

Northeast Missouri Area Agency on Aging, Inc.

Independent Auditors' Report
and Financial Statements
Year Ended June 30, 2023

KPM
CPAS & ADVISORS

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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, 2023, 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, 2023, 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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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.

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 25 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*, are 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 supplementary 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 May 31, 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
May 31, 2024

Northeast Missouri Area Agency on Aging, Inc.

Statement of Financial Position

June 30, 2023

Assets

Current Assets

Cash and cash equivalents	\$	382,963
Accounts receivable		
Missouri Department of Health and Senior Services		280,149
Missouri Division of Medical Services		145,153
Others		8,194
Prepaid expenses		7,991
Total current assets		<u>824,450</u>

Property and Equipment

Cost		180,937
Less accumulated depreciation		<u>78,286</u>
Net property and equipment		<u>102,651</u>

Total assets	\$	<u>927,101</u>
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Liabilities and Net Assets

Current Liabilities

Accounts payable	\$	408,791
Accrued expenses		21,967
MO DHSS funds held in trust		<u>361,372</u>
Total current liabilities		<u>792,130</u>

Net assets without donor restrictions		<u>134,971</u>
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Total liabilities and net assets	\$	<u>927,101</u>
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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, 2023

Public Support and Revenues

MO Dept. of Health and Sr. Services	\$ 2,501,323
MO Dept. of Transportation	130,163
Division of Medical Services	868,102
Program income	1,132,495
Other cash - non-DHSS match	1,759,096
Other programs	49,317
Interest income	1,666
Total public support and revenues	<u>6,442,162</u>

Expenses

Program	6,333,456
General and administrative	90,048
Total expenses	<u>6,423,504</u>

Increase in net assets without donor restrictions 18,658

Net assets without donor restrictions - beginning of year 116,313

Net assets without donor restrictions - end of year \$ 134,971

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, 2023

	<u>Program</u>	<u>General and Administrative</u>	<u>Total</u>
Expenses			
Contractual	\$ 6,128,820	\$ -	\$ 6,128,820
Personnel and fringe	121,808	81,206	203,014
Occupancy and communication	5,235	1,699	6,934
Travel	7,023	2,279	9,302
Printing, supplies, and postage	6,793	2,204	8,997
Insurance	4,699	1,525	6,224
Depreciation	3,499	1,135	4,634
Miscellaneous	55,579	-	55,579
	<u>55,579</u>	<u>-</u>	<u>55,579</u>
Total expenses	<u>\$ 6,333,456</u>	<u>\$ 90,048</u>	<u>\$ 6,423,504</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, 2023

Cash flows from operating activities		
Increase in net assets	\$	18,658
Adjustments		
Depreciation		4,634
Net change in operating accounts		
Accounts receivable		(213,633)
Prepaid expenses		6,449
Accounts payable		(45,113)
Accrued expenses		11,261
MO DHSS funds held in trust		248,588
Net cash from operating activities		<u>30,844</u>
Net increase in cash and cash equivalents		30,844
Cash and cash equivalents - beginning of year		<u>352,119</u>
Cash and cash equivalents - end of year	\$	<u><u>382,963</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, 2023

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.

Accounting pronouncements adopted: Effective July 1, 2022 the Agency elected to adopt FASB ASC 842, *Leases*. This accounting standard requires a lessee to record a right-of-use asset and a lease liability on the statement of financial position for lease agreements entered into by the Agency. The accounting standard allows the Agency to elect not to apply the asset and liability recognition requirements of this standard to leases with terms of less than 12 months. The Agency primarily enters leases with terms of less than 12 months, and, as such, the Agency did not record a right-of-use asset or lease liability for any of its leases upon the adoption of this accounting standard. Expense related to the Agency's leases was recognized on a straight-line basis over the lease term. The adoption of this standard did not result in any adjustments being made to the Agency's financial statements.

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, 2023, 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.

Accounts receivable and credit policies: Accounts receivable consist 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

Northeast Missouri Area Agency on Aging, Inc.

Notes to the Financial Statements

Year Ended June 30, 2023

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

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.

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.

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

Northeast Missouri Area Agency on Aging, Inc.

Notes to the Financial Statements

Year Ended June 30, 2023

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.

The Agency has analyzed the tax positions taken and has concluded that as of June 30, 2023, 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, 2023 available to meet general expenditures over the next twelve months.

Financial assets at year end	
Cash and cash equivalents	\$ 382,963
Accounts receivable	433,496
Total financial assets available for general expenditures over the next twelve months	<u>\$ 816,459</u>

3. Property and Equipment

<u>Category</u>	
Buildings and improvements	\$ 180,937
Less accumulated depreciation	78,286
Total	<u>\$ 102,651</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.

Northeast Missouri Area Agency on Aging, Inc.

Notes to the Financial Statements

Year Ended June 30, 2023

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, 2023, amounted to \$7,430.

5. Concentrations of Risks

During the year ended June 30, 2023, the Agency received approximately 52.3% from grants from Missouri Department of Health and Senior Services and the Division of Medical Services. 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, 2023, accounts payable to subrecipients was \$405,515.

At June 30, 2023, 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 May 31, 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, 2023

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, 2023	Remitted Balance June 30, 2023	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	\$ 130,338	\$ 428,921	\$ 383,203	\$ 60,244	\$ 115,811	\$ 327,125
Title III, Part B - Supportive Services Program Income		93.044	-	51,480	51,480	-	-	51,480
Title III, Part B - ARPA		93.044	441,922	-	116,131	325,791	-	116,131
Total Title III, Part B					<u>550,814</u>			<u>494,736</u>
Title III, Part C Subpart 1 - Congregate Meals Grant Funds		93.045	351,326	463,225	185,326	572,146	57,079	168,651
Title III, Part C Subpart 1 - Congregate Meals Program Income		93.045	-	444,170	444,170	-	-	444,170
Title III, Part C Subpart 1 - ARPA		93.045	288,210	-	42,613	245,597	-	42,613
Title III, Part C Subpart 2 - Home Delivered Meals Grant Funds		93.045	260,271	282,946	312,462	100,101	130,654	312,462
Title III, Part C Subpart 2 - ARPA		93.045	432,315	-	177,678	254,637	-	177,678
Title III, Part C Subpart 2 - Home Delivered Meals Program Income		93.045	-	623,107	623,107	-	-	623,107
Total Title III, Part C					<u>1,785,356</u>			<u>1,768,681</u>
Nutrition Service Incentive Program		93.053	-	285,836	107,550	178,286	-	107,550
Total Aging Cluster					<u>2,443,720</u>			<u>2,370,967</u>
Title III, Part D - Disease Prevention and Health Promotion Grant Funds		93.043	31,140	30,354	5,831	55,663	-	5,831
Title III, Part D - ARPA		93.043	42,271	-	-	42,271	-	-
Total Title III, Part D					<u>5,831</u>			<u>5,831</u>

Northeast Missouri Area Agency on Aging, Inc.

Supplementary Information

Schedule of Expenditures of State and Federal Awards

Year Ended June 30, 2023

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, 2023	Remitted Balance June 30, 2023	Passed through to Subrecipients		
<i>Continued</i>										
Title III, Part E - National Family Caregivers Program Grant Funds		93.052	191,134	196,727	155,061	174,972	57,828	132,193		
Title III, Part E - National Family Caregivers Program Income		93.052	-	13,738	13,738	-	-	13,738		
Title III, Part E - ARPA		93.052	139,623	-	33,930	105,693	-	33,930		
Total Title III, Part E					<u>202,729</u>			<u>179,861</u>		
Title VII, Elder Rights, Ombudsman		93.042	-	6,070	6,070	-	-	6,070		
Social Services Block Grant - SSBG		93.667	-	84,361	76,745	7,616	-	39,117		
Medicare Enrollment Assistance Program (MIPPA)		93.071	12,330	-	8,730	3,600	-	8,730		
Total Federal Awards Passed Through Missouri Department of Health and Senior Services - Division of Senior and Disability Services					<u>\$ 2,320,880</u>	<u>\$ 2,910,935</u>	<u>\$ 2,743,825</u>	<u>\$ 2,126,617</u>	<u>\$ 361,372</u>	<u>\$ 2,610,576</u>
Missouri State Funds										
<i>Passed Through Missouri Department of Health and Senior Services</i>										
Missouri General Revenue		N/A	\$ -	\$ 878,787	\$ 878,787	\$ -	\$ -	\$ 643,016		
Home Delivered Meals Trust Fund		N/A	-	1,793	1,793	-	-	1,793		
Total State Awards Passed Through Missouri Department of Health and Senior Services - Division of Senior and Disability Services					<u>-</u>	<u>880,580</u>	<u>880,580</u>	<u>-</u>	<u>-</u>	<u>644,809</u>
Total Federal and State Awards Passed Through Missouri Department of Health and Senior Services - Division of Senior and Disability Services					<u>\$ 2,320,880</u>	<u>\$ 3,791,515</u>	<u>\$ 3,624,405</u>	<u>\$ 2,126,617</u>	<u>\$ 361,372</u>	<u>\$ 3,255,385</u>

Northeast Missouri Area Agency on Aging, Inc.

Supplementary Information

Schedule of Expenditures of State and Federal Awards

Year Ended June 30, 2023

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, 2023	Remitted Balance June 30, 2023	Passed through to Subrecipients
U.S. Department of Health and Human Services (continued)								
<i>Passed through Missouri Association of Area Agencies on Aging</i>								
Medicare Enrollment Assistance Program (MIPPA)	N/A	93.071	\$ -	\$ -	\$ 10,275	\$ -	\$ -	\$ 10,275
Total Federal Awards Passed Through								
U.S. Department of Health and Human Services			<u>\$ 2,320,880</u>	<u>\$ 2,910,935</u>	<u>\$ 2,754,100</u>	<u>\$ 2,126,617</u>	<u>\$ 361,372</u>	<u>\$ 2,620,851</u>
Missouri State Funds								
<i>Passed Through Missouri Department of Transportation</i>								
MEHTAP Grant	N/A	N/A	\$ -	\$ 255,637	\$ 130,163	\$ -	\$ -	\$ 130,163
Total State Awards Passed Through Missouri Department of Transportation			<u>\$ -</u>	<u>\$ 255,637</u>	<u>\$ 130,163</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130,163</u>
Total State Assistance (Non-federal)			\$ -	\$ 1,136,217	\$ 1,010,743	\$ -	\$ -	\$ 774,972
Total Federal Assistance			<u>2,320,880</u>	<u>2,910,935</u>	<u>2,754,100</u>	<u>2,126,617</u>	<u>361,372</u>	<u>2,620,851</u>
Total Federal and State (Non-federal) Assistance			<u>\$ 2,320,880</u>	<u>\$ 4,047,152</u>	<u>\$ 3,764,843</u>	<u>\$ 2,126,617</u>	<u>\$ 361,372</u>	<u>\$ 3,395,823</u>

Northeast Missouri Area Agency on Aging, Inc.

Supplementary Information

Statement of Financial Position – Grant Basis

June 30, 2023

	Grant Basis	GAAP Adjustments	GAAP Basis
Assets			
Current Assets			
Cash and cash equivalents	\$ 382,963	\$ -	\$ 382,963
Accounts receivable			
Missouri DHSS	280,149	-	280,149
Missouri DMS	145,153	-	145,153
Others	8,194	-	8,194
Prepaid expenses	7,991	-	7,991
Total current assets	824,450	-	824,450
Property and Equipment			
Cost	-	180,937	180,937
Less accumulated depreciation	-	78,286	78,286
Net property and equipment	-	102,651	102,651
Total assets	\$ 824,450	\$ 102,651	\$ 927,101
Liabilities and Net Assets			
Current Liabilities			
Accounts payable	\$ 408,791	\$ -	\$ 408,791
Accrued expenses	21,967	-	21,967
MO DHSS funds held in trust	361,372	-	361,372
Total current liabilities	792,130	-	792,130
Net assets without donor restrictions	32,320	102,651	134,971
Total liabilities and net assets	\$ 824,450	\$ 102,651	\$ 927,101

Northeast Missouri Area Agency on Aging, Inc.

Supplementary Information

Statement of Activities and Net Assets – Grant Basis

Year Ended June 30, 2023

	<u>Grant Basis</u>	<u>GAAP Adjustments</u>	<u>GAAP Basis</u>
Public Support and Revenues			
Missouri Dept. of Health and Sr. Services	\$ 2,501,323	\$ -	\$ 2,501,323
Missouri Dept. of Transportation	130,163	-	130,163
Division of Medical Services	868,102	-	868,102
Program income	1,132,495	-	1,132,495
Non-DHSS match	1,759,096	-	1,759,096
Interest income	1,666	-	1,666
Miscellaneous	49,317	-	49,317
Total public support and revenues	<u>6,442,162</u>	<u>-</u>	<u>6,442,162</u>
Expenditures			
Contractual	6,128,820	-	6,128,820
Personnel and fringe	203,014	-	203,014
Occupancy and communication	6,934	-	6,934
Travel	9,302	-	9,302
Printing, supplies, and postage	8,997	-	8,997
Insurance	6,224	-	6,224
Depreciation	-	4,634	4,634
Miscellaneous	55,579	-	55,579
Total expenditures	<u>6,418,870</u>	<u>4,634</u>	<u>6,423,504</u>
Increase (decrease) in net assets	23,292	(4,634)	18,658
Net assets - beginning of year	<u>9,028</u>	<u>107,285</u>	<u>116,313</u>
Net assets - end of year	<u>\$ 32,320</u>	<u>\$ 102,651</u>	<u>\$ 134,971</u>

Northeast Missouri Area Agency on Aging, Inc.

Supplementary Information

Statement of Financial Position – Fund Accounting – Grant Basis

Year Ended June 30, 2023

	<u>Admin</u>	<u>Supportive Program</u>	<u>Ombudsman Program</u>	<u>Congregate Nutrition Program</u>	<u>Home Delivered Program</u>	<u>Disease Prevention and Health Promotion</u>	<u>Family Caregiver Program</u>	<u>Special Programs</u>	<u>Area Agency Funds</u>	<u>Total</u>
Assets										
Cash	\$ -	\$ 67,299	\$ 7,478	\$ 29,911	\$ 246,763	\$ -	\$ 18,694	\$ 3,739	\$ 9,079	\$ 382,963
Accounts receivable										
Missouri DHSS	5,158	95,983	4,222	21,650	100,723	879	25,070	3,223	23,241	280,149
Missouri DMS	-	-	-	-	145,153	-	-	-	-	145,153
Others	-	-	-	-	-	-	-	8,194	-	8,194
Prepaid expenses	6,119	748	33	216	558	-	317	-	-	7,991
Total assets	<u>\$ 11,277</u>	<u>\$ 164,030</u>	<u>\$ 11,733</u>	<u>\$ 51,777</u>	<u>\$ 493,197</u>	<u>\$ 879</u>	<u>\$ 44,081</u>	<u>\$ 15,156</u>	<u>\$ 32,320</u>	<u>\$ 824,450</u>
Liabilities and Net Assets										
DHSS funds held in trust	\$ -	\$ 65,047	\$ 7,227	\$ 28,910	\$ 238,506	\$ -	\$ 18,068	\$ 3,614	\$ -	\$ 361,372
Accounts payable	953	96,128	4,286	21,768	249,858	-	24,695	11,103	-	408,791
Accrued expenses	10,324	2,855	220	1,099	4,833	879	1,318	439	-	21,967
Total liabilities	<u>11,277</u>	<u>164,030</u>	<u>11,733</u>	<u>51,777</u>	<u>493,197</u>	<u>879</u>	<u>44,081</u>	<u>15,156</u>	<u>-</u>	<u>792,130</u>
Net assets without donor restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,320</u>	<u>32,320</u>
Total liabilities and net assets	<u>\$ 11,277</u>	<u>\$ 164,030</u>	<u>\$ 11,733</u>	<u>\$ 51,777</u>	<u>\$ 493,197</u>	<u>\$ 879</u>	<u>\$ 44,081</u>	<u>\$ 15,156</u>	<u>\$ 32,320</u>	<u>\$ 824,450</u>

Northeast Missouri Area Agency on Aging, Inc.

Supplementary Information

Statement of Activities and Net Assets by Funding Source – Fund Accounting – Grant Basis

Year Ended June 30, 2023

	Admin	Supportive Program	Ombudsman Program	Congregate Nutrition Program	Home Delivered Program	Disease Prevention and Health Promotion	Family Caregiver Program	Special Programs	Area Agency Funds	In-Kind Eliminated	Total
Revenues											
Missouri DHSS	\$ 117,866	\$ 535,455	\$ 53,860	\$ 263,665	\$ 1,326,396	\$ 5,831	\$ 180,105	\$ 18,145	\$ -	\$ -	\$ 2,501,323
Missouri DOT	-	130,163	-	-	-	-	-	-	-	-	130,163
Missouri Medicaid HDM	-	-	-	-	868,102	-	-	-	-	-	868,102
Program income	-	51,480	-	444,170	623,107	-	13,738	-	-	-	1,132,495
Interest on local funds	-	143	17	76	368	-	42	-	33	-	679
Interest	-	196	16	199	510	-	66	-	-	-	987
Other cash - non DHSS match	-	258,888	399	315,492	1,146,844	-	37,473	-	-	-	1,759,096
Other in-kind - DHSS match	6,730	110,441	2,967	140,402	329,734	-	40,322	-	-	(630,596)	-
Miscellaneous other	-	-	-	-	-	-	-	49,317	-	-	49,317
Total revenue	124,596	1,086,766	57,259	1,164,004	4,295,061	5,831	271,746	67,462	33	(630,596)	6,442,162
Expenditures											
Missouri DHSS	124,949	494,675	54,113	271,853	1,346,160	5,831	183,835	8,730	-	-	2,490,146
Missouri DOT	-	130,163	-	-	-	-	-	-	-	-	130,163
Missouri Medicaid HDM	-	-	-	-	863,368	-	-	-	-	-	863,368
Program income	-	51,480	-	444,170	623,107	-	13,738	-	-	-	1,132,495
Interest on local funds	-	143	17	76	368	-	42	-	-	-	646
Interest	-	196	16	199	510	-	65	-	-	-	986
Other cash - non DHSS match	-	258,888	399	315,492	1,146,844	-	37,473	-	-	-	1,759,096
Other in-kind - DHSS match	6,730	110,441	2,967	140,402	329,734	-	40,322	-	-	(630,596)	-
Miscellaneous other	-	-	-	-	-	-	-	41,970	-	-	41,970
Total expenditures	131,679	1,045,986	57,512	1,172,192	4,310,091	5,831	275,475	50,700	-	(630,596)	6,418,870
Total change in net assets	(7,083)	40,780	(253)	(8,188)	(15,030)	-	(3,729)	16,762	33	-	23,292
Total net assets beg. of year	-	-	-	-	-	-	-	-	9,028	-	9,028
Total net assets end of year	\$ (7,083)	\$ 40,780	\$ (253)	\$ (8,188)	\$ (15,030)	\$ -	\$ (3,729)	\$ 16,762	\$ 9,061	\$ -	\$ 32,320

Northeast Missouri Area Agency on Aging, Inc.

Supplementary Information

Statement of Functional Expenses by Program – Fund Accounting – Grant Basis

Year Ended June 30, 2023

	Admin	Supportive Services	Ombudsman	Congregate Nutrition Program	Home Delivered Program	Disease Prevention and Health Promotion	Family Caregiver Program	Special Programs	Total
Expenditures									
Personnel and fringe	\$ 94,268	\$ 26,608	\$ 2,450	\$ 11,056	\$ 47,757	\$ 5,831	\$ 11,110	\$ 3,934	\$ 203,014
Travel	7,117	389	-	774	774	-	113	135	9,302
Occupancy and communication	2,257	1,791	80	519	1,530	-	757	-	6,934
Printing, supplies, and postage	5,300	1,408	64	410	1,214	-	601	-	8,997
Buildings and equipment	1,299	1,074	48	310	918	-	454	-	4,103
Other costs									
Maintenance and repairs	619	511	22	146	435	-	215	-	1,948
Professional services	1,406	971	43	277	821	-	407	-	3,925
NAPIS	7,365	6,088	272	1,759	5,204	-	2,575	-	23,263
Insurance and bonding	1,953	1,635	73	473	1,398	-	692	-	6,224
Memberships, dues, subscriptions	3,283	2,210	92	597	1,768	-	875	-	8,825
Training	25	-	-	-	-	-	-	-	25
Advertising	57	47	2	14	40	-	20	-	180
Miscellaneous	-	-	-	-	-	-	-	13,310	13,310
Contractual	-	892,813	51,399	1,015,455	3,918,498	-	217,334	33,321	6,128,820
In-kind	6,730	110,441	2,967	140,402	329,734	-	40,322	-	630,596
Total expenditures	<u>\$131,679</u>	<u>\$1,045,986</u>	<u>\$ 57,512</u>	<u>\$1,172,192</u>	<u>\$ 4,310,091</u>	<u>\$ 5,831</u>	<u>\$275,475</u>	<u>\$ 50,700</u>	<u>\$ 7,049,466</u>

Northeast Missouri Area Agency on Aging, Inc.

Supplementary Information

Statement of Functional Expenses by Supportive Service – Fund Accounting – Grant Basis

Year Ended June 30, 2023

	<u>Legal</u>	<u>Transportation</u>	<u>Information & Assistance</u>	<u>Information (Events)</u>	<u>Homemaker</u>	<u>Personal Care</u>	<u>Total</u>
Expenditures							
Personnel and fringe	\$ 2,270	\$ 3,835	\$ 1,894	\$ 5,171	\$ 6,719	\$ 6,719	\$ 26,608
Travel	6	157	-	-	113	113	389
Occupancy and communication	85	134	311	527	367	367	1,791
Printing, supplies, and postage	68	106	246	417	292	279	1,408
Equipment	51	80	183	318	221	221	1,074
Other costs							
Maintenance and repairs	25	36	85	152	104	109	511
Professional services	46	72	164	284	197	208	971
NAPIS	291	454	1,038	1,803	1,252	1,250	6,088
Insurance and bonding	78	122	279	484	336	336	1,635
Memberships, dues, subscriptions	99	146	630	485	425	425	2,210
Advertising	2	3	8	14	10	10	47
Contractual	42,832	350,263	-	-	425,143	74,575	892,813
In-kind	3,265	27,871	1,194	1,402	55,502	21,207	110,441
Total expenditures	<u>\$ 49,118</u>	<u>\$ 383,279</u>	<u>\$ 6,032</u>	<u>\$ 11,057</u>	<u>\$ 490,681</u>	<u>\$ 105,819</u>	<u>\$ 1,045,986</u>

Northeast Missouri Area Agency on Aging, Inc.

Supplementary Information

Statement of Functional Expenses – Disease Prevention and Health Promotion – Fund Accounting –
Grant Basis

Year Ended June 30, 2023

	<u>EB Medication Management</u>
Expenditures	
Personnel and fringe	<u>\$ 5,831</u>

Northeast Missouri Area Agency on Aging, Inc.

Supplementary Information

Statement of Functional Expenses – Family Caregivers Program – Fund Accounting – Grant Basis

Year Ended June 30, 2023

	<u>Information and Assistance</u>	<u>In-Home Respite</u>	<u>Total</u>
Expenditures			
Personnel and fringe	\$ 3,330	\$ 7,780	\$ 11,110
Travel	-	113	113
Occupancy and communication	298	459	757
Printing, supplies, and postage	237	364	601
Equipment	179	275	454
Other Costs			
Maintenance and repairs	85	130	215
Professional Services	160	247	407
NAPIS	1,017	1,558	2,575
Insurance and bonding	273	419	692
Memberships, dues, subscriptions	345	530	875
Advertising	8	12	20
Contractual	-	217,334	217,334
In-kind	929	39,393	40,322
Total expenditures	<u>\$ 6,861</u>	<u>\$ 268,614</u>	<u>\$ 275,475</u>

Northeast Missouri Area Agency on Aging, Inc.

Supplementary Information

Statement of Functional Expenses – Special Programs – Fund Accounting – Grant Basis

Year Ended June 30, 2023

	MIPPA	Adult Protective Services	Benefit Enrollment Center	Total
Expenditures				
Personnel and fringe	\$ 1,806	\$ 2,128	\$ -	\$ 3,934
Travel	-	135	-	135
APS client costs and miscellaneous	-	13,299	-	13,299
Contractual	23,057	-	10,275	33,332
Total expenditures	<u>\$ 24,863</u>	<u>\$ 15,562</u>	<u>\$ 10,275</u>	<u>\$ 50,700</u>

Northeast Missouri Area Agency on Aging, Inc.

Supplementary Information

Statement of Supportive Program Priority Service Expenditures by Funding Source – Fund Accounting – Grant Basis

Year Ended June 30, 2023

	MO Dept. of Health and Senior Services	MO Dept. of Transportation	Program Income	Interest	Other Cash- Non-DHSS Match	In-kind DHSS Match	Total
Access Services							
Transportation	\$ 132,924	\$ 130,163	\$ 27,104	\$ 104	\$ 65,113	\$ 27,871	\$ 383,279
Information and assistance	4,838	-	-	-	-	1,194	6,032
Information (events)	9,655	-	-	-	-	1,402	11,057
Total access services	<u>147,417</u>	<u>130,163</u>	<u>27,104</u>	<u>104</u>	<u>65,113</u>	<u>30,467</u>	<u>400,368</u>
In-Home Services							
Homemaker	247,716	-	22,166	159	165,138	55,502	490,681
Personal care	53,725	-	2,210	40	28,637	21,207	105,819
Total in-home services	<u>301,441</u>	<u>-</u>	<u>24,376</u>	<u>199</u>	<u>193,775</u>	<u>76,709</u>	<u>596,500</u>
Legal services	<u>45,818</u>	<u>-</u>	<u>-</u>	<u>35</u>	<u>-</u>	<u>3,265</u>	<u>49,118</u>
Total priority services	<u>\$ 494,676</u>	<u>\$ 130,163</u>	<u>\$ 51,480</u>	<u>\$ 338</u>	<u>\$ 258,888</u>	<u>\$ 110,441</u>	<u>\$ 1,045,986</u>

Federal Awards

Northeast Missouri Area Agency on Aging, Inc.

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

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	\$ 434,683	\$ 378,605
COVID-19 Title III, Part B - Grants for Supportive Services and Senior Centers - CARES Act	93.044	ERS10519002	116,131	116,131
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	ERS10522005	1,565,065	1,548,390
COVID 19 - Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	ERS10522002	220,291	220,291
Nutrition Services Incentive Program	93.053	ERS10522005	107,550	107,550
Total Aging Cluster			2,443,720	2,370,967
National Family Caregiver Support, Title III, Part E	93.052	ERS10522005	168,799	145,931
COVID-19 Title III, Part E - National Family Caregiver Support Program Services - CARES Act	93.052	ERS10522002	33,930	33,930
Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	93.042	ERS10522005	6,070	6,070
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	ERS10522005	5,831	5,831
Medicare Enrollment Assistance Program	93.071	ERS10522005	8,730	8,730
Social Services Block Grant	93.667	ERS10522005	76,745	39,117
<i>Passed through Missouri Association of Area Agencies on Aging</i>				
Medicare Enrollment Assistance Program (MIPPA)	93.071	N/A	10,275	10,275
Total Department of Health and Human Services			2,754,100	2,620,851
Total Federal Awards			\$ 2,754,100	\$ 2,620,851

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, 2023

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, 2023. 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* (Uniform Guidance). 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, 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, 2023, 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 May 31, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a significant deficiency.

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Northeast Missouri Area Agency on Aging, Inc.'s Response to Findings

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 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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
May 31, 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, 2023. 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, 2023.

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 contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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.

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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 that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the 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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2023-002. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Agency's response to the noncompliance findings identified in our compliance audit 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 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 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-002 and 2023-003 to be significant deficiencies.

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 internal control over compliance findings identified in our compliance audit 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
May 31, 2024

Northeast Missouri Area Agency on Aging, Inc.

Schedule of Findings and Questioned Costs

Year Ended June 30, 2023

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?		No
Significant deficiency(ies) identified?		Yes
Noncompliance material to financial statements noted?		No
Federal Awards		
Internal control over major federal programs:		
Material weakness(es) identified?		No
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, 2023

Section II: Findings – Financial Statement Audit

Significant Deficiency

2023-001 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.

Section III: Findings – Major Federal Award Program Audit

Significant Deficiency

2023-002 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 Board 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: The Agency's internal control did not effectively identify policies and procedures for monitoring subrecipients, and the Agency did not comply with federal requirements regarding subrecipient monitoring. The Agency experienced significant key employee turnover during the year.

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

Recommendation: We recommend the Agency monitors its subrecipients regularly.

Northeast Missouri Area Agency on Aging, Inc.

Schedule of Findings and Questioned Costs

Year Ended June 30, 2023

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

2023-003

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.

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.



Northeast Missouri Area Agency on Aging

2815 N. Baltimore - Kirksville, MO 63501

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, 2023.

Name of address of independent public accounting firm:

KPM CPAs, PC
1445 E. Republic Road
Springfield, Missouri 65804

Audit period: July 1, 2022 through June 30, 2023

The findings from the June 30, 2023 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 Significant Deficiency

2023-001 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 Significant Deficiencies

2023-002 Subrecipient Monitoring

Recommendation: We recommend the Agency monitors its subrecipients regularly.

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.

2023-003 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

May 31, 2024

Date

Northeast Missouri Area Agency on Aging, Inc.

Summary Schedule of Prior Year Audit Findings

Year Ended June 30, 2023

Findings – Financial Statements Audit

Material Weakness

2022-001 Financial Reporting

Auditors' 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.

Current Status: Corrected

Significant Deficiency

2022-002 Segregation of Duties

Auditors' 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.

Current Status: The discussion for finding 2023-001 also applies to this finding.

Findings – Major Federal Award Program Audit

Material Weakness

2022-003 Subrecipient Monitoring

Auditors' Recommendation: We recommend the Agency monitors its subrecipients regularly.

Current Status: The discussion for finding 2023-002 also applies to this finding.

Significant Deficiency

2022-004 Written Uniform Guidance Policies and Procedures

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

Current Status: The discussion for finding 2023-003 also applies to this finding.