

**Northeast Missouri Area
Agency on Aging
Kirksville, Missouri**

**Annual Financial Statements
And Accompanying Auditor's Report**

For the Year Ended June 30, 2013

Northeast Missouri Area Agency on Aging

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Northeast Missouri Area Agency on Aging

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Section I

Financial Statements and Supplementary Information

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Independent Auditor's Report

To the Board of Directors
Northeast Missouri Area
Agency on Aging
Kirksville, Missouri

To the Missouri Department
of Health and Senior Services
Division of Senior and Disability Services
Jefferson City, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Northeast Missouri Area Agency on Aging (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 Missouri Department of Health and Senior Services "Mandated Audit Criteria." Those standards and the Missouri Department of Health and Senior Services "Mandated Audit Criteria" require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northeast Missouri Area Agency on Aging as of June 30, 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2014, on our consideration of Northeast Missouri Area Agency on Aging's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Northeast Missouri Area Agency on Aging's internal control over financial reporting and compliance.

Marsh, Espey & Riggs, P.C.

Certified Public Accountants

March 22, 2014
Maryville, Missouri

Northeast Missouri Area Agency on Aging
Statement of Financial Position
June 30, 2013

Assets

Cash	\$ 286,718
Grants receivable:	
Missouri Department of Health and Senior Services	17,389
Accounts receivable:	
Missouri Division of Medical Services - Medicaid Meals	127,666
Prepaid expenses	3,075
Property, net of accumulated depreciation	<u>137,928</u>
 Total assets	 <u>572,776</u>

Liabilities

DHSS funds held in trust	50,403
Accounts payable	354,742
Accrued liabilities	<u>12,751</u>
 Total liabilities	 <u>417,896</u>

Net Assets

Temporarily restricted	1,606
Unrestricted	<u>153,274</u>
 Total net assets	 <u>154,880</u>
 Total liabilities and net assets	 <u>\$ 572,776</u>

See notes to financial statements

**Northeast Missouri Area Agency on Aging
Statement of Activities
For the Year Ended June 30, 2013**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues, gains and other support:			
Missouri Department of Health and Senior Services	\$ 2,466,534	\$ -	\$ 2,466,534
Missouri Department of Transportation	99,062	-	99,062
Missouri Division of Medical Services:			
Medicaid Meals	743,111	-	743,111
Program Income	1,240,339	-	1,240,339
Contributions	590	86,298	86,888
Interest on Local Funds	350	-	350
Interest	3,746	-	3,746
Other Cash - DHSS Match	135,607	-	135,607
Other Cash - Non-DHSS Match	<u>1,103,312</u>	<u>-</u>	<u>1,103,312</u>
Total revenues and other support	<u>5,792,651</u>	<u>86,298</u>	<u>5,878,949</u>
Net assets released from restrictions:			
Restrictions satisfied by payments	<u>87,964</u>	<u>(87,964)</u>	<u>-</u>
Expenses:			
Program Services:			
Supportive Program	739,252		739,252
Ombudsman	70,179		70,179
Congregate Meals	1,684,260		1,684,260
Home Delivered Meals	2,968,095		2,968,095
Disease Prevention and Health Promotion	49,144		49,144
Family Caregivers	166,078		166,078
Special Programs:			
MIPPA	2,200		2,200
Eagles RX	430		430
Missouri Foundation for Health	87,534		87,534
Project Learn More Grant	590		590
Supporting Services:			
Area Agency Administration	112,503		112,503
Area Agency Funds	<u>13,769</u>	<u>-</u>	<u>13,769</u>
Total expenses	<u>5,894,034</u>	<u>-</u>	<u>5,894,034</u>
Change in net assets	(13,419)	(1,666)	(15,085)
Net assets, beginning of year	<u>166,693</u>	<u>3,272</u>	<u>169,965</u>
Net assets, end of year	<u>\$ 153,274</u>	<u>\$ 1,606</u>	<u>\$ 154,880</u>

See notes to financial statements

**Northeast Missouri Area Agency on Aging
Statement of Functional Expenses
For the Year Ended June 30, 2013**

	Supporting Services		Program Services								Total
	Area Agency Administration	Area Agency Funds	Supportive	Ombudsman	Congregate	Home Delivered	Disease & Health	Family Caregivers	Special Programs		
Expenditures											
Personnel & fringe	\$ 84,924	\$ -	\$ 47,468	\$ 1,125	\$ 12,820	\$ 35,764	\$ 1,125	\$ 11,016	\$ 3,159	\$ 197,401	
Travel	9,419	-	321	114	195	195	16	82	-	10,342	
Occupancy and communications	4,324	8,171	3,206	74	784	2,150	74	744	-	19,527	
Printing, supplies, postage	4,017	-	2,976	69	728	1,997	69	693	200	10,749	
Equipment:											
Furniture	677	-	501	11	123	337	11	116	-	1,776	
Computer, fax, printing	332	-	247	6	60	165	6	58	-	874	
Other Costs:											
Maintenance	1,785	-	1,323	30	323	887	30	307	-	4,685	
Professional services	1,114	1,883	38	1	9	25	1	9	-	3,080	
NAPIS/EDP	2,045	-	7,524	900	1,254	1,254	1,254	2,074	-	16,305	
Insurance and bonding	1,831	-	1,359	31	332	910	31	315	-	4,809	
Memberships, dues, subscriptions	1,161	-	10	-	-	-	-	-	-	1,171	
Publications	874	-	648	15	158	435	15	151	-	2,296	
Miscellaneous	-	225	-	-	-	-	-	-	-	225	
Transportation-PAR, voucher, client	-	-	1,182	-	-	-	-	-	-	1,182	
Assistance-financial, utility, tax, RX	-	-	-	-	-	-	-	-	430	430	
Contractual	-	-	672,449	67,803	1,667,474	2,923,976	46,512	150,513	86,965	5,615,692	
Depreciation	-	3,490	-	-	-	-	-	-	-	3,490	
Total expenditures	\$ 112,503	\$ 13,769	\$ 739,252	\$ 70,179	\$ 1,684,260	\$ 2,968,095	\$ 49,144	\$ 166,078	\$ 90,754	\$ 5,894,034	

See notes to financial statements

**Northeast Missouri Area Agency on Aging
Statement of Cash Flows
For the Year Ended June 30, 2013**

Cash flows from operating activities:

Cash received from:

Missouri Department of Health and Senior Services	\$ 2,501,794
Missouri Department Transportation	99,062
Missouri Division of Medical Services - Medicaid Meals	745,417
Program income	1,240,339
Contributions	86,888
Interest on local funds	350
Interest	3,746
Other cash - DHSS match	135,607
Other cash - Non-DHSS match	1,103,312
Cash paid to contractors	(5,640,297)
Cash paid to suppliers and employees	<u>(271,377)</u>
Net cash used for operating activities:	<u>4,841</u>

Cash flows from investing activities:

Purchase of property	<u>(7,302)</u>
Net cash used for investing activities	<u>(7,302)</u>

Net increase (decrease) in cash (2,461)

Cash, beginning of year 289,179

Cash, end of year 286,718

**Reconciliation of Change in Net Assets to
Net Cash Flows from Operating Activities**

Change in net assets	(15,085)
Adjustments:	-
Depreciation	3,490
(Increase) decrease in:	
Grants receivable:	
Missouri Department of Health and Senior Services	40,953
Accounts receivable:	
Missouri Division of Medical Services - Medicaid Meals	2,306
Prepaid expenses	1,488
Increase (decrease) in:	
DHSS funds held in trust	(5,693)
Accounts payable	(24,381)
Accrued liabilities	<u>1,763</u>
Net cash provided by (used for) operating activities	<u><u>\$ 4,841</u></u>

See notes to financial statements

Northeast Missouri Area Agency on Aging
Notes to Financial Statements
June 30, 2013

Note 1 – Organization and Nature of Activities

Northeast Missouri Area Agency on Aging (the Organization) is a not-for-profit community-based organization incorporated in 1973 and governed by a local Board of Directors. The primary purpose of the Organization is the establishment of the priorities and development of overall plans for programs on aging in the Multi-County Area of Northeast Missouri. The Organization receives funds under Title III and other Titles of the Older Americans Act (OAA), as amended, and such other sources as may become available. The Organization is mandated by the OAA to use subgrants or contracts with service providers to provide all services under OAA funding sources. The Organization may request a waiver, from the Missouri Department of Health and Senior Services, to provide a service directly. The level of services provided is dependent upon the amount of funding provided under contract from the Missouri Department of Health and Senior Services. The accompanying financial statements include all funds that are directly controlled by the Organization.

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting

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

Basis of Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Assets are sequenced according to their nearness of conversion to cash, and liabilities are sequenced according to the nearness of their maturity and resulting use of cash.

Accounting Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through March 22, 2014, the date on which the financial statements were available to be issued.

Northeast Missouri Area Agency on Aging
Notes to Financial Statements
June 30, 2013

Note 2 – Summary of Significant Accounting Policies (continued)

Fund Accounting

To facilitate observance of limitations and restrictions placed on the use of resources available to the Organization, the accounts of the Organization are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund; however, for financial reporting purposes the funds have been combined.

Revenue Recognition

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Unconditional promises to give are reported at net realizable value if expected to be received in one year or less and at fair value if expected to be collected in more than one year. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Cost reimbursement grants (federal grants and state general revenues) are recognized as revenue when allowable expenditures are incurred and all other grant related requirements have been met. Cash entitlement in lieu of commodities is earned when received or receivable and the Organization has served enough eligible meals to qualify for the cash entitlement in lieu of commodities. Program income is recognized when received. Interest income is recognized in the period earned. Other cash is recognized when earned consistent with the terms and conditions that govern the funding.

Description of Program and Supporting Services

The following program and supporting services are included in the accompanying financial statements:

Supportive – provides transportation, homemaker, personal care, legal assistance, and information and assistance services to older individuals.

Ombudsman – provides services of an ombudsman to receive, investigate, and act on complaints by older individuals who are residents of long-term care facilities and to advocate for the well being of those older individuals.

Congregate – provides a daily meal and other appropriate nutrition services in a congregated setting primarily to older individuals and other eligible recipients.

Northeast Missouri Area Agency on Aging
Notes to Financial Statements
June 30, 2013

Note 2 – Summary of Significant Accounting Policies (continued)

Description of Program and Supporting Services (continued)

Home Delivered – provides a home delivered meal daily primarily to older individuals and other eligible recipients.

Disease Prevention and Health Promotion – provides health education and medication management services to older individuals.

Family Caregivers – provides in-home respite and information and assistance services to assist family caregivers in providing extended care to older persons.

Special Programs – provides for chronic disease management and self-management in cooperation with a public health agency, outreach to low-income medication beneficiaries (MIPPA), prescription drug access, and independent living services for older individuals who are blind.

Area Agency Administration – includes the functions necessary to ensure an adequate working environment; provide coordination and articulation of the Area Agency's programs; secure proper administrative functioning of the Board of Directors; and manage the financial and budgetary responsibilities of the Area Agency.

Budgetary Accounting

Budgets are adopted for each service provided based on an Area Plan approved by the Missouri Department of Health and Senior Services. Budget revisions are determined in accordance with applicable Missouri Department of Health and Senior Services regulations on grant administration.

Cash equivalents

For purposes of the Statement of Cash Flows, cash and cash equivalents include all highly liquid investments with a maturity of three months or less when acquired. The Organization has no cash equivalents at June 30, 2013.

Accounts Receivable

Accounts receivables are reported at unpaid balances adjusted for any charge offs. Accounts receivables are considered past due after one year. Past due accounts are not assessed a finance charge. There are no past due accounts receivables.

Northeast Missouri Area Agency on Aging
Notes to Financial Statements
June 30, 2013

Note 2 – Summary of Significant Accounting Policies (continued)

Allowance for Doubtful Accounts

The Organization has not established an allowance for doubtful accounts as the majority of the Organization's receivables are due from governmental agencies and experience has shown that the Organization is able to collect all amounts due.

Property and Equipment

Additions and betterments of \$500 or more are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently. Property and equipment are carried at cost.

Property and equipment acquired with grant award funds is owned by the Organization while used in the program for which it was purchased or in other future authorized programs. The funding sources, however, have a reversionary interest in the property and equipment purchased with grant funds. The disposition, as well as the ownership of any proceeds therefrom, is subject to funding source regulations.

Equipment acquired with grant award funds is charged to expense in the period of purchase instead of being depreciated over its useful life. Generally accepted accounting principles require that equipment acquired with grant award funds be depreciated. If the equipment were capitalized and depreciated (using the straight-line method), the cost of equipment, net of depreciation, at June 30, 2013 would be \$4,055. This practice does not represent a material departure from generally accepted accounting principles.

Property is being depreciated on the straight-line basis over the estimated useful lives of the assets as follows:

Building and improvements	40 years
Parking lot	10 years

DHSS funds held in trust

The Organization records Missouri Department of Health and Senior Services (DHSS) unearned grant allotment balances as a refundable advance until they are expended for the purpose of the grant and all other grant related requirements have been met, at which time they are recognized as revenue.

Compensated Absences

Employees of the Organization are entitled to paid vacation and paid sick days, depending on job classification, length of service, and other factors. The Organization's policy is to recognize the costs of compensated absences when incurred. Total vested leave at June 30, 2013 amounted to \$12,751 and is reported as "accrued liabilities" in the Statement of Financial Position.

Northeast Missouri Area Agency on Aging
Notes to Financial Statements
June 30, 2013

Note 2 – Summary of Significant Accounting Policies (continued)

Net Assets

The Organization's net assets are classified as follows:

Permanently restricted net assets: consist of funds in which donors or other outside parties have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to the principal.

Temporarily restricted net assets: consist of those net assets whose use by the Organization have been limited by donors to later periods of time or after specified dates or to specified purposes.

Unrestricted net assets: represents those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by contract or by board designation. Changes in net assets arising from exchange transactions are included as well as resources derived from gifts and contributions. These resources are used at the discretion of the governing board to meet current expenses for any purpose.

Limitations on Unrestricted Net Assets

Grantor agencies impose significant limitations on the use of grant resources. Therefore, unrestricted net assets derived from grant resources are limited in use to those activities which are allowed under the terms of the grant awards and related grant program rules and regulations. Funds not used for purposes specified in the grant award document or the related grant program rules and regulations may be required to be repaid by the grantor agency.

Contributions

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence or nature of any donor restrictions.

Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted contributions.

Donated Facilities, Materials and Services

Donated services are recognized as contributions at their estimated fair value if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and the service would typically need to be purchased if not donated.

Northeast Missouri Area Agency on Aging
Notes to Financial Statements
June 30, 2013

Note 2 – Summary of Significant Accounting Policies (continued)

Donated Facilities, Materials and Services (continued)

Other donated services, which have not been included in the financial statements because they do not meet the criteria for recognition, were contributed by various individuals and organizations. The total amount of donated services that are not recognized in the financial statements is \$430,750 for 2013. Donated facilities, materials and services are used to meet non-Federal share matching requirements of the grant programs.

Concentration of Cash

The Organization maintains its cash deposits in one financial institution located in Kirksville, Missouri. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2013, the Organization's uninsured cash balance totals \$42,215. U.S. Treasury Notes with a market value of \$400,359 are pledged as collateral for cash balances in excess of federally insured limits. The Organization has not experienced any losses in bank deposit accounts. The Organization believes it is not exposed to any significant credit risk on cash balances.

Concentration of Credit Risk

The Organization receives support from various federal and state agencies. At June 30, 2013, 100% of the grants and contracts receivable balances were due from state governmental agencies.

Concentration of Revenue

The Organization receives approximately 56% of its revenues from federal and state governmental agencies. Of this amount, approximately 75% is received from the Missouri Department of Health and Senior Services and approximately 22% from the Missouri Division of Medical Services. Approximately 42% of the Organization's revenues are from program income and other cash generated through awards to various organizations for the delivery of services to eligible recipients.

Cost Allocation

Shared costs are allocated to benefiting programs using various allocation methods, depending on the type of shared cost being allocated. Shared costs are those costs incurred for the common benefit of all Organization programs, but which cannot be readily identified with a final cost objective. Cost allocation methods are as follows:

Personnel and fringe – Salaries and wages, leave, and fringe benefits are allocated to each grant or activity in accordance with job descriptions and time analysis for various functions.

Northeast Missouri Area Agency on Aging
Notes to Financial Statements
June 30, 2013

Note 2 – Summary of Significant Accounting Policies (continued)

Cost Allocation (continued)

Travel, memberships, dues, subscriptions and publications, assistance, miscellaneous, and napis user access and main project – Costs are billed directly to the applicable program.

Occupancy, telephone, printing and supplies, postage, equipment, insurance and bonding, training, repairs and maintenance, and professional services – Costs are allocated to each program based on square footage occupied.

Income Taxes

The Organization is a not-for-profit organization exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. It is also exempt from state income taxes under the Missouri Not-for-Profit Corporation Act.

Uncertain Tax Positions

The accounting standards on accounting for uncertainty in income taxes address the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income (UBIT).

Management evaluates the Organization's tax positions annually for any potential changes or issues that may result in uncertainty in the accounting for income taxes. As of June 30, 2013, management believes the Organization's tax status to be that of a not-for-profit entity and; therefore, have made the decision to classify the Organization as tax exempt. The Organization has filed all required tax returns with the required U.S. federal jurisdiction. Management has reviewed all sources of revenue and does not believe the Organization to be subject to income tax on unrelated business income. The Organization did not record any interest or penalties in the statement of activities or statement of financial position as of and during the year ended June 30, 2013. Tax returns filed for the years ended June 30, 2011 through 2013 remain subject to examination by the Internal Revenue Service.

**Northeast Missouri Area Agency on Aging
Notes to Financial Statements
June 30, 2013**

Note 3 – Cash

The Organization must comply with various restrictions on deposits which are imposed by state and federal regulations as follows:

Deposits: All deposits with financial institutions must be held in depositories insured by the FDIC and deposits in excess of FDIC coverage limits must be collateralized. Also, Federal regulations require that all advances of Federal funds shall be deposited and maintained in insured accounts whenever possible.

Note 4 – Grants Receivable

The following is a summary of grants receivable at June 30, 2013:

	Unconditional Promises to Give due in:			Total	Allowance
	Less than 1 year	1 to 5 years	More than 5 years		
	Missouri Department of Health and Senior Services	\$ 58,342	\$ -		

Conditional promises to give at June 30, 2013 consist of:

Missouri Foundation for Health – ElderLynk mental health outreach and case management program	\$9,612
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Note 5 – Property and Equipment

The following is a summary of property at June 30, 2013:

	Beginning	Additions	Dispositions	Ending
Land	\$ 25,000	\$ -	\$ -	\$ 25,000
Building and improvements	134,355	7,302	-	141,657
Parking lot	7,000	-	-	7,000
Total	166,355	7,302	-	173,657
Accumulated depreciation	(32,239)	(3,490)	-	(35,729)
Net	\$134,116	\$ 3,812	\$ -	\$137,928

The aggregate depreciation charged to operations for 2013 was \$3,490. The depreciation policies are described in Note 2.

**Northeast Missouri Area Agency on Aging
Notes to Financial Statements
June 30, 2013**

Note 6 – Equipment Inventory

In accordance with grant regulations, the Organization has established an amount of \$500 for inventory control purposes only. The following is a summary of changes in equipment inventory for the fiscal year ended June 30, 2013:

Balance, beginning of year		\$ 30,717
Additions:		
Cost	\$ 2,650	
Items under \$500 not added to inventory	<u>\$ -</u>	2,650
Dispositions		<u>-</u>
Balance, end of year		<u>\$ 33,367</u>

Note 7 – Classification of Net Assets

Temporarily restricted net assets are available for the following purposes at June 30, 2013:

Private support – purpose restrictions		<u>\$1,606</u>
Total temporarily restricted net assets		<u>\$1,606</u>

Note 8 – Employee Benefit Plan

The Organization has a Simplified Employee Pension plan under section 408k of the Internal Revenue Code. Plan contributions are made to individual retirement accounts of all eligible employees. The Organization contributed 15% per month for the year ended June 30, 2013, for total plan contributions of \$23,920.

Note 9 – Commitments and Contingencies

Grant Awards

Financial awards from Federal and state governmental agencies in the form of grants are subject to audit by the appropriate grantor agency. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. The Organization believes that disallowed costs, if any, based upon subsequent audits by the grantor agencies will not have a material effect on the overall financial position of the Organization.

Grants Payable to Others

The Organization is mandated by the Older Americans Act (OAA) to use subgrants or contracts with service providers to provide all services under OAA funding sources, unless the Organization is granted a waiver to provide services directly. The Organization has entered into subgrants with service providers for the provision of supportive, ombudsman, congregate, home delivered, and family caregivers services for fiscal year 2013 – 2014.

Note 10 – Special Events

During 2013, the Organization did not conduct any special events that were peripheral or incidental to the Organization's central activities.

Supplementary Information

**Northeast Missouri Area Agency on Aging
Supplementary Information
Statement of Financial Position
June 30, 2013**

	Grant Basis	GAAP Adjustments	GAAP Basis
Assets			
Cash	\$ 286,718	-	\$ 286,718
Grants receivable:			
Mo Dept of Health and Senior Services	17,389	-	17,389
Accounts receivable:			
Missouri Division of Medical Services - Meals	127,666	-	127,666
Prepaid expenses	3,075	-	3,075
Property, net of accumulated depreciation	-	137,928	137,928
Total assets	434,848	137,928	572,776
Liabilities			
DHSS funds held in trust	50,403	-	50,403
Accounts payable	354,742	-	354,742
Accrued liabilities	12,751	-	12,751
Total liabilities	417,896	-	417,896
Net Assets			
Temporarily restricted	1,606	-	1,606
Unrestricted	15,346	137,928	153,274
Total net assets	16,952	137,928	154,880
Total liabilities and net assets	\$ 434,848	\$ 137,928	\$ 572,776

**Northeast Missouri Area Agency on Aging
Supplementary Information
Schedule of Activities
For the Year Ended June 30, 2013**

	<u>Budget Basis</u>	<u>GAAP Adjustments</u>	<u>GAAP Basis</u>
Revenues			
Missouri Department of Health and Senior Services	\$ 2,466,534	\$ -	\$ 2,466,534
Missouri Department of Transportation	99,062	-	99,062
Missouri Division of Medical Services - Meals	743,111	-	743,111
Program Income	1,240,339	-	1,240,339
Contributions	86,888	-	86,888
Interest on local funds	350	-	350
Interest	3,746	-	3,746
Other Cash - DHSS match	135,607	-	135,607
Other Cash - Non-DHSS match	<u>1,103,312</u>	<u>-</u>	<u>1,103,312</u>
Total Revenues	<u>5,878,949</u>	<u>-</u>	<u>5,878,949</u>
Expenditures			
Personnel & fringe	197,401	-	197,401
Travel	10,342	-	10,342
Occupancy and communications	26,829	(7,302)	19,527
Printing, supplies, postage	10,749	-	10,749
Equipment:			
Furniture	1,776	-	1,776
Computer, fax, printing	874	-	874
Other Costs:			
Maintenance and repairs	4,685	-	4,685
Professional services	3,080	-	3,080
NAPIS	16,305	-	16,305
Insurance and bonding	4,809	-	4,809
Memberships, dues, subscriptions	1,171	-	1,171
Publications	2,296	-	2,296
Miscellaneous	225	-	225
Transportation-PAR, voucher, client	1,182	-	1,182
Assistance-utility, supplies, RX	430	-	430
Contractual	5,615,692	-	5,615,692
Depreciation	<u>-</u>	<u>3,490</u>	<u>3,490</u>
Total expenditures	<u>5,897,846</u>	<u>(3,812)</u>	<u>5,894,034</u>
Change in net assets	(18,897)	3,812	(15,085)
Net assets, beginning of year	<u>35,849</u>	<u>134,116</u>	<u>169,965</u>
Net assets, end of year	<u>\$ 16,952</u>	<u>\$ 137,928</u>	<u>\$ 154,880</u>

**Northeast Missouri Area Agency on Aging
Supplementary Information
Statement of Financial Position - Fund Accounting
June 30, 2013**

	Administration	Supportive Program	Ombudsman Program	Congregate Program	Home Delivered Program	Disease Prev & Health Prom Program	Family Caregivers Program	Special Programs	Area Agency Funds	Eliminations (Due to/From)	Total
Assets:											
Cash	\$ 5,538	\$ 104,839	\$ 59	\$ 61,450	\$ 74,889	\$ 4,533	\$ 18,458	\$ 1,606	\$ 15,346	\$ -	\$ 286,718
Grants receivable:											
Mo Dept of Health and Senior Services	-	-	-	-	-	-	17,389	-	-	-	17,389
Mo Dept of Social Services	-	-	-	-	-	-	-	-	-	-	-
Mo Dept of Transportation	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable:											
Mo Division of Medical Services - Meals	-	-	-	-	127,666	-	-	-	-	-	127,666
Prepaid Expense	3,075	-	-	-	-	-	-	-	-	-	3,075
Due from other funds	-	-	-	-	-	-	-	-	-	-	-
Total assets	8,613	104,839	59	61,450	202,555	4,533	35,847	1,606	15,346	-	434,848
Liabilities:											
DHSS funds held in trust	-	35,518	-	4,666	1,578	65	8,576	-	-	-	50,403
Accounts payable	845	67,616	13	56,065	198,869	4,422	26,912	-	-	-	354,742
Accrued liabilities	7,768	1,705	46	719	2,108	46	359	-	-	-	12,751
Due to other funds	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	8,613	104,839	59	61,450	202,555	4,533	35,847	-	-	-	417,896
Net Assets:											
Temporarily restricted	-	-	-	-	-	-	-	1,606	-	-	1,606
Unrestricted	-	-	-	-	-	-	-	-	15,346	-	15,346
Total net assets	-	-	-	-	-	-	-	1,606	15,346	-	16,952
Total liabilities and net assets	\$ 8,613	\$ 104,839	\$ 59	\$ 61,450	\$ 202,555	\$ 4,533	\$ 35,847	\$ 1,606	\$ 15,346	\$ -	\$ 434,848

**Northeast Missouri Area Agency on Aging
Supplementary Information
Statement of Activities - by Funding Source - Fund Accounting
For the Year Ended June 30, 2013**

	Administration	Supportive Program	Ombudsman Program	Congregate Program	Home Delivered Program	Disease Prev & Health Prom Program	Family Caregivers Program	Special Programs	Area Agency Funds	Eliminations (Other In-Kind)	Total
Revenues:											
MO Dept of Health & Senior Services	\$ 111,703	\$ 533,427	\$ 44,031	\$ 686,785	\$ 892,585	\$ 42,315	\$ 153,488	\$ 2,200	\$ -	\$ -	\$ 2,466,534
MO Department of Transportation	-	99,062	-	-	-	-	-	-	-	-	99,062
MO Div. of Medical Services - Meals	-	-	-	-	743,111	-	-	-	-	-	743,111
Program Income	-	65,113	-	705,211	463,699	60	6,256	-	-	-	1,240,339
Contributions	-	-	-	-	-	-	-	86,888	-	-	86,888
Interest on local funds	-	-	-	-	-	-	-	-	350	-	350
Interest	-	845	71	1,139	1,438	-	253	-	-	-	3,746
Other Cash - DHSS match	-	-	-	37,136	91,702	6,769	-	-	-	-	135,607
Other Cash - Non-DHSS match	800	40,805	26,077	253,989	775,560	-	6,081	-	-	-	1,103,312
Other In-Kind - DHSS Match	38,664	57,690	5,940	134,602	139,326	301	54,227	-	-	(430,750)	-
Total Revenues	151,167	796,942	76,119	1,818,862	3,107,421	49,445	220,305	89,088	350	(430,750)	5,878,949
Expenditures:											
MO Dept of Health & Senior Services	111,703	533,427	44,031	686,785	892,585	42,315	153,488	2,200	-	-	2,466,534
MO Highway and Transportation	-	99,062	-	-	-	-	-	-	-	-	99,062
MO Div. of Medical Services - Meals	-	-	-	-	743,111	-	-	-	-	-	743,111
Program Income	-	65,113	-	705,211	463,699	60	6,256	-	-	-	1,240,339
Contributions	-	-	-	-	-	-	-	88,554	-	-	88,554
Interest on local funds	-	-	-	-	-	-	-	-	17,581	-	17,581
Interest	-	845	71	1,139	1,438	-	253	-	-	-	3,746
Other Cash - DHSS match	-	-	-	37,136	91,702	6,769	-	-	-	-	135,607
Other Cash - Non-DHSS match	800	40,805	26,077	253,989	775,560	-	6,081	-	-	-	1,103,312
Other In-Kind - DHSS match	38,664	57,690	5,940	134,602	139,326	301	54,227	-	-	(430,750)	-
Total Expenditures	151,167	796,942	76,119	1,818,862	3,107,421	49,445	220,305	90,754	17,581	(430,750)	5,897,846
Change in net assets	-	-	-	-	-	-	-	(1,666)	(17,231)	-	(18,897)
Net assets, beginning of year											
Contributions	-	-	-	-	-	-	-	3,272	-	-	3,272
Other Cash - Non-DHSS match	-	-	-	-	-	-	-	-	32,577	-	32,577
Total net assets, beginning of year	-	-	-	-	-	-	-	3,272	32,577	-	35,849
Transfers in (out)											
Other Cash - Non-DHSS match	-	-	-	-	-	-	-	-	-	-	-
Total transfer in (out)	-	-	-	-	-	-	-	-	-	-	-
Net assets, end of year											
Contributions	-	-	-	-	-	-	-	1,606	-	-	1,606
Other Cash - Non-DHSS match	-	-	-	-	-	-	-	-	15,346	-	15,346
Total net assets, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,606	\$ 15,346	\$ -	\$ 16,952

**Northeast Missouri Area Agency on Aging
Supplementary Information
Schedule of Expenditures - Actual - Fund Accounting
For the Year Ended June 30, 2013**

	Total	Administration	Supportive Program	Ombudsman Program	Congregate Program	Home Delivered Program	Disease Prev & Health Prom Program	Family Caregivers Program	Special Programs	Area Agency Funds
Personnel & fringe	\$ 197,401	\$ 84,924	\$ 47,468	\$ 1,125	\$ 12,820	\$ 35,764	\$ 1,125	\$ 11,016	\$ 3,159	\$ -
Travel	10,342	9,419	321	114	195	195	16	82	-	-
Occupancy and communications	26,829	4,324	3,206	74	784	2,150	74	744	-	15,473
Printing, supplies, postage	10,749	4,017	2,976	69	728	1,997	69	693	200	-
Equipment:										
Furniture	1,776	677	501	11	123	337	11	116	-	-
Computer, fax, printing	874	332	247	6	60	165	6	58	-	-
Other Costs:										
Maintenance and repairs	4,685	1,785	1,323	30	323	887	30	307	-	-
Professional services	3,080	1,114	38	1	9	25	1	9	-	1,883
NAPIS	16,305	2,045	7,524	900	1,254	1,254	1,254	2,074	-	-
Insurance and bonding	4,809	1,831	1,359	31	332	910	31	315	-	-
Memberships, dues, subscriptions	1,171	1,161	10	-	-	-	-	-	-	-
Publications	2,296	874	648	15	158	435	15	151	-	-
Miscellaneous	225	-	-	-	-	-	-	-	-	225
Transportation-PAR, voucher, client	1,182	-	1,182	-	-	-	-	-	-	-
Assistance-utility, supplies, RX	430	-	-	-	-	-	-	-	430	-
Contractual	5,615,692	-	672,449	67,803	1,667,474	2,923,976	46,512	150,513	86,965	-
Total cash expenditures	5,897,846	112,503	739,252	70,179	1,684,260	2,968,095	49,144	166,078	90,754	17,581
In-Kind - DHSS match	430,750	38,664	57,690	5,940	134,602	139,326	301	54,227	-	-
Total Expenditures	\$ 6,328,596	\$ 151,167	\$ 796,942	\$ 76,119	\$ 1,818,862	\$ 3,107,421	\$ 49,445	\$ 220,305	\$ 90,754	\$ 17,581

**Northeast Missouri Area Agency on Aging
Supplementary Information
Schedule of Expenditures - Actual - Fund Accounting
Supportive Program
For the Year Ended June 30, 2013**

	Totals	Legal	Transportation	Information and Assistance	Homemaker	Personal Care	Public Education and Information
Personnel & fringe	\$ 47,468	\$ 1,942	\$ 1,942	\$ 20,711	\$ 3,375	\$ 2,372	\$ 17,126
Travel	321	118	39	-	82	82	-
Occupancy and communications	3,206	114	114	1,451	221	148	1,158
Printing, supplies, postage	2,976	105	105	1,348	205	137	1,076
Equipment:							
Furniture	501	18	17	227	35	23	181
Computer, fax, printing	247	9	9	112	17	11	89
Other Costs:							
Maintenance and repairs	1,323	47	47	599	91	61	478
Professional services	38	1	1	17	3	2	14
NAPIS	7,524	1,254	1,254	1,254	1,254	1,254	1,254
Insurance and bonding	1,359	48	48	615	94	63	491
Memberships, dues, subscriptions	10	-	-	-	-	-	10
Publications	648	23	23	293	45	30	234
Miscellaneous	-	-	-	-	-	-	-
Transportation-PAR, voucher, client	1,182	-	1,182	-	-	-	-
Assistance-utility, supplies, RX	-	-	-	-	-	-	-
Contractual	672,449	51,350	320,037	-	231,137	69,925	-
Total cash expenditures	739,252	55,029	324,818	26,627	236,559	74,108	22,111
In-Kind - DHSS match	57,690	4,940	11,037	3,347	25,187	10,346	2,833
Total Expenditures	<u>\$ 796,942</u>	<u>\$ 59,969</u>	<u>\$ 335,855</u>	<u>\$ 29,974</u>	<u>\$ 261,746</u>	<u>\$ 84,454</u>	<u>\$ 24,944</u>

Northeast Missouri Area Agency on Aging
Supplementary Information
Schedule of Expenditures - Actual - Fund Accounting
Disease Prevention Health Promotions Program
For the Year Ended June 30, 2013

	<u>Totals</u>	<u>EB Education/ Presentations</u>
Personnel & fringe	\$ 1,125	\$ 1,125
Travel	16	16
Occupancy and communications	74	74
Printing, supplies, postage	69	69
Equipment:		
Furniture	11	11
Computer, fax, printing	6	6
Other Costs:		
Maintenance and repairs	30	30
Professional services	1	1
NAPIS	1,254	1,254
Insurance and bonding	31	31
Memberships, dues, subscriptions	-	-
Publications	15	15
Miscellaneous	-	-
Transportation-PAR, voucher, client	-	-
Assistance-utility, supplies, RX	-	-
Contractual	<u>46,512</u>	<u>46,512</u>
Total cash expenditures	49,144	49,144
In-Kind - DHSS match	301	301
Total Expenditures	<u>\$ 49,445</u>	<u>\$ 49,445</u>

**Northeast Missouri Area Agency on Aging
 Supplementary Information
 Schedule of Expenditures - Actual - Fund Accounting
 Family Caregiver Support Program
 For the Year Ended June 30, 2013**

	<u>Totals</u>	<u>Information and Assistance</u>	<u>In-Home Respite</u>
Personnel & fringe	\$ 11,016	\$ 9,268	\$ 1,748
Travel	82	-	82
Occupancy and communications	744	633	111
Printing, supplies, postage	693	589	104
Equipment:			
Furniture	116	99	17
Computer, fax, printing	58	49	9
Other Costs:			
Maintenance and repairs	307	261	46
Professional services	9	8	1
NAPIS	2,074	820	1,254
Insurance and bonding	315	268	47
Memberships, dues, subscriptions	-	-	-
Publications	151	128	23
Miscellaneous	-	-	-
Transportation-PAR, voucher, client	-	-	-
Assistance-utility, supplies, RX	-	-	-
Contractual	<u>150,513</u>	<u>-</u>	<u>150,513</u>
Total cash expenditures	166,078	12,123	153,955
In-Kind - DHSS match	<u>54,227</u>	<u>4,196</u>	<u>50,031</u>
Total Expenditures	<u>\$ 220,305</u>	<u>\$ 16,319</u>	<u>\$ 203,986</u>

**Northeast Missouri Area Agency on Aging
 Supplementary Information
 Schedule of Expenditures - Actual - Fund Accounting
 Special Programs
 For the Year Ended June 30, 2013**

	<u>Totals</u>	<u>MIPPA</u>	<u>Eagles Rx Grant</u>	<u>MFH Grant</u>	<u>Project Learn More Grant</u>
Personnel & fringe	\$ 3,159	\$ -	\$ -	\$ 3,159	\$ -
Travel	-	-	-	-	-
Occupancy and communications	-	-	-	-	-
Printing, supplies, postage	200	-	-	200	-
Equipment:					
Furniture	-	-	-	-	-
Computer, fax, printing	-	-	-	-	-
Other Costs:					
Maintenance and repairs	-	-	-	-	-
Professional services	-	-	-	-	-
NAPIS	-	-	-	-	-
Insurance and bonding	-	-	-	-	-
Memberships, dues, subscriptions	-	-	-	-	-
Publications	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Transportation-PAR, voucher, client	-	-	-	-	-
Assistance-utility, supplies, RX	430	-	430	-	-
Contractual	<u>86,965</u>	<u>2,200</u>	<u>-</u>	<u>84,175</u>	<u>590</u>
Total cash expenditures	90,754	2,200	430	87,534	590
In-Kind - DHSS match	-	-	-	-	-
Total Expenditures	<u>\$ 90,754</u>	<u>\$ 2,200</u>	<u>\$ 430</u>	<u>\$ 87,534</u>	<u>\$ 590</u>

Section II

Single Audit Reporting

**Northeast Missouri Area Agency for Community Living
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2013**

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Carryover From Prior Year	Current Year Grant Award/ P.I. Received	Expended	Unexpended Balance at 6/30/2013			
						Unbudgeted Funds		Budgeted Funds	
						Unremitted	Remitted	Unremitted	Remitted
U.S. Department of Health and Human Services									
Passed Through Missouri Department of Health and Senior Services:									
Aging Cluster:									
Administration for Community Living:									
Special Programs for the Aging:									
Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	ERS 105 13 005	\$ 43,580	\$ 475,435	\$ 451,624	\$ 31,873	\$ -	\$ -	\$ 35,518
Title III, Part B - Program Income	93.044	ERS 105 13 005	-	65,113	65,113	-	-	-	-
Program total					<u>516,737</u>				
Title III, Part C, Subpart 1 - Nutrition Services	93.045	ERS 105 13 005	170,601	477,942	526,633	117,244	-	-	4,666
Title III, Part C, Subpart 1 - Program Income	93.045	ERS 105 13 005	-	705,211	705,211	-	-	-	-
Title III, Part C, Subpart 2 - Nutrition Services	93.045	ERS 105 13 005	215,272	207,451	274,466	146,678	-	-	1,579
Title III, Part C, Subpart 2 - Program Income	93.045	ERS 105 13 005	-	463,699	463,699	-	-	-	-
Program total					<u>1,970,009</u>				
Nutrition Services Incentive Program	93.053	ERS 105 13 005	-	322,951	322,951	-	-	-	-
Total Aging Cluster					<u>2,809,697</u>				
Other Programs:									
Administration for Community Living:									
Special Programs for the Aging:									
Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	ERS 105 13 005	-	308	308	-	-	-	-
Title VII, Chapter 2 - Long Term Care Ombudsman Services for Older Individuals	93.042	ERS 105 13 005	-	6,339	6,339	-	-	-	-
Title III, Part D - Disease Prevention and Health Promotion Services	93.043	ERS 105 13 005	16,256	27,120	42,315	996	-	-	65
Title III, Part D - Program Income				60	60				
Program total					<u>42,375</u>				
National Family Caregiver Support, Title III, Part E	93.052	ERS 105 13 005	33,769	170,965	170,584	25,574	-	-	8,576
Title III, Part E - Program Income	93.052	ERS 105 13 005	-	6,256	6,256	-	-	-	-
Program total					<u>176,840</u>				

**Northeast Missouri Area Agency for Community Living
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2013**

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Carryover From Prior Year	Current Year Grant Award/ P.I. Received	Expended	Unexpended Balance at 6/30/2013			
						Unbudgeted Funds		Budgeted Funds	
						Unremitted	Remitted	Unremitted	Remitted
93.518 - Affordable Care Act - Medicare Improvements for Patients and Providers	93.518	ERS 105 13 005	-	2,200	2,200	-	-	-	-
Administration for Children and Families:									
Social Services Block Grant	93.667	ERS 105 13 005	-	103,855	103,855	-	-	-	-
Passed Through Alzheimer's Association, Mid-Missouri Chapter									
Administration for Community Living:									
Alzheimer's Disease Demonstration Grants to States	93.051			590	590				
Total Department of Health and Human Services					3,142,204				
Total Federal Awards			479,478	3,035,495	3,142,204	322,365	-	-	50,404
State of Missouri Funds:									
Missouri Department of Health and Senior Services:									
General Revenue	N/A	ERS 105 13 005	-	563,695	563,695	-	-	-	-
Elderly Home Delivered Meals Trust Fund	N/A	ERS 105 13 005	-	1,564	1,564	-	-	-	-
Missouri Department of Transportation:									
MoDOT Grant	N/A	TMEHTP13NA1	-	99,062	99,062	-	-	-	-
Total State Awards			-	664,321	664,321	-	-	-	-
Total Federal and State Awards			\$479,478	\$3,699,816	\$3,806,525	\$322,365	\$0	\$0	\$50,404

See accompanying notes to the schedule of expenditures of federal and state awards.

**Northeast Missouri Area Agency on Aging
Notes to Schedule of Expenditures of
Federal and State Awards
For the Year Ended June 30, 2013**

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant programs, direct and pass-through, of Northeast Missouri Area Agency on Aging and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Note B – Subrecipients

The Area Agency on Aging uses subgrants with various service providers to provide many of the services under Title III of the Older Americans Act. Also, in accordance with terms of these subgrants, the service providers must spend program income to further the program. The federal and state expenditures passed through to service providers, and the program income expended by service providers, are as follows:

<u>CFDA# or State Award</u>	<u>Federal Awards</u>	<u>State Awards</u>	<u>Program Income</u>
93.044 Title III, Part B	\$ 381,695	\$ -	\$ 65,113
93.045 Title III, Part C	664,327	-	1,168,910
93.041 Title VII, Chapter 3	308	-	-
93.042 Title VII, Chapter 2	6,339	-	-
93.043 Title III, Part D	39,683	-	60
93.052 Title III, Part E	137,924	-	6,256
93.053 NSIP	322,951	-	-
93.518 MIPPA	2,200	-	-
93.667 SSBG	102,628	-	-
State General Revenue – DHSS	-	546,932	-
Elderly HD Meals Trust Fund	-	1,564	-
MEHTAP Grant	-	<u>99,062</u>	-
Totals	<u>\$1,658,055</u>	<u>\$647,558</u>	<u>\$1,240,339</u>

Note C – Reconciliation of Schedule to Financial Statements

Expenditures of federal and state sources per page 19 of supplementary information:

MO Department of Health and Senior Services	\$2,466,534
MO Department of Transportation	99,062
Program income	1,240,339
Contributions - Alzheimers	<u>590</u>
Total expenditures of Federal and State Awards	<u>\$3,806,525</u>

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**Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Board of Directors
Northeast Missouri Area
Agency on Aging
Kirksville, Missouri

To the Missouri Department
of Health and Senior Services
Division of Senior and Disability Services
Jefferson City, Missouri

We have audited, in accordance with the 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 Missouri Department of Health and Senior Services "Mandated Audit Criteria," the financial statements of Northeast Missouri Area Agency on Aging (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 22, 2014.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Northeast Missouri Area Agency on Aging's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Northeast Missouri Area Agency on Aging's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Northeast Missouri Area Agency on Aging's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

Purpose of this Report

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

Marsh, Espey & Riggs, P.C.
Certified Public Accountants

March 22, 2014
Maryville, Missouri

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**Independent Auditor's Report on Compliance for Each Major Program and
on Internal Control over Compliance Required by OMB Circular A-133**

To the Board of Directors
Northeast Missouri Area
Agency on Aging
Kirksville, Missouri

To the Missouri Department of
Health and Senior Services
Division of Senior and Disability Services
Jefferson City, Missouri

Report on Compliance for Each Major Federal Program

We have audited Northeast Missouri Area Agency on Aging's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Northeast Missouri Area Agency on Aging's major federal programs for the year ended June 30, 2013. Northeast Missouri Area Agency on Aging's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Northeast Missouri Area Agency on Aging's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the Missouri Department of Health and Senior Services "Mandated Audit Criteria." Those standards, OMB Circular A-133, and the "Mandated Audit Criteria" require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Northeast Missouri Area Agency on Aging's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Northeast Missouri Area Agency on Aging complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of Northeast Missouri Area Agency on Aging is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Northeast Missouri Area Agency on Aging's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Northeast Missouri Area Agency on Aging's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Marsh, Espey & Riggs, P.C.

Certified Public Accountants

March 22, 2014
Maryville, Missouri

**Northeast Missouri Area Agency on Aging
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013**

Section I – Summary of Auditor’s Results

Financial Statements

1. Type of auditor’s report issued? Unmodified
2. Internal control over financial reporting:
- Material weaknesses identified? __ Yes X No
- Significant deficiencies identified? __ Yes X None reported
3. Noncompliance material to financial statements noted? __ Yes X No

Federal Awards

4. Internal control over major programs:
- Material weaknesses identified? __ Yes X No
- Significant deficiencies identified? __ Yes X None reported
5. Type of auditor’s report issued on compliance for major programs? Unmodified
6. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? __ Yes X No
7. Identification of major programs:
- | <u>CFDA Number</u> | <u>Name of Federal Program or Cluster</u> |
|------------------------|---|
| 93.044; 93.045; 93.053 | Aging Cluster |
8. Dollar threshold used to distinguish between type A and type B programs: \$300,000
9. Auditee qualified as low-risk auditee? X Yes __ No

Section II – Financial Statement Findings

There were no matters reported.

Section III – Federal Award Findings and Questioned Costs

There were no matters reported.

Prior Audit Findings

There were no federal audit findings or questioned costs reported in Section III of the prior year’s Schedule of Findings and Questioned Costs.