

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

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

**For the Year Ended June 30, 2016**

**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, 2016, 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, Division of Senior and Disability Services "Mandated Audit Criteria." Those standards and the "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, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* 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 January 27, 2017, 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

Maryville, Missouri  
January 27, 2017

**Northeast Missouri Area Agency on Aging**  
**Statement of Financial Position**  
**June 30, 2016**

**Assets**

Cash	\$ 289,608
Grants receivable:	
Missouri Department of Health and Senior Services	6,809
Other	3,277
Accounts receivable:	
Missouri HealthNet Division	161,281
Prepaid expenses	10,850
Property, net of accumulated depreciation	<u>125,817</u>
 Total assets	 <u>597,642</u>

**Liabilities**

Refundable advances:	
Missouri Department of Health and Senior Services funds held in trust	60,234
Accounts payable	378,673
Accrued liabilities	<u>17,207</u>
 Total liabilities	 <u>456,114</u>

**Net Assets**

Unrestricted	<u>141,528</u>
 Total net assets	 <u>141,528</u>
 Total liabilities and net assets	 <u>\$ 597,642</u>

See notes to financial statements

**Northeast Missouri Area Agency on Aging  
Statement of Activities  
For the Year Ended June 30, 2016**

	<u>Unrestricted</u>
<b>Revenues:</b>	
Missouri Department of Health and Senior Services	\$ 2,308,519
Missouri Department of Transportation	83,437
Missouri HealthNet Division	968,696
Other Federal Programs	189,735
Program Income	1,115,128
Interest on Local Funds	98
Interest	2,540
Other Cash - DHSS Match	55,227
Other Cash - Non-DHSS Match	1,199,942
Total revenues	<u>5,923,322</u>
<b>Expenses:</b>	
Program Services:	
Supportive	646,113
Ombudsman	40,068
Congregate Meals	1,580,205
Home Delivered Meals	3,175,737
Disease Prevention and Health Promotion	24,499
Family Caregivers	138,374
Special Programs:	
MIPPA	10,518
Navigator	180,285
Benefit Enrollment Center	9,450
Supporting Activities:	
Area Agency Administration	117,975
Area Agency Funds	4,037
Total expenses	<u>5,927,261</u>
<b>Change in net assets</b>	(3,939)
<b>Net assets, beginning of year</b>	<u>145,467</u>
<b>Net assets, end of year</b>	<u>\$ 141,528</u>

See notes to financial statements



**Northeast Missouri Area Agency on Aging  
Statement of Functional Expenses  
For the Year Ended June 30, 2016**

	<b>Supporting Activities</b>		<b>Program Services</b>							<b>Total</b>
	<b>Area Agency Administration</b>	<b>Area Agency Funds</b>	<b>Supportive</b>	<b>Ombudsman</b>	<b>Congregate</b>	<b>Home Delivered</b>	<b>Disease &amp; Health</b>	<b>Family Caregivers</b>	<b>Special Programs</b>	
<b>Expenses:</b>										
Personnel & fringe	\$ 96,929	\$ -	\$ 28,145	\$ 1,228	\$ 12,221	\$ 24,907	\$ 1,339	\$ 10,608	\$ -	\$ 175,377
Travel	8,574	-	258	-	380	381	-	109	-	9,702
Occupancy and communications	3,281	-	1,724	54	580	1,086	81	687	-	7,493
Printing, supplies, postage	2,117	-	1,078	34	361	674	40	440	-	4,744
Equipment:										
Computer, fax, printing	173	-	91	3	31	57	3	37	-	395
Other Costs:										
Maintenance and repairs	1,615	-	848	26	285	533	32	343	-	3,682
Professional services	140	-	74	2	25	46	3	30	-	320
NAPIS/EDP	286	-	3,358	1,156	4,732	4,780	-	1,372	-	15,684
Insurance and bonding	2,789	-	1,465	46	493	920	54	598	-	6,365
Memberships, dues, subscriptions	1,165	-	54	2	18	34	2	22	-	1,297
Advertising	906	-	476	15	160	299	18	194	-	2,068
Contractual	-	-	608,542	37,502	1,560,919	3,142,020	22,927	123,934	200,253	5,696,097
Depreciation	-	4,037	-	-	-	-	-	-	-	4,037
<b>Total expenses</b>	<b>\$ 117,975</b>	<b>\$ 4,037</b>	<b>\$ 646,113</b>	<b>\$ 40,068</b>	<b>\$ 1,580,205</b>	<b>\$ 3,175,737</b>	<b>\$ 24,499</b>	<b>\$ 138,374</b>	<b>\$ 200,253</b>	<b>\$ 5,927,261</b>

See notes to financial statements

**Northeast Missouri Area Agency on Aging  
Statement of Cash Flows  
For the Year Ended June 30, 2016**

Cash Flows From Operating Activities:

Cash received from:

Missouri Department of Health and Senior Services	\$ 2,343,068
Missouri Department Transportation	83,437
Missouri HealthNet Division	954,216
Other Federal Programs	186,458
Program income	1,115,128
Interest on local funds	98
Interest	2,540
Other cash - DHSS match	55,227
Other cash - Non-DHSS match	1,199,942
Cash paid to contractors	(5,678,351)
Cash paid to suppliers and employees	<u>(224,119)</u>
Net increase in cash	37,644

Cash, beginning of year 251,964

Cash, end of year 289,608

Reconciliation of Change in Net Assets to Net Cash

Flows from Operating Activities:

Change in net assets	(3,939)
Adjustments to reconcile change in net assets to net cash used for operating activities:	
Depreciation	4,037
(Increase) decrease in:	
Grants receivable:	
Missouri Department of Health and Senior Services	3,041
Other	(3,277)
Accounts receivable:	
Missouri HealthNet Division	(14,480)
Prepaid expenses	(39)
Increase (decrease) in:	
Refundable advances:	
Missouri Department of Health and Senior Services funds held in trust	31,508
Accounts payable	17,679
Accrued liabilities	3,114
Net cash provided by operating activities	<u><u>\$ 37,644</u></u>

See notes to financial statements

**Northeast Missouri Area Agency on Aging**  
**Notes to Financial Statements**  
**June 30, 2016**

**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, Division of Senior and Disability 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.

**Description of Program Services and Supporting Activities**

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 congregate setting primarily to older individuals and other eligible recipients.

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

*Disease Prevention and Health Promotion* – provides the powerful tools for caregivers program.

*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 outreach to low-income beneficiaries (MIPPA), assistance with accessing health insurance coverage under the Affordable Care Act (Navigator) and outreach and assistance with benefit programs (Benefit Enrollment Center).

**Northeast Missouri Area Agency on Aging**  
**Notes to Financial Statements**  
**June 30, 2016**

**Note 1 – Organization and Nature of Activities (continued)**

**Description of Program Services and Supporting Activities (continued)**

*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.

**Note 2 – Summary of Significant Accounting Policies**

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting.

**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 January 27, 2017, the date on which the financial statements were available to be issued.

**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.

**Northeast Missouri Area Agency on Aging**  
**Notes to Financial Statements**  
**June 30, 2016**

**Note 2 – Summary of Significant Accounting Policies (continued)**

**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.

**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, 2016.

**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.

**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.

**Northeast Missouri Area Agency on Aging**  
**Notes to Financial Statements**  
**June 30, 2016**

**Note 2 – Summary of Significant Accounting Policies (continued)**

**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, 2016 would be \$2,421. 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

**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, 2016 amounted to \$17,207 and is reported as "accrued liabilities" in the Statement of Financial Position.

**Northeast Missouri Area Agency on Aging**  
**Notes to Financial Statements**  
**June 30, 2016**

**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, 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. There were no contributed services meeting the requirements for recognition in the financial statements.

**Northeast Missouri Area Agency on Aging**  
**Notes to Financial Statements**  
**June 30, 2016**

**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 estimated fair value of donated services that are not recognized in the financial statements is \$274,170 for 2016. 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, 2016, the Organization's uninsured cash balance totals \$55,317. U.S. Treasury Notes with a market value of \$601,102 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, 2016, approximately 98% of the grants and contracts receivable balances were due from state governmental agencies.

**Concentration of Revenue**

The Organization receives approximately 57% of its revenues from federal and state governmental agencies. Of this amount, approximately 69% is received from the Missouri Department of Health and Senior Services and approximately 29% from the Missouri HealthNet Division. Approximately 40% 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.

**Expense 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. Expenses are allocated to program services and supporting activities on the following bases:

*Personnel and fringe* – Salaries and wages, leave, and fringe benefits are allocated to each program 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, 2016**

**Note 2 – Summary of Significant Accounting Policies (continued)**

**Expense Allocation (continued)**

*Travel, naps user access fees, memberships and dues, and depreciation* – Costs are billed directly to the program benefited.

*Occupancy and communications, printing, supplies and postage, equipment, maintenance and repairs, professional services insurance and bonding, subscriptions, and advertising* – 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 shall recognize the tax benefit from an uncertain tax position when it is more likely than not, based on the technical merits, that the tax position will be sustained on examination. 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.

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, 2016, management believes the Organization's tax status to be that of a not-for-profit entity. 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, 2016. Tax returns filed for the years ended June 30, 2014 through 2016 remain subject to examination by the Internal Revenue Service.

**Advertising**

The Organization's policy is to expense advertising costs as they are incurred. Total advertising costs expensed in 2016 was \$2,068.

**Northeast Missouri Area Agency on Aging**  
**Notes to Financial Statements**  
**June 30, 2016**

**Note 3 – Cash**

The Organization must comply with various restrictions on deposits which are imposed by Federal and state 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, 2016:

	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	\$ 6,809	\$ -	\$ -	\$ 6,809	\$ -
Other	3,277	-	-	3,277	-
Total	<u>\$ 10,086</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,086</u>	<u>\$ -</u>

**Note 5 – Property and Equipment**

The following is a summary of property at June 30, 2016:

	Beginning Balance	Additions	Dispositions	Ending Balance
Land	\$ 25,000	\$ -	\$ -	\$ 25,000
Building and improvements	141,657	-	-	141,657
Parking lot	7,000	-	-	7,000
Total	173,657	-	-	173,657
Accumulated depreciation	(43,803)	(4,037)	-	(47,840)
Net	<u>\$ 129,854</u>	<u>\$ (4,037)</u>	<u>\$ -</u>	<u>\$ 125,817</u>

The aggregate depreciation charged to operations for 2016 was \$4,037. The depreciation policies are described in Note 2.

**Northeast Missouri Area Agency on Aging**  
**Notes to Financial Statements**  
**June 30, 2016**

**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, 2016:

Balance, beginning of year	\$ 29,827
Additions	395
Dispositions	(     --)
Balance, end of year	\$ <u>30,222</u>

**Note 7 – 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, 2016, for total plan contributions of \$18,029.

**Note 8 – 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 2016 – 2017.

**Note 9 – Special Events**

During 2016, 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  
Schedule of Financial Position  
June 30, 2016**

	<b>Grant Basis</b>	<b>GAAP Adjustments</b>	<b>GAAP Basis</b>
<b>Assets</b>			
Cash	\$ 289,608	-	\$ 289,608
Grants receivable:			
Missouri Department of Health and Senior Services	6,809	-	6,809
Other	3,277	-	3,277
Accounts receivable:			
Missouri HealthNet Division	161,281	-	161,281
Prepaid expenses	10,850	-	10,850
Property, net of accumulated depreciation	-	125,817	125,817
 Total assets	 471,825	 125,817	 597,642
<b>Liabilities</b>			
Refundable advances:			
Missouri Department of Health and Senior Services funds held in trust	60,234	-	60,234
Accounts payable	378,673	-	378,673
Accrued liabilities	17,207	-	17,207
 Total liabilities	 456,114	 -	 456,114
<b>Net Assets</b>			
Unrestricted	15,711	125,817	141,528
 Total net assets	 15,711	 125,817	 141,528
 Total liabilities and net assets	 \$ 471,825	 \$ 125,817	 \$ 597,642

**Northeast Missouri Area Agency on Aging  
Supplementary Information  
Schedule of Activities  
For the Year Ended June 30, 2016**

	<u>Budget Basis</u>	<u>GAAP Adjustments</u>	<u>GAAP Basis</u>
<b>Revenues</b>			
Missouri Department of Health and Senior Services	\$ 2,308,519	\$ -	\$ 2,308,519
Missouri Department of Transportation	83,437	-	83,437
Missouri HealthNet Division	968,696	-	968,696
Other Federal Programs	189,735	-	189,735
Program Income	1,115,128	-	1,115,128
Interest on local funds	98	-	98
Interest	2,540	-	2,540
Other Cash - DHSS match	55,227	-	55,227
Other Cash - Non-DHSS match	1,199,942	-	1,199,942
Total Revenues	<u>5,923,322</u>	<u>-</u>	<u>5,923,322</u>
<b>Expenditures</b>			
Personnel & fringe	175,377	-	175,377
Travel	9,702	-	9,702
Occupancy and communications	7,493	-	7,493
Printing, supplies, postage	4,744	-	4,744
Equipment:			
Computer, fax, printing	395	-	395
Other Costs:			
Maintenance and repairs	3,682	-	3,682
Professional services	320	-	320
NAPIS	15,684	-	15,684
Insurance and bonding	6,365	-	6,365
Memberships, dues, subscriptions	1,297	-	1,297
Advertising	2,068	-	2,068
Contractual	5,696,097	-	5,696,097
Depreciation	-	4,037	4,037
Total expenditures	<u>5,923,224</u>	<u>4,037</u>	<u>5,927,261</u>
<b>Change in net assets</b>	98	(4,037)	(3,939)
<b>Net assets, beginning of year</b>	<u>15,613</u>	<u>129,854</u>	<u>145,467</u>
<b>Net assets, end of year</b>	<u>\$ 15,711</u>	<u>\$ 125,817</u>	<u>\$ 141,528</u>

**Northeast Missouri Area Agency on Aging  
Supplementary Information  
Schedule of Financial Position - Fund Accounting  
June 30, 2016**

	<u>Administration</u>	<u>Supportive</u>	<u>Ombudsman</u>	<u>Congregate</u>	<u>Home Delivered</u>	<u>Disease Prev. &amp; Health Prom.</u>	<u>Family Caregivers</u>	<u>Special Programs</u>	<u>Area Agency Funds</u>	<u>Eliminations (Due to/From)</u>	<u>Total</u>
<b>Assets:</b>											
Cash	\$ 3,149	\$ 102,423	\$ 212	\$ 49,707	\$ 89,717	\$ 1,980	\$ 26,709	\$ -	\$ 15,711	\$ -	\$ 289,608
Grants receivable:											
Missouri Department of Health and Senior Services	(2,019)	-	3,279	-	-	-	5,549	-	-	-	6,809
Other	-	-	-	-	-	-	-	3,277	-	-	3,277
Accounts receivable:											
Missouri HealthNet Division	-	-	-	-	161,281	-	-	-	-	-	161,281
Prepaid Expense	10,850	-	-	-	-	-	-	-	-	-	10,850
Due from other funds	-	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<u>11,980</u>	<u>102,423</u>	<u>3,491</u>	<u>49,707</u>	<u>250,998</u>	<u>1,980</u>	<u>32,258</u>	<u>3,277</u>	<u>15,711</u>	<u>-</u>	<u>471,825</u>
<b>Liabilities:</b>											
Refundable advances:											
Missouri Department of Health and Senior Services funds held in trust	-	38,153	-	1,529	8,787	114	11,651	-	-	-	60,234
Accounts payable	420	62,661	3,131	47,263	239,990	1,820	20,111	3,277	-	-	378,673
Accrued liabilities	11,560	1,609	360	915	2,221	46	496	-	-	-	17,207
Due to other funds	-	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<u>11,980</u>	<u>102,423</u>	<u>3,491</u>	<u>49,707</u>	<u>250,998</u>	<u>1,980</u>	<u>32,258</u>	<u>3,277</u>	<u>-</u>	<u>-</u>	<u>456,114</u>
<b>Net Assets:</b>											
Unrestricted	-	-	-	-	-	-	-	-	15,711	-	15,711
<b>Total net assets</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,711</u>	<u>-</u>	<u>15,711</u>
<b>Total liabilities and net assets</b>	<u>\$ 11,980</u>	<u>\$ 102,423</u>	<u>\$ 3,491</u>	<u>\$ 49,707</u>	<u>\$ 250,998</u>	<u>\$ 1,980</u>	<u>\$ 32,258</u>	<u>\$ 3,277</u>	<u>\$ 15,711</u>	<u>\$ -</u>	<u>\$ 471,825</u>

**Northeast Missouri Area Agency on Aging  
Supplementary Information  
Schedule of Activities - by Funding Source - Fund Accounting  
For the Year Ended June 30, 2016**

	Administration	Supportive	Ombudsman	Congregate	Home Delivered	Disease Prev. & Health Prom.	Family Caregivers	Special Programs	Area Agency Funds	Eliminations (Other In-Kind)	Total
<b>Revenues:</b>											
MO Dept of Health & Senior Services	\$ 115,956	\$ 438,047	\$ 40,021	\$ 584,745	\$ 964,637	\$ 23,294	\$ 131,301	\$ 10,518	\$ -	\$ -	\$ 2,308,519
MO Department of Transportation	2,019	81,418	-	-	-	-	-	-	-	-	83,437
Missouri HealthNet Division	-	-	-	-	968,696	-	-	-	-	-	968,696
Other Federal Programs	-	-	-	-	-	-	-	189,735	-	-	189,735
Program Income	-	56,069	-	685,874	370,916	-	2,269	-	-	-	1,115,128
Interest on local funds	-	-	-	-	-	-	-	-	98	-	98
Interest	-	543	47	711	1,053	27	159	-	-	-	2,540
Other Cash - DHSS match	-	-	-	23,655	31,572	-	-	-	-	-	55,227
Other Cash - Non-DHSS match	-	70,036	-	285,220	838,863	1,178	4,645	-	-	-	1,199,942
Other In-Kind - DHSS Match	43,279	77,086	2,311	65,764	38,080	-	47,650	-	-	(274,170)	-
Total Revenues	161,254	723,199	42,379	1,645,969	3,213,817	24,499	186,024	200,253	98	(274,170)	5,923,322
<b>Expenditures:</b>											
MO Dept of Health & Senior Services	115,956	438,047	40,021	584,745	964,637	23,294	131,301	10,518	-	-	2,308,519
MO Highway and Transportation	2,019	81,418	-	-	-	-	-	-	-	-	83,437
Missouri HealthNet Division	-	-	-	-	968,696	-	-	-	-	-	968,696
Other Federal Programs	-	-	-	-	-	-	-	189,735	-	-	189,735
Program Income	-	56,069	-	685,874	370,916	-	2,269	-	-	-	1,115,128
Interest on local funds	-	-	-	-	-	-	-	-	-	-	-
Interest	-	543	47	711	1,053	27	159	-	-	-	2,540
Other Cash - DHSS match	-	-	-	23,655	31,572	-	-	-	-	-	55,227
Other Cash - Non-DHSS match	-	70,036	-	285,220	838,863	1,178	4,645	-	-	-	1,199,942
Other In-Kind - DHSS match	43,279	77,086	2,311	65,764	38,080	-	47,650	-	-	(274,170)	-
Total Expenditures	161,254	723,199	42,379	1,645,969	3,213,817	24,499	186,024	200,253	-	(274,170)	5,923,224
Change in net assets	-	-	-	-	-	-	-	-	98	-	98
<b>Net assets, beginning of year</b>											
Other Cash - Non-DHSS match	-	-	-	-	-	-	-	-	15,613	-	15,613
Total net assets, beginning of year	-	-	-	-	-	-	-	-	15,613	-	15,613
<b>Net assets, end of year</b>											
Other Cash - Non-DHSS match	-	-	-	-	-	-	-	-	15,711	-	15,711
Total net assets, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,711	\$ -	\$ 15,711



**Northeast Missouri Area Agency on Aging  
Supplementary Information  
Schedule of Expenditures - Actual - Fund Accounting  
For the Year Ended June 30, 2016**

	Total	Administration	Supportive	Ombudsman	Congregate	Home Delivered	Disease Prev. & Health Prom.	Family Caregivers	Special Programs	Area Agency Funds
Personnel & fringe	\$ 175,377	\$ 96,929	\$ 28,145	\$ 1,228	\$ 12,221	\$ 24,907	\$ 1,339	\$ 10,608	\$ -	\$ -
Travel	9,702	8,574	258	-	380	381	-	109	-	-
Occupancy and communications	7,493	3,281	1,724	54	580	1,086	81	687	-	-
Printing, supplies, postage	4,744	2,117	1,078	34	361	674	40	440	-	-
Equipment:										
Computer, fax, printing	395	173	91	3	31	57	3	37	-	-
Other Costs:										
Maintenance and repairs	3,682	1,615	848	26	285	533	32	343	-	-
Professional services	320	140	74	2	25	46	3	30	-	-
NAPIS	15,684	286	3,358	1,156	4,732	4,780	-	1,372	-	-
Insurance and bonding	6,365	2,789	1,465	46	493	920	54	598	-	-
Memberships, dues, subscriptions	1,297	1,165	54	2	18	34	2	22	-	-
Advertising	2,068	906	476	15	160	299	18	194	-	-
Contractual	5,696,097	-	608,542	37,502	1,560,919	3,142,020	22,927	123,934	200,253	-
Subtotal	5,923,224	117,975	646,113	40,068	1,580,205	3,175,737	24,499	138,374	200,253	-
In-Kind - DHSS match	274,170	43,279	77,086	2,311	65,764	38,080	-	47,650	-	-
Total Expenditures	<u>\$ 6,197,394</u>	<u>\$ 161,254</u>	<u>\$ 723,199</u>	<u>\$ 42,379</u>	<u>\$ 1,645,969</u>	<u>\$ 3,213,817</u>	<u>\$ 24,499</u>	<u>\$ 186,024</u>	<u>\$200,253</u>	<u>\$ -</u>

**Northeast Missouri Area Agency on Aging  
Supplementary Information  
Schedule of Expenditures - Actual - Fund Accounting  
Supportive Program  
For the Year Ended June 30, 2016**

	<u>Totals</u>	<u>Legal</u>	<u>Transportation</u>	<u>Information and Assistance</u>	<u>Homemaker</u>	<u>Personal Care</u>	<u>Public Education and Information</u>
Personnel & fringe	\$ 28,145	\$ 2,536	\$ 1,821	\$ 8,549	\$ 3,320	\$ 2,867	\$ 9,052
Travel	258	-	41	-	108	109	-
Occupancy and communications	1,724	117	90	579	186	168	584
Printing, supplies, postage	1,078	73	56	360	116	105	368
Equipment:							
Computer, fax, printing	91	6	5	31	10	8	31
Other Costs:							
Maintenance and repairs	848	57	45	285	91	82	288
Professional services	74	5	4	25	8	7	25
NAPIS	3,358	204	204	206	1,372	1,372	-
Insurance and bonding	1,465	99	77	492	158	143	496
Memberships, dues, subscriptions	54	4	3	18	6	5	18
Advertising	476	32	25	160	51	46	162
Contractual	<u>608,542</u>	<u>45,180</u>	<u>312,236</u>	<u>-</u>	<u>203,073</u>	<u>48,053</u>	<u>-</u>
Subtotal	646,113	48,313	314,607	10,705	208,499	52,965	11,024
In-Kind - DHSS match	<u>77,086</u>	<u>5,285</u>	<u>24,349</u>	<u>2,136</u>	<u>33,120</u>	<u>10,001</u>	<u>2,195</u>
Total Expenditures	<u>\$ 723,199</u>	<u>\$ 53,598</u>	<u>\$ 338,956</u>	<u>\$ 12,841</u>	<u>\$ 241,619</u>	<u>\$ 62,966</u>	<u>\$ 13,219</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, 2016**

	<u>Totals</u>	<u>EB Education/ Presentations</u>
Personnel & fringe	\$ 1,339	\$ 1,339
Travel	-	-
Occupancy and communications	81	81
Printing, supplies, postage	40	40
Equipment:		
Computer, fax, printing	3	3
Other Costs:		
Maintenance and repairs	32	32
Professional services	3	3
NAPIS	-	-
Insurance and bonding	54	54
Memberships, dues, subscriptions	2	2
Advertising	18	18
Contractual	<u>22,927</u>	<u>22,927</u>
Subtotal	24,499	24,499
In-Kind - DHSS match	-	-
Total Expenditures	<u>\$ 24,499</u>	<u>\$ 24,499</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, 2016**

	<u>Totals</u>	<u>Information and Assistance</u>	<u>In-Home Respite</u>
Personnel & fringe	\$ 10,608	\$ 7,386	\$ 3,222
Travel	109	-	109
Occupancy and communications	687	508	179
Printing, supplies, postage	440	326	114
Equipment:			
Computer, fax, printing	37	28	9
Other Costs:			
Maintenance and repairs	343	258	85
Professional services	30	22	8
NAPIS	1,372	-	1,372
Insurance and bonding	598	446	152
Memberships, dues, subscriptions	22	16	6
Advertising	194	145	49
Contractual	<u>123,934</u>	<u>-</u>	<u>123,934</u>
Subtotal	138,374	9,135	129,239
In-Kind - DHSS match	47,650	3,447	44,203
Total Expenditures	<u>\$ 186,024</u>	<u>\$ 12,582</u>	<u>\$ 173,442</u>

**Northeast Missouri Area Agency on Aging**  
**Supplementary Information**  
**Schedule of Expenditures - Actual - Fund Accounting**  
**Special Programs**  
**For the Year Ended June 30, 2016**

	<u>Totals</u>	<u>MIPPA</u>	<u>Navigator Grant</u>	<u>Benefit Enrollment Center</u>
Personnel & fringe	\$ -	\$ -	\$ -	\$ -
Travel	-	-	-	-
Occupancy and communications	-	-	-	-
Printing, supplies, postage	-	-	-	-
Equipment:				
Computer, fax, printing	-	-	-	-
Other Costs:				
Maintenance and repairs	-	-	-	-
Professional services	-	-	-	-
NAPIS	-	-	-	-
Insurance and bonding	-	-	-	-
Memberships, dues, subscriptions	-	-	-	-
Advertising	-	-	-	-
Contractual	<u>200,253</u>	<u>10,518</u>	<u>180,285</u>	<u>9,450</u>
Subtotal	200,253	10,518	180,285	9,450
In-Kind - DHSS match	-	-	-	-
Total Expenditures	<u>\$ 200,253</u>	<u>\$ 10,518</u>	<u>\$ 180,285</u>	<u>\$ 9,450</u>

**Northeast Missouri Area Agency on Aging  
Supplementary Information  
Supportive Services Program  
Priority Services Expenditures, by Funding Source  
Funding Accounting  
For the Year Ended June 30, 2016**

	<u>DHSS</u>	<u>MoDOT</u>	<u>Medicaid</u>	<u>Program Income</u>	<u>Interest</u>	<u>Other Cash- Non-DHSS</u>	<u>In-kind</u>	<u>Total</u>
Access Services:								
Transportation	\$ 137,772	\$ 81,418	\$ -	\$ 49,701	\$ 169	\$ 45,547	\$ 24,349	\$ 338,956
Information & Assistance	10,705	-	-	-	-	-	2,136	12,841
Information (Events)	11,024	-	-	-	-	-	2,195	13,219
Total Access Services	<u>159,501</u>	<u>81,418</u>	<u>-</u>	<u>49,701</u>	<u>169</u>	<u>45,547</u>	<u>28,680</u>	<u>365,016</u>
In-Home Services:								
Homemaker	188,676	-	-	5,213	257	14,353	33,120	241,619
Personal Care	44,257	-	-	912	64	7,732	10,001	62,966
Total In-Home Services	<u>232,933</u>	<u>-</u>	<u>-</u>	<u>6,125</u>	<u>321</u>	<u>22,085</u>	<u>43,121</u>	<u>304,585</u>
Legal Services	45,613	-	-	243	53	2,404	5,285	53,598
Total Priority Services	<u>438,047</u>	<u>81,418</u>	<u>-</u>	<u>56,069</u>	<u>543</u>	<u>70,036</u>	<u>77,086</u>	<u>723,199</u>
Reconciliation:								
Total Expenditures	<u>438,047</u>	<u>81,418</u>	<u>-</u>	<u>56,069</u>	<u>543</u>	<u>70,036</u>	<u>77,086</u>	<u>723,199</u>
Per Schedule of Activities - by Fund Source - Fund Accounting	<u>438,047</u>	<u>81,418</u>	<u>-</u>	<u>56,069</u>	<u>543</u>	<u>70,036</u>	<u>77,086</u>	<u>723,199</u>
Variance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## **Section II**

### **Single Audit Reporting**

**Northeast Missouri Area Agency on Aging  
Schedule of Expenditures of Federal and State Awards  
For the Year Ended June 30, 2016**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Carryover From Prior Year	Current Year Grant Award/ P.I. Received	Expended	Unexpended Balance at June 30, 2016		Passed Through to Subrecipients
						Unremitted	Remitted	
<b>U.S. Department of Health and Human Services:</b>								
<i>Passed Through Missouri Department of Health and Senior Services:</i>								
<b>Aging Cluster:</b>								
<b>Administration for Community Living:</b>								
Special Programs for the Aging:								
Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	ERS 105-16-005	\$ 20,394	\$ 486,679	\$ 428,782	\$ 40,138	\$ 38,153	\$ 388,645
Title III, Part B - Program Income	93.044	ERS 105-16-005	-	56,069	56,069	-	-	56,069
Program total					<u>484,851</u>			<u>444,714</u>
Title III, Part C, Subpart 1 - Nutrition Services	93.045	ERS 105-16-005	64,133	366,710	381,996	47,318	1,529	351,850
Title III, Part C, Subpart 1 - Program Income	93.045	ERS 105-16-005	-	685,874	685,874	-	-	685,874
Title III, Part C, Subpart 2 - Nutrition Services	93.045	ERS 105-16-005	134,385	262,439	213,437	174,600	8,787	162,631
Title III, Part C, Subpart 2 - Program Income	93.045	ERS 105-16-005	-	370,916	370,916	-	-	370,916
Program total					<u>1,652,223</u>			<u>1,571,271</u>
Nutrition Services Incentive Program	93.053	ERS 105-16-005	-	353,835	353,835	-	-	353,835
<b>Total Aging Cluster</b>					<u>2,490,909</u>			<u>2,369,820</u>
<b>Other Programs:</b>								
<b>Administration for Community Living:</b>								
Special Programs for the Aging:								
Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	ERS 105-16-005	-	674	674	-	-	674
Title VII, Chapter 2 - Long Term Care Ombudsman Services for Older Individuals	93.042	ERS 105-16-005	-	6,192	6,192	-	-	6,192
Title III, Part D - Disease Prevention and Health Promotion Services	93.043	ERS 105-16-005	8,337	27,989	23,294	12,918	114	21,722
National Family Caregiver Support, Title III, Part E	93.052	ERS 105-16-005	62,552	162,844	147,585	66,160	11,651	116,861
Title III, Part E - Program Income	93.052	ERS 105-16-005	-	2,269	2,269	-	-	2,269
Program total					<u>149,854</u>			<u>119,130</u>
Medicare Enrollment Assistance Program	93.071	ERS 105-16-005	10,768	10,317	10,518	10,567	-	10,518
<b>Administration for Children and Families:</b>								
Social Services Block Grant	93.667	ERS 105-16-005	-	80,511	80,511	-	-	57,049

(continued)



**Northeast Missouri Area Agency on Aging  
Schedule of Expenditures of Federal and State Awards  
For the Year Ended June 30, 2016**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Carryover From Prior Year	Current Year Grant Award/ P.I. Received	Expended	Unexpended Balance at June 30, 2016		Passed Through to Subrecipients
						Unremitted	Remitted	
<i>Passed Through Missouri Alliance of Area Agencies on Aging:</i>								
<b>Centers for Medicare and Medicaid Services:</b>								
Cooperative Agreement to Support Navigators in Federally-facilitated and State Partnership Marketplaces	93.332	1NAVCA140143-01-00	-	37,600	37,600	-	-	37,600
Cooperative Agreement to Support Navigators in Federally-facilitated and State Partnership Marketplaces	93.332	1NAVCA150226-01-00	-	142,685	142,685	-	-	142,685
Program total					<u>180,285</u>			<u>180,285</u>
<b>Administration for Community Living:</b>								
Affordable Care Act - Medicare Improvements for Patients and Providers	93.518	None	-	9,450	9,450	-	-	9,450
Total Department of Health and Human Services					<u>2,951,687</u>			
<b>Total Federal Awards</b>			<u>300,569</u>	<u>3,063,053</u>	<u>2,951,687</u>	<u>351,701</u>	<u>60,234</u>	<u>2,774,840</u>
<b>State of Missouri Funds:</b>								
<b>Missouri Department of Health and Senior Services:</b>								
General Revenue	N/A	ERS 105-16-005	-	658,919	658,919	-	-	610,658
Elderly Home Delivered Meals Trust Fund	N/A	ERS 105-16-005	-	2,776	2,776	-	-	2,776
<b>Missouri Department of Transportation:</b>								
Missouri Highways and Transportation Commission Elderly and Handicapped Transportation Assistance Program	N/A	TMEHTP16NE1	-	83,437	83,437	-	-	81,418
<b>Total State Awards</b>			<u>-</u>	<u>745,132</u>	<u>745,132</u>	<u>-</u>	<u>-</u>	<u>694,852</u>
<b>Total Federal and State Awards</b>			<u>\$ 300,569</u>	<u>\$ 3,808,185</u>	<u>\$ 3,696,819</u>	<u>\$ 351,701</u>	<u>\$ 60,234</u>	<u>\$ 3,469,692</u>

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, 2016**

**Note A – Basis of Presentation**

The accompanying schedule of expenditures of federal and state awards (the "Schedule") includes the federal and state award activity of Northeast Missouri Area Agency on Aging under programs of the federal and state governments for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Northeast Missouri Area Agency on Aging, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Northeast Missouri Area Agency on Aging.

**Note B – Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in Office of Management and Budget Circular A-122, *Cost Principles for Non-Profit Organizations*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note C – Indirect Cost Rate**

Northeast Missouri Area Agency on Aging has not elected to use the 10-percent de minimis indirect cost rate allowed under Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

**Note D – Reconciliation of Schedule to Financial Statements**

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

Missouri Department of Health and Senior Services	\$2,308,519
Missouri Department of Transportation	83,437
Other federal programs	189,735
Program income	<u>1,115,128</u>
Total expenditures of Federal and State Awards	<u>\$3,696,819</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, Division of Senior and Disability 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, 2016, 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 January 27, 2017.

**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.

We noted certain matters that we reported to management of Northeast Missouri Area Agency on Aging in a separate letter dated January 27, 2017.

### **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

Maryville, Missouri  
January 27, 2017

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**Independent Auditor's Report on Compliance for Each Major Federal Program  
and on Internal Control over Compliance Required by the Uniform Guidance**

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 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, 2016. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the Missouri Department of Health and Senior Services, Division of Senior and Disability Services "Mandated Audit Criteria." Those standards, the Uniform Guidance, 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, 2016.

### **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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

Maryville, Missouri  
January 27, 2017

**Northeast Missouri Area Agency on Aging  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2016**

**Section I – Summary of Auditors' Results**

**Financial Statements**

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

Internal control over financial reporting:

Material weaknesses identified?  Yes  No

Significant deficiencies identified?  Yes  None reported

Noncompliance material to financial statements noted?  Yes  No

**Federal Awards**

Internal control over major federal programs:

Material weaknesses identified?  Yes  No

Significant deficiencies identified?  Yes  None reported

Type of auditor's report issued on compliance for major federal programs? Unmodified

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

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.044; 93.045; 93.053	Aging Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?  Yes

**Section II – Financial Statement Findings**

No matters were reported.

**Section III – Federal Award Findings and Questioned Costs**

No matters were reported.

**Prior Audit Findings**

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