

Northeast Missouri Area Agency on Aging, Inc.

Independent Auditors' Report
and Financial Statements
Year Ended June 30, 2022

KPM
CPAS & ADVISORS

Table of Contents

Independent Auditors' Report	1
Financial Statements	
Statements of Financial Position	4
Statements of Activities and Net Assets.....	5
Statements of Functional Expenses	6
Statements of Cash Flows.....	7
Notes to the Financial Statements	8
Supplementary Information	
Schedule of Expenditures of State and Federal Awards	13
Federal Awards	
Schedule of Expenditures of Federal Awards	17
Notes to the Schedule of Expenditures of Federal Awards.....	18
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	19
Independent Auditors' Report on Compliance with Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	21
Schedule of Findings and Questioned Costs	24
Corrective Action Plan	28
Summary Schedule of Prior Year Audit Findings	30



Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Northeast Missouri Area Agency on Aging, Inc. (a nonprofit corporation), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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, Inc., as of June 30, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Northeast Missouri Area Agency on Aging, Inc., and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Northeast Missouri Area Agency on Aging, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

www.kpmcpa.com

1445 E. Republic Road, Springfield, MO 65804 | 417-882-4300 | fax 417-882-4343
500 W. Main Street, Suite 200 Branson, MO 65616 | 417-334-2987 | fax 417-336-3403

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 13 through 15 as listed in the table of contents and the accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards 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 20, 2024, on our consideration of Northeast Missouri Area Agency on Aging, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Northeast Missouri Area Agency on Aging, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Northeast Missouri Area Agency on Aging, Inc.'s internal control over financial reporting and compliance.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
March 20, 2024

Northeast Missouri Area Agency on Aging, Inc.

Statement of Financial Position

June 30, 2022

Assets

Current Assets

Cash and cash equivalents	\$	352,119
Accounts receivable		
Missouri Department of Health and Senior Services		61,538
Missouri Division of Medical Services		154,722
Others		3,603
Prepaid expenses		14,440
Total current assets		<u>586,422</u>

Property and Equipment

Cost		180,937
Less accumulated depreciation		<u>73,652</u>
Net property and equipment		<u>107,285</u>

Total assets	\$	<u>693,707</u>
---------------------	-----------	-----------------------

Liabilities and Net Assets

Current Liabilities

Accounts payable	\$	453,904
Accrued expenses		10,706
MO DHSS funds held in trust		<u>112,784</u>
Total current liabilities		<u>577,394</u>

Net assets without donor restrictions		<u>116,313</u>
--	--	----------------

Total liabilities and net assets	\$	<u>693,707</u>
---	-----------	-----------------------

The accompanying notes are an integral part of these financial statements

Northeast Missouri Area Agency on Aging, Inc.

Statement of Activities and Net Assets

Year Ended June 30, 2022

Public Support and Revenues

MO Dept. of Health and Sr. Services	\$ 2,824,671
MO Dept. of Transportation	102,640
Division of Medical Services	935,788
Program income	1,061,522
Other cash - DHSS match	24,645
Other cash - non-DHSS match	798,937
Other programs	40,386
Interest income	890
Total public support and revenues	<u>5,789,479</u>

Expenses

Program	5,741,903
General and administrative	52,371
Total expenses	<u>5,794,274</u>

Decrease in net assets without donor restrictions (4,795)

Net assets without donor restrictions - beginning of year 121,108

Net assets without donor restrictions - end of year \$ 116,313

The accompanying notes are an integral part of these financial statements

Northeast Missouri Area Agency on Aging, Inc.

Statement of Functional Expenses

Year Ended June 30, 2022

	<u>Program</u>	<u>General and Administrative</u>	<u>Total</u>
Expenses			
Contractual	\$ 5,538,616	\$ -	\$ 5,538,616
Personnel and fringe	136,319	44,236	180,555
Occupancy and communication	6,966	2,261	9,227
Travel	7,118	2,310	9,428
Printing, supplies, and postage	2,627	852	3,479
Insurance	4,722	1,532	6,254
Depreciation	3,637	1,180	4,817
Miscellaneous	41,898	-	41,898
	<u>5,741,903</u>	<u>52,371</u>	<u>5,794,274</u>
Total expenses	<u>\$ 5,741,903</u>	<u>\$ 52,371</u>	<u>\$ 5,794,274</u>

The accompanying notes are an integral part of these financial statements

Northeast Missouri Area Agency on Aging, Inc.

Statement of Cash Flows

Year Ended June 30, 2022

Cash flows from (used in) operating activities	
Decrease in net assets	\$ (4,795)
Adjustments	
Depreciation	4,817
Net change in operating accounts	
Accounts receivable	19,518
Prepaid expenses	(3,011)
Accounts payable	(145,000)
Accrued expenses	(14,631)
MO DHSS funds held in trust	32,268
Net cash from operating activities	<u>(110,834)</u>
Net decrease in cash and cash equivalents	(110,834)
Cash and cash equivalents beginning of year	<u>462,953</u>
Cash and cash equivalents end of the year	<u><u>\$ 352,119</u></u>

The accompanying notes are an integral part of these financial statements

Northeast Missouri Area Agency on Aging, Inc.

Notes to the Financial Statements

Year Ended June 30, 2022

1. Summary of Significant Accounting Policies

Nature of business: Northeast Missouri Area Agency on Aging, Inc. (the Agency) is a nonprofit corporation dedicated to providing general planning services for the development of a comprehensive, coordinated service system for senior citizens. The Agency serves senior citizens in sixteen counties in northeast Missouri providing nutrition, transportation, and other services.

Revenue recognition: The Agency recognizes revenue using the following methods.

Contributions and grants: Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. The majority of grants received by the Agency are nonreciprocal. Therefore, revenue is recognized as obligations are met.

Program income: Program revenue is recognized when the related obligation is met. The majority of the Agency's program revenue are amounts the Agency expects to be entitled to for meals provided to eligible clients. Eligible meals are billed to the Missouri Division of Medical Services on a monthly basis.

Basis of presentation: The Agency is required to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets not subject to donor-imposed restrictions may be expended for any purpose in performing the primary objectives of the Agency. These net assets may be used at the discretion of the Agency's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors must be expended in accordance with donor restrictions. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Agency or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. At June 30, 2022, the Agency does not have any net assets with donor restrictions.

All donor restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or the purpose is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and net assets as net assets released from donor restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions.

Accounting estimates: Management uses estimates and assumptions in preparing these financial statements in accordance with accounting principles generally accepted in the United States of America. 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 vary from the estimates that were used.

Northeast Missouri Area Agency on Aging, Inc.

Notes to the Financial Statements

Year Ended June 30, 2022

Accounts receivable and credit policies: Accounts receivable consists primarily of grant funds due to the Agency for providing program services. Accounts receivable are stated at the amount billed to the funding source. Management individually reviews all accounts receivable balances and, based on an assessment of current creditworthiness, estimates the portion of the balance that will not be collected. Management has concluded that realization losses on balances outstanding at year-end will be immaterial. It is the Agency's policy not to charge finance charges on past due accounts.

Property and equipment and related depreciation: Property and equipment have been stated at cost. Depreciation has been computed by applying the straight-line method and the following estimated lives:

<u>Category</u>	<u>Estimated Life</u>
Buildings and improvements	10-40 years
Parking lot	10 years

Acquisitions of property and equipment or repairs, maintenance, or betterments in excess of \$5,000 that materially prolong the useful lives of assets are capitalized.

MO DHSS funds held in trust: As required by the state of Missouri, cash received from the Missouri Department of Health and Senior Services, but not yet expended, is deferred and recognized when an offsetting expenditure has been incurred.

Functional allocations of expenses: The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. The statement of functional expenses presents the natural classification of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis. All other costs have been directly applied.

The allocated expenses include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Personnel and fringe	Time and effort
Occupancy and communication	Full-time equivalent
Travel	Full-time equivalent
Printing, supplies, and postage	Full-time equivalent
Insurance	Full-time equivalent
Depreciation	Full-time equivalent

Statement of cash flows: Cash equivalents include time deposits, certificates of deposit, money market funds, repurchase agreements, and all highly liquid debt instruments with maturities of three months or less at the date of their acquisition.

Tax exempt status: Northeast Missouri Area Agency on Aging, Inc., has been classified as an exempt organization under Internal Revenue Code Section 501(c)(3) and as a public charity qualified for charitable contributions under Internal Revenue Code Section 170.

Northeast Missouri Area Agency on Aging, Inc.

Notes to the Financial Statements

Year Ended June 30, 2022

The Agency has analyzed the tax positions taken and has concluded that as of June 30, 2022, there are no uncertain positions taken, or expected to be taken, that would require recognition of a liability or disclosure in the financial statements. A tax liability would be recognized if the Agency has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. The Agency is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Agency does not believe it likely that changes will occur within the next fiscal year that will have a material impact on the financial statements.

2. Availability and Liquidity

As a part of the Agency's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The following represents the Agency's financial assets at June 30, 2022 available to meet general expenditures over the next 12 months.

Financial assets at year end	
Cash and cash equivalents	\$ 352,119
Accounts receivable	<u>219,863</u>
Total financial assets available for general expenditures over the next twelve months	<u><u>\$ 571,982</u></u>

3. Property and Equipment

<u>Category</u>	
Buildings and improvements	\$ 180,937
Less accumulated depreciation	<u>73,652</u>
Total	<u><u>\$ 107,285</u></u>

The Agency is required to report to a sponsoring agency any disposition of personal property with a unit acquisition cost of \$5,000 or more and with a further use value. The agency must also maintain records of buildings acquired with federal funds. A reversionary interest exists for 20 years for newly constructed buildings and 10 years for acquisitions of existing buildings.

4. Retirement Plan

The Agency maintains a Simplified Employee Pension (SEP) plan. The plan eligibility includes all employees after one year of employment. The Agency may contribute up to 15% of an employee's earnings to the retirement plan. The contributions to the retirement plan for the year ended June 30, 2022 amounted to \$19,561.

Northeast Missouri Area Agency on Aging, Inc.

Notes to the Financial Statements

Year Ended June 30, 2022

5. Concentrations of Risks

During the year ended June 30, 2022, the Agency received approximately 81.4% from grants from Missouri Department of Health and Senior Services and the Division of Medical Service. The grants conclude in September 2024, but renewal is expected.

The Agency enters into contracts with subrecipients to provide program services. Such contracts are conditional based upon the Agency's ability to secure adequate funding and the other entities' willingness and ability to perform. At June 30, 2022, accounts payable to subrecipients was \$440,629.

At June 30, 2022, the accounts held with Bank of Kirksville exceeded standard FDIC insurance limits.

6. Contingencies

The Agency receives a large portion of its funding for projects through various federal and state grants for specific purposes that are subject to audit by grantor agencies. Compliance audits conducted by those agencies in the future could lead to disallowed costs relating to the current period. However, the Agency expects such amounts, if any, to be immaterial.

7. Subsequent Events

Management has evaluated subsequent events between the end of the most recent fiscal year end and March 20, 2024, the date the financial statements were available to be issued.

Subsequent to year end, the Agency received a grant of \$1,130,000 from the State of Missouri to fund real estate for an administrative, nutrition, and program center. In January 2024, the Agency acquired real estate for \$1,075,000 and additional renovations are estimated to cost \$1,500,000. The center is expected to be completed by December 2024 and the Agency expects the remaining costs to be funded by grants from the State of Missouri. The Agency also sold its administrative building for \$150,000 in January 2024.

Supplementary Information

Northeast Missouri Area Agency on Aging, Inc.

Supplementary Information

Schedule of Expenditures of State and Federal Awards

Year Ended June 30, 2022

Federal Program/ Pass through Grantor/ Program Title	Pass-through Grantor's or Other Identifying Number	Assistance Listing	Carryover from Prior Year	Current Year Award Amount	Expenditures	Unremitted Balance June 30, 2022	Remitted Balance June 30, 2022	Passed through to Subrecipients
U.S. Department of Health and Human Services								
<i>Passed Through Missouri Department of Health and Senior Services</i>								
Division of Senior and Disability Services	ERS10522005							
Title III, Part B - Supportive Services Grant Funds		93.044	\$ 227,640	\$ 396,277	\$ 493,579	\$ 117,070	\$ 13,268	\$ 445,623
Title III, Part B - Supportive Services Program Income		93.044	-	62,585	62,585	-	-	62,585
Title III, Part B - ARPA		93.044	-	441,922	-	441,922	-	-
Total Title III, Part B					<u>556,164</u>			<u>508,208</u>
Title III, Part C Subpart 1 - Congregate Meals Grant Funds		93.045	199,010	375,379	223,062	318,434	32,892	90,459
Title III, Part C Subpart 1 - Congregate Meals Program Income		93.045	-	359,692	359,692	-	-	359,692
Title III, Part C Subpart 1 - ARPA		93.045	-	288,210	-	288,210	-	-
Title III, Part C Subpart 2 - Home Delivered Meals Grant Funds		93.045	586,891	446,179	772,799	232,508	27,763	770,211
Title III, Part C Subpart 2 - ARPA		93.045	-	432,315	-	432,315	-	-
Title III, Part C Subpart 2 - Home Delivered Meals Program Income		93.045	-	619,560	619,560	-	-	619,560
Total Title III, Part C				<u>2,521,335</u>	<u>1,975,113</u>			<u>1,839,922</u>
Nutrition Service Incentive Program		93.053	-	285,922	285,922	-	-	285,922
Total Aging Cluster					<u>2,817,199</u>			<u>2,634,052</u>
Title III, Part D - Disease Prevention and Health Promotion Grant Funds		93.043	49,027	31,140	49,027	31,140	-	49,027
Title III, Part D - ARPA		93.043	-	42,271	-	42,271	-	-
Total Title III, Part D					<u>49,027</u>	231,840		<u>49,027</u>

Northeast Missouri Area Agency on Aging, Inc.

Supplementary Information

Schedule of Expenditures of State and Federal Awards

Year Ended June 30, 2022

Federal Program/ Pass through Grantor/ Program Title	Pass-through Grantor's or Other Identifying Number	Assistance Listing	Carryover from Prior Year	Current Year Award Amount	Expenditures	Unremitted Balance June 30, 2022	Remitted Balance June 30, 2022	Passed through to Subrecipients
<i>Continued</i>								
Title III, Part E - National Family Caregivers Program Grant Funds		93.052	176,579	194,705	180,150	152,272	38,863	146,658
Title III, Part E - National Family Caregivers Program Income		93.052	-	19,686	19,686	-	-	19,686
Title III, Part E - ARPA		93.052	-	139,623	-	139,623	-	-
Total Title III, Part E					<u>199,836</u>			<u>166,344</u>
Title VII, Elder Rights, Elder Abuse		93.041	-	1,597	1,597	-	-	1,597
Title VII, Elder Rights, Ombudsman		93.042	-	12,703	12,703	-	-	12,703
Social Services Block Grant - SSBG		93.667	-	58,434	58,434	-	-	36,480
Medicare Enrollment Assistance Program (MIPPA)		93.071	4,784	35,060	27,514	12,330	-	25,241
CDC Vaccine Access		93.044	-	48,276	-	48,276	-	-
Total Federal Awards Passed Through The Missouri Department of Health and Senior Services - Division of Senior and Disability Services					<u>\$ 1,243,931</u>	<u>\$ 4,291,536</u>	<u>\$ 3,166,310</u>	<u>\$ 2,488,211</u>
						<u>\$ 112,786</u>		<u>\$ 2,925,444</u>
Missouri State Funds								
<i>Passed Through Missouri Department of Health and Senior Services</i>								
Missouri General Revenue		N/A	-	\$ 717,422	\$ 717,422	-	-	\$ 709,082
Home Delivered Meals Trust Fund		N/A	-	2,460	2,460	-	-	2,460
Total State Awards Passed Through The Missouri Department of Health and Senior Services - Division of Senior and Disability Services			-	719,882	719,882	-	-	711,542
Total Federal and State Awards Passed Through The Missouri Department of Health and Senior Services - Division of Senior and Disability Services					<u>\$ 1,243,931</u>	<u>\$ 5,011,418</u>	<u>\$ 3,886,192</u>	<u>\$ 2,488,211</u>
						<u>\$ 112,786</u>		<u>\$ 3,636,986</u>

Northeast Missouri Area Agency on Aging, Inc.

Supplementary Information

Schedule of Expenditures of State and Federal Awards

Year Ended June 30, 2022

Federal Program/ Pass through Grantor/ Program Title	Pass-through Grantor's or Other Identifying Number	Assistance Listing	Carryover from Prior Year	Current Year Award Amount	Expenditures	Unremitted Balance June 30, 2022	Remitted Balance June 30, 2022	Passed through to Subrecipients
U.S. Department of Health and Human Services (continued)								
<i>Passed through Missouri Association of Area Agencies on Aging</i>								
State Health Insurance Assistance Program	N/A	93.324	\$ -	\$ -	\$ 14,149	\$ -	\$ -	\$ 14,149
COVID-19 Vaccine Registry Assistance for Older Missourians	N/A	93.268	-	-	26,236	-	-	25,472
Total Federal Awards Passed Through								
U.S. Department of Health and Human Services			<u>\$ 1,243,931</u>	<u>\$ 4,291,536</u>	<u>\$ 3,206,695</u>	<u>\$ 2,488,211</u>	<u>\$ 112,786</u>	<u>\$ 2,965,065</u>
Missouri State Funds								
<i>Passed Through Missouri Department of Transportation</i>								
MEHTAP Grant	N/A	N/A	\$ -	\$ 102,640	\$ 102,640	\$ -	\$ -	\$ 102,640
Total State Awards Passed Through Missouri								
Department of Transportation			<u>\$ -</u>	<u>\$ 102,640</u>	<u>\$ 102,640</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,640</u>
Total State Assistance (Non-federal)			\$ -	\$ 822,522	\$ 822,522	\$ -	\$ -	\$ 814,182
Total Federal Assistance			1,243,931	4,291,536	3,206,695	2,488,211	112,786	2,965,065
Total Federal and State (Non-federal) Assistance			<u>\$ 1,243,931</u>	<u>\$ 5,114,058</u>	<u>\$ 4,029,217</u>	<u>\$ 2,488,211</u>	<u>\$ 112,786</u>	<u>\$ 3,779,247</u>

Federal Awards

Northeast Missouri Area Agency on Aging, Inc.

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Federal Program/ Pass Through Grantor/ Program Title	Federal Assistance Listing	Pass-through Grantor's or Other Identifying Number	Federal Expenditures	Passed through to Subrecipients
Department of Health and Human Services				
<i>Passed through Missouri Department of Health and Human Services</i>				
Aging Cluster				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	ERS10522005	\$ 556,164	\$ 508,208
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	ERS10522005	1,975,113	1,839,922
Nutrition Services Incentive Program	93.053	ERS10522005	285,922	285,922
Total Aging Cluster			2,817,199	2,634,052
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	ERS10522005	1,597	1,597
Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	93.042	ERS10522005	12,703	12,703
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	ERS10522005	49,027	49,027
National Family Caregiver Support, Title III, Part E	93.052	ERS10522005	199,836	166,344
Medicare Enrollment Assistance Program	93.071	ERS10522005	27,514	25,241
Social Services Block Grant	93.667	ERS10522005	58,434	36,480
<i>Passed through Missouri Association of Area Agencies on Aging</i>				
State Health Insurance Assistance Program	93.324	N/A	14,149	14,149
COVID-19 Immunization Cooperative Agreements	93.268	DH210049684	26,236	25,472
Total Department of Health and Human Services			3,206,695	2,965,065
Total Federal Awards			\$ 3,206,695	\$ 2,965,065

N/A – Not applicable

See accompanying notes to the schedule of expenditures of federal awards

Northeast Missouri Area Agency on Aging, Inc.

Notes to the Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal awards activity of Northeast Missouri Area Agency on Aging, Inc., under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of the operations of Northeast Missouri Area Agency on Aging, Inc., 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, Inc.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-122, *Cost Principles of Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Northeast Missouri Area Agency on Aging, Inc., has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Pass-through entity identifying numbers are presented where available.



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Northeast Missouri Area Agency on Aging, Inc. (the Agency), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and net assets, 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 20, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 Agency'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. Despite these limitations, during our audit we did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002 that we consider to be material weaknesses. Additional material weaknesses or significant deficiencies may exist that were not identified.

www.kpmcpa.com

1445 E. Republic Road, Springfield, MO 65804 | 417-882-4300 | fax 417-882-4343
500 W. Main Street, Suite 200 Branson, MO 65616 | 417-334-2987 | fax 417-336-3403

Government Auditing Standards require the auditor to perform limited procedures of the Agency's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Agency's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Compliance and Other Matters

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

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

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
March 20, 2024



Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Northeast Missouri Area Agency on Aging, Inc.'s (the Agency) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Agency's major federal programs for the year ended June 30, 2022. The Agency's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Agency 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, 2022.

Basis for Opinion on Each Major Federal Program

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

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

www.kpmcpa.com

1445 E. Republic Road, Springfield, MO 65804 | 417-882-4300 | fax 417-882-4343
500 W. Main Street, Suite 200 Branson, MO 65616 | 417-334-2987 | fax 417-336-3403

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities of the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-003 to be a material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-004 to be a significant deficiency.

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

Government Auditing Standards requires the auditor to perform limited procedures of the Agency's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Agency's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

This 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
March 20, 2024

Northeast Missouri Area Agency on Aging, Inc.

Schedule of Findings and Questioned Costs

Year Ended June 30, 2022

Section I: Summary of Audit Results

Financial Statements		
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:		Unmodified
Internal Control over Financial Reporting:		
Material weakness(es) identified?		Yes
Significant deficiency(ies) identified?		None Reported
Noncompliance material to financial statements noted?		No
Federal Awards		
Internal control over major federal programs:		
Material weakness(es) identified?		Yes
Significant deficiency(ies) identified?		Yes
Type of auditor's report issued on compliance for major federal program:		Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?		Yes
Identification of major federal program:		
Federal Assistance Listing Number(s)	Name of Federal Program or Cluster	
Aging Cluster: 93.044	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Citizens	
93.045		
93.053		
Dollar threshold used to distinguish between type A and type B programs:		\$750,000
Auditee qualified as low-risk auditee?		No

Northeast Missouri Area Agency on Aging, Inc.

Schedule of Findings and Questioned Costs

Year Ended June 30, 2022

Section II: Findings – Financial Statement Audit

Material Weakness

2022-001 Financial Reporting

Criteria: The financial statements are required to be prepared in accordance with accounting principles generally accepted in the United States of America. Management is responsible for establishing and maintaining effective internal control over financial reporting.

Condition: The Agency was unable to provide timely accounting records to obtain sufficient appropriate audit evidence regarding amounts recorded on the financial statements and submit its audit timely.

Cause: There was insufficient oversight of the accounting closing process throughout the fiscal year to ensure accuracy of records, retention of documents, and timely financial reporting. The Agency also experienced significant key employee turnover during and subsequent to the fiscal year-end.

Effect: There were significant delays to the financial statement audit because of these matters.

Recommendation: Management should review monthly and year-end closing procedures to ensure controls in place are sufficient to ensure records are complete, timely, and adequately supported.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and in March 2023, the Agency hired a new Executive Director and in August 2023, a new Fiscal Officer. The Agency implemented procedures to ensure the closing of the books and maintaining of records under the new management.

2022-002 Segregation of Duties

Criteria: Duties should be segregated so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Condition: Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Cause: The Agency has limited staff for its accounting functions.

Effect: Risk is present that errors or irregularities in amounts that would be material to the basic financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Recommendation: We realize because of limited resources and personnel, management may not be able to achieve a proper segregation of duties. However, our professional standards require that we bring the lack of segregation of duties to your attention in this report.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and in March 2023, the Agency hired a new Executive Director and in August 2023, a new Fiscal Officer. In addition, the Agency reviews and approves internal financial statements monthly.

Northeast Missouri Area Agency on Aging, Inc.

Schedule of Findings and Questioned Costs

Year Ended June 30, 2022

Section III: Findings – Major Federal Award Program Audit

Material Weakness

Finding 2022-003 Subrecipient Monitoring

Federal Program: Department of Health and Human Services

Federal Assistance Listing No. 93.044, 93.045, and 93.053 – Aging Cluster

Criteria: Uniform Guidance requires pass-through entities to oversee the activities of service providers with respect to provision of services, reporting, voluntary contributions, and coordination of services under 2 CFR 200.332.

Condition: The Agency did not comply with the Uniform Guidance requirement to evaluate each subrecipient's risk of non-compliance and to monitor activities to ensure the federal award is used for authorized purposes.

Questioned Costs: \$0

Cause: There was significant key employee turnover during and subsequent to the fiscal year-end.

Effect: The Agency was not in compliance with Uniform Guidance 2 CFR 200.332.

Recommendation: We recommend the Agency monitors its subrecipients regularly.

Views of Responsible Officials and Planned Corrective Action: Management agrees with the finding and in March 2023, the Agency hired a new Executive Director and in August 2023, a new Fiscal Officer. The new management team has implemented policies and procedures to comply with subrecipient monitoring requirements.

Significant Deficiency

2022-004 Written Uniform Guidance Policies and Procedures

Federal Program: Department of Health and Human Services

Federal Assistance Listing No. 93.044, 93.045, and 93.053 – Aging Cluster

Criteria: Uniform Guidance requires written procedures for cash management and determining the allowability of costs in accordance with Subpart E – Cost Principals.

Condition: The Agency did not have written procedures for cash management (2 CFR 200.302(b)(6)) and allowable costs determination (2 CFR 200.302(b)(7)) in accordance with Uniform Guidance requirements.

Questioned Costs: \$0

Cause: The Agency's written policies and procedures were not updated to include required Uniform Guidance policies.

Effect: Employees of the Agency could enter into a transaction that is not in compliance with Uniform Guidance requirements.

Northeast Missouri Area Agency on Aging, Inc.

Schedule of Findings and Questioned Costs

Year Ended June 30, 2022

Recommendation: We recommend the Agency draft and adopt written procedures in accordance with Uniform Guidance requirements.

Views of Responsible Officials and Planned Corrective Action: Management agrees with the finding and adopted the appropriate policies and procedures in December 2023.



Department of Health and Human Services

Northeast Missouri Area Agency on Aging, Inc., respectfully submits the following corrective action plan for the year ended June 30, 2022.

Name of address of independent public accounting firm:

KPM CPAs, PC

1445 E. Republic Road

Springfield, Missouri 65804

Audit period: July 1, 2021 through June 30, 2022

The findings from the June 30, 2022 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

**Findings – Financial Statements Audit
Material Weakness**

2022-001 Financial Reporting

Recommendation: Management should review monthly and year-end closing procedures to ensure controls in place are sufficient to ensure records are complete, timely, and adequately supported.

Action Taken: In March 2023, the Agency hired a new Executive Director and in August 2023, a new Fiscal Officer. The Agency implemented procedures to ensure the closing of the books and maintaining of records under the new management.

2022-002 Segregation of Duties

Recommendation: We realize because of limited resources and personnel, management may not be able to achieve a proper segregation of duties. However, our professional standards require that we bring the lack of segregation of duties to your attention in this report.

Action Taken: In March 2023, the Agency hired a new Executive Director and in August 2023, a new Fiscal Officer. In addition, the Agency reviews and approves internal financial statements monthly.

**Findings – Major Federal Award Program
Material Weakness**

2022-003 Subrecipient Monitoring

Recommendation: We recommend the Agency monitors its subrecipients regularly.

2815 N. Baltimore
Kirksville, MO 63501
Phone: 660-665-4682
Email: info@nemoaaa.com

Action Taken: In March 2023, the Agency hired a new Executive Director and in August 2023, a new Fiscal Officer. The new management team has implemented policies and procedures to comply with subrecipient monitoring requirements.

Significant Deficiency

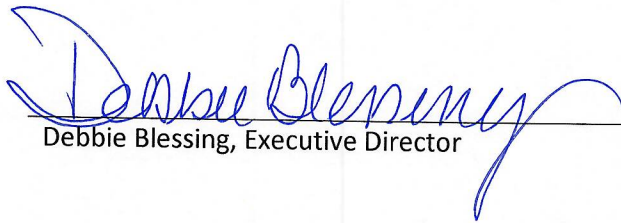
2022-004 Written Uniform Guidance Policies and Procedures

Recommendation: We recommend the Agency draft and adopt written procedures in accordance with Uniform Guidance requirements.

Action Taken: Management agrees with the finding and adopted the appropriate policies and procedures in December 2023.

If the Department of Health and Human Services has questions regarding this plan, please call Debbie Blessing at 660-665-4682.

Sincerely Yours,


Debbie Blessing, Executive Director

March 20, 2024

Date

Northeast Missouri Area Agency on Aging, Inc.

Summary Schedule of Prior Year Audit Findings

Year Ended June 30, 2022

There were no prior audit findings.