

AUTHORIZING RESOLUTION

Resolution No. 2024-5-20 b

Resolution authorizing the filing of a CY2025 application for a grant under Section 5311/5339 of the Federal Transit Act, as amended.

WHEREAS, the U.S. Department of Transportation is authorized to make grants to states through the Federal Transit Administration (FTA) to support capital, operating and feasibility study assistance projects for nonurbanized public transportation systems under Section 5311 of the FTA Act of 1964, as amended.

WHEREAS, the Office of Transit, Indiana Department of Transportation (INDOT) has been designated by the Governor to make Section 5311/5339 grants for public transportation projects.

WHEREAS, the contract for financial assistance will impose certain obligations upon the applicant, including the provision by it of the local share of project costs.

NOW, THEREFORE, BE IT RESOLVED BY **Morgan County Commissioners**

1. That **Sycamore Rehabilitation Services, Hendricks County Arc, Inc. DBA LINK Hendricks County and Morgan County Connect** on behalf of **Morgan County Commissioners** is authorized to make the necessary certifications and assurances and be empowered to enter into an agreement with INDOT for the provision of regionalized rural public transportation services within **Hendricks and Morgan Counties**.
2. That **Morgan County Commissioners** has designated the following non-profit organization to coordinate and provide 5311 funded rural public transit services within our county as well as to any expanded regionalized service area that may be identified above:
 - a. **Sycamore Rehabilitation Services, Hendricks County Arc, Inc. DBA LINK Hendricks County and Morgan County Connect**
3. That **Sycamore Rehabilitation Services, Hendricks County Arc, Inc. DBA LINK Hendricks County and Morgan County Connect**, is authorized to execute and file an application on behalf of **Morgan County Commissioners** with INDOT to aid in the financing of transit assistance projects pursuant to Section 5311 of the Federal Transit Act, as amended.
4. That **Sycamore Rehabilitation Services, Hendricks County Arc, Inc. DBA LINK Hendricks County and Morgan County Connect** is authorized to furnish such additional information as INDOT may require in connection with the application.
5. That **Sycamore Rehabilitation Services, Hendricks County Arc, Inc. DBA LINK Hendricks County and Morgan County Connect** is authorized to execute grant contract agreements on behalf of **Morgan County Commissioners**.

CERTIFICATE

The undersigned duly qualified and acting (*Linda Pruitt* **enter name of Title Officer**), of the **Morgan County Commissioners** certifies that the foregoing is a true and correct copy of a resolution adopted at a legally convened meeting of the **Morgan County Commissioners** held on (**MM/DD/YYYY**),

05/20/2024

Linda Pruitt

Signature of Recording Officer

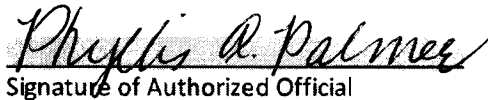
Auditor
Title of Recording Officer

5/20/2024
MM/DD/YYYY

LOCAL FINANCIAL CERTIFICATION and ASSURANCES

The **Hendricks County Commissioners** hereby assures and certifies with respect to this application for Section 5311/5339 assistance that:

1. The Applicant and its designated subrecipients have the requisite fiscal, managerial, and legal capability to carry out the Section 5311/5339 Program and to receive and disburse federal and state funds.
2. Some combination of state, local, and/or private funding sources has or will be committed and restricted to the 5311/5339 program in order to provide the required local share through the period of service identified within the grant contracts. **(Provided in Attachment A of this document)**
3. Any portion of local, and/or private funding sources that has been committed as restricted to the 5311/5339 transit grant, and not utilized at the end of the period of service identified within the grant contract, will be placed into a reserve account, and reprogrammed into future 5311/5339 program grants or projects.
4. The Applicant will have by the time of delivery, sufficient local funds to purchase and operate the vehicles and/or equipment identified under this project, as applicable.


Signature of Authorized Official

Phyllis Palmer, Commissioners President
Title of Authorized Official

May 28, 2024
Date

Attachment A

Local Funding Sources Detail

PLEASE PROVIDE DETAILED SOURCES OF LOCAL MATCHING FUNDS THAT WILL BE CERTIFIED AND ASSURED AS RESTRICTED TO THE 5311/5339 PROGRAMS AND AVAILABLE DURING THE PERIOD IDENTIFIED WITHIN THE 5311/5339 GRANT CONTRACT BUDGETS. **FUNDS THAT ARE IDENTIFIED BELOW AND NOT MADE AVAILABLE AFTER ANY CONTRACT IS FULLY EXECUTED MAY RESULT IN BREACH OF CONTRACT WITH INDOT DEPENDING ON CAUSE OF UNAVAILABILITY.

TOTAL AMOUNT OF LOCAL MATCH IDENTIFIED ON THIS FORM, MUST BE EXACT WITH THE LOCAL MATCH IDENTIFIED WITHIN THE 5311 OPERATING PROJECT BUDGET SUBMITTED WITHIN THE APPLICATION.

***INDOT understands that some sources and amounts entered below may be a "good faith" estimate of what may be provided to help support the local matching requirements for any Section 5311 or 5339 funds that are awarded. APPLICANTS MUST NOTIFY INDOT IMMEDIATELY UPON BECOMING AWARE THAT ANY FUNDS LISTED BELOW ARE NOT GOING TO BE AVAILABLE AT ANY POINT DURING THE GRANT PERIOD.*

Please DO NOT simply name sources as "county, city, donations, etc.". You must identify each source by name i.e., XYZ County, City of ABC, United Way, XYZ Foundation, BeHealthy Medical Center, etc.

SECTION 5311 OPERATING FUND LOCAL MATCH SOURCES AND AMOUNTS: Section 5311 Funds have 50% local match requirement.

SOURCE OF LOCAL MATCH (PLEASE LIST EACH SOURCE INDIVIDUALLY)	RESTRICTED AMOUNT
CICOA	\$34,800.00
Medicaid	\$40,541.74
Morgan County	\$47,000.00

SECTION 5339 CAPITAL FUND LOCAL MATCH SOURCES AND AMOUNTS: (if requesting vehicles or equipment) Section 5339 Funds have 20% local match requirement.

SOURCE OF LOCAL MATCH (PLEASE LIST EACH SOURCE INDIVIDUALLY)	RESTRICTED AMOUNT
N/A	N/A

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CERTIFICATION of USE of PROJECT EQUIPMENT AND FACILITIES

On behalf of **Hendricks County Commissioners** I hereby certify that Project equipment, facilities and property purchased with federal transit funding (*past and present*) and identified within the applicant's inventory in the *BlackCat Grant Management System* continues to be used in accordance with the terms and conditions of all applicable INDOT capital and operating grant agreements for the provision of rural public transportation, and that no part of the local contribution has been refunded or reduced.

I also certify that all Project equipment, facilities, and property purchased with federal transit funding continues to be inventoried and recorded by the grant applicant. All equipment, facilities, and property will continue to be used for the original project purpose until federal and state useful life benchmarks have been met and a request for Equipment Disposition has been submitted to INDOT Office of Transit for approval.

Phyllis Palmer

Name of Authorized Official of Applicant

Hendricks County Commissioners, President

Title of Authorized Official of Applicant

Phyllis A. Palmer

Signature of Authorized Official of Applicant

05/28/2024

(MM/DD/YYYY)



CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

CPAs / ADVISORS



**SYCAMORE REHABILITATION SERVICES / HENDRICKS COUNTY ARC, INC.
DBA SYCAMORE SERVICES, INC.**

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JUNE 30, 2022 AND 2021

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REPORT OF INDEPENDENT AUDITORS

Board of Directors
Sycamore Rehabilitation Services / Hendricks County ARC, Inc.
dba Sycamore Services, Inc.
Danville, Indiana

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Sycamore Rehabilitation Services / Hendricks County ARC, Inc. dba Sycamore Services, Inc. (Sycamore Services), a nonprofit organization, which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Sycamore Services as of June 30, 2022 and 2021, and the changes in its net assets, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and *Uniform Compliance Guidelines for Examination of Entities Receiving Financial Assistance from Governmental Sources*, issued by the Indiana State Board of Accounts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Sycamore Services and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

Board of Directors
Sycamore Rehabilitation Services / Hendricks County ARC, Inc.
dba Sycamore Services, Inc.
Danville, Indiana

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Sycamore Services' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Sycamore Services' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Sycamore Services' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Board of Directors
Sycamore Rehabilitation Services / Hendricks County ARC, Inc.
dba Sycamore Services, Inc.
Danville, Indiana

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2023 on our consideration of Sycamore Services' 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 Sycamore Services' 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 Sycamore Services' internal control over financial reporting and compliance.

Blue & Co., LLC

Indianapolis, Indiana
March 17, 2023

SYCAMORE REHABILITATION SERVICES / HENDRICKS COUNTY ARC, INC.
DBA SYCAMORE SERVICES, INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

ASSETS		
	2022	2021
Current assets		
Cash	\$ 3,749,967	\$ 4,275,051
Contract receivables, net	1,647,421	1,484,774
Other receivables	570,158	278,600
Prepaid expenses	99,521	76,444
Total current assets	6,067,067	6,114,869
Investments		
Undesignated	4,363,738	4,237,235
Designated for capital improvements	1,200,000	1,200,000
Donor restricted	8,093,484	10,000,122
Total investments	13,657,222	15,437,357
Property and equipment, net	4,036,747	2,958,485
Funds held by Community Foundation	68,750	85,872
Total assets	<u>\$ 23,829,786</u>	<u>\$ 24,596,583</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Current portion of long-term debt	\$ 19,997	\$ 24,013
Line of credit	920,000	-0-
Accounts payable and accrued expenses	515,493	389,000
Accrued salaries and related liabilities	1,417,188	1,169,453
Paycheck Protection Program (PPP) note	-0-	2,352,500
Refundable advances	681,906	25,395
Total current liabilities	3,554,584	3,960,361
Long-term debt less current portion	657,208	677,533
Refundable advances	178,098	219,839
Total liabilities	4,389,890	4,857,733
Net assets		
Without donor restrictions		
Undesignated	10,106,412	8,498,728
Designated for capital improvements	1,200,000	1,200,000
Total without donor restrictions	11,306,412	9,698,728
With donor restrictions	8,133,484	10,040,122
Total net assets	19,439,896	19,738,850
Total liabilities and net assets	<u>\$ 23,829,786</u>	<u>\$ 24,596,583</u>

See accompanying notes to consolidated financial statements.

SYCAMORE REHABILITATION SERVICES / HENDRICKS COUNTY ARC, INC.
DBA SYCAMORE SERVICES, INC.

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
Revenue		
Public support		
Federal and state transportation grants	\$ 1,367,526	\$ 805,900
COVID-19 grants	225,829	814,436
Other grants	521,915	762,389
County funds and other contributions	157,882	239,785
United Way funds	68,510	120,458
Net assets released from restriction	57,339	25,814
Total public support	2,399,001	2,768,782
Service revenue		
Adult services	10,680,638	8,428,304
Children services	1,840,003	1,838,359
Contract services	28,317	25,457
Print shop	87,690	84,178
Total service revenue	12,636,648	10,376,298
Other revenue		
Investment return, net	102,255	715,562
Rental	115,658	117,670
PPP note forgiveness	2,085,017	-0-
Other	289,163	409,635
Total other revenue	2,592,093	1,242,867
Total revenue	17,627,742	14,387,947
Expenses		
Salaries and wages	10,483,706	8,577,144
Employee benefits	2,474,409	2,034,404
Depreciation	319,997	335,817
Interest	47,212	46,508
Utilities, rent, and maintenance	454,979	380,262
Purchased services	492,150	580,754
Travel and mileage	269,244	180,261
Other	1,478,361	1,109,329
Total expenses	16,020,058	13,244,479
Change in net assets without donor restrictions	1,607,684	1,143,468
Net assets with donor restrictions		
Investment return (loss), net	(1,849,299)	2,386,477
Net assets released from restriction	(57,339)	(25,814)
Change in net assets with donor restrictions	(1,906,638)	2,360,663
Change in net assets	(298,954)	3,504,131
Net assets		
Beginning of year	19,738,850	16,234,719
End of year	\$ 19,439,896	\$ 19,738,850

See accompanying notes to consolidated financial statements.

SYCAMORE REHABILITATION SERVICES / HENDRICKS COUNTY ARC, INC.
DBA SYCAMORE SERVICES, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
Operating activities		
Change in net assets	\$ (298,954)	\$ 3,504,131
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	319,997	335,817
Realized and unrealized (gain) loss on investments	1,882,962	(2,986,401)
PPP note forgiveness	(2,085,017)	-0-
Change in value of funds held by Community Foundation	11,863	(20,179)
Changes in operating assets and liabilities		
Contract receivables, net	(162,647)	(452,691)
Other receivables	(291,558)	(67,515)
Prepaid expenses	(23,077)	22,150
Accounts payable and accrued expenses	126,493	88,606
Accrued salaries and related liabilities	247,735	142,464
Refundable advances	614,770	(66,732)
Net cash flows from operating activities	342,567	499,650
Investing activities		
Capital expenditures	(1,398,259)	(179,044)
Proceeds from the sale of investments	1,313,511	10,652,278
Purchase of investments	(1,416,338)	(10,747,793)
Proceeds from funds held by Community Foundation	5,259	8,004
Net cash flows from investing activities	(1,495,827)	(266,555)
Financing activities		
Payments on PPP note	(267,483)	-0-
Borrowings on line of credit	920,000	-0-
Payments on long-term debt	(19,321)	(17,173)
Payments on capital leases	(5,020)	(10,147)
Net cash flows from financing activities	628,176	(27,320)
Net change in cash	(525,084)	205,775
Cash		
Beginning of year	4,275,051	4,069,276
End of year	\$ 3,749,967	\$ 4,275,051
Supplemental cash flows information		
Cash paid for interest	\$ 47,212	\$ 46,508
Noncash financing - forgiveness of PPP note	\$ 2,085,017	\$ -0-

See accompanying notes to consolidated financial statements.

**SYCAMORE REHABILITATION SERVICES / HENDRICKS COUNTY ARC, INC.
DBA SYCAMORE SERVICES, INC.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Sycamore Rehabilitation Services / Hendricks County ARC, Inc. (Sycamore Services) is incorporated as a not-for-profit organization under the laws of the State of Indiana. The primary purpose of Sycamore Services is to provide a full range of services to the mentally and physically disabled. Sycamore Services' programs include vocational training, adult day services, and early intervention services. Sycamore Services serves clients in central Indiana.

Principles of Consolidation

Sycamore Services' consolidated financial statements includes its wholly owned affiliates, Cornerstone Pediatric Rehabilitation Services, Inc. (Cornerstone) and Commons at Wynne Farms, Inc. (the Commons). Cornerstone provides services to children and other individuals with therapeutic needs. The Commons is the general partner in Commons at Wynne Farms, L.P. (the L.P.), which provides low-income housing in Brownsburg, Indiana. The Commons' interest in the L.P. is .005%. The activities and balances of the Commons, while insignificant to the consolidated financial statements as a whole, are consolidated herein. The limited partners, with 99.995% ownership in the L.P., maintain substantive participation rights in the L.P. Therefore, the activities of the L.P. are not consolidated with the Commons and ultimately not consolidated with Sycamore Services.

All material intercompany accounts and transactions are eliminated in consolidation.

Basis of Accounting

The consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America for not-for-profit organizations. Accordingly, accounts are stated on the accrual basis of accounting, whereby revenues are recognized as performance obligations are satisfied and expenses are recorded as incurred.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash

Sycamore Services maintains deposits with banks, which, at times, may exceed federally insured limits. Sycamore Services has not experienced any losses in these accounts, and Sycamore Services believes it is not exposed to any significant credit risk on cash.

**SYCAMORE REHABILITATION SERVICES / HENDRICKS COUNTY ARC, INC.
DBA SYCAMORE SERVICES, INC.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

Contract Receivables

Contract receivables are recorded at net realizable amounts based on established charges when the service is rendered. Sycamore Services has agreements with third-party payers that provide for payments to Sycamore Services at amounts different from its established rates. Payment arrangements include prospectively determined rates, discounted charges and per diem payments.

The allowances offset against contract receivables represents management's estimate of the expected losses to be realized, and is based on historical experience, current economic conditions, and other relevant factors. All contract receivables are expected to be collected within one year. As of June 30, 2022 and 2021, allowances against contract receivables amounted to approximately \$224,000 and \$312,000, respectively. As of July 1, 2020, contract receivables and associated allowances were \$1,199,000 and \$167,000, respectively.

Other Receivables

Other receivables relate to services rendered mainly to government entities for which payment was not received by year end. The balance consists primarily of amounts due from the Indiana Department of Transportation for providing transportation services to the mentally and physically disabled. The other receivables are classified as current as they are expected to be collected during the next fiscal year.

Prepaid Expenses

Prepaid expenses are included in current assets as they are expected to be utilized during the next fiscal year.

Investments

Investments may consist of money market deposit accounts, certificates of deposit, mutual funds, common stocks, and corporate and government bonds which are reported at fair value except for certificates of deposit which are reported at contract value. Unrealized and realized gains and losses, interest, dividends, and investment fees from all investments are reported in investment return (loss), net on the consolidated statements of activities and changes in net assets.

Investments include undesignated funds, internally designed funds as restricted for the purpose of purchasing property and equipment, and donor restricted funds.

Property, Equipment and Depreciation

Property and equipment are stated at cost or, if donated, at fair market value on the date of acquisition. Additions and improvements are capitalized based on certain dollar thresholds; expenditures for routine maintenance are charged to operations.

**SYCAMORE REHABILITATION SERVICES / HENDRICKS COUNTY ARC, INC.
DBA SYCAMORE SERVICES, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

Depreciation is provided over the estimated useful lives of the various classes of assets on the straight-line method, which range over the useful lives as follows:

Building and improvements	5-30 years
Equipment	3-10 years
Vehicles	4-5 years
Print shop equipment	5-7 years

Gifts of long-lived assets such as land, buildings and equipment are reported as support without donor restrictions unless explicit donor stipulations specify how the assets are to be used. The gift of cash and other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. There were no gifts of long-lived assets for 2022 and 2021. Absent explicit donor stipulations about how long-lived assets must be maintained, expirations of donor restrictions are reported when the donated acquired long-lived assets are placed in service.

Funds Held by Community Foundation

Funds Held by Community Foundation relate to a principal donation and investment earnings made by Sycamore Services to the Hendricks County Community Foundation (Community Foundation). The original donated amount of \$40,000 is held in a fund designated for Sycamore Services, but Sycamore Services does not have access to the original amount. Any income generated from the donation is without donor restrictions. The original donation is with donor restrictions maintained in perpetuity.

Net Assets

The consolidated financial statements report the changes in, and totals of each net asset class based on the existence of donor restrictions, as applicable. Net assets are classified as without donor restrictions or with donor restrictions and are detailed as follows:

- Net assets without donor restrictions represent the part of the net assets of Sycamore Services that is neither with donor restrictions for specified purposes nor with donor restrictions maintained in perpetuity. This class of net assets includes undesignated net assets along with board designated net assets for capital improvements (\$1,200,000 as of June 30, 2022 and 2021).
 - Net assets with donor restrictions represent the part of the net assets of Sycamore Services resulting from contributions and other inflows of assets whose use by Sycamore Services is limited by donor-imposed stipulations that either expire by the passage of time or by actions of Sycamore Services and the part of the net assets of Sycamore Services resulting from contributions and other inflows of assets whose use by Sycamore Services is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions for Sycamore Services. Sycamore Services has net assets with donor restrictions of approximately \$8,133,000 and \$10,040,000 as of June 30, 2022 and 2021, respectively. Net assets with donor restrictions relate primarily to an endowment that is made of net assets with donor restrictions required to be maintained in perpetuity and net assets with donor restrictions required to be expended for a specified purpose.
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**SYCAMORE REHABILITATION SERVICES / HENDRICKS COUNTY ARC, INC.
DBA SYCAMORE SERVICES, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

Public Support

Federal and State Transportation Grants

Sycamore Services receives grant awards from various state and federal agencies for the purchase and maintenance of vehicles that are used to provide a wide variety of rehabilitation services to the developmentally disabled which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Receipt of these funds is subject to the fulfillment of certain obligations by Sycamore Services as prescribed by these programs and funds may be subject to repayment upon determination of noncompliance by a funding agency. Amounts received are recognized as revenue when Sycamore Services has completed certain performance requirements and/or incurred expenditures in compliance with specific contract or grant provisions. Sycamore Services recognized receivables from these programs of approximately \$570,000 and \$279,000 as of June 30, 2022 and 2021, respectively, which are included in other receivables on the consolidated statements of financial position. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statements of financial position.

COVID-19 and Other Grants

Coronavirus (COVID-19) and other grants are derived from cost-reimbursable contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses or lost revenues, as defined by the grantor agency. Receipt of these funds is subject to the fulfillment of certain obligations by Sycamore Services as prescribed by these programs and funds may be subject to repayment upon a determination of noncompliance made by a funding agency. Amounts received prior to incurring qualified expenditures or lost revenues are reported as refundable advances in the consolidated statements of financial position.

County Funds

Sycamore Services receives funding from Hendricks and Monroe counties as stipulated by Indiana state law. Sycamore Services recognizes the county funding as income in the period the funds are due from the counties. Accordingly, amounts are recorded as other receivables or refundable advances based upon the timing of the actual receipts.

Other Contributions and United Way Funds.

Contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. Sycamore Services recognizes all contributions as income in the period received. All contributions are considered to be available for use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities and

SYCAMORE REHABILITATION SERVICES / HENDRICKS COUNTY ARC, INC.
DBA SYCAMORE SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

changes in net assets as net assets released from restrictions. Contributions with donor-imposed restrictions that are met during the same year as the contribution is made are included in changes in net assets without donor restrictions.

Sycamore Services also evaluates whether a contribution is unconditional or conditional based on the absence or presence of barriers and any right of return provisions. Receipt of funds for conditional contributions are recorded as a refundable advance in the consolidated statements of financial position until conditions are satisfied. Once satisfied, the refundable advance is released into contribution revenue. Materials, property, equipment, and other assets received as donations are recorded and reflected in the accompanying consolidated financial statements at their estimated fair market values on the date received.

The value of donated volunteer services is not reflected in the accompanying consolidated financial statements since there is no objective basis available by which to measure the value of such services. However, a substantial number of volunteers have donated significant amounts of their time to various fund-raising events and contacts with individuals receiving services at Sycamore Services.

Service Revenue

Adult and Children Services

Sycamore Services contracts with various State of Indiana (the State) agencies to provide a wide variety of services to persons with disabilities, residential and waiver services. Sycamore Services vouchers the State agencies monthly based on current activity and the original amount of the grant or contract. These services, rendered to primarily Medicaid waiver program beneficiaries, are paid utilizing a determined daily consumer rate. Sycamore Services recognizes the amount of revenue it expects to collect for the transfer of services to clients over time in a period in which its performance obligations are satisfied.

These revenues are recognized over time as promised services are delivered to clients, in an amount that reflects the consideration Sycamore Services expects to be entitled to in exchange for those services. Service revenue from contracts with various third-party payers is recognized in the amount to which Sycamore Services has a right to invoice, (generally determined and billed on a weekly to monthly basis), when services are rendered by Sycamore Services. Generally, the transaction price in contracts is known at inception and the performance obligation is measured from the commencement of the services to the point when Sycamore Services is no longer required to provide services. Sycamore Services submits annual cost reports to determine its Medicaid rates for group home services. These reports are subject to periodic audit by the State. Based upon reports previously submitted and unaudited periods, Sycamore Services determined that any liability related to unsettled Medicaid cost reports would be not be significant to the consolidated financial statements as a whole as of June 30, 2022 and 2021.

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Included in adult and children services is revenue Sycamore Services receives from cost-reimbursable state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Receipt of these funds is subject to the fulfillment of certain obligations by Sycamore Services as prescribed by these programs and funds may be subject to repayment upon a determination of noncompliance made by a funding agency.

Amounts received are recognized as revenue when Sycamore Services has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statements of financial position. Services did recognize receivables from these programs of approximately \$1,064,000 and \$838,000 as of June 30, 2022 and 2021, respectively, which are included in contract receivables on the consolidated statements of financial position.

Laws and regulations governing these programs are complex and subject to interpretation. Sycamore Services believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations and potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretations as well as significant regulatory action including fines, penalties, and exclusion from the Medicaid programs.

Contract Services and Print Shop

Sycamore Services recognizes revenue from providing products and services to various local employers. Revenues are recognized over time as promised services are delivered to the employers, in an amount that reflects the consideration Sycamore Services expects to be entitled to in exchange for those services. Revenue is recognized in the amount to which Sycamore Services has a right to invoice, (generally determined and billed on a weekly to monthly basis), when services are rendered by Sycamore Services. Generally, the transaction price in contracts is known at inception and the performance obligation is measured from the commencement of the services to the point when Sycamore Services is no longer required to provide services.

Federal and State Income Taxes

Sycamore Services and Cornerstone are not-for-profit corporations under Section 501(c)(3) of the United States Internal Revenue Code. As such, Sycamore Services and Cornerstone are generally exempt from income taxes. However, Sycamore Services and Cornerstone are required to file Federal Form 990 – Return of Organization Exempt from Income Tax, which is an informational return only.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken and recognize a tax liability if these entities have taken an uncertain position that more likely than not would not be sustained upon examination by various federal and state taxing authorities. Management has analyzed the tax positions taken by these entities, and has concluded that as of June 30, 2022 and 2021, there were no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the accompanying consolidated financial statements. These

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entities are subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Sycamore Services and Cornerstone have filed their federal and state income tax returns for the period through June 30, 2021 and are subject to routine audits by taxing jurisdictions. These income tax returns are generally open to examination by the relevant taxing authorities for a period of three years from the later of the date the return was filed or its due date (including approved extensions).

The Commons elected "C" corporation status with a year end of December 31. Income tax expense and liabilities are recorded at the amounts currently payable. The Commons generally use the same accounting methods for financial reporting and income tax purposes. The amount of income tax expense is not significant to the consolidated financial statements as a whole. The Commons has filed its federal and state income tax returns for years through December 31, 2021.

Going Concern Evaluation

Management evaluated whether there were conditions or events that raised substantial doubt about Sycamore Services' ability to continue as a going concern for a period of one year from the date the consolidated financial statements were available to be issued.

Subsequent Events

Sycamore Services evaluated events or transactions occurring subsequent to the consolidated financial position date for recognition and disclosure in the accompanying consolidated financial statements through the date the consolidated financial statements were available to be issued which was March 17, 2023.

Upcoming Accounting Standards Update

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. Sycamore Services will be required to adopt this ASU in its year ending June 30, 2023. This ASU is intended to improve financial reporting about leasing transactions by requiring entities that lease assets to recognize on their statement of financial position the assets and liabilities for the rights and obligations created by those leases, and to provide additional disclosures regarding the leases. Leases with terms (as defined in the ASU) of twelve months or less are not required to be reflected on an entity's statement of financial position.

Sycamore Services is presently evaluating the effects that this ASU will have on its future consolidated financial statements, including related disclosures.

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2. INVESTMENTS

Investments as of June 30, 2022 and 2021 consist of the following:

	2022	2021
Cash	\$ 1,767,637	\$ 1,848,121
Certificates of deposit	258,913	285,683
Mutual funds	10,065,827	11,427,672
Common stocks	580,565	806,654
Corporate and government bonds	984,280	1,069,227
	<u>\$ 13,657,222</u>	<u>\$ 15,437,357</u>

Investment return (loss), net of investment fees included in changes in net assets without donor restrictions and changes in net assets with donor restrictions for 2022 and 2021 consists of the following:

	2022	2021
Interest and dividends	\$ 135,918	\$ 115,638
Realized and unrealized gain (loss) on investments	(1,882,962)	2,986,401
	<u>\$ (1,747,044)</u>	<u>\$ 3,102,039</u>

3. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3).

The three levels of the fair value hierarchy are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that Sycamore Services has the ability to access.
- Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used during 2022 and 2021:

- *Mutual funds*: Valued at the daily closing price as reported by the fund. Mutual funds held by Sycamore Services are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by Sycamore Services are deemed to be actively traded.
- *Common stocks*: Valued at the closing price reported on the active market on which the individual securities are traded.
- *Corporate and government bonds*: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

Assets and liabilities measured at fair value on a recurring basis as of June 30, 2022 and 2021 are as follows:

	June 30, 2022			
	Total	Level 1	Level 2	Level 3
Assets				
Investments				
Mutual funds				
Intermediate-term bond	\$ 455,690	\$ 455,690	\$ -0-	\$ -0-
Short-term bond	1,560,204	1,560,204	-0-	-0-
Large blend	4,647,191	4,647,191	-0-	-0-
Large growth	2,103,974	2,103,974	-0-	-0-
Large value	195,572	195,572	-0-	-0-
Mid blend	398,146	398,146	-0-	-0-
Small value and other	705,050	705,050	-0-	-0-
Total mutual funds	10,065,827	10,065,827	-0-	-0-
Common stocks				
Technology	206,690	206,690	-0-	-0-
Consumer	95,239	95,239	-0-	-0-
Finance	83,539	83,539	-0-	-0-
Other	195,097	195,097	-0-	-0-
Total common stocks	580,565	580,565	-0-	-0-
Corporate and government bonds	984,280	-0-	984,280	-0-
	11,630,672	\$ 10,065,827	\$ 984,280	\$ -0-
Certificates of deposit at contract value	258,913			
Cash	1,767,637			
Total investments	\$ 13,657,222			
Funds held by Community Foundation	\$ 68,750	\$ -0-	\$ -0-	\$ 68,750

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	June 30, 2021			
	Total	Level 1	Level 2	Level 3
Assets				
Investments				
Mutual funds				
Intermediate-term bond	\$ 502,276	\$ 502,276	\$ -0-	\$ -0-
Short-term bond	972,604	972,604	-0-	-0-
Large blend	5,404,164	5,404,164	-0-	-0-
Large growth	3,055,049	3,055,049	-0-	-0-
Large value	245,775	245,775	-0-	-0-
Mid blend	393,372	393,372	-0-	-0-
Small value and other	854,432	854,432	-0-	-0-
Total mutual funds	11,427,672	11,427,672	-0-	-0-
Common stocks				
Technology	283,917	283,917	-0-	-0-
Consumer	188,298	188,298	-0-	-0-
Finance	106,171	106,171	-0-	-0-
Other	228,268	228,268	-0-	-0-
Total common stocks	806,654	806,654	-0-	-0-
Corporate and government bonds	1,069,227	-0-	1,069,227	-0-
	13,303,553	\$ 12,234,326	\$ 1,069,227	\$ -0-
Certificates of deposit at contract value	285,683			
Cash	1,848,121			
Total investments	\$ 15,437,357			
Funds held by Community Foundation	\$ 85,872	\$ -0-	\$ -0-	\$ 85,872

Funds held by Community Foundation are classified as level 3 and are valued at the fair value as reported by the Community Foundation, which represents Sycamore's pro rata interest in the Community Foundation's pooled investment funds, substantially all of which are valued on a mark-to-market basis. There were no changes in the valuation methodologies used as of June 30, 2022 and 2021. The following is a progression of the level 3 assets for 2022 and 2021.

	2022	2021
Funds held by Community Foundation		
Beginning of year	\$ 85,872	\$ 73,697
Investment return (loss)	(11,863)	20,179
Distributions	(3,399)	(6,112)
Fees	(1,860)	(1,892)
End of year	\$ 68,750	\$ 85,872

Sycamore Services holds investments, which are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with these securities and the level of uncertainty related to changes in the value, it is at least reasonably possible that changes in the various risk factors will occur in the near term that could materially affect the amounts reported in the accompanying consolidated financial statements.

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4. ENDOWMENT

Sycamore Services' endowment is made of net assets with donor restrictions required to be maintained in perpetuity and net assets with donor restrictions required to be expended for a specified purpose. Net assets associated with these endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Endowment net asset composition is as follows:

	2022	2021
Endowment funds with donor restrictions		
Original gift amount required to be maintained in perpetuity	\$ 7,002,600	\$ 7,002,600
Accumulated investment earnings subject to spending policy and appropriation	1,093,120	2,942,419
	<u>\$ 8,095,720</u>	<u>\$ 9,945,019</u>

Changes in endowment net assets were as follows:

	2022	2021
Endowment funds with donor restrictions		
Beginning balance	\$ 9,945,019	\$ 7,558,542
Net investment return	(1,849,299)	2,386,477
Ending balance	<u>\$ 8,095,720</u>	<u>\$ 9,945,019</u>

Interpretation of Relevant Law

Sycamore Services' Board of Directors has determined the requirements of Indiana's version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) to center around the preservation of the fair value of the original investment as of the date of the asset transfers. Investments resulting from donations directing that they be invested in perpetuity are classified as net assets with donor restrictions. The earnings generated by these investments are classified as net assets with donor restrictions and are reclassified as net assets without donor restrictions upon their appropriation for expenditure by Sycamore Services in a manner consistent with the standard of prudence prescribed by Indiana's version of the UPMIFA.

Sycamore Services has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measure required under the law. Sycamore Services considers the following factors in making a determination to appropriate or accumulate its endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of Sycamore Services 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

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- (6) Other resources of Sycamore Services
- (7) The investment policies of Sycamore Services

Return Objectives and Risk Parameters

Sycamore Services has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that Sycamore Services must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Directors, all endowment assets are invested in readily marketable securities. The purpose of the endowment fund is to facilitate donors' desires to make substantial long-term gifts to Sycamore Services to develop a source of revenue to support the endeavors of Sycamore Services and to support the activities of Sycamore Services' clients.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives, Sycamore Services relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Sycamore Services targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How Investment Objectives Relate

Annually, a spending rate shall be determined by the Board of Directors after a recommendation from the finance committee. The allowable distribution from endowment funds, over and above fees and expenses allocable to the funds, shall be calculated annually based on Sycamore Services' fiscal year. The endowment contract stipulates that Sycamore Services may spend the greater of the difference between the market value of the endowment on June 30th and the historical dollar value of the original contribution of \$7,002,600, or 2% of the market value of the endowment on June 30th in the following year.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires Sycamore Services to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature are to be reported in net assets with donor restrictions. Sycamore Services has interpreted UPMIFA to permit spending for underwater funds in accordance with prudent measure required under the law. Sycamore Services had no such deficiencies as of June 30, 2022 and 2021.

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5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following on June 30:

	2022	2021
Land	\$ 907,525	\$ 694,525
Buildings	3,870,334	3,792,221
Equipment	1,077,675	1,023,832
Vehicles	1,625,563	1,509,256
Construction in progress	937,000	-0-
	8,418,097	7,019,834
Accumulated depreciation	(4,381,350)	(4,061,349)
Property and equipment, net	<u>\$ 4,036,747</u>	<u>\$ 2,958,485</u>

Outstanding commitments for property and equipment as of June 30, 2022 related to the construction of an Applied Behavioral Analysis Center for autistic youth were approximately \$2,800,000.

6. PAYCHECK PROTECTION PROGRAM

In April 2020, Sycamore Services received a low interest note in the amount of \$2,352,500 under the Paycheck Protection Program (PPP) administered by the Small Business Administration (SBA). The PPP note was unsecured, bore interest at 1% and funds advanced were subject to forgiveness, if certain criteria were met, with the remaining balance repayable within two years of disbursement. The PPP note was forgivable to the extent that Sycamore Services incurred and spent the funds on qualified expenditures, which included payroll, employee health insurance, rent, utilities, and interest costs during the covered period as defined by the PPP guidance. In addition, Sycamore Services was required to maintain specific employment and wage levels during the pandemic and submit adequate documentation of such expenditures to qualify for forgiveness. Sycamore Services elected to account for the PPP note as debt and recognized forgiveness when legally forgiven by the SBA.

In October 2021, Sycamore Services received notice from the SBA that approximately \$2,085,000 of the \$2,352,500 of the PPP note was forgiven based on satisfaction of the stated criteria for the program. This amount was recognized as forgiveness in the consolidated statement of activities and changes in net assets for 2022. The remaining balance of the PPP note of \$267,000 was repaid to the SBA in October 2021.

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7. REFUNDABLE ADVANCES

The following tables reflect the progression of refundable advances for 2022 and 2021:

	June 30, 2022			
	Beginning of Year	Revenue Recognized	Advances Received	End of Year
Federal and state transportation	\$ 38,822	\$ (5,638)	\$ 56,582	\$ 89,766
COVID-19 and other grants	-0-	-0-	445,908	445,908
County funds	23,500	(23,500)	23,500	23,500
Adult and child services	-0-	-0-	61,004	61,004
Capital housing grant	182,011	(10,402)	-0-	171,609
Other	901	(901)	68,217	68,217
	<u>\$ 245,234</u>	<u>\$ (40,441)</u>	<u>\$ 655,211</u>	<u>\$ 860,004</u>

	June 30, 2021			
	Beginning of Year	Revenue Recognized	Advances Received	End of Year
Federal and state transportation	\$ 87,686	\$ (87,686)	\$ 38,822	\$ 38,822
County funds	30,700	(30,700)	23,500	23,500
Capital housing grant	192,413	(10,402)	-0-	182,011
Other	1,167	(266)	-0-	901
	<u>\$ 311,966</u>	<u>\$ (129,054)</u>	<u>\$ 62,322</u>	<u>\$ 245,234</u>

8. LONG-TERM DEBT

Long-term debt consists of the following on June 30:

	2022	2021
Note #136842	\$ 429,225	\$ 438,737
Note #142267	132,344	137,122
Note #91100058199	115,636	120,570
Other	-0-	5,117
	<u>677,205</u>	<u>701,546</u>
Current portion	<u>(19,997)</u>	<u>(24,013)</u>
	<u>\$ 657,208</u>	<u>\$ 677,533</u>

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Note #136842 was issued in May 2015 and matures in May 2045 requiring monthly principal and interest payments. Interest is at the prime rate plus 100 basis points reset every 60 months (4.50% as of June 30, 2022). The current rate was set in April 2022 and runs through April 2027. Note #142267 was issued in December 2018 and matures in December 2038 requiring monthly principal and interest payments. Interest is at the prime rate plus 100 basis points reset every 60 months (4.50% as of June 30, 2022). The current rate was set in April 2022 and runs through April 2027. These two notes are secured by property and equipment with net book values of approximately \$660,000 and \$693,000 as of June 30, 2022 and 2021, respectively.

Note #91100058199 was issued in August 2018 and matures in August 2038 requiring monthly principal and interest payments. Interest was set in August 2018 at 4.85% through August 2023. Beginning in September 2023, the interest rate will be adjusted to the weekly average yield on U.S. Treasury Securities adjusted to a constant maturity of five years plus 210 basis points. This rate will be effective through August 2038. This note is secured by property and equipment with net book values of approximately \$207,000 and \$214,000 as of June 30, 2022 and 2021, respectively

Maturities of long-term debt are as follows for the years ending after June 30, 2022:

Year Ending June 30,	
2023	\$ 19,997
2024	20,976
2025	22,121
2026	23,310
2027	24,541
Thereafter	566,260
	<u>\$ 677,205</u>

9. LINES OF CREDIT

Sycamore Services has an approved line of credit of \$750,000, which expires in February 2024. The line of credit is secured by substantially all assets of Sycamore Services and is subject to a variable interest rate equal to the prime rate. There were no outstanding borrowings on this line of credit as of June 30, 2022 and 2021.

During 2022, Sycamore Services entered into a \$2,905,600 line of credit with a bank available for construction purposes with a maturity date of June 2023. Borrowings under this line of credit bear interest at a fixed rate of 3.95%. As of June 30, 2022, Sycamore Services had borrowings outstanding on the line of credit of approximately \$920,000. The line of credit is secured by a mortgage on the real property. At the maturity date of June 2023, Sycamore can opt to convert the line of credit to a long-term note payable or use existing cash and investments to retire the line of credit or some combination of new debt and existing cash and investments to retire the line of credit based on market conditions at that time of maturity.

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10. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following as of June 30:

	2022	2021
Subject to expenditure for specified purpose		
Technology	\$ -0-	\$ 12,199
Public relations and fund development	-0-	18,404
Staff recruitment, retention, and training	-0-	26,736
Total subject to expenditure for specified purpose	-0-	57,339
Accumulated investment earnings subject to spending policy and appropriation	1,093,120	2,942,419
Amounts held in perpetuity		
Endowment held in perpetuity	7,002,600	7,002,600
Other	37,764	37,764
Total amounts held in perpetuity	7,040,364	7,040,364
	<u>\$ 8,133,484</u>	<u>\$ 10,040,122</u>

Net assets released in 2022 and 2021 are as follows:

	2022	2021
Technology	\$ 12,199	\$ 7,346
Public relations and fund development	18,404	17,199
Staff recruitment, retention, and training	26,736	1,269
	<u>\$ 57,339</u>	<u>\$ 25,814</u>

11. SELF-INSURED HEALTH PLAN

Sycamore Services maintains a self-insured health plan for which a third-party claims administrator has been retained to process all benefit claims. Claims are processed and presented for payment on a weekly basis. Under the plan, Sycamore Services is responsible for funding all claims up to \$50,000 per individual per policy year with an aggregate maximum stop-loss reimbursement of \$1,000,000 per policy year. As of June 30, 2022 and 2021, Sycamore Services estimates a liability of approximately \$70,000 and \$25,000, respectively, for incurred but unresolved health insurance claims, which is included in accrued salaries and related liabilities in the consolidated statements of financial position. Total expense under the health plan was \$1,078,000 and \$864,000 in 2022 and 2021, respectively.

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12. RETIREMENT PLAN

Sycamore Services maintains a 401(k) plan that covers substantially all employees. As part of the plan, Sycamore Services has the option to make a discretionary contribution into the plan for employees. For 2022 and 2021, total contributions made by Sycamore Services were approximately \$420,000, and \$384,000, respectively.

13. LEASE COMMITMENTS

Sycamore Services lease office and warehouse space under non-cancelable lease arrangements through 2024. Rent expense for 2022 and 2021 was approximately \$151,000 and \$157,000, respectively, and is included in utilities, rent, and maintenance on the consolidated statements of activities and changes in net assets. Future minimum lease payments under operating leases are as follows for the years ending after June 30, 2022:

Year Ending June 30,		
2023	\$	55,000
2024		42,000
	\$	<u>97,000</u>

14. RENTAL INCOME

Sycamore Services leases properties to individuals under annual lease arrangements. Total rental income for apartment operating leases was approximately \$116,000 and \$118,000 for 2022 and 2021, respectively. The properties are included in property and equipment with a cost of \$1,662,000 and accumulated depreciation of \$781,000 and \$719,000 as of June 30, 2022 and 2021, respectively. Sycamore Services expects to recognize \$116,000 annually in rental income for the next five years.

15. CONCENTRATIONS

Sycamore Services is located in Danville, Indiana, and provides services to individuals and companies, which are billed in arrears at least monthly. The majority of individual services are provided under service contracts or provider agreements with state agencies. Companies are provided credit in the normal course of business without collateral.

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Contract receivables and revenue by payor are as follows on June 30:

	Receivables		Revenue	
	2022	2021	2022	2021
Division of Aging and Rehabilitation Services	18%	26%	12%	13%
Medicaid	58%	51%	76%	72%
Other (none over 10%)	24%	23%	12%	15%
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

16. FUNCTIONAL EXPENSES

The costs of providing a full range of services to individuals with disabilities (program services), general and administrative activities, and fundraising activities have been summarized on a natural basis in the consolidated statements of activities and changes in net assets and on functional basis in the tables below. Accordingly, certain costs have been allocated among program services, general and administrative, and fundraising functional categories based on actual direct expenditures incurred by departments, locations, and cost centers, and cost allocations based on time spent by Sycamore Services' personnel, which include salaries and wages, employee benefits, and travel and mileage. Other costs require allocations based on a reasonable basis that is consistently applied. The costs that are allocated include depreciation, interest, utilities, rent, and maintenance, purchased services, and other expenses, which are allocated based on the ratio of direct costs charged to the category to total direct costs. Although the methods used were appropriate, alternative methods may provide different results.

The following are schedules of functional expenses for 2022 and 2021:

	June 30, 2022			
	Program Services	General & Administrative	Fundraising	Total
Salaries and wages	\$ 10,206,788	\$ 188,168	\$ 88,750	\$ 10,483,706
Employee benefits	2,383,324	75,695	15,390	2,474,409
Depreciation	254,972	65,025	-0-	319,997
Interest	43,839	3,373	-0-	47,212
Utilities, rent, and maintenance	394,649	60,330	-0-	454,979
Purchased services	185,892	306,215	43	492,150
Travel and mileage	267,482	1,559	203	269,244
Other	619,521	845,824	13,016	1,478,361
	<u>\$ 14,356,467</u>	<u>\$ 1,546,189</u>	<u>\$ 117,402</u>	<u>\$ 16,020,058</u>

SYCAMORE REHABILITATION SERVICES / HENDRICKS COUNTY ARC, INC.
DBA SYCAMORE SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

	June 30, 2021			
	Program Services	General & Administrative	Fundraising	Total
Salaries and wages	\$ 8,350,586	\$ 153,948	\$ 72,610	\$ 8,577,144
Employee benefits	1,952,302	68,230	13,872	2,034,404
Depreciation	267,577	68,240	-0-	335,817
Interest	43,185	3,323	-0-	46,508
Utilities, rent, and maintenance	329,839	50,423	-0-	380,262
Purchased services	219,359	361,344	51	580,754
Travel and mileage	179,081	1,044	136	180,261
Other	464,875	634,687	9,767	1,109,329
	<u>\$ 11,806,804</u>	<u>\$ 1,341,239</u>	<u>\$ 96,436</u>	<u>\$ 13,244,479</u>

17. LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated balance sheet date, comprise the following:

	2022	2021
Cash	\$ 3,749,967	\$ 4,275,051
Contract receivables	1,647,421	1,484,774
Other receivables	570,158	278,600
Undesignated investments	4,363,738	4,237,235
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 10,331,284</u>	<u>\$ 10,275,660</u>

In addition, Sycamore Services has \$1,200,000 of board designated investments as of June 30, 2022 and 2021, respectively. While the board of directors does not intend to spend these funds within the next year, the amount could be made available, if necessary. The receivables are subject to implied time restrictions but are expected to be collected within one year. As a part of Sycamore Service's liquidity management, it has a policy to structure financial assets to be available as its general expenditures, liabilities and other obligations come due.

18. COMMITMENTS AND CONTINGENCIES

Certain grants and contracts require the fulfillment of certain conditions as set forth in the agreements. Failure to fulfill the conditions could result in the return of the funds to grantors. Although that is a possibility, Sycamore Services deems the contingency remote, since by accepting the funds and their terms it has accommodated the objectives of the organization to the provisions of the grant or contract.

SYCAMORE REHABILITATION SERVICES / HENDRICKS COUNTY ARC, INC.
DBA SYCAMORE SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

Sycamore Services maintains general and professional liability insurance, designed to cover potential losses resulting from litigation; however, some claims may not be covered by this insurance. General and professional liability coverage is provided on an occurrence-made basis. Based on insurance coverage in effect during the period, management of Sycamore Services is not aware of any pending litigation or unasserted claims as of June 30, 2022 that would be significant to the consolidated financial statements. However, due to the nature of the health care industry, at any point in time, Sycamore Services may become subject to professional liability claims and lawsuits, some of which may not be covered by this insurance or exceed the policy thresholds.

19. COVID-19

In March 2020, the World Health Organization declared COVID-19 a pandemic. The continued spread of COVID-19, or any similar outbreaks in the future, may continue to adversely impact the local, regional, national, and global economies. The extent to which COVID-19 continues to impact Sycamore Services' operating results is dependent on the breadth and duration of the pandemic and could be affected by other factors management is not currently able to predict. Impacts include, but are not limited to, additional costs for responding to COVID-19, potential shortages of personnel, potential shortages of supplies, loss of, or reduction to, revenue, and investment portfolio declines. Management believes it is taking appropriate actions to respond to the pandemic. However, the full impact is unknown and cannot be reasonably estimated at the date the consolidated financial statements were available to be issued.

During 2021, Provider Relief Funds (PRF) grants authorized under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) were distributed to eligible providers impacted by the outbreak of the COVID-19 pandemic. Sycamore Services received and recognized approximately \$236,000 of these funds from the CARES Act during 2021. Sycamore Services did not receive PRF grants during 2022. PRF amounts are recognized to the extent Sycamore Services meets the terms and conditions as set forth related to qualifying COVID-19 expenses and lost revenues. These funds are recognized under COVID-19 grants in the consolidated statements of activities and changes in net assets. Sycamore Services did not defer any of the PRF as refundable advances as of June 30, 2022 and 2021. Compliance with the terms and conditions as set forth related to qualifying COVID-19 expenses and lost revenues may also be subject to future government review and interpretation. There can be no assurance that regulatory authorities will not challenge Sycamore Service's compliance with the terms and conditions as set forth related to qualifying COVID-19 expenses and lost revenues, and it is not possible to determine the impact (if any) such claims would have upon Sycamore Services' consolidated financial position.

20. FEDERAL, STATE AND LOCAL AWARDS

Uniform Compliance Guidelines for Examination of Entities Receiving Financial Assistance from Governmental Sources, issued by the Indiana State Board of Accounts, requires Indiana not-for-profit entities to report federal, state, and local awards expended during the entities' annual reporting period. The federal awards for Sycamore Services are reported in the schedule of expenditures of federal awards (SEFA) for the year ended June 30, 2022 as required under Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the *Uniform Guidance*).

**SYCAMORE REHABILITATION SERVICES / HENDRICKS COUNTY ARC, INC.
DBA SYCAMORE SERVICES, INC.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

In 2022 and 2021, Sycamore Services received COVID-19 federal grant funds of approximately \$226,000 and \$579,000 passed through the Department of Treasury and the State of Indiana Family and Social Services Administration (FSSA) for sustainability of its services programs. FSSA considers Sycamore Services a beneficiary for these grant funds rather than sub-recipient. As a beneficiary, these funds are excluded from Sycamore Services' SEFA under the *Uniform* Guidance.

During 2022 and 2021, Sycamore Services expended the following state and local awards:

	2022	2021
State		
Indiana Department of Transportation	\$ 135,385	\$ 79,868
Local		
Hendricks County	\$ 58,601	\$ 39,267
Morgan County	42,000	42,000
Total local awards	\$ 100,601	\$ 81,267



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

Board of Directors
Sycamore Rehabilitation Services / Hendricks County ARC, Inc.
dba Sycamore Services, Inc.
Danville, 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 consolidated financial statements of Sycamore Rehabilitation Services / Hendricks County ARC, Inc. dba Sycamore Services, Inc. (Sycamore Services), which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated March 17, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Sycamore Services' 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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Sycamore Services' internal control. Accordingly, we do not express an opinion on the effectiveness of Sycamore Services' 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 Sycamore Services' consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Board of Directors
Sycamore Rehabilitation Services / Hendricks County ARC, Inc.
dba Sycamore Services, Inc.
Danville, Indiana

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sycamore Services' consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated 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*.

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 Sycamore Services' internal control or on compliance. This report is an integral part of an audit performed in accordance *with Government Auditing Standards* in considering Sycamore Services' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Blue & Co., LLC

Indianapolis, Indiana
March 17, 2023



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**REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
 INTERNAL CONTROL OVER COMPLIANCE AND SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 REQUIRED BY THE *UNIFORM GUIDANCE***

Board of Directors
 Sycamore Rehabilitation Services / Hendricks County ARC, Inc.
 dba Sycamore Services, Inc.
 Danville, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Sycamore Rehabilitation Services / Hendricks County ARC, Inc. dba Sycamore Services, Inc. (Sycamore Services) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Sycamore Services' major federal programs for the year ended June 30, 2022. Sycamore Services' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the *Uniform Guidance*). Our responsibilities under those standards and the *Uniform Guidance* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Sycamore Services and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of Sycamore Services' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Sycamore Services' federal programs.

Board of Directors
Sycamore Rehabilitation Services / Hendricks County ARC, Inc.
dba Sycamore Services, Inc.
Danville, Indiana

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Sycamore Services' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Uniform Guidance* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about Sycamore Services' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Uniform Guidance*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Sycamore Services' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Sycamore Services' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *Uniform Guidance*, but not for the purpose of expressing an opinion on the effectiveness of Sycamore Services' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Board of Directors
Sycamore Rehabilitation Services / Hendricks County ARC, Inc.
dba Sycamore Services, Inc.
Danville, Indiana

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Schedule of Expenditures of Federal Awards Required by the *Uniform Guidance*

We have audited the financial statements of the Sycamore Services as of and for the year ended June 30, 2022, and have issued our report thereon dated March 17, 2023 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by the *Uniform Guidance*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Blue & Co., LLC

Indianapolis, Indiana
March 17, 2023

**SYCAMORE REHABILITATION SERVICES / HENDRICKS COUNTY ARC, INC.
DBA SYCAMORE SERVICES, INC.**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

Federal Grantor / Pass-through / Program Title	Assistance Listing #	Grant ID #	Total
Major program			
Department of Transportation			
Passed through Indiana Department of Transportation			
Formula Grants for Rural Areas (5311)	20.509	A249-20-G200038	\$ 1,232,141
Non-major programs			
Department of Housing and Urban Development			
Passed through State of Indiana - Office of			
Community and Rural Affairs - Hendricks County			
Community Development Block Grant	14.228	56214	58,027
Department of Health and Human Services			
COVID-19 - CARES Act, Provider Relief Fund	93.498	Not available	235,889
Total non-major programs			293,916
Total federal expenditures			\$ 1,526,057

See report on schedule of expenditures on federal awards required by the *Uniform Guidance* on page 32.
See accompanying notes to schedule of expenditures of federal awards.

**SYCAMORE REHABILITATION SERVICES / HENDRICKS COUNTY ARC, INC.
DBA SYCAMORE SERVICES, INC.**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2022

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal award activity of Sycamore Rehabilitation Services / Hendricks County ARC, Inc. dba Sycamore Services, Inc. (Sycamore Services) under programs of the federal government for the year ended June 30, 2022. The information in the SEFA is presented in accordance with requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the *Uniform Guidance*). Therefore, some of the amounts presented in the SEFA may differ from amounts presented in or used in the preparation of the basic consolidated financial statements. The basic consolidated financial statement classifications may include other financial activity for reporting purposes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the *Uniform Guidance*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Center has elected to use the 10% de minimis indirect cost rate as allowed under the *Uniform Guidance*.

3. SUBRECIPIENT PASS-THROUGH

Sycamore Services did not pass through any federal awards to subrecipients during 2022.

4. PROVIDER RELIEF FUNDS

Under terms and conditions of the Provider Relief Fund (PRF) under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Sycamore Services is required to report COVID-19 related expenses and lost revenue to the U.S. Department of Health and Human Services (HHS). Guidance from HHS has required the reporting of the COVID-19 related expenses and lost revenue in certain reporting periods based on when the funds were received.

The 2022 SEFA includes PRF of approximately \$236,000 which was received by Sycamore Services during June 30, 2021. Sycamore Services recognized \$236,000 as revenue in the 2021 statement of activities and changes in net assets as the terms and conditions of the PRF grant were satisfied by Sycamore Services during 2021. HHS requires these PRF amounts be reported on the 2022 SEFA, rather than the 2021 SEFA. Sycamore Services did not receive PRF funds during 2022.

5. FAIR MARKET VALUE OF DONATED PERSONAL PROTECTED EQUIPMENT (UNAUDITED)

During 2022, Sycamore Services did not receive any material donated personal protective equipment from federal sources.

**SYCAMORE REHABILITATION SERVICES / HENDRICKS COUNTY ARC, INC.
DBA SYCAMORE SERVICES, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weakness(es) identified?	____ yes <u>X</u> no
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	____ yes <u>X</u> none noted
Noncompliance material to financial statements noted?	____ yes <u>X</u> no

Federal Awards

Internal controls over major programs	
Material weakness(es) identified?	____ yes <u>X</u> no
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	____ yes <u>X</u> none noted
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	____ yes <u>X</u> no
Identification of major program	
Department of Transportation - Formula Grants for Rural Areas - CFDA 20.509	
Dollar threshold used to distinguish between type A and B programs:	\$750,000
Auditee qualified as low-risk auditee?	____ yes <u>X</u> no

**Section II - Findings Related to Financial Statements Reported in
Accordance With Government Auditing Standards:**

No matters reported

Section III - Findings and Questioned Costs Relating to Federal Awards:

No matters reported

Section IV - Summary Schedule of Prior Audit Findings:

Not applicable

Section 5311 Cost Allocation Plan
for

**Sycamore Rehabilitation Services/Hendricks County
Arc, Inc. dba LINK Hendricks County and Morgan
County Connect**

SUBMITTED WITH:

CY2025 SECTION 5311/5339 GRANT APPLICATION

PURPOSE:

The purpose of this cost allocation plan is to summarize the methods and the procedures the 5311 Sub-recipient will use to allocate costs to the 5311 programs, grants, contracts, and agreements during the period **January 1, 2025 – December 31, 2025**.

Agencies must complete this Cost Allocation Plan if either of the following applies:

- Agency will be seeking reimbursement of both direct and Indirect (shared) agency costs through the calculation and use of an approved Indirect Cost Rate.
- Agency will be allocating all costs as Direct without the use of an Indirect Cost Rate. Agencies choosing to allocate all costs as Direct, must provide clear explanations as to how each cost that will be charged to the 5311 budget **does not include:**
 - any portion of cost that would be considered shared; or
 - any portion of cost that should be paid wholly by other programs within the agency
 - **Agencies must also complete the "Indirect Rate Calculator" form that is included within the Section 5311/5339 Grant Application. This form will identify the overall agency costs and what portion is charged directly to each program within the agency. NO RATE WILL BE REFLECTED AS ALL COSTS WILL BE ALLOCATED AS DIRECT THROUGHOUT THE AGENCY.**

BACKGROUND

2 CFR PART 230 states that "the total cost of an award is the sum of the allowable direct and allocable indirect costs less any applicable credits." Further, costs must be reasonable, conform to any limitations or exclusions, be consistent with policies and procedures, be accorded consistent treatment, be determined in accordance with GAAP, and adequately documented.

According to 2 CFR PART 230, "(a) cost is allocable to a particular cost objective...in accordance with the relative benefits received. A cost is allocable to a Federal award if it is treated consistently with other costs incurred for the same purpose." 2 CFR PART 230 further states, "direct costs are those that can be identified specifically with a particular final cost objective. Indirect costs are those that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective."

Only costs that are allowable in accordance with the cost principles and appropriate contract provisions will be allocated to benefiting programs by the agency.

GENERAL APPROACH

The general approach of the agency in allocating costs to particular grants and contracts are as follows:

- A. All allowable direct costs are charged directly to the contract, grant and/or program receiving the benefit of the costs incurred and based on cost methodologies.
- B. Portions of allowable Indirect costs are reimbursed based upon a calculated and approved indirect cost rate.
- C. Descriptions of cost allocation methodologies must be sufficient for the state to determine allowability. If information provided is not sufficient for the state to make these determinations for each cost, the agency will have their Cost Allocation Plan rejected which could delay or possibly result in non-approval of application.

D. NO OTHER COST ALLOCATION PLAN WILL BE ACCEPTED UNLESS FROM ANOTHER APPROVING COGNIZANT AGENCY.

*** Cognizant Agency: means the agency responsible for negotiating and approving indirect cost rates for a nonprofit organization on behalf of all Federal agencies.**

ALLOCATION OF COSTS – DETERMINATION AND METHODS

Please select (CLICK) the text box for each applicable expense category that matches your Operating Budget submitted with the application. You must then provide a **detailed narrative** of how **any expense that has been allocated as a direct cost** to the 5311 Program was determined (E.g., square feet, timesheets, number of employees, etc.). **PLEASE DO NOT ADJUST SIZE OF ANY TEXT BOX WHEN ENTERING NARRATIVES.**

INDIRECT COSTS: If a cost associated with any of the expense categories below is allocated as Indirect (shared), you will not be required to provide a methodology for that expense. Please complete **“Attachment A”** at the end of this plan for any costs that will be allocated as Indirect.

IMPORTANT: If **Square Footage** is going to be used by the agency to allocate costs for any expense category below, you must include a rendering of the facility and grounds with the breakdown of program use within **“Attachment B”** at the end of this plan. Rendering can be a drawn-out floor plan of agency and grounds.

501 SALARIES AND WAGES

501.01 Operator Salaries and Wages; If claiming any portion of these salaries as a Direct Cost, please explain how the agency is able to confirm that the cost associated with this expense is only for those operators of revenue service (public transit). If your agency operates other non-revenue transit programs of which an operator within revenue service also operates or performs non-revenue service duties, you must describe how the agency would confirm the hours charged to the federal funding are only for those hours in revenue service operations.

Operator's Salaries are direct cost. Direct costs are determined based on the program the individual is working for and how they enter their time.

501.02 Admin Salaries and Wages; If claiming any portion of these salaries as a Direct Cost, please list the **job title** for any Administrative staff member with specific responsibility to the transit system. Any staff member listed who also has responsibilities to **other agency programs** must have a brief description of the transit specific job duties for each of those staff members in order to receive federal fund reimbursement for any portion of their salary.

Some Administrative Salaries are direct cost. Direct costs are determined based on the program the individual is working for and how they enter their time. One such employee type is the Team Lead for Transportation. Some are billed as indirect. Indirect costs are determined by an admin allocation based on revenue. This is reviewed each month. Other Administrative Staff include CEO, COO, CFO, Accounting, HR/QA, Executive Assistant, and Operations Support Specialist. They assist with oversight, grants, payroll, timekeeping, data entry, meeting attendance, etc.

501.03 Dispatcher Salaries and Wages; If claiming any portion of these salaries as a Direct Cost, please explain how the agency is able to confirm that the cost associated with this expense is only for those Dispatchers of revenue service (public transit). If your agency operates other non-revenue transit programs of which a Dispatcher within revenue service also schedules or dispatches for the non-revenue service, you must describe how the agency would confirm the hours charged to the federal funding are only for those hours in revenue service operations.

Dispatcher Salaries are direct costs. Direct costs are determined based on the program the individual is working for and how they enter their time.

501.04 Mechanic Salaries and Wages; If claiming any portion of these salaries as a Direct Cost, please explain how the agency is able to confirm that the cost associated with this expense is only for those Mechanics who service, and repair vehicles operated within revenue service (public transit). If you employ Mechanics who service and repair vehicles that are in both revenue and non-revenue service, you must describe how the agency would confirm that only those hours of servicing and repairing revenue service vehicles are charged to the federal transit grant.

N/A

501.05 Building and Maintenance Salaries and Wages; If claiming any portion of these salaries as a Direct Cost, please explain how the agency is able to confirm that the cost associated with this expense is only for those Maintenance staff who service and repair facilities and grounds for an agency operating revenue service (public transit). If a staff Mechanic services and repairs grounds and facilities for an agency who administers multiple programs within those facilities, you must describe how the agency determines what portion would be charged to the federal transit program. This is vital to ensuring that federal transit funds are not paying an unfair share of Building Maintenance Salaries for services and repairs completed on facilities with multiple programs.

N/A

501.99 Other Salaries and Wages; If claiming any portion of these salaries as a Direct Cost, please list the **job title** for any “Other” staff member with specific responsibility to the transit system. Any staff member listed who also has responsibilities to **other agency programs** must have a brief description of the transit specific job duties for each of those staff members in order to receive federal fund reimbursement for any portion of their salary.

N/A

502 FRINGE BENEFITS; If any of the following costs are claimed as a direct cost to the federal transit funds, the agency **must apply the same methodology used for charging salaries and wages. These methodologies must be provided in Salaries and Wages.**

- 502.01 Health and Medical Insurance
- 502.02 Life Insurance
- 502.03 Dental Insurance
- 502.04 FICA
- 502.05 PERF
- 502.06 Unemployment Insurance
- 502.07 Workman’s Compensation
- 502.09 Paid Absence (Vacation/sick/holiday)

502.08 Uniform/Clothing Allowance; If claiming any portion as a Direct Cost, please describe the transit specific purpose of the clothing allowance in the space below. Also provide an explanation of what supporting documentation would be provided upon request by the state to confirm the cost associated with this expense is only for those costs associated with uniform and clothing allowances provided to staff members of revenue service (public transit).

N/A

502.99 Other Fringe; If claiming any portion as a Direct Cost, please provide a description of this “other fringe”. Also provide an explanation of what documentation would be provided upon request by the state to confirm the cost associated with this expense is only for those costs associated with staff of revenue service (public transit).

Some of the Other Fringe Benefit costs are billed as direct cost. Direct costs are determined based on the program the individual is working for and how they enter their time. Some are billed as indirect. Indirect costs are determined by an Admin Allocation based on revenue. This is reviewed each month.

503 SERVICES

503.02 Advertising Fees; If claiming any portion as a Direct Cost, please provide an explanation as to how the agency determines what portion of this expense is charged to the federal transit funds. If the agency conducts any type of shared advertising that is inclusive of the transit program and any other programs within the agency, you must provide an explanation as to how the agency determines what portion is charged to the federal transit funds. This is vital to ensuring that federal transit funds are not paying an unfair share of Advertising Fees associated with shared Advertising of the agency.

Advertising Fees are primarily billed administratively for the entire organization. Such as advertising costs associated with local publications, flyers, and websites. Indirect costs are determined by an Admin Allocation based on revenue.

503.03 Professional and Technical; If claiming any portion as a Direct Cost, please provide an explanation as to how the agency determines what portion of this expense is charged to the federal transit funds. If Services are used to assist with issues or needs that benefit the entire agency, you must describe how the agency determines what portion of costs would be charged to the federal transit program. This is vital to ensuring that federal transit funds are not paying an unfair share of costs associated with these services.

N/A

503.05 Building and Maintenance Services; If claiming any portion as a Direct Cost, please provide an explanation as to how the agency determines what portion of this expense is charged to the federal transit funds. If Maintenance Services are used for facilities that house the administration of multiple programs within those facilities, you must describe how the agency determines what portion of costs would be charged to the federal transit program. This is vital to ensuring that federal transit funds are not paying an unfair share of costs associated with repairs, upkeep, or service to facilities shared by multiple programs.

N/A

503.06 Custodial Services/Labor; If claiming any portion as a Direct Cost, please provide an explanation as to how the agency determines what portion of this expense is charged to the federal transit funds. If Custodial Services are used for facilities who share in the administration of multiple programs within those facilities, you must describe how the agency determines what portion of Labor costs would be charged to the federal transit program. This is vital to ensuring that federal transit funds are not paying an unfair share of Labor costs associated with this type of service to facilities shared by multiple programs.

Some Custodial Services/Labor are billed as direct costs. Direct costs are determined based on the program incurring the expense. The invoices are coded directly to the program and recorded in the accounting system as such.

503.07 Legal Services; If claiming any portion as a Direct Cost, please provide an explanation as to how the agency determines what portion of this expense is charged to the federal transit funds. If the agency utilizes Legal Services that are shared and inclusive of the transit program and any other programs within the agency, you must provide an explanation as to how the agency determines what portion is charged to the federal transit funds. This is vital to ensuring that federal transit funds are not paying an unfair share of fees associated with shared Legal Services for the agency.

Legal Services are billed as indirect costs. Indirect costs are determined by and Admin Allocation based on revenue. This is reviewed each month.

503.08 Payroll Services; If claiming any portion as a Direct Cost, please provide an explanation as to how the agency determines what portion of this expense is charged to the federal transit funds. If the agency utilizes Payroll Services that are shared and inclusive of the transit program and any other programs within the agency, you must provide an explanation as to how the agency determines what portion is charged to the federal transit funds. This is vital to ensuring that federal transit funds are not paying an unfair share of fees associated with shared Payroll Services for the agency.

Some Payroll Services costs are billed as direct costs. Direct costs are determined based on the program incurring the expense. The invoices are coded directly to the program and recorded in the accounting system as such. Some are billed as indirect. The indirect costs are determined by an Admin Allocation based on revenue. This is reviewed each month.

503.09 CPA Services; If claiming any portion as a Direct Cost, please provide an explanation as to how the agency determines what portion of this expense is charged to the federal transit funds. If the agency utilizes CPA Services that are shared and inclusive of the transit program and any other programs within the agency, you must provide an explanation as to how the agency determines what portion is charged to the federal transit funds. This is vital to ensuring that federal transit funds are not paying an unfair share of fees associated with shared CPA Services for the agency.

Some CPA Services costs are billed as direct costs. Direct costs are determined based on the program incurring the expense. The invoices are coded directly to the program and recorded in the accounting system as such. Some are billed as indirect. The indirect costs are determined by an Admin Allocation based on revenue. This is reviewed each month.

503.10 Computer Services/Design/Program; If claiming any portion as a Direct Cost, please provide an explanation as to how the agency determines what portion of this expense is charged to the federal transit funds. If the agency utilizes Computer Services to service, or design computers or hardware that is inclusive of both the transit program and any other programs within the agency, you must provide an explanation as to how the agency determines what portion is charged to the federal transit funds. This is vital to ensuring that federal transit funds are not paying an unfair share of fees associated with shared Computer Services for the agency.

Some Computer Services/Design/Program costs are billed as direct costs. Direct costs are determined based on the program incurring the expense. The invoices are coded directly to the program and recorded in the accounting system as such. Some are billed as indirect. The indirect costs are determined by an Admin Allocation based on revenue. This is reviewed each month.

503.11 Data Processing; If claiming any portion as a Direct Cost, please provide an explanation as to how the agency determines what portion of this expense is charged to the federal transit funds. If the agency utilizes Data Processing Services that are shared and inclusive of the transit program and any other programs within the agency, you must provide an explanation as to how the agency determines what portion is charged to the federal transit funds. This is vital to ensuring that federal transit funds are not paying an unfair share of fees associated with shared Data Processing Services for the agency.

N/A

503.12 Administrative/Consulting; If claiming any portion as a Direct Cost, please provide an explanation as to how the agency determines what portion of this expense is charged to the federal transit funds. If the agency utilizes Consulting Services that are shared and inclusive of the transit program and any other programs within the agency, you must provide an explanation as to how the agency determines what portion is charged to the federal transit funds. This is vital to ensuring that federal transit funds are not paying an unfair share of fees associated with shared Consulting Services for the agency.

Administrative/Consulting costs are billed as indirect costs. Indirect costs are determined by an Admin Allocation based on revenue. This is reviewed each month.

503.14 Automotive Repair/Labor ONLY; If claiming any portion as a Direct Cost, please provide an explanation as to how the agency determines what portion of this expense is charged to the federal transit funds. If an agency operates multiple transit programs, you must describe how the agency would determine what portion of Labor costs would be charged to the federal transit grant if a single service invoice from a vendor included both revenue and non-revenue vehicles.

The majority of Automotive Repair/Labor Only is billed as direct costs. Direct costs are determined based on the program incurring the expense. The invoices are coded directly to the program and recorded in the accounting system as such. Some are billed as indirect. Indirect costs are determined by and Admin Allocation based on revenue. This is reviewed each month.

503.99 Other Services; If claiming any portion as a Direct Cost, please provide a description of all “other service” expenses. Also provide an explanation of how the agency would determine what portion of these service expenses would be charged to the federal transit funds.

Some Other Services costs are billed as direct costs. Direct costs are determined based on the program incurring the expense. The invoices are coded directly to the program and recorded in the accounting system as such. Some are billed as indirect. Indirect costs are determined by an Admin Allocation based on revenue. This is reviewed each month.

504 MATERIALS AND SUPPLIES

504.01 Fuel and Lubricants

504.02 Tires and Tubes

504.03 Auto Parts ONLY; If claiming any portion of the above expenses as a Direct Cost, please explain how the agency is able to determine what portion of the cost associated with these expenses is charged to the federal transit funds. If you operate multiple transit programs within the agency, you must describe how the agency would confirm that only those Fuel, Tire, and Auto Parts costs associated with revenue service (public transit) is charged to the federal transit funds.

Some Auto Parts Only costs are billed as direct costs. Direct costs are determined based on the program incurring the expense. The invoices are coded directly to the program and recorded in the accounting system as such.

504.04 Medical/Safety Equipment; If claiming any portion as a Direct Cost, please provide an explanation as to how the agency determines what portion of this expense is charged to the federal transit funds. If the agency purchases Medical/Safety Equipment that are shared by multiple programs within the agency, you must provide an explanation as to how the agency determines what portion is charged to the federal transit funds. This is vital to ensure that federal transit funds are not paying an unfair share of costs associated with shared equipment.

N/A

504.05 Fire Extinguishers; If claiming any portion as a Direct Cost, please provide an explanation as to how the agency determines what portion of this expense is charged to the federal transit funds. If Fire Extinguishers are purchased for non-revenue vehicles, or for agency facilities who administer multiple programs within those facilities, you must describe how the agency determines what portion of this cost would be charged to the federal transit program. This is vital to ensuring that federal transit funds are not paying an unfair share of Fire Extinguisher costs associated with the agency.

N/A

504.06 Office Supplies

504.07 Janitorial Supplies; If claiming any portion of these as a Direct Cost, please provide an explanation as to how the agency determines what portion of these expenses are charged to the federal transit funds. If the agency purchases Office and Janitorial Supplies that are shared by multiple programs within the agency, you must provide an explanation as to how the agency determines what portion is charged to the federal transit funds. This is vital to ensuring that federal transit funds are not paying an unfair share of costs associated with shared Office and Janitorial Supplies.

N/A

503.99 Other Materials and Supplies; If claiming any portion as a Direct Cost, please provide a description of all “other materials and supplies” expenses. Also provide an explanation of how the agency would determine what portion of these supply expenses would be charged to the federal transit funds.

Some Other Materials and Supplies costs are billed as direct costs. Direct costs are determined based on the program incurring the expense. The invoices are coded directly to the program and recorded in the accounting system as such. Some are billed as indirect. Indirect costs are determined by an Admin Allocation based on revenue. This is reviewed monthly.

505 UTILITIES

505.01 Electric

505.02 Gas

505.03 Water/Sewer; If claiming any portion of Electric, Gas, Water/Sewer as a Direct Cost, please explain how the agency is able to determine what portion of these costs are charged to the federal transit funds. If the agency manages multiple programs within the facility, you must describe how the agency determines what portion of the shared costs would be charged to the federal transit program. This is vital to ensure that federal transit funds are not paying an unfair share of Utility Costs for agencies managing multiple programs within the same facility.

Water/Sewer costs are billed as direct costs. Direct costs are determined based on the program incurring the expense. The invoices are coded directly to the program and recorded in the accounting system as such.

505.04 Garbage; If claiming any portion of Garbage as a Direct Cost, please explain how the agency is able to determine what portion of this cost is charged to the federal transit funds. If the agency manages multiple programs within the facility, you must describe how the agency determines what portion of the shared cost would be charged to the federal transit program. This is vital to ensuring that federal transit funds are not paying an unfair share of Garbage Disposal costs for agencies managing multiple programs within the same facility.

Garbage costs are billed as direct costs. Direct costs are determined based on the program incurring the expense. The invoices are coded directly to the program and recorded in the accounting system as such.

505.05 Telephone; If claiming any portion of Telephone as a Direct Cost, please explain how the agency is able to determine what portion of this cost is charged to the federal transit funds. This is especially critical if the agency has a single phone line for all programs within the agency. This is vital to ensuring that federal transit funds are not paying an unfair share of Telephone costs for agencies managing multiple programs within the same facility.

Some Telephone costs are billed as direct costs. Direct costs are determined based on the program incurring the expense. The invoices are coded directly to the program and recorded in the account system as such. Some are billed as indirect. Indirect costs are determined by an Admin Allocation based on revenue. This is reviewed each month.

505.99 Other Utilities; If claiming any portion as a Direct Cost, please provide a description of all “other Utilities” expenses. Also provide an explanation of how the agency would determine what portion of these expenses would be charged to the federal transit funds.

Some Other Utilities costs are billed as direct costs. Direct costs are determined based on the program incurring the expense. The invoices are coded directly to the program and recorded in the account system as such. Some are billed as indirect. Indirect costs are determined by an Admin Allocation based on revenue. This is reviewed each month.

506 INSURANCE

506.01 Facility and Property Insurance; If claiming any portion of Facility and Property Insurance as a Direct Cost, please explain how the agency is able to determine what portion of these costs are charged to the federal transit funds. This is vital to ensure that federal transit funds are not paying an unfair share of Facility Insurance costs for agencies managing multiple programs within the same facility.

Some Facility and Property Insurance costs are billed as direct costs. Direct costs are determined based on the program incurring the expense. The invoices are coded directly to the program and recorded in the account system as such. Some are billed as indirect. Indirect costs are determined by an Admin Allocation based on revenue. This is reviewed each month.

506.02 Vehicle Insurance; If claiming any portion of Vehicle Insurance as a Direct Cost, please explain how the agency is able to confirm that the cost associated with this expense is only for those vehicles being operated in revenue service (public transit). If your agency operates multiple transit programs, you must describe how the agency would confirm that only those vehicles operating in revenue service are included in the expense submitted for federal reimbursement.

Some Vehicle Insurance costs are billed as direct costs. Direct costs are determined based on the program incurring the expense. The invoices are coded directly to the program and recorded in the account system as such. Some are billed as indirect. Indirect costs are determined by an Admin Allocation based on revenue. This is reviewed each month.

505.99 Other Insurance; If claiming any portion as a Direct Cost, please provide a description of all “other Utilities” expenses. Also provide an explanation of how the agency would determine what portion of these expenses would be charged to the federal transit funds.

Other Insurance costs are billed as indirect costs. Indirect costs are determined by an Admin Allocation based on revenue. This is reviewed each month.

507 TAXES

507.04 Vehicle Licensing and Registration; If claiming any portion as a Direct Cost, please explain how the agency is able to confirm that the cost associated with this expense is only for those vehicles being operated in revenue service (public transit). If your agency operates multiple transit programs, you must describe how the agency would confirm that only those vehicles operating in revenue service are included in the expense submitted for federal reimbursement.

Vehicle Licensing and Registration costs are billed as indirect costs. Indirect costs are determined by an Admin Allocation based on revenue. This is reviewed each month.

507.05 Fuel Tax; If claiming any portion as a Direct Cost, please explain how the agency is able to confirm that the cost associated with this expense is only for those vehicles being operated in revenue service (public transit). If your agency operates multiple transit programs, you must describe how the agency would confirm that only those vehicles operating in revenue service are included in the expense submitted for federal reimbursement.

IMPORTANT: Transit systems that show fuel tax as an expense must also show revenue from the State's fuel tax refund program that public transit systems are eligible to receive. Systems must report any fuel tax refund as a contra-expense under revenue category 407.04.

N/A

505.99 Other Taxes; If claiming any portion as a Direct Cost, please provide a description of all “other Taxes” expenses. Also provide an explanation of how the agency would determine what portion of these expenses would be charged to the federal transit funds.

N/A

509 MISCELLANEOUS

509.01 Dues and Subscriptions; If claiming any portion as a Direct Cost, please provide an explanation as to how the agency determines what portion of this expense is charged to the federal transit funds. If the agency has memberships with organizations that would be considered shared and inclusive of the transit program and any other programs within the agency, you must identify those memberships or subscriptions and provide an explanation as to how the agency determines what portion is charged to the federal transit funds. This is vital to ensuring that federal transit funds are not paying an unfair share of Dues and Subscriptions associated with shared memberships of the agency.

Dues and Subscriptions costs are billed as indirect costs. Indirect costs are determined by an Admin Allocation based on revenue. This is reviewed each month.

509.02 Travel and Meetings; If claiming any portion as a Direct Cost, please provide an explanation as to how the agency determines what portion of this expense is charged to the federal transit funds. If agency staff attends any type of training, conference, workshop, etc. that would be considered shared and inclusive of the transit program and any other programs within the agency, you must provide an explanation as to how the agency determines what portion is charged to the federal transit funds. This is vital to ensure that federal transit funds are not paying an unfair share of costs associated with travel and attendance to shared training for agency staff.

Some Travel and Meetings costs are billed as direct costs. Direct costs are determined based on the program incurring the expense. The invoices are coded directly to the program and recorded in the account system as such. Some are billed as indirect. Indirect costs are determined by an Admin Allocation based on revenue. This is reviewed each month.

509.03 Postage; If claiming any portion of Postage as a Direct Cost, please explain how the agency is able to determine what portion of this cost is charged to the federal transit funds. If the agency manages multiple programs within the facility, you must describe how the agency determines what portion of this cost would be charged to the federal transit program. This is especially critical of any type of “mass mailing” that would provide information that is all-inclusive of all agency programs. This is vital to ensure that federal transit funds are not paying an unfair share of shared Postage costs for the agency.

Some Postage costs are billed as direct costs. Direct costs are determined based on the program incurring the expense. The invoices are coded directly to the program and recorded in the account system as such. Some are billed as indirect. Indirect costs are determined by an Admin Allocation based on revenue. This is reviewed each month.

509.99 Other Miscellaneous; If claiming any portion as a Direct Cost, please provide a description of all “other Miscellaneous” expenses. Also provide an explanation of how the agency would determine what portion of these expenses would be charged to the federal transit funds.

Other Miscellaneous costs are billed as indirect costs. Indirect costs are determined by an Admin Allocation based on revenue. This is reviewed each month.

512 LEASES AND RENTALS

512.01 Equipment Lease and Rental; If claiming any portion of Equipment Lease as a Direct Cost, please explain how the agency is able to determine what portion of these costs are charged to the federal transit funds. If the agency has any equipment that is shared between transit and any other program, you must identify the equipment and describe how the agency determines what portion of the lease would be charged to the federal transit program. This is vital to ensuring that federal transit funds are not paying an unfair share of Equipment Leases entered into by the agency.

Equipment Lease and Rental costs are billed as direct costs. Direct costs are determined based on the program incurring the expense. The invoices are coded directly to the program and recorded in the accounting system as such.

512.02 Facility Lease and Rental; If claiming any portion of Facility Lease as a Direct Cost, please explain how the agency is able to determine what portion of these costs are charged to the federal transit funds. This is vital to ensure that federal transit funds are not paying an unfair share of Facility Lease for agencies managing multiple programs within the same facility.

Some Facility Lease and Rental costs are billed as direct costs. Direct costs are determined based on the program incurring the expense. The invoices are coded directly to the program and recorded in the account system as such. Some are billed as indirect. Indirect costs are determined by an Admin Allocation based on revenue. This is reviewed each month.

512.03 Uniform Lease and Rental; If claiming any portion as a Direct Cost, please describe the transit specific purpose of the Uniform Lease or Rental. Also provide an explanation of what supporting documentation would be provided upon request by the state to confirm the cost associated with this expense is only for those costs associated with uniform and clothing allowances provided to staff members of revenue service (public transit).

N/A

509.99 Other Leases and Rentals; If claiming any portion as a Direct Cost, please provide a description of all “other Leases and Rentals” expenses. Also provide an explanation of how the agency would determine what portion of these expenses would be charged to the federal transit funds.

Other Leases and Rentals are billed as indirect costs. Indirect costs are determined by the Admin Allocation based on revenue. This is reviewed each month.

Attachment A

INSTRUCTIONS: Please identify any expense that has not been allocated as a Direct Cost and not included as part of the narratives provided throughout previous sections of this Cost Allocation Plan. Portions of the costs associated with any shared expense below will be reimbursed through the approved Indirect Cost Rate that has been calculated and submitted for approval within the Section 5311/5339 Grant Application.

How costs are allocated (Direct vs. Indirect) **must be consistent** throughout each of the following documents that are submitted within the Section 5311/5339 Grant Application:

- Section 5311 Cost Allocation Plan
- Indirect Rate Calculator
- Operating Project Budget

Please complete the table below to identify any expense that will be allocated as Indirect (shared) and not included within any line item within the Transit Budget submitted with the Section 5311/5339 Grant Application.

Place "X" below if any portion of the expense identified to the right has been allocated as Indirect within the Indirect Rate Calculator submitted within application.	Expense Category	Please provide any additional details that may help clarify why the agency chose to allocate the expense as Indirect. YOU MUST PROVIDE NAME, AND JOB TITLE OF ANY STAFF MEMBER CLAIMING LABOR/FRINGE COSTS AS INDIRECT.
LABOR		
	Operator Salaries	
X	Administration Salaries	Megan Hodges-Executive Assistant, Pat Cockrum-CEO, LaDonna Everroad-COO, Wendy Budde-CFO, Stacy Ware-Operations Support Specialist, Stephanie Stoll-Payroll/AP, Denise Voss-Billing Analyst, Susan Thomas-Accounting Manager/Analyst, Hanna Lewis-Staff Accountant, Jennifer Sharaba-HR/QA Director, Faith Artega-Recruiter, Robin Shields-Trainer, Crytal Bray-QA, Open Position-HR,
	Dispatcher Salaries	
	Mechanic Salaries	
	Building and Maintenance Salaries	
	Other Salaries	
FRINGE		
X	Health/Medical	Same as Above
X	Life Insurance	Same as Above
X	Dental Insurance	Same as Above
X	FICA	Same as Above
	PERF	
	Unemployment Insurance	
X	Workman's Compensation	Same as Above
	Uniform/Clothing Allowance	
X	Paid Absence	Same as Above
X	Other	Same as Above
SERVICES		
X	Advertising	Advertising for General Company
	Professional and Technical	
	Building Maintenance	
X	Custodial Services	Cleaning and Upkeep
	Legal Services	

	Payroll Services	
X	CPA Services	Audit and CPA Services
X	Computer Services/Design/Program	Computer Maintenance
	Data Processing	
X	Administrative/Consulting	Admin Consulting Services
X	Automotive Repair/Labor ONLY	Admin Vehicle Repair
X	Other Services	Admin Recruiting, Hiring and Training
Place "X" below if any portion of the expense identified to the right has been allocated as Indirect within the Indirect Rate Calculator submitted within application.	Expense Category	Please provide any additional details that may help clarify why the agency chose to allocate the expense as Indirect.
	MATERIALS AND SUPPLIES	
X	Fuel and Lubricants	Admin Vehicle Costs
	Tires and Tubes	
X	Auto Parts Only	Admin Vehicle Costs
X	Medical/Safety Equipment	Safety Equipment at Offices
	Fire Extinguishers	
X	Office Supplies	Office Supplies Used by Admin
	Janitorial Supplies	
X	Other	Misc Items Used by Offices & Staff
	UTILITIES	
X	Electric	Electric for Offices
	Gas	
	Water/Sewer	
	Garbage	
X	Telephone	Telephones for Offices & Staff
	Other	
	INSURANCE	
X	Facility and Property	Property Insurance
X	Vehicle Insurance	Admin Vehicle Insurance
	Other	
	TAXES	
	Vehicle Licensing and Registration	
	Other	
	MISCELLANEOUS	
X	Dues and Subscriptions	Dues to Misc Groups
X	Travel and Meetings	Admin Travel
X	Postage	Admin Postage
X	Other	Misc Costs for Admin
	LEASES AND RENTALS	
	Equipment	
X	Facility	Rental of Facilities
	Uniform	
	Other	

APPLICANTS REQUESTING REIMBURSEMENT FOR A PORTION OF INDIRECT (SHARED) COSTS TO THE 5311 GRANT MUST COMPLETE THE FORM BELOW. THIS CALCULATOR WILL ESTABLISH AN INDIRECT RATE THAT WILL BE REVIEWED BY INDOT. SYSTEMS MUST USE THIS CALCULATOR UNLESS A COST ALLOCATION PLAN THAT IS APPROVED BY ANOTHER COGNIZENT AGENCY IS SUBMITTED WITH THE APPLICATION. OTHERWISE, NO OTHER CALCULATOR USED BY THE AGENCY WILL BE ACCEPTED.

AGENCIES MUST FIRST ENTER THE PROJECTED CY2025 ANNUAL BUDGET FOR THE AGENCY (ALL PROGRAMS) INTO COLUMN "C". AGENCIES THEN MUST ENTER (INTO COLUMN "D") THE PORTION OF EACH AGENCY EXPENSE THAT IS BEING ALLOCATED AS A DIRECT COST TO THE 5311 TRANSIT GRANT WITHIN THE CY2025 TRANSIT OPERATING BUDGET. IF ANY COST IS ALLOCATED AS A DIRECT COST TO TRANSIT (COLUMN "C"), IT MUST BE SUPPORTED BY A DIRECT COST METHODOLOGY THAT IS INCLUDED WITHIN THE "SECTION 5311 COST ALLOCATION PLAN" THAT MUST BE SUBMITTED WITHIN THE CY2025 APPLICATION.

AGENCIES MUST THEN CONTINUE TO EITHER ALLOCATE THE REMAINING PORTION OF EACH EXPENSE AS A DIRECT COST TO OTHER PROGRAMS (COLUMNS E-I), OR ALLOCATE THE REMAINING PORTION OF THE EXPENSE AS AN INDIRECT (SHARED COST), INTO COLUMN "J". TO CHECK FOR ACCURACY ONCE AMOUNTS HAVE BEEN ENTERED INTO EACH LINE ITEM, AGENCIES SHOULD CONFIRM THAT THE SUBTOTAL OF AMOUNTS ENTERED INTO LINES "D-J" EQUAL THE TOTAL AGENCY EXPENSE ENTERED INTO COLUMN "C".

AS A FINAL REMINDER - THE TRANSIT BUDGET REFLECTED IN COLUMN "D" MUST BE AN EXACT MATCH OF THE OPERATING BUDGET SUBMITTED WITHIN THE GRANT APPLICATION. IF THE TRANSIT BUDGET IN COLUMN "D" IS ALL-INCLUSIVE OF MULTIPLE TRANSIT AGENCIES OPERATING AS A REGIONAL OR MULTI-COUNTY SERVICE, ALL COSTS MUST BE AN EXACT MATCH OF HOW COSTS HAVE BEEN ALLOCATED IN EACH TRANSIT AGENCIES "SECTION 5311 COST ALLOCATION PLAN" ALSO SUBMITTED WITHIN THIS APPLICATION.

A	B	C	D	E	F	G	H	I	J
INDOT ACCOUNT CODE	EXPENSE DESCRIPTION	TOTAL ANNUAL CY2025 AGENCY EXPENSE	DIRECT CHARGE TO PUBLIC TRANSIT (5311 PROGRAM) CY2025 OPERATING BUDGET	DIRECT CHARGE TO (ENTER PROGRAM)	DIRECT CHARGE TO (ENTER PROGRAM)	DIRECT CHARGE TO (ENTER PROGRAM)	DIRECT CHARGE TO (ENTER PROGRAM)	DIRECT CHARGE TO (ENTER PROGRAM)	ENTER INDIRECT (SHARED) EXPENSE IN SPACES BELOW
501	Labor								
501.01	Operator's Salaries	\$ 453,876.01	\$ 453,876.01	\$ -					\$ -
501.02	Administrative Salaries	\$ 1,224,280.63	\$ 49,638.66	\$ -					\$ 1,174,641.97
501.03	Dispatcher's Salaries	\$ 55,389.14	\$ 55,389.14	\$ -					\$ -
501.04	Mechanics Salaries		\$ -	\$ -					\$ -
501.05	Building and Maintenance		\$ -	\$ -					\$ -
501.99	Other Salaries	\$ 10,566,657.39	\$ -	\$ 10,566,657.39					\$ -
502	Fringe Benefits								
502.01	Health/Medical	\$ 1,094,116.45	\$ 20,184.93	\$ 962,427.07					\$ 111,504.45
502.02	Life Insurance	\$ 11,475.49	\$ 273.53	\$ 10,092.22					\$ 1,109.74
502.03	Dental Insurance	\$ 11,450.74	\$ 273.34	\$ 10,062.37					\$ 1,115.03
502.04	FICA	\$ 928,647.93	\$ 42,577.05	\$ 799,966.33					\$ 86,104.55
502.05	PERF		\$ -	\$ -					\$ -
502.06	Unemployment Insurance	\$ 5,893.85	\$ 910.00	\$ 3,851.85					\$ 1,132.00
502.07	Workmans Compensation	\$ 87,263.86	\$ 2,485.05	\$ 79,116.72					\$ 5,662.09
502.08	Uniform/Clothing Allowance	\$ -	\$ -	\$ -					\$ -
502.09	Paid Absence(vacation, sick, etc.)	\$ -	\$ -	\$ -					\$ -
502.99	Other Benefits	\$ 322,466.11	\$ 12,065.24	\$ 256,864.71					\$ 53,536.16
503	Services								
503.02	Advertising/Promotion Media	\$ 1,378.93	\$ 24.65	\$ 646.33					\$ 707.95

503.04	Professional and Technical	\$ 10,469.54	\$ -	\$ 48.44					\$ 10,421.10
503.05	Building and Maintenance	\$ -	\$ -	\$ -					\$ -
503.06	Custodial Services/Labor	\$ 79,317.50	\$ 811.24	\$ 64,970.67					\$ 13,535.59
503.07	Legal Services	\$ 12,740.04	\$ -	\$ 10,901.54					\$ 1,838.50
503.08	Payroll Services	\$ 57,373.69	\$ -	\$ 11,361.56					\$ 46,012.13
503.09	CPA Services	\$ 56,938.00	\$ -	\$ -					\$ 56,938.00
503.10	Computer Services/Design	\$ 205,529.73	\$ 11,247.58	\$ 51,251.61					\$ 143,030.54
503.11	Data Processing	\$ -	\$ -	\$ -					\$ -
503.12	Administrative and Consulting	\$ 195,613.79	\$ -	\$ 195,613.79					\$ -
503.14	Automotive Repair/Labor	\$ 10,941.01	\$ 8,831.21	\$ 2,057.07					\$ 52.73
503.99	Other Services	\$ 3,649.22	\$ 2,945.53	\$ 686.11					\$ 17.58
504 Materials and Supplies Consumed									
504.01	Fuel & Lubricants Consumed	\$ 179,012.50	\$ 151,208.38	\$ 22,806.71					\$ 4,997.41
504.02	Tires and Tubes	\$ 4,586.30	\$ 3,701.91	\$ 862.29					\$ 22.10
504.03	Auto Parts	\$ 13,710.60	\$ 11,066.72	\$ 2,577.80					\$ 66.08
504.04	Medical/Safety Equipment	\$ -	\$ -	\$ -					\$ -
504.05	Fire Extinguishers	\$ 763.19	\$ 616.02	\$ 143.49					\$ 3.68
504.06	Office Supplies	\$ 22,947.00	\$ 441.20	\$ 12,794.35					\$ 9,711.45
504.07	Janitorial Supplies	\$ 4,090.77	\$ 223.85	\$ 2,294.35					\$ 1,572.57
504.99	Other Materials & Supplies	\$ 7,736.19	\$ -	\$ 4,893.28					\$ 2,842.91
505 Utilities									
505.01	Electric	\$ 41,604.44	\$ -	\$ 35,639.66					\$ 5,964.78
505.02	Gas	\$ 25,259.41	\$ -	\$ 22,128.64					\$ 3,130.77
505.03	Water/Sewer	\$ 15,095.58	\$ -	\$ 11,852.86					\$ 3,242.72
505.04	Garbage	\$ 251.10	\$ -	\$ 251.10					\$ -
505.05	Telephone	\$ 80,485.69	\$ 11,408.67	\$ 24,449.12					\$ 44,627.90
505.99	Other Utilities	\$ 13,281.65	\$ -	\$ 11,741.76					\$ 1,539.89
506 Casualty and Liability Costs									
506.01	Facility and Property Insurance	\$ 36,385.42	\$ -	\$ 32,805.83					\$ 3,579.59
506.02	Vehicle Insurance	\$ 47,671.67	\$ 37,665.37	\$ 8,056.50					\$ 1,949.80
506.99	Other Insurance	\$ 39,190.37	\$ -	\$ 18,493.67					\$ 20,696.70
507 Taxes									
507.04	Licensing & Registration Fees	\$ -	\$ -	\$ -					\$ -
507.05	Fuel Tax	\$ -	\$ -	\$ -					\$ -
507.99	Other Taxes	\$ -	\$ -	\$ -					\$ -
508 Purchased Transportation									
508.01	Purchased Transportation	\$ -	\$ -	\$ -					\$ -
509 Miscellaneous Expenses									
509.01	Dues & Subscriptions	\$ 60,376.38	\$ -	\$ 5,112.79					\$ 55,263.59
509.02	Travel & Meetings	\$ 342,866.84	\$ -	\$ 337,154.42					\$ 5,712.42
509.03	Postage	\$ 1,920.19	\$ 50.00	\$ -					\$ 1,870.19
509.99	Other Miscellaneous	\$ 45,310.73	\$ 6,833.41	\$ 28,298.63					\$ 10,178.69
512 Leases and Rentals									
512.01	Equipment	\$ 42,788.11	\$ 25.49	\$ 41,753.14					\$ 1,009.48
512.02	Facilities	\$ 124,478.86	\$ 9,000.00	\$ 110,710.86					\$ 4,768.00
512.03	Uniform	\$ -	\$ -	\$ -					\$ -
512.99	Other Leases & Rentals	\$ -	\$ -	\$ -					\$ -

TOTAL PROGRAM EXPENSES	\$ 16,545,282.04	\$ 893,774.18	\$ 13,761,397.03	\$ -	\$ -	\$ -	\$ -	\$ 1,890,110.83
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TOTAL DIRECT \$ 14,655,171.21

TOTAL INDIRECT EXPENSES \$ 1,890,110.83

ACCURACY CHECK
DOES C75 = TOTAL DIRECT+TOTAL
INDIRECT EXPENSES?

PROPOSED
INDIRECT COST
RATE

12.90%

LINK Hendricks County/Morgan County Connect Public Transportation



LINK Hendricks County

P.O. Box 448
Danville, IN 46122
317.718.4474
866.573.0817

Sycamore Services, Inc.

1001 Sycamore Lane
Danville, IN
46122 317.745.4715

Hendricks County Senior
Services

1201 Sycamore Lane
Danville, IN 46122
317.745.4303

Morgan County Connect

1269 N. Blue Bluff Rd.
Martinsville, IN 46151
765.342.3007



Certificate of Indirect Costs

**Sycamore Rehabilitation Services/Hendricks County Arc, Inc.
dba LINK Hendricks County and Morgan County Connect**

To the Indiana Department of Transportation:

This is to certify that I have reviewed the indirect cost rate proposal submitted herewith and to the best of my knowledge and belief:

All costs included in this proposal to establish billing or provisional/final indirect costs rates for the period January 1, 2025, to December 31, 2025, are allowable in accordance with the requirements of the Federal award(s) to which they apply and 2 CFR Part 230 (formerly OMB Circular A-122), "Cost Principles for Nonprofit Organizations." Unallowable costs have been adjusted in allocating costs as indicated in the indirect cost rate proposal {or cost allocation plan}.

All costs included in this proposal are properly allocable to Federal awards on the basis of a beneficial or causal relationship between the expenses incurred and the agreements to which they are allocated in accordance with applicable requirements. Further, the same costs that have been treated as indirect costs have not been claimed as direct costs. Similar types of costs have been accounted for consistently and the Federal Government will be notified of any accounting changes that would affect the negotiated rate.

I declare that the foregoing is true and correct.

Name of Transit Agency: Sycamore Rehabilitation Services/Hendricks County Arc, Inc. dba LINK Hendricks County and Morgan County Connect

Name of Authorized Representative: LaDonna Everroad

Job Title: COO

Date: 5-17-24

Signature:

LINK Hendricks County/Morgan County Connect Public Transportation



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5-17-24

Todd Jennings; 5311 Program Manager
Office of Transit
Indiana Department of Transportation
100 North Senate Street
Indianapolis, IN 46204-2219

Re: Indirect Cost Rate
Proposal
CY 2025 Grant Year

Dear Mr. Jennings:

Sycamore Rehabilitation Services/Hendricks County Arc, Inc. is submitting a request for the proposed indirect cost rate that will be applied to base direct costs within the CY2025 Section 5311 Operating budget. We are proposing that an indirect rate of 12.90% be used for the above referenced period.

Our organization has followed the guidelines promulgated by INDOT in the preparation of this proposal. No special circumstances or exceptions were made to the recommended procedures. In our submission, we have included the following documentation with the Section 5311/5339 Grant Application:

- Copy of most current agency audits
- Included within the above-mentioned audits, a Statement of Functional Expenses that identifies direct and indirect allocation of expenses for all departments within the agency.
- Completed Indirect Rate Calculator which identifies departmental expenses for the proposed CY budget showing the computations that support the requested rate of 12.90% for CY 2025.
- Section 5311 Cost Allocation Plan and Direct Cost Methods
- A certification statement executed by our chief financial officer, regarding the indirect cost rate proposal.

We also understand that as referenced within Federal Circular 2 CFR 200, entities may apply for a one-time extension of the proposed rate for a period of four years. If such request is granted by INDOT, we **understand another rate review cannot be requested until the extension period ends.** at which point the agency will need to reapply for a new rate.

Sycamore Rehabilitation Services/Hendricks County Arc, Inc. has chosen the following option in regard to the proposed Indirect Rate:

- Indirect Rate will only be executed for the CY2025 Section 5311 contract period 12.90%.

Sincerely,

A handwritten signature in black ink, appearing to read 'LaDonna Everroad', written in a cursive style.

LaDonna Everroad, COO

INTERGOVERNMENTAL AGREEMENT

5311/5339 FUNDED RURAL PUBLIC TRANSPORTATION

Between

Hendricks County

&

Morgan County

I. AUTHORITY

THIS AGREEMENT is entered into between **Hendricks County** (hereinafter Applicant) and **Morgan County** (hereinafter Tier II County), pursuant to their respective governmental authorities that the Applicant and ty are authorized to enter into this Agreement pursuant to the Interlocal Cooperation Act, IC 36-1-7-1 and 36-1-7-3, which permits any Indiana political subdivision to enter into a cooperative agreement for their mutual advantage and cooperation.

The Parties intend that this Agreement be liberally construed to effectuate its intent and purposes.

II. PURPOSE

The Parties enter into this consolidated Agreement to:

- Recognize the government-to-government relationship between the Applicant, and all Tier Counties, and the Indiana Department of Transportation.
- Facilitate multi-county rural public transportation service to mutually benefit Hendricks and Morgan Counties.
- Increase the quality and efficiency of 5311 rural public transportation service.
- Simplify the contracting process, administrative burden, and compliance oversight to allow effective grants management.
- Support dedication of funding resources towards actual needs.
- Simplify reporting responsibilities for services.

III. TERM

The term of this agreement shall be in effect January 1, 2025, through December 31, 2025.

IV. DEFINITIONS

The Parties agree to the following definitions for the purposes of this Agreement.

1. **Applicant:** means **Hendricks County**
2. **Client:** means an individual, or family, that is eligible for services under the terms of this Agreement.
3. **Intergovernmental Agreement, (IGA), or Agreement** means this consolidated Agreement between Applicant and all other Tier Counties identified within this IGA.
4. **Monitoring:** Includes any planned and ongoing or periodic activity that measures and ensures Applicant and all Designated Recipients compliance with the terms, conditions, and requirements of this Agreement and any other agreement made by reference.

5. **Parties:** means any applicant, all Tier counties, and all Designated Recipients as applicable.
6. **Designated Recipient I:** Sycamore Rehabilitation Services/Hendricks County Arc, Inc. dba LINK Hendricks County and Morgan County Connect.
7. **Program Agreement** means any Indiana Department of Transportation Contract or Agreement, or Pass-through Agreement in effect between Parties within **Hendricks and Morgan Counties**.
8. **Single Point of Contact** means the staff member appointed within each Designated Recipient to facilitate the flow of operational information about this Agreement, between the counties, their respected transit agency, and the Indiana Department of Transportation.
9. **Statute:** means any federal, or state law now in existence or any successor, amended or replacement law.
10. **PMTF:** means Public Mass Transit Funds provided as local match to each Applicant.

V. REFERENCED AGREEMENTS

1. All Parties acknowledge approval regarding Program Agreements in effect between the Parties, as incorporated into this Intergovernmental Agreement by reference.
2. Execution of this Intergovernmental Agreement is dependent upon the INDOT approval of a current and authorized Section 5311/5339 grant agreement and contract developed by the Indiana Department of Transportation. Once authorized, the grant agreement and contract will be incorporated into this Agreement.

VI. FEDERAL 5311 & STATE PMTF FUNDING

1. The Parties acknowledge that CY2025 Federal 5311, and State PMTF Funding allocated by INDOT to all Parties will be included within a consolidated Operating Budget submitted with the CY2025 Section 5311/5339 Grant Application.
2. The Parties acknowledge that **Hendricks County** will act as the CY2025 Grant Applicant, Recipient, and Pass-through Entity for CY2025 Federal 5311, and State PMTF allocations.
3. The Parties acknowledge that Federal 5311, and State PMTF allocations by INDOT have been allocated based on formula allocations along with any authorized discretionary adjustments of INDOT.
4. The total financial commitment for this Agreement is detailed in the CY2025 Project Budget of the final and authorized Indiana Department of Transportation Section 5311/5339 grants.
5. The Applicant will issue quarterly reimbursement payments to all Designated Recipients within the deadline established within approved Program Agreements.
 - a. Specifically instructed within the Pass-through Agreement, Quarterly claims will be supported by Quarterly Reports submitted to INDOT by Designated Recipient I and will be used to reconcile and approve the Federal 5311, and State PMTF reimbursements made to the Applicant for the quarter.
 - b. Parties will be responsible for securing the required local funding to satisfy the local share requirement of the FTA grant for their respective Designated Recipient.
6. The Parties will not charge the Indiana Department of Transportation for services if the Parties have charged or will charge another Federal grant, under any other contract or agreement, for the same services.

VII. REPORTING

1. Designated Recipient I, must submit Quarterly Expenditure and Data Reports for expenses and service data included in the Section 5311/5339 programs. The quarters will coincide with the State Fiscal Year with reports due on the fifteenth day of the month following the end of the quarter. See table below for due dates:

Quarterly Reports		
<u>Quarterly Period</u>	<u>Report Due</u>	<u>Due Date</u>
January 1 to March 31	Quarterly Expenditure Report	April 15
April 1 to June 30	Quarterly Expenditure Report	July 15
July 1 to September 30	Quarterly Expenditure Report	October 15
October 1 to December 31	Quarterly Expenditure Report	January 15

a. Quarterly Expenditure Reports

- (1) A Quarterly Report must include all information required by the Indiana Department of Transportation.
 - (2) Quarterly Reports are due on the fifteenth day of the month following the end of the quarter being reported. (See table above.)
2. The Parties acknowledge that if additional reporting requirements are imposed by INDOT that necessitates additional reporting by any Designated Recipient, the Applicant will submit additional reports upon reasonable notice of the requirement.
 3. Parties will communicate with the Single Point of Contact identified for each Party in Section IX-X. of this Agreement to discuss reporting or other issues relative to this Agreement.

VIII. RECORDS

1. The Parties shall maintain all accounting records in accordance with government requirements and generally accepted accounting principles, and all transactions will be made in compliance with federal OMB Circulars 2 CFR 200.
2. The Parties shall maintain client files and other records to fully support the information contained in all requests for payment and reports submitted to the Indiana Department of Transportation.
3. The Parties shall cooperate with the Indiana Department of Transportation in the performance of federal and state required monitoring activities related to the programs and services as referenced in Section XV. of this Agreement as well as within the Pass-through Agreement.
4. The Parties agree to protect the confidentiality of client records and information as required by federal, and state law.

IX. RESPONSIBILITIES OF Hendricks County

1. **Hendricks County** has designated the following individual as its Single Point of Contact regarding communication of operational and financial elements of this Agreement:

**LaDonna Everroad
COO
Sycamore Rehabilitation Services/Hendricks County Arc. Inc, dba
LINK Hendricks County and Morgan County Connect**

2. All Designated Recipients shall continue to provide and coordinate with other Designated Recipients, 5311 funded rural public transit services within the rural areas of **Hendricks and Morgan County** Indiana. Services provided and fiscal management shall conform to applicable federal, and/or state laws and regulations.
3. Designated Recipient I shall comply with all applicable federal and state regulations governing the use of federal and state funds.

X. RESPONSIBILITIES OF Morgan County

1. **Morgan County** has designated the following individual as the Single Point of Contact regarding communication of operational and financial elements of this Agreement:

**LaDonna Everroad
COO
Sycamore Rehabilitation Services/Hendricks County Arc. Inc, dba
LINK Hendricks County and Morgan County Connect**

2. All Designated Recipients shall continue to provide and coordinate with other Designated Recipients, 5311 funded rural public transit services within rural areas of **Hendricks and Morgan County** Services provided and fiscal management shall conform to applicable federal, and/or state laws and regulations.
3. All Designated Recipients shall comply with all applicable federal and state regulations governing the use of federal and state funds.

XII. AMENDMENTS

This Agreement may be amended or renegotiated by written agreement of the Parties and with final INDOT Office of Transit approval.

XIII. CONFLICT RESOLUTION

1. The Parties agree to work cooperatively to accomplish all of the terms of this Agreement. The Parties also acknowledge that there may be instances in which one of the Parties has not complied with the conditions of this Agreement or that clarification is necessary to interpret provisions of this Agreement. In such an instance, the Parties shall attempt to resolve the matter through transcribed meetings and discussions.
2. The Parties may request that a mediator be selected to assist in resolving any conflict or dispute. The mediator shall be jointly selected and shall be approved by all Parties. The cost of a mediator shall be incurred equally by those Parties involved in the mediation, with no Party using 5311 funds dedicated for the programs or services contained in this Agreement.
3. If the mediator cannot resolve the conflict or dispute then the issue shall be brought before the Indiana Department of Transportation, Office of Transit. The Indiana Department of Transportation, Office of Transit shall review all issues, concerns, and conflicts with a goal to determine acceptable solutions for both parties. The decisions of the Indiana Department of Transportation shall be final and binding on both parties.

XV. 5311/5339 PROGRAM COMPLIANCE

1. For the term identified within this agreement, all Parties agree to the following:

- a. **Hendricks County** will be the eligible CY2025 Section 5311/5339 Grant Applicant, Recipient, and Pass-through Entity regulated by 2 C.F.R. 200 Parts 331-332.
- b. **Hendricks County** will have primary responsibility for compliance and monitoring of all Designated Recipients for provision of rural public transit services within rural areas of **Hendricks and Morgan County.**

By virtue of their respective representative capacities hereby approve this Agreement as affirmed by their signatures below:

Phyllis A. Palmer

(Printed Name; Hendricks County Commissioner President)

Phyllis A. Palmer

(Signature; Hendricks County Commissioner President)

05/28/2024

(MM/DD/YY)

Nancy L. Marsh

(Printed Name; Hendricks County Attest)

Nancy L. Marsh

(Signature; Hendricks County Attest)

5/28/24

(MM/DD/YY)

Don Adams

(Printed Name; Morgan County Commissioner President)

Don Adams

(Signature; Morgan County Commissioner President)

04-20-24

(MM/DD/YY)

Linda Pruitt

(Printed Name; Morgan County Attest)

Linda Pruitt

(Signature; Morgan County Attest)

05/20/2024

(MM/DD/YY)

Section 5311/5339 Pass-through Agreement

Applicant – Tier I Designated Recipient

For more than two decades, nonprofits and governmental entities have been subject to the Pass-through guidance laid out under OMB Circular A-110 and A-102. **However, with the 2014 issuance of the 2 CFR 200, Uniform Guidance, an additional responsibility was imposed on Pass-through entities.**

By signing this agreement and oversight policy, we duly understand our responsibility for ensuring to the best of our ability that the federal 5311/5339 funds as applicable and passed through to the non-profit agency we have designated as the subrecipient of the funds, are accompanied with all of the information needed to run the federal program and ensure that it is being run in compliance with federal statutes, laws, and regulations. As detailed in Uniform Guidance; Title 2 CFR 200.300 series, we understand our responsibilities as a Pass-through Entity to be at a minimum:

- Ensure that every subaward is clearly identified to the subrecipient as a subaward and include at the time of the subaward all required information pertaining to the federal program – including the name of the federal agency, the Catalog of Federal Domestic Assistance (CFDA) number and the award date;
- Consider imposing specific subaward conditions, (in addition to the federal regulations) on a subrecipient, if appropriate;
- Monitor the activities of the subrecipient to ensure that the subaward is used for authorized purposes in compliance with federal statutes, regulations, and conditions of the subaward, and that subaward performance goals are achieved. This can be accomplished by requiring or obtaining periodic financial and programmatic reports, conducting site visits, and obtaining the subrecipient's audit reports;
- Verify that every subrecipient expending \$750,000 or more in federal awards during their fiscal year have a Single Audit under Uniform Guidance;
- Consider whether the results of the subrecipient's audit, on-site reviews or other monitoring requires an adjustment of our own organization's records;
- Consider taking enforcement action against noncompliant subrecipients;
- Evaluate each subrecipient's risk of noncompliance with federal statutes, regulations and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring;
- Submit annually a pass-through oversight and monitoring certification to INDOT Office of Transit. Certification will include documented confirmation of the oversight and monitoring that occurs throughout the contract period as detailed within each section of this Pass-through Agreement.
 - Annual submittal is completed through INDOT Office of Transits BlackCat Data Management System.

Federal Awarding Agency: Indiana Department of Transportation

Pass-through Entity: Hendricks County

THIS AGREEMENT made this 28th day of May, 2024 among Hendricks County acting through the county commissioners (hereinafter referred to as the "Applicant") and Sycamore Rehabilitation Services/Hendricks County Arc, Inc. dba LINK Hendricks County and Morgan County Connect a private nonprofit corporation, (hereinafter referred to as the "Service Provider"), by its duly authorized representative(s), whose mailing address is: 1001 Sycamore Ln. Danville, IN 46122

WITNESSETH

WHEREAS, the Applicant and Service Provider are eligible to receive federal assistance as confirmed through the System of Award Management (SAM.gov) and has made application for the 5311 Operating and/or 5339 Capital Assistance Program under section 5311 of the Federal Transit Act with the Application incorporated and made a part of this Agreement.

WHEREAS, the Service Provider is able to meet the objectives of the Section 5311 federal assistance program and ***is confirmed as having obtained or continuing to maintain the appropriate levels of administrative technical capacity and management expertise for 5311 programmatic and operational decision making.***

WHEREAS, the Service Provider is able to meet public purposes and goals of the 5311 Operating and 5339 Capital Assistance Programs in order to enhance access to people in non-urbanized areas for purposes such as health care, shopping, education, recreation, and employment.

WHEREAS, it has also been confirmed that the Service Provider, upon submitting a Section 5311/5339 grant application, ***is not considered high-risk due to having any outstanding findings of non-compliance with federal, state, or local audits that are specific to federal Section 5311 transit assistance and is currently adhering to applicable federal, and state program requirements.***

WHEREAS, at the time of submitting the Section 5311/5339 grant application, the Service Provider was found as compliant with current 5311 program requirements and meeting performance goals set forth by INDOT. ***No additional monitoring has been established nor required by either INDOT or the Applicant.***

WHEREAS, at the time of submitting the Section 5311/5339 grant application, the Service Provider ***had no outstanding penalties or suspensions in funding due to 5311 program non-compliance*** that would otherwise delay any phase of the Section 5311 revenue service offered by the Service Provider.

NOW THEREFORE, in consideration of the mutual promises and covenants herein set forth, the Applicant and Service Provider agree as follows:

SECTION I: Project Description

The purpose of this Agreement is to provide for the coordinated undertaking of regionalized rural public transportation services to the general public in and around Hendricks and Morgan County, Indiana.

SECTION II: Project Implementation

The Service Provider agrees, Section 5311/5339 grant assistance will only be provided by INDOT based on mutual agreement of all Designated Recipients identified under other Tier Subrecipient Pass-through Agreements, that our transit agencies operate as Regional and Coordinated services for the counties identified in Section I of this agreement. Grant assistance will then be provided through applicable federal funds received through FAIN awards referenced within the fully executed state contracts, to undertake and complete the Project as filed with the approval of the Indiana Department of Transportation ("INDOT") and the Federal Transportation Administration ("FTA") in accordance with the terms and conditions of this Agreement.

SECTION III: Project Duration

The Service Provider shall commence and complete 5311 program activities associated with the federally assisted operating project budget from ***January 1, 2025, to December 31, 2025***, as referenced and submitted within the 5311/5339 Application.

SECTION IV: Levels of Federal and State Funding

Reimbursement to the Service Provider shall be through fully executed cost reimbursement contracts with INDOT acting as the federal awarding agency. Federal Section 5311 Operating, State Public Mass Transit Funds (PMTF), and 5339 Capital Funds will be reimbursed to the Service Provider in the amounts up to, but not exceeding those referenced in 5311 and 5339 contracts with INDOT. Federal 5311 operating reimbursements are not to exceed 50% of the quarterly net operating expenses incurred and reported on an ***accrual basis*** by the Service Provider. Federal 5339 capital reimbursements are not to exceed 20% of the final total cost of any capital equipment purchased. State reimbursements will be requested in the amounts necessary and contingent upon levels of other local matching funds that are obligated (*as referenced in 5311/5339 Application*) and made available in order to meet the remaining local matching requirements of both federal operating and federal capital funds. If State or Federal funding sources are not available and alternative funding cannot be obtained, the Project will be adjusted so as not to incur un-reimbursable expenses.

SECTION V: Eligible Operating Project Expenditures

Project expenditures eligible for reimbursement under the Cost Reimbursement Contracts are only for those expenditures which are eligible for Section 5311 reimbursement and will only be reported to INDOT on an ***accrual basis*** of accounting. Projected expenditures of the Service Provider are further identified in the budget and cost allocation forms accompanying the application.

The Applicant will ensure a consistent review of all expenses sought for reimbursement by the Service Provider. The Applicant will ensure expenditures are reviewed on no-less than a quarterly basis and that the Service Provider submits all financial and operating data requested (*as referenced in Section VII*), by

the Applicant prior to any final approval by the Applicant of INDOT Operating Claim Vouchers for reimbursement. Federal Office of Budget and Management Circular 2 CFR 200 shall be used as guidance in establishing allowable cost principles applicable to the federal grant.

SECTION VI: Service Provider Receipt of Reimbursements

Eligible Project costs will be reimbursed to the Service Provider by the Applicant on a quarterly basis and no later than 7-10 business days after the Applicant has received payment from INDOT. All reimbursements to the Applicant and/or Service Provider are subject to any penalties and/or suspensions assessed by FTA or INDOT due to Applicant or Service Provider non-compliance of Section 5311 Program requirements.

SECTION VII: Financial Statements; Review and Approval of

The Service Provider shall submit to the Applicant, no less than 7 days prior to Applicant approval of quarterly reimbursements, any operating claim forms, capital claims, financial statements, records, and fiscal documents as may be deemed necessary and required by the Applicant. The Applicants review and approval must occur prior to the submission of a final signed claim voucher to INDOT. The quarterly reports shall include revenue and expense statements including a detailed report of expenses by budget category as identified in the operating project budget accompanying the application. **Furthermore, the Service Provider shall attend no less than quarterly commissioner or Applicant governing board meetings in order to present, discuss, and answer any questions or concerns relevant to such financial claims and documents.** Service Providers must also submit to the Applicant any certified audits performed by an independent Certified Public Accountant ("CPA"). The Service Provider shall develop and maintain financial reports which are necessary for the effective control and management of operations and shall maintain financial records required by funding sources in accordance with generally accepted accounting procedures.

SECTION VIII: Audits and Inspections

As regulated by OMB 2 CFR 200.331-322, the Applicant understands that as acting Pass-through Entity of federal transit funding, we must perform **and sufficiently document** such non-all-inclusive monitoring of the lower tier Service Provider to include, but not limited to; review of financial and performance reports of the service provider, confirmation of proper close-out of any federal, state, or local compliance audits of the service provider, provision of transit program related training or technical assistance to the service provider as-needed, and performance of periodic on-site reviews of the transit service provider program operations.

Proper monitoring of the Service Provider by the Applicant is subject to review by INDOT.

As such, the Service Provider shall permit FTA, INDOT, the Applicant, or any of their authorized representatives, to inspect all vehicles, facilities and equipment purchased by the Service Provider or obtained through the Section 5311 Programs. All transportation vehicles, facilities, equipment, staff, project data, and records that are funded fully or in part through the Section 5311 funding program, are subject to any/all FTA, INDOT, and Applicant inspections, audits, or reviews for compliance. The Service Provider shall permit the above-named entities to the books, records, accounts, and any policy and procedural elements of the Service Provider that pertain to any Section 5311 program federally funded

transit project. The Service Provider will be subject to audits and inspections at any time, and without notice, if necessary, by FTA, INDOT, or the Applicant to ensure compliance of the federal program.

The Applicant must notify INDOT immediately in any case of additional requirements being imposed on the Service Provider by the Applicant as a result of any audit or inspections conducted.

SECTION IX: Use of Applicant's Equipment

Any vehicles, equipment or facilities purchased under the Section 5311/5339 Assistance Program and titled in the name of the Applicant, hereinafter referred to as "Capital Assets," will be leased to the Service Provider at no cost. The vehicles, equipment or facilities covered by separate leases kept on file by the Applicant and Service Provider shall only be used by the Service Provider for the purpose of rural public transportation services. Any fares, fees, or other proceeds, including leases or sub-lease obtained by the Service Provider, shall be used in the performance of the transportation services, and shall be reported quarterly to the Applicant. Any such proceeds shall be deducted from the monthly operating costs as allowed.

The Service Provider will maintain minimum levels of proper liability, collision, and property damage insurance for the service provided in conjunction with Indiana Insurance requirements required for for-hire transportation providers.

Upon the release of federally funded Capital Assets by FTA and INDOT, or in the event the Project is terminated, the Applicant will transfer ownership of any Capital Assets at the request of the Service Provider.

SECTION X: Consultant Contracts

Contracts for consultant services in excess of \$10,000 must be submitted by the Service Provider for review and prior approval by the Applicant, INDOT and FTA. The Applicant and/or Service Provider will abide by the requirements of FTA Circular 4220.1F (Third Party Contracting Requirements) in procuring services.

SECTION XI: Changes in Project Scope or Budget

The Service Provider shall immediately notify INDOT and the Applicant of any change in conditions, or of any event, which will adversely affect its ability to perform the Project in accordance with the provisions of this Agreement.

SECTION XII: Labor Protection

Provisions of the Department of Labor Special Section 5333(b) Warranty signed by the Service Provider and the Applicant have been submitted and incorporated into the Section 5311/5339 grant application.

SECTION XIII: Equal Employment Opportunity

In connection with the execution of this Agreement, the Service Provider shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, sexual orientation, gender identity or national origin. The Service Provider shall take affirmative action to ensure the applicants are employed and treated fairly during their employment. Such action shall include, but not be limited to the following: employment, upgrade, demotion, or transfer, recruitment, or advertising,

layoffs, or termination, rate of pay, or other forms of compensation; and selection for training including apprenticeship.

SECTION XIV: Non-Discrimination

The Service Provider agrees that as a condition to the Agreement that no otherwise qualified disabled person shall, solely by reason of race, color, religion, sex, sexual orientation, gender identity, national origin, age, disability, income status, or limited English proficiency, be excluded from participation in, be denied, the benefits of, or otherwise be subjected to discrimination under this program or activity that receives or benefits from Federal financial assistance administered by the Applicant through funding by the United States Department of Transportation.

SECTION XV: Civil Rights Act of 1964

The Service Provider shall comply with all requirements imposed under Title VI of the Civil Rights Act of 1964 (78 Stat. 252), as amended, and any and all regulations issued pursuant thereto (CFR Title 49, Subtitle A, Part 21).

SECTION XVI: Section 5311 Program Compliance

The Service Provider shall also comply with all provisions of the FTA Master Agreement, other FTA Certifications and Assurances, and any other regulatory program manual applicable to the Section 5311 Program, as cited in the 5311/5339 Application and upon its full execution, the Section 5311/5339 Grant Agreement between INDOT, the Applicant, and Service Provider.

SECTION XVII: Termination

With appropriate justification, Applicants, or Designated Recipients by written notice to INDOT, may request termination of the Project and cancel this Agreement.

SECTION XVIII: Agreement Changes

Any proposed change in this Agreement must have the approval of INDOT prior to becoming effective.

SECTION XIX: Dispute

Any dispute concerning a question of fact in connection with purposes contained within this Agreement shall be referred to the Commissioner of INDOT, whose decision shall be final.

SECTION XXI: Responsibility for Claims and Liability

The Service Provider shall be responsible for and save harmless the Applicant for all damage to life and property due to activities of the Service Provider, its subcontractors, agents, or employees, in connection with the execution of the Project.

SECTION XXII: Employment Eligibility Verification

The Applicant confirms as governmental employers we are required to utilize E-Verify to verify the work eligibility of all employees hired after June 30, 2011. Additionally, all Indiana employees who have "public contracts for services" with a state agency or receive grants exceeding \$1000 from a state agency will also be required to participate in the E-Verify Program. The obligation for private employers

will arise as a result of governmental employers (i.e. state agencies) being obligated to require recipients of public service contracts and grants in excess of \$1000 entered into after or renewed after June 30, 2011, to participate in E-Verify. In order to enroll in the E-Verify program contractors, grantees & sub-grantees may search <https://www.e-verify.gov/>.

IN WITNESS WHEREOF, Sycamore Rehabilitation Services/Hendricks County Arc, Inc. and Hendricks County Commissioners have caused this Agreement to be executed in their respective names.

EXECUTED THIS 28th DAY OF MAY, 2024

Name: Phyllis A. Palmer

Printed Name of Authorized Representative of Hendricks County Commissioners

By: Phyllis A. Palmer

Signature of Authorized Representative of Applicant

Contact Information for Applicant Representative above:

Address: 355 S. Washington St. #204, Danville, IN 46122

Email: ppalmer@co.hendricks.in.us

Phone: 317-745-9221

Name: LaDonna Everroad, COO

Printed Name of Authorized LINK Hendricks County and Morgan County Connect Representative

By: [Signature]

Signature of Authorized Printed Name of Authorized LINK Hendricks County and Morgan County Connect Representative

CERTIFICATION OF APPLICANT'S ATTORNEY

I affirm that to the best of my knowledge the Applicant and Service Provider are in total compliance with all items and conditions of the grant agreement executed between the Indiana Department of Transportation and the Applicant. I further affirm that, to the best of my knowledge, there is no legislation or litigation pending or threatened that might adversely affect the validity of these certifications and assurances or of the performance of the Project. Furthermore, if I become aware of circumstances that change the accuracy of the foregoing statements, I will notify the Applicant, Service Provider and INDOT.

By:

Greg Steuerwald

Name of Applicant Attorney

Greg Steuerwald

Signature of Applicant Attorney

5-28-24

(MM/DD/YYYY)

AUTHORIZING RESOLUTION

Resolution No. 2024-20

Resolution authorizing the filing of a CY2025 application for a grant under Section 5311/5339 of the Federal Transit Act, as amended.

WHEREAS, the U.S. Department of Transportation is authorized to make grants to states through the Federal Transit Administration (FTA) to support capital, operating and feasibility study assistance projects for nonurbanized public transportation systems under Section 5311 of the FTA Act of 1964, as amended.

WHEREAS, the Office of Transit, Indiana Department of Transportation (INDOT) has been designated by the Governor to make Section 5311/5339 grants for public transportation projects.

WHEREAS, the contract for financial assistance will impose certain obligations upon the applicant, including the provision by it of the local share of project costs.

NOW, THEREFORE, BE IT RESOLVED BY **Hendricks County Commissioners**

1. That **Phyllis Palmer, Commissioners President** on behalf of **Hendricks County Commissioners** is authorized to make the necessary certifications and assurances and be empowered to enter into an agreement with INDOT for the provision of rural public transportation services within **Hendricks and Morgan Counties**.
2. That **Hendricks County Commissioners** has designated the following non-profit organization to coordinate and provide rural public transit services within our county as well as to any expanded regionalized service area that may be identified above:
 - a. **Sycamore Rehabilitation Services/Hendricks County Arc, Inc. dba LINK Hendricks County and Morgan County Connect.**
3. That **LINK Hendricks County and Morgan County Connect** is authorized to execute and file an application on behalf of **Hendricks County Commissioners** with INDOT to aid in the financing of transit assistance projects pursuant to Section 5311 of the Federal Transit Act, as amended.
4. That **LINK Hendricks County Commissioners** is authorized to furnish such additional information as INDOT may require in connection with the application.
5. That **LINK Hendricks County and Morgan County Connect** is authorized to execute grant contract agreements on behalf of **Hendricks County Commissioners**.

CERTIFICATE

The undersigned duly qualified and acting **Phyllis Palmer, Commissioners President**, of the **Hendricks County Commissioners** certifies that the foregoing is a true and correct copy of a resolution adopted at a legally convened meeting of the **Hendricks County Commissioners** held on **05/28/2024**.


Signature of Recording Officer


Title of Recording Officer


MM/DD/YYYY