\$ -	\$ 3,400,000
Program contributions	242,203	-	242,203
United Way	8,750	8,750	17,500
Grants from government agencies	804,383	31,944	836,327
Reimbursement from other agencies	141,364	-	141,364
Trip revenue	99,335	-	99,335
Interest and dividend income	90,017	-	90,017
Realized and unrealized gain on investment	113,371	-	113,371
Fundraising	24,690	-	24,690
Other revenue	104,930	1,405	106,335
Vehicle pledges and support	9,324	-	9,324
Gain on sale of fixed assets	5,001	-	5,001
Equity in loss of affiliate	(17,594)	-	(17,594)
Unrelated income	15,389	-	15,389
	5,041,163	42,099	5,083,262
Net assets released from restrictions			
Satisfaction of restrictions	30,106	(30,106)	-
Total revenues and support	5,071,269	11,993	5,083,262
Expenses			
Program services			
Title III-C Seniors Nutrition	1,843,804	-	1,843,804
Title III-B Transportation/Chore	552,257	-	552,257
Title III-B Homemaker/Home Health Aide	882,743	-	882,743
Title III-D Respite	14,819	-	14,819
Title III-E	54,741	-	54,741
LICCO and MR/DD	52,273	-	52,273
Senior Housing	35,000	-	35,000
Outreach	267,903	-	267,903
Alzheimer's	6,243	-	6,243
Annex/Reese Adult Day Center	129,533	-	129,533
Banquet	23,091	-	23,091
Supporting services			
General and administrative	999,560	-	999,560
Fundraising	15,133	-	15,133
Total expenses	4,877,100	-	4,877,100
Change in net assets	194,169	11,993	206,162
Net assets at January 1, 2019	5,717,243	62,737	5,779,980
Net assets at December 31, 2019	\$ 5,911,412	\$ 74,730	\$ 5,986,142

The accompanying notes are an integral part of this statement.

Licking County Aging Program, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2020

	Title III-C Seniors Nutrition	Title III-B Transportation / Chore	Title III-B Homemaker/ Home Health Aide	Title III-D Respite	Title III-E	LICCO MR/DD	Senior Housing	Outreach	Alzheimer's	Annex / Reese Adult Day Center	Banquet	General and Administrative	Fundraising	Total Expense
Salaries	\$ 737,030	\$ 214,651	\$ 674,814	\$ 12,930	\$ -	\$ 43,670	\$ -	\$ 186,209	\$ 84	\$ 104,828	\$ 16,164	\$ 432,604	\$ 10,478	\$ 2,433,462
Payroll taxes and employee benefits	153,317	36,931	116,537	1,788	-	7,043	-	32,847	6	14,751	1,987	144,140	2,384	511,731
Professional fees	11,085	3,354	11,611	149	-	484	-	2,307	-	1,824	-	42,259	149	73,222
Contractual and consultant	519	1,219	-	-	-	-	-	-	-	607	-	72,567	-	74,912
Office supplies	1,955	475	1,017	-	-	-	-	1,486	-	22	-	4,202	-	9,157
Cleaning supplies	5,116	306	939	-	-	-	-	-	-	-	-	5,718	-	12,079
Medical supplies	-	-	933	-	-	-	-	-	-	24	-	-	-	957
Kitchen supplies	93,461	-	-	-	-	-	-	-	-	246	-	-	-	93,707
Food	660,980	-	-	-	-	-	-	598	-	260	-	-	-	661,838
Telephone	6,278	963	5,123	-	-	-	-	405	-	1,107	-	12,173	-	26,049
Postage and shipping	1,555	1,450	1,390	-	-	-	-	1,224	-	-	-	1,649	-	7,268
Equipment rental and maintenance	8,879	1,365	2,181	-	-	-	-	584	-	701	-	11,023	-	24,733
Printing and publications	-	440	120	-	-	-	-	1,514	-	-	-	5,244	-	7,318
Vehicle expense	96,576	47,154	33,955	655	-	6,893	-	1,001	8	3,362	-	2,955	-	192,559
Trip costs	-	4,515	-	-	-	-	-	-	-	-	-	-	-	4,515
Conference and conventions	1,209	413	152	-	-	97	-	334	-	310	-	4,748	-	7,263
Membership dues	-	-	-	-	-	-	-	-	-	-	-	2,332	-	2,332
Awards and grants	-	-	-	-	58,561	-	-	1,066	-	-	-	48,760	-	108,387
Insurance and bonding	738	492	1,220	-	-	-	-	1,239	-	2,459	-	34,987	-	41,135
Repairs and maintenance	12,141	353	758	-	-	785	-	3,126	-	2,706	-	8,555	-	28,424
Special event expenses	930	-	-	-	-	-	-	4,165	-	74	-	1,969	44	7,182
Miscellaneous	3,609	3,010	3,316	-	-	447	-	1,337	-	95	1,192	59,862	9	72,877
Utilities and building expenses	10,793	600	1,487	-	-	-	-	1,511	-	5,224	-	52,638	-	72,253
Interest expense	-	662	-	-	-	-	35,000	2	-	26	79	2	-	35,771
Depreciation expense	28,548	119,241	-	-	-	-	-	-	-	-	-	97,103	-	244,892
Lease expense	-	-	-	-	-	-	-	-	-	-	-	2,796	-	2,796
	<u>\$ 1,834,719</u>	<u>\$ 437,594</u>	<u>\$ 855,553</u>	<u>\$ 15,522</u>	<u>\$ 58,561</u>	<u>\$ 59,419</u>	<u>\$ 35,000</u>	<u>\$ 240,955</u>	<u>\$ 98</u>	<u>\$ 138,626</u>	<u>\$ 19,422</u>	<u>\$ 1,048,286</u>	<u>\$ 13,064</u>	<u>\$ 4,756,819</u>

The accompanying notes are an integral part of this statement.

Licking County Aging Program, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2019

	Title III-C	Title III-B	Title III-B	Title III-D		LICCO	Senior			Annex /		General and		Total
	Seniors	Transportation	Homemaker/ Home Health	Respite	Title III-E	MR/DD	Housing	Outreach	Alzheimer's	Reese Adult	Banquet	Administrative	Fundraising	Expense
	Nutrition	/ Chore	Aide							Day Center				
Salaries	\$ 794,444	\$ 232,904	\$ 684,631	\$ 11,816	\$ -	\$ 40,397	\$ -	\$ 194,848	\$ 4,857	\$ 93,820	\$ 14,610	\$ 389,002	\$ 11,427	\$ 2,472,756
Payroll taxes and employee benefits	124,612	34,703	117,461	1,845	-	7,496	-	36,807	946	14,267	2,074	90,900	1,985	433,096
Professional fees	12,125	3,823	12,731	164	-	534	-	2,548	93	2,014	-	48,518	164	82,714
Contractual and consultant	58	547	-	-	-	-	-	-	-	518	-	107,630	-	108,753
Office supplies	1,932	1,261	1,587	-	-	49	-	1,584	-	668	14	6,019	-	13,114
Cleaning supplies	68	469	3,068	-	-	-	-	-	-	154	-	7,437	-	11,196
Medical supplies	-	-	1,447	-	-	-	-	-	-	368	-	498	-	2,313
Kitchen supplies	91,327	270	-	-	-	-	-	-	-	543	-	316	-	92,456
Food	606,801	-	-	-	-	-	-	9,633	-	1,343	-	-	-	617,777
Telephone	6,115	973	5,425	-	-	-	-	366	2	1,046	-	10,086	-	24,013
Postage and shipping	236	268	223	-	-	-	-	190	-	-	-	4,179	-	5,096
Equipment rental and maintenance	8,209	1,667	2,041	-	-	-	-	768	-	544	-	12,848	-	26,077
Printing and publications	104	277	68	-	-	-	-	231	-	4	-	12,007	-	12,691
Vehicle expense	133,091	53,067	47,286	994	-	3,480	-	850	331	56	56	6,549	-	245,760
Trip costs	-	97,322	-	-	-	-	-	-	-	-	-	-	-	97,322
Conference and conventions	455	294	775	-	-	-	-	-	-	-	-	15,450	-	16,974
Membership dues	225	-	-	-	-	-	-	-	-	-	-	3,259	-	3,484
Awards and grants	-	-	-	-	54,741	-	-	1,702	-	-	-	8,416	-	64,859
Insurance and bonding	727	485	1,202	-	-	-	-	1,221	-	2,423	-	34,410	-	40,468
Repairs and maintenance	12,133	481	1,195	-	-	53	-	1,155	7	5,179	-	35,076	-	55,279
Special event expenses	2,749	-	-	-	-	-	-	13,276	-	-	-	6,042	23	22,090
Miscellaneous	5,028	3,231	1,990	-	-	264	-	1,046	-	971	4,247	42,108	1,530	60,415
Utilities and building expenses	13,819	652	1,613	-	-	-	-	1,637	7	5,521	-	56,299	-	79,548
Interest expense	-	1,302	-	-	-	-	35,000	41	-	94	67	102	4	36,610
Depreciation expense	29,546	118,261	-	-	-	-	-	-	-	-	2,023	99,613	-	249,443
Lease Expense	-	-	-	-	-	-	-	-	-	-	-	2,796	-	2,796
	<u>\$ 1,843,804</u>	<u>\$ 552,257</u>	<u>\$ 882,743</u>	<u>\$ 14,819</u>	<u>\$ 54,741</u>	<u>\$ 52,273</u>	<u>\$ 35,000</u>	<u>\$ 267,903</u>	<u>\$ 6,243</u>	<u>\$ 129,533</u>	<u>\$ 23,091</u>	<u>\$ 999,560</u>	<u>\$ 15,133</u>	<u>\$ 4,877,100</u>

The accompanying notes are an integral part of this statement.

Licking County Aging Program, Inc.

STATEMENTS OF CASH FLOWS

	Year ended December 31	
	2020	2019
Cash flows from operating activities		
Change in net assets	\$ 465,875	\$ 206,162
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Realized and unrealized gain on investment	(106,427)	(113,371)
Equity in loss of affiliate	(684)	17,594
(Gain) on sale of fixed assets	-	(5,001)
Depreciation	244,892	249,443
Changes in assets and liabilities		
Accounts and contributions receivable	27,114	9,880
Inventory - food items	(5,593)	(9,486)
Prepaid expenses	16,165	(11,224)
Beneficial interest in assets held by community foundation	(14,171)	(57,974)
Accounts payable	10,379	33,027
Accrued liabilities	(70,909)	3,332
Unearned revenue	814	100
Net cash provided by operating activities	567,455	322,482
Cash flows from investing activities		
Certificate of deposit - net	(11,054)	(11,682)
Proceeds from sale of fixed assets	-	5,001
Purchase of capital assets	(201,264)	(158,920)
Net cash (used in) investing activities	(212,318)	(165,601)
Net increase in cash and cash equivalents	355,137	156,881
Cash and cash equivalents at beginning of the year	2,749,886	2,593,005
Cash and cash equivalents at the end of the year	\$ 3,105,023	\$ 2,749,886
<u>Non Cash Transactions</u>		
Interest earned - affiliate	\$ 35,000	\$ 35,000
Interest expense - State of Ohio	\$ 35,000	\$ 35,000
<u>Other Items</u>		
Interest paid	\$ 771	\$ 1,610

The accompanying notes are an integral part of this statement.

Licking County Aging Program, Inc.

NOTES TO FINANCIAL STATEMENTS

NOTE A - ACCOUNTING POLICIES

Licking County Aging Program, Inc. (the Program) is a non-profit corporation organized in accordance with the laws of the State of Ohio for the purpose of providing nutrition, transportation, home maker/home health aide, chore services, and other services to the elderly of Licking County. Approximately 89% of the Program's revenue is received from federal, state and local government agencies.

A summary of the major accounting policies followed by the Program in the preparation of the accompanying financial statements is set forth below:

Basis of Accounting

The financial statements of the Program have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned, and expenses are recognized when incurred.

Basis of Consolidation

The financial statements include the accounts of the Licking County Aging Program, Inc. and LCAP Senior Housing LLC, which is wholly owned by the Program. LCAP Senior Housing LLC owns 49.995% of Stratford Housing Limited Partnership, and as a result as required by U.S. generally accepted accounting principles, must use the equity method to account for this ownership (See Note E). There are no intercompany accounts or transactions to eliminate.

Basis of Presentation

Net Assets without Donor Restrictions

Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes.

Net Assets with Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Restricted revenues whose restrictions are met in the same reporting period are shown as without donor restricted revenues. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of restrictions on net assets (i.e. the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Licking County Aging Program, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A - ACCOUNTING POLICIES – CONTINUED

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Program considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

Cash and cash equivalents consist of demand deposits and money market accounts. The Program maintains its cash balances in several financial institutions located in central Ohio. The cash and cash equivalents may, at times, exceed federally insured limits. The Program has not experienced any losses in such accounts. The Program believes it is not exposed to any significant credit risk on cash and cash equivalents. The Program had uninsured cash balances of \$24,751 and \$15,912 at December 31, 2020 and 2019, respectively.

Accounts and Contributions Receivable

Accounts and contributions receivable are shown at their net realizable value.

Management closely monitors outstanding accounts and contributions receivable and charges off to expense any balances that are determined to be uncollectible. Management considers accounts and contributions receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

Inventories

Inventories are stated at the lower of cost or net realizable value determined by the first-in, first-out method.

Property and Equipment

Major improvements and additions to the property and equipment accounts are charged to the property accounts while replacements, maintenance and repairs which do not improve or extend the life of the assets are expensed currently. Currently, the Program has elected to expense all items under \$1,000 to repair and maintenance accounts.

Upon sale or retirement of property and equipment, the costs and related accumulated depreciation are eliminated from the respective accounts.

Investment

The Program is a general partner in Stratford Housing Limited Partnership (SHLP). The Program also has a consolidated wholly-owned subsidiary, LCAP Senior Housing LLC, which is a limited partner in SHLP. Investment in SHLP is accounted for using the equity method as described in Note E.

Licking County Aging Program, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A - ACCOUNTING POLICIES – CONTINUED

Revenue Recognition

Grants and contributions

The Program recognizes all unconditional contributed support in the period in which the commitment to give is made. Grants and contributions are considered revenue and support without donor restrictions and available for general operations unless specifically restricted by the donor. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, these net assets will be released to net assets without donor restrictions.

Government grants are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses and are recognized as costs are incurred on the basis of direct costs plus allowable indirect expenses. Revenue recognized on government grants for which billings have not been presented to or collected from the donor or awarding agency is included in accounts and contributions receivable in the accompanying statement of financial position.

Trips revenue

The Program recognizes trips revenue as it is received. All trips are conducted within the same fiscal year that revenue is received and prepayment on trips for subsequent years is not allowed. This results in the Program not having unearned revenue from trips.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Certain categories of expenses are attributable to one or more program or supporting functions. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. These expenses include Food; Salaries and related Payroll taxes and employee benefits; and Vehicle expense. Food expense is allocated based on the number of meals provided by department. Vehicle expense is allocated based on specific costs for each vehicle since each vehicle is tied directly to a department. All office salary and payroll expenses are allocated based off estimates of time and effort while field salary and payroll expenses are allocated on service units provided per employee.

Income Taxes

The Program is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Thus, no provision for income taxes is included in these financial statements.

The Program does pay income tax on its unrelated business income, as defined by applicable IRS code and regulations. The amounts paid to the IRS are clearly immaterial.

During the years ended December 31, 2020 and 2019, the Program did not incur any interest or penalties on its federal non-profit reporting returns (Form 990 and 990-T). The federal returns of the Program for 2020, 2019, 2018 and 2017 are subject to examination by the taxing authorities, generally for three years after the due date.

Licking County Aging Program, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A - ACCOUNTING POLICIES – CONTINUED

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. ASU 606 provides a comprehensive revenue recognition model requiring companies to recognize revenue for the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services. The guidance also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts. The Program adopted Topic 606, and all related amendments, on January 1, 2020 using the modified retrospective method. The adoption of this standard had no material impact on the Program's financial statements.

Licking County Aging Program, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE B - ACCOUNTS AND CONTRIBUTIONS RECEIVABLE

Program accounts and contributions receivable consisted of the following at December 31:

	<u>2020</u>	<u>2019</u>
Title III	\$ 7,242	\$ 10,543
Passport	18,128	22,053
United Way	3,348	8,950
MR/DD	6,400	12,771
Miscellaneous grants	-	5,043
Other	<u>3,591</u>	<u>6,463</u>
	<u>\$ 38,709</u>	<u>\$ 65,823</u>

NOTE C - ACCUMULATED DEPRECIATION

A summary of the accumulated depreciation, including methods and lives, was as follows at December 31:

<u>Classification</u>	<u>Method</u>	<u>Lives (Years)</u>	<u>Accumulated Depreciation</u>	
			<u>2020</u>	<u>2019</u>
Buildings – Heritage Hall	Straight-line	10-39	\$ 459,293	\$ 396,681
Kitchen equipment	Straight-line	7	181,158	152,610
Banquet equipment	Straight-line	7	22,698	22,698
Office equipment	Straight-line	3-7	150,934	129,299
Transportation vehicles	Straight-line	7	640,243	559,594
Furniture and fixtures	Straight-line	5	53,246	45,219
Land improvements	Straight-line	15	<u>12,704</u>	<u>7,875</u>
			<u>\$ 1,520,276</u>	<u>\$ 1,313,976</u>

Licking County Aging Program, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE D - LONG TERM DEBT

The Program has the following debt for the years ended December 31:

	<u>2020</u>	<u>2019</u>
Ohio State Department of Development HOME loan program, with a fixed interest rate of 7%. No interest or principal due on the note until "surplus cash" is available on Stratford Housing Limited Partnership, an affiliate of the Program. Loan is secured by property in Stratford Housing Limited Partnership	\$ 500,000	\$ 500,000
Less current maturities	<u>-</u>	<u>-</u>
	<u>\$ 500,000</u>	<u>\$ 500,000</u>

The HOME loan with the state of Ohio can only be repaid from funds received from Stratford Housing Limited Partnership when they have "surplus cash" as defined by the grant agreement. Due to other debts within that entity, it is anticipated that no "surplus cash" will be available for this debt repayment within the next five years.

NOTE E - INVESTMENT IN LIMITED PARTNERSHIP

The Program has been the non-profit general partner in Stratford Housing Limited Partnership (SHLP), a closely held limited partnership, since the Partnership's inception in 1995. At that time, there were a managing general partner and multiple limited partners involved in the creation of the partnership. From inception through June 2014, the Program had always held less than 1% ownership. As such, the investment was recorded at cost, which was zero, the amount invested by the Program at its inception.

On June 26, 2014, the sole limited partner remaining withdrew from the partnership. As a result, the Program formed LCAP Senior Housing LLC, a wholly owned subsidiary of the Program, to take over half of the ownership of the outgoing limited partner while an affiliate of the managing general partner took over the other remaining half. This gave the Program a combined 50.0001% equity interest in the partnership. However, even though the Program holds a majority of the equity interest, the partnership agreement still gives the managing general partner control of the day to day operations. For this reason, the Program has accounted for its investment in the partnership using the equity method. The Program's change in net assets includes its proportionate share of any profit or loss of SHLP.

Net gain (loss) recorded for the years ended December 31 were as follows:

	<u>2020</u>	<u>2019</u>
General partner interest (Licking County Aging Program, Inc.)	\$ -	\$ (26,831)
Limited partner interest (LCAP Senior Housing LLC, a wholly owned subsidiary)	<u>684</u>	<u>9,237</u>
	<u>\$ 684</u>	<u>\$ (17,594)</u>

Licking County Aging Program, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE E - INVESTMENT IN LIMITED PARTNERSHIP - CONTINUED

Generally Accepted Accounting Principles (GAAP) requires entities having the ownership levels the Program has in SHLP to record such an investment under the equity method. Under this method, equity losses will not be recorded below zero unless there are loans between the owner and the subsidiary. The Program has a loan (with accrued interest) to SHLP, thus, the Program is required to record its investment below zero, to the extent of the loan and accrued interest from SHLP.

The transaction has been recorded as follows at December 31:

	<u>2020</u>	<u>2019</u>
Note receivable - SHLP	\$ <u>500,000</u>	\$ <u>500,000</u>
Accrued interest receivable - SHLP	\$ 829,644	\$ 794,644
Accumulated equity losses in SHLP	<u>(436,905)</u>	<u>(437,589)</u>
Recorded value	\$ <u>392,739</u>	\$ <u>357,055</u>

NOTE F - TRANSACTIONS WITH AFFILIATES

During a prior year, the Program received a \$500,000 loan through the HOME Program from the Ohio State Department of Development. Interest expense accrues at 7%. At December 31, 2020 and 2019, accrued interest totaled \$829,644 and \$794,644, respectively.

These funds were then loaned to Stratford Housing Limited Partnership (See Note E). This loan receivable is also accruing interest at 7% and interest receivable at December 31, 2020 and 2019 totaled \$829,644 and \$794,644, respectively. Note and interest receipts are limited to surplus cash on deposit by the partnership agreement. All amounts received will be forwarded to the Ohio Department of Development as repayment of the note payable and accrued interest.

Under current partnership law, the general partner can be liable for certain recourse debts if sufficient assets are not available to satisfy all liabilities. At December 31, 2020, it is estimated that the partnership has sufficient assets to cover all liabilities.

Licking County Aging Program, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE G - NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2020</u>	<u>2019</u>
United Way allocation	\$ 3,148	\$ 8,750
STP vehicle grants	45,303	62,652
Depends grant	418	-
ODA Community Outreach	729	729
Meals on Wheels – vet clinic	623	1,459
Pet food program	1,096	526
ODA – Chronic Pain	3,725	-
Fan program	-	614
Total net assets with donor restrictions	<u>\$ 55,042</u>	<u>\$ 74,730</u>

The Program receives money and allocations from different organizations during the year. Sometimes these funds will have time or purpose restrictions tied to them and will be listed as with donor restrictions until they are used properly by the Program.

The United Way allocation is time restricted as the revenue was recorded but money will not be received until 2021. The STP Vehicle grants were already used to purchase specialty vehicles for the transportation department. These are purpose restricted as the Ohio Department of Transportation can recover the vehicles at any time if the Program does not keep up with the stipulations listed on the grant. Until these stipulations are fully met and the Program has the title for the vehicles, they will stay donor restricted.

The other amounts are funds received that have yet to be spent. Their purpose restrictions are listed above along with the amounts still considered to have donor restrictions.

NOTE H - RETIREMENT PLAN

The Program participates in a defined contribution pension plan. All employees over 21 years of age who worked 1,000 hours in a year are considered to have obtained one year of service and are eligible to participate in the Plan. The Program contributes 6% of each eligible employee's salary to the Plan. Employees are fully vested after five years of service. For the years ended December 31, 2020 and 2019, Program contributions were \$118,001 and \$109,090, respectively.

Licking County Aging Program, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE I - BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATION

The Program has money held in the Licking County Aging Program Foundation Fund (LCAPFF) and the Reese Adult Day Care Center Fund (RADCCF), which are administered by the Licking County Foundation. These funds are comprised of money that was collected through contributions for future operations. The Licking County Foundation does not have authority to redirect the funds to a different organization or individual. The Program has unrestricted access to the funds. The fair market value of the funds at December 31, 2020 and 2019 was \$908,903 and \$788,305, respectively. The fair value of the assets at December 31, 2020 and 2019 has been recorded as a beneficial interest in assets held by community foundation in the Statements of Financial Position. The Program records the change in fair value as an unrealized gain or loss on investment on the Statement of Activities. The underlying investments of these units are measured at fair value on a recurring basis, and are valued based on quoted prices in active markets. As such, the units which make up the fair value of the interest held are considered Level 2 measurements.

NOTE J - IN-KIND CONTRIBUTIONS

The Program has a substantial number of volunteers who donate a significant number of hours to the Program. The value of these donated services is estimated at the fair value of these services. These amounts do not qualify to be recorded as in-kind income and expenses since they do not involve specialized skills. However, the program has estimated these services to be as follows for the years ended December 31:

	<u>2020</u>	<u>2019</u>
Title III-C Senior Nutrition	\$ 1,345	\$ 3,669
Senior Program Umbrella Outreach, and other Programs	<u>131,914</u>	<u>197,155</u>
	<u>\$ 133,259</u>	<u>\$ 200,824</u>

NOTE K - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Program has financial assets available within one year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$3,105,023, accounts and contributions receivable of \$947,612, and short-term investments of \$524,751 in the form of certificates of deposit. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The contributions receivable is subject to implied time restrictions but are expected to be collected within one year. The Program's goal when budgeting is to maintain financial assets, which consist of cash and short-term investments, on hand to meet three to six months of normal operating expenses, which are, on average, approximately \$1,200,000 to \$2,400,000 over that time. The Program currently has approximately eleven months of normal operating expenses. The Program follows the practice to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Licking County Aging Program, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE L - OPERATING LEASE

During 2020, the Program leased three new copiers and six printers under the terms of a five-year non-cancelable lease expiring in November 2025. The lease, which was classified as an operating lease, provides for monthly installments and includes a renewal option for additional 12-month terms at the current monthly rate. Total rent expense for these copiers and printers totaled \$15,408 for both the years ended December 31, 2020 and 2019.

During 2019, the Program leased space at the local YMCA, to be able to hold senior program activities, under a one and a half year non-cancelable lease expiring in December 2020. The lease, which was classified as an operating lease, provides for monthly installments and includes a renewal option for an additional 60-month term at the current monthly rate, for which the Program did renew until December 2025. Total rent expense for the space totaled \$2,796 for each of the years ended December 31, 2020 and 2019.

Required Minimum Lease Payments

The following is detail of the required future minimum lease payments at December 31, 2020:

2021	32,746
2022	33,249
2023	33,768
2024	34,302
2025	<u>33,521</u>
Total	\$ <u>167,586</u>

NOTE M - CONTINGENCIES

The Program occasionally is involved in various lawsuits from time to time subject to certain contingencies in the normal course of business. Management believes that the outcome of any of these matters will not have a material impact on the Program's financial position.

NOTE N - SUBSEQUENT EVENTS

On January 1, 2021, the Program acquired the Licking County Center for the Visually Impaired, Inc., a not-for-profit entity which provides professional eye care services including assessment, counseling, eye examinations and glasses to those who qualify within Licking County and provide low vision aids with installation and training to Licking County residents who need help beyond that of their prescribed glasses. As a result of the acquisition, the Program is expected to continue to provide these services to those who qualify and will record the assets and liabilities of this entity in the Program's financial statements.

The Program has evaluated subsequent events through September 17, 2021, the date which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

**LICKING COUNTY AGING PROGRAM, INC.
LICKING COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF Health and Human Services Passed Through the Central Ohio Area Agency on Aging			
National Family Caregiver Support, Title III, Part E	93.052	N/A	\$ 70,831
Aging Cluster:			
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	N/A	63,206
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	N/A	307,432
Nutrition Services Incentive Program	93.053	N/A	161,932
COVID-19 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	N/A	83
COVID-19 Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	N/A	165,413
Total Aging Cluster			698,066
Total U.S. Department of Health and Human Services			768,897
U.S. DEPARTMENT OF Treasury Passed Through Licking County Government			
Coronavirus Relief Fund	21.019	20-005	105,666
Total U.S. Department of Treasury			105,666
Total Expenditures of Federal Awards			\$ 874,563

The accompanying notes are an integral part of this schedule.

**LICKING COUNTY AGING PROGRAM, INC.
LICKING COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Licking County Aging Program, Inc. (the Agency's) under programs of the federal government for the year ended December 31, 2020. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Agency, it is not intended to and does not present the financial position, functional expenses, or cash flows of the Agency.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The Agency has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - MATCHING REQUIREMENTS

Certain Federal programs require the Agency to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Agency has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

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

Licking County Aging Program, Inc.
Licking County
1058 E. Main Street
Newark, OH 43055

To the Board of Directors

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 Licking County Aging Program, Inc. (a nonprofit Ohio organization), which are comprised of the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated September 17, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Licking County Aging Program, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Licking County Aging Program, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Program'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings as items 2020-1 to 2020-3 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Licking County Aging Program, Inc.'s 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Licking County Aging Program Inc.'s Response to Findings

Licking County Aging Program Inc.'s response to the findings identified in our audit is described in the accompanying schedule of findings. Licking County Aging Program Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Program'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 Program's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Newark, Ohio
September 17, 2021

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

Licking County Aging Program, Inc.
Licking County
1058 E. Main Street
Newark, Ohio 43055

To the Board of Directors:

Report on Compliance for Each Major Federal Program

We have audited Licking County Aging Program, Inc.'s (the Agency) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Agency's major federal programs for the year ended December 31, 2020. The Agency's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Agency'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 the 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 the Agency'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 the Agency's compliance.

Opinion on Each Major Federal Program

In our opinion, Licking County Aging Program, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.


Report on Internal Control Over Compliance

Management of the Agency 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 the Agency'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 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 the Agency'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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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.



Newark Ohio
September 17, 2021

**LICKING COUNTY AGING PROGRAM, INC.
LICKING COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2020**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Aging Cluster
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR § 200.520?	No

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2020-1

Material Weakness - Preparation of Audited Financial Statements in Accordance with GAAP, with Footnotes (previously communicated as 2019-1)

Currently, the Program does not have a Certified Public Accountant or other staff member employed that has the training or expertise to prepare a financial statement in accordance with Generally Accepted Accounting Principles (GAAP), with the required up-to-date footnotes and other disclosures. Consequently, the Program has requested that Wilson, Shannon & Snow, Inc. draft the audited financial statements on their behalf. Management makes all management decisions regarding the statements and notes and has evaluated, approved, and taken responsibility for them.

Officials Response: The Program believes that the cost to hire additional staff or to hire an individual with expertise in financial accounting outweighs the benefits to the Program.

FINDING NUMBER 2020-2

Material Weakness - Capitalization of Fixed Assets

During the audit of the Program, a material adjustment was necessary to increase fixed assets and decrease depreciation expense for the year ended December 31, 2020. The Program did not capitalize certain assets purchased during the year but instead recorded them in depreciation expense, thus understating assets and overstating expenses.

Officials Response: We did not receive a response from Officials to this finding.

FINDING NUMBER 2020-3

Material Weakness - Payables Tracking

During the audit of the Program, a material adjustment was necessary to reconcile beginning equity, some of which affected accounts payable for the year ended December 31, 2020. Furthermore, in auditing the year-end December 31, 2020 accounts payable balance, no system was being used to identify what vendors and amounts the year-end balance consisted of.

Officials Response: We did not receive a response from Officials to this finding.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None.



The Licking County Aging Program, Inc.

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
DECEMBER 31, 2020

Finding Number	Finding Summary	Status	Additional Information
2019-1	Material Weakness – Preparation of Audited Financial Statements	Not Corrected	Re-issued as Finding Number 2020-1

