

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

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

For the Year Ended June 30, 2020

Northeast Missouri Area Agency on Aging

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Northeast Missouri Area Agency on Aging

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Section I

Financial Statements and

Supplementary Information

Danny L. Marsh, C.P.A.

504 E. U.S. Highway 136
Albany, Missouri 64402
Phone (660) 726-3961
Fax (660) 726-3965
danny.marsh@mem.tax

Ted Espey, C.P.A.
Dannen Merrill, C.P.A.
101 West Edwards
Maryville, Missouri 64468
Phone (660) 582-3181
Fax (660) 582-4132
ted.espey@mem.tax
dannan.merrill@mem.tax

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of Northeast Missouri Area Agency on Aging (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northeast Missouri Area Agency on Aging as of June 30, 2020, 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.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal and state awards, 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 is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 1, 2021, on our consideration of Northeast Missouri Area Agency on Aging's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. The purpose of that report is 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'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's internal control over financial reporting and compliance.

Marsh, Espey & Merrill, P.C.

Maryville, Missouri
February 1, 2021

**Northeast Missouri Area Agency on Aging
Statement of Financial Position
June 30, 2020**

Assets

Cash	\$ 346,885
Grants receivable:	
Missouri Department of Health and Senior Services	83,794
Other	29,776
Accounts receivable:	
Missouri HealthNet Division	175,626
Prepaid expenses	9,134
Property, net of accumulated depreciation	<u>110,186</u>
 Total assets	 <u>755,401</u>

Liabilities

Refundable advances:	
Missouri Department of Health and Senior Services funds held in trust	111,291
Accounts payable	493,965
Compensated absences payable	<u>24,465</u>
 Total liabilities	 <u>629,721</u>

Net Assets

Without donor restrictions	<u>125,680</u>
 Total net assets	 <u>125,680</u>
 Total liabilities and net assets	 <u>\$ 755,401</u>

See accompanying notes to financial statements.

**Northeast Missouri Area Agency on Aging
Statement of Activities
For the Year Ended June 30, 2020**

	<u>Without Donor Unrestricted</u>
Revenues and other support	
Contributions:	
Missouri Department of Health and Senior Services	\$ 2,691,697
Other Federal Programs	83,262
Missouri Department of Transportation	100,668
Missouri HealthNet Division	1,026,178
Program Income	1,004,384
Interest on Local Funds	221
Interest	3,326
Other Cash - DHSS Match	37,519
Other Cash - Non-DHSS Match	<u>577,702</u>
Total revenues	<u>5,524,957</u>
Expenses	
Program Services:	
Supportive	694,948
Ombudsman	62,695
Congregate Nutrition	1,020,681
Home Delivered Nutrition	3,370,371
Disease Prevention and Health Promotion	19,096
Family Caregivers	160,945
Special Programs:	
MIPPA	17,795
Navigator	64,301
Benefit Enrollment Center	18,961
Supporting Activities:	
Area Agency Administration	94,943
Area Agency Funds	<u>4,113</u>
Total expenses	<u>5,528,849</u>
Change in net assets	(3,892)
Net assets, beginning of year	<u>129,572</u>
Net assets, end of year	<u><u>\$ 125,680</u></u>

See accompanying notes to financial statements.

**Northeast Missouri Area Agency on Aging
Statement of Functional Expenses
For the Year Ended June 30, 2020**

	<u>Supporting Activities</u>		<u>Program Services</u>							<u>Total</u>
	<u>Area Agency Administration</u>	<u>Area Agency Funds</u>	<u>Supportive</u>	<u>Ombudsman</u>	<u>Congregate Nutrition</u>	<u>Home Delivered Nutrition</u>	<u>Disease Prevention & Health Promotion</u>	<u>Family Caregivers</u>	<u>Special Programs</u>	
Expenses										
Personnel and fringe	\$ 76,798	\$ -	\$ 49,008	\$ 973	\$ 24,270	\$ 43,971	\$ 1,014	\$ 15,841	\$ -	\$ 211,875
Travel	5,316	-	559	200	776	776	-	255	-	7,882
Occupancy and communications	2,561	-	2,128	45	997	1,783	42	694	-	8,250
Printing, supplies, postage	2,315	-	1,844	36	866	1,538	36	607	-	7,242
Equipment:										
Computer, fax, printing	1,137	-	947	19	442	791	19	308	-	3,663
Other Costs:										
Maintenance and repairs	484	-	403	10	188	337	8	131	-	1,561
Professional services	3,378	-	2,814	55	1,315	2,352	55	915	-	10,884
NAPIS user access fees	(313)	-	2,890	1,311	5,009	5,009	-	1,278	-	15,184
Insurance and bonding	1,887	-	1,573	29	735	1,314	31	512	-	6,081
Memberships, dues, subscriptions	1,303	-	471	15	221	395	9	153	-	2,567
Advertising	77	-	64	2	30	54	49	21	-	297
Contractual services	-	-	632,247	60,000	985,832	3,312,051	17,833	140,230	101,057	5,249,250
Depreciation	-	4,113	-	-	-	-	-	-	-	4,113
Total expenses	<u>\$ 94,943</u>	<u>\$4,113</u>	<u>\$ 694,948</u>	<u>\$ 62,695</u>	<u>\$ 1,020,681</u>	<u>\$ 3,370,371</u>	<u>\$ 19,096</u>	<u>\$ 160,945</u>	<u>\$ 101,057</u>	<u>\$ 5,528,849</u>

See accompanying notes to financial statements.

**Northeast Missouri Area Agency on Aging
Statement of Cash Flows
For the Year Ended June 30, 2020**

Cash Flows From Operating Activities:

Cash received from:

Missouri Department of Health and Senior Services	\$ 2,718,132
Other Federal Programs	88,107
Missouri HealthNet Division	1,019,763
Missouri of Department Transportation	75,501
Program income	1,004,384
Interest	3,547
Other cash - DHSS match	37,519
Other cash - Non-DHSS match	577,702
Cash paid to contractors	(5,175,848)
Cash paid to suppliers and employees	<u>(275,155)</u>
Net increase in cash	73,652

Cash, beginning of year 273,233

Cash, end of year 346,885

Reconciliation of Change in Net Assets to Net Cash

Flows from Operating Activities:

Change in net assets	(3,892)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	4,113
(Increase) decrease in:	
Grants receivable:	
Missouri Department of Health and Senior Services	(18,525)
Other	(20,322)
Accounts receivable:	
Missouri HealthNet Division	(6,415)
Prepaid expenses	47
Increase (decrease) in:	
Refundable advances:	
Missouri Department of Health and Senior Services funds held in trust	44,960
Accounts payable	71,860
Accrued liabilities	<u>1,826</u>
Net cash provided by operating activities	<u><u>\$ 73,652</u></u>

See accompanying notes to financial statements.

Northeast Missouri Area Agency on Aging
Notes to Financial Statements
June 30, 2020

Note 1 – Organization and Nature of Activities

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

Description of Program Services and Supporting Activities

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

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

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

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

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

Disease Prevention and Health Promotion – provides the “powerful tools for caregivers” evidence-based education program.

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

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

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

Northeast Missouri Area Agency on Aging
Notes to Financial Statements
June 30, 2020

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting

The financial statements have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP).

Basis of Presentation

The Organization reports information regarding its financial position and activities according to the following net assets classifications:

With donor restrictions: the part of net assets that is subject to donor-imposed restrictions.

Without donor restrictions: the part of net assets that is not subject to donor-imposed restrictions, even though their use may be limited in other respects, such as by contract or by board designation. Changes in net assets arising from exchange transactions are included as well as resources derived from gifts and contributions. These resources are used at the discretion of the governing board and may be expended for any purpose in performing the primary objectives of the Organization.

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

Accounting Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through February 1, 2021, the date on which the financial statements were available to be issued.

Fund Accounting

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

Northeast Missouri Area Agency on Aging
Notes to Financial Statements
June 30, 2020

Note 2 – Summary of Significant Accounting Policies (continued)

Budgetary Accounting

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

Cash

Cash consists of deposit accounts (demand, money market, and savings) and cash on hand.

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue.

Accounts Receivable

Accounts receivables are reported at unpaid balances adjusted for any charge offs and are considered impaired if full principal payments are not received in accordance with the contractual terms. Accounts receivable are considered past due after one year. Past due accounts are not assessed a finance charge. There are no past due accounts receivables at June 30, 2020.

Allowance for Doubtful Accounts

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

Property and Equipment

Property and equipment are stated at acquisition cost at the date of purchase or, for donated assets, at fair value at the date of donation, less accumulated depreciation. The Organization's policy is to capitalize renewals and betterments acquired for greater than \$500 and expense normal repairs and maintenance as incurred. The Organization's management periodically evaluates whether events or circumstances have occurred indicating that the carrying amount of long-lived assets may not be recovered. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets as follows:

Building and improvements	10-40 years
Parking lot	10 years

Northeast Missouri Area Agency on Aging
Notes to Financial Statements
June 30, 2020

Note 2 – Summary of Significant Accounting Policies (continued)

Property and Equipment (continued)

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

Equipment acquired with grant award funds is charged to expense in the period of purchase instead of being depreciated over its useful life. Generally accepted accounting principles require that equipment acquired with grant award funds be depreciated. If the equipment were capitalized and depreciated (using the straight-line method), the cost of equipment, net of depreciation, at June 30, 2020 would be \$6,237. This practice does not represent a material departure from US GAAP.

Funds held in trust

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

Compensated Absences

Employees of the Organization are entitled to paid vacation and paid sick days, depending on job classification, length of service, and other factors. The Organization's policy is to recognize the costs of compensated absences when incurred.

Net Assets

The excess or deficiency of assets over liabilities of a not-for-profit entity.

Public Support, Revenues and Expenses

Contributions

Contributions received are recorded as net assets *without donor restrictions* or net assets *with donor restrictions*, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets *without donor restrictions* if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets *with donor restrictions*, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Contributions restricted to the purchase of property or equipment are considered to be met when the asset is placed in service.

Northeast Missouri Area Agency on Aging
Notes to Financial Statements
June 30, 2020

Note 2 – Summary of Significant Accounting Policies (continued)

Public Support, Revenues and Expenses (continued)

Contributions (continued)

Unconditional promises to give are recognized as contribution revenue in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received.

Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Conditional gifts received prior to the satisfaction of conditions are recorded as refundable advances.

Consequently, at June 30, 2020, grant funds advanced of \$111,291 have not been recognized in the accompanying statement of activities because the conditions on which they depend have not yet been met. The conditional contributions depend on incurring qualifying expenditures for the particular program funded.

Revenues from exchange transactions are recognized in the period in which the exchange is completed and expenses are recognized in the period in which they are incurred, regardless of the timing of cash flows.

Functional Allocation of Expenses

Expenses are summarized and categorized based upon their functional classification as either program services or supporting activities. Specific expenses that are readily identifiable to a single program or supporting activity are charged directly to that function. Certain categories of expenses are attributable to more than one program service or supporting activity. These expenses require allocation on a reasonable basis that is consistently applied.

The expenses that are allocated to program services and supporting activities on the following bases:

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

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

Occupancy and communications, printing, supplies and postage, equipment, maintenance and repairs, professional services, insurance and bonding, subscriptions, and advertising – Costs are allocated to each program based on the weighted average of the salary allocation percentages times the square footage occupied percentages.

Northeast Missouri Area Agency on Aging
Notes to Financial Statements
June 30, 2020

Note 2 – Summary of Significant Accounting Policies (continued)

Advertising

The Organization's policy is to expense advertising costs as they are incurred. Total advertising costs expensed in 2020 was \$297.

Cash equivalents

For purposes of the Statement of Cash Flows, cash and cash equivalents include all highly liquid investments with original maturities of three months or less when acquired. The Organization has no cash equivalents at June 30, 2020.

Donated Facilities, Materials and Services

Donated services are recognized as contributions at their estimated fair value if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and the service would typically need to be purchased if not donated. There were no contributed services meeting the requirements for recognition in the financial statements.

Other donated services, which have not been included in the financial statements because they do not meet the criteria for recognition, were contributed by various individuals and organizations. The total estimated fair value of donated services that are not recognized in the financial statements is \$317,776 for 2020. Donated facilities, materials and services are used to meet non-Federal share matching requirements of the grant programs.

Concentration of Cash

The Organization maintains its cash deposits in one financial institution located in Kirksville, Missouri. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2020, the Organization's uninsured cash balance totals \$110,844. U.S. Treasury Notes and an Adair County, Missouri School District general obligation bond, with a total market value on June 30, 2020 of \$410,856, are pledged as collateral for cash balances in excess of federally insured limits. The Organization has not experienced, nor does it anticipate, any losses with respect to bank deposit accounts.

Concentration of Credit Risk

The Organization receives support from various federal and state agencies. At June 30, 2020, 98% of the grants and contracts receivable balances were due from state governmental agencies.

Concentration of Revenue

The Organization receives approximately 71% of its revenues from federal and state governmental agencies. Of this amount, approximately 69% was received from the Missouri Department of Health and Senior Services and approximately 26% from the Missouri HealthNet Division. Approximately 29% of the Organization's revenues are from program income and other cash generated through awards to various organizations for the delivery of services to eligible recipients.

Northeast Missouri Area Agency on Aging
Notes to Financial Statements
June 30, 2020

Note 2 – Summary of Significant Accounting Policies (continued)

Income Taxes

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

Uncertain Tax Positions

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

Management evaluates the Organization’s tax positions annually for any potential changes or issues that may result in uncertainty in the accounting for income taxes. As of June 30, 2020, management believes the Organization’s tax status to be that of a not-for-profit entity. Management has reviewed all sources of revenue and does not believe the Organization to be subject to income tax on unrelated business income. The Organization’s policy is to recognize interest and penalties related to income taxes as income tax expense in the statement of activities. The Organization did not recognize any interest or penalties for the year ended June 30, 2020.

Note 3 – Liquidity and Availability of Resources

Financial assets available for general expenditure within one year are as follows as of June 30, 2020:

Cash	\$ 346,885
Grants receivable	113,570
Accounts receivable	<u>175,626</u>
Financial assets, at year-end	636,081
Less those unavailable for general expenditures within one year, due to:	
Restricted by donor with purpose restriction	<u> -</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 636,081</u></u>

As part of its liquidity management, the Organization’s goal is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**Northeast Missouri Area Agency on Aging
Notes to Financial Statements
June 30, 2020**

Note 4 – Cash

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

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

Note 5 – Grants Receivable

The following is a summary of grants receivable at June 30, 2020:

	<u>Conditional Promises to Give due in:</u>				<u>Allowance</u>
	<u>Less than 1 year</u>	<u>1 to 5 years</u>	<u>More than 5 years</u>	<u>Total</u>	
Missouri Department of Health and Senior Services	\$ 83,794	\$ -	\$ -	\$ 83,794	\$ -
Missouri Highways and Transportation Commission	25,167	-	-	25,167	-
Missouri Alliance of Area Agencies on Aging	<u>4,609</u>	<u>-</u>	<u>-</u>	<u>4,609</u>	<u>-</u>
Total	<u>\$ 113,570</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 113,570</u>	<u>\$ -</u>

Note 6 – Property and Equipment

The following is a summary of property at June 30, 2020:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Ending Balance</u>
Land	\$ 25,000	\$ -	\$ -	\$ 25,000
Building and improvements	142,422	-	-	142,422
Parking lot	<u>7,000</u>	<u>-</u>	<u>-</u>	<u>7,000</u>
Total	174,422	-	-	174,422
Accumulated depreciation	<u>(60,123)</u>	<u>(4,113)</u>	<u>-</u>	<u>(64,236)</u>
Net	<u>\$ 114,299</u>	<u>\$ (4,113)</u>	<u>\$ -</u>	<u>\$ 110,186</u>

The aggregate depreciation charged to operations for 2020 was \$4,113. The depreciation policies are described in Note 2.

Northeast Missouri Area Agency on Aging
Notes to Financial Statements
June 30, 2020

Note 7 – Equipment Inventory

In accordance with grant regulations, the Organization has established an amount of \$500 for inventory control purposes only. The following is a summary of changes in equipment inventory for the fiscal year ended June 30, 2020:

Balance, beginning of year	\$ 29,861
Additions	3,663
Dispositions	<u>(4,292)</u>
Balance, end of year	<u>\$ 29,232</u>

Note 8 – Employee Benefit Plan

The Organization has a Simplified Employee Pension plan under section 408k of the Internal Revenue Code. Plan contributions are made to individual retirement accounts of all eligible employees. The Organization contributed 15% per month for the year ended June 30, 2020, for total plan contributions of \$25,689.

Note 9 – Commitments and Contingencies

Grant Awards

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

Grants Payable to Others

The Organization is mandated by the Older Americans Act (OAA) to use subgrants or contracts with service providers to provide all services under OAA funding sources, unless the Organization is granted a waiver to provide services directly. The Organization has entered into subgrants with service providers for the provision of supportive, ombudsman, congregate, home delivered, disease prevention and health promotion, family caregivers services, and navigator assistance services for fiscal year 2020 – 2021.

Note 10 – Special Events

During 2020, the Organization did not conduct any special events that were peripheral or incidental to the Organization’s central activities.

Northeast Missouri Area Agency on Aging
Notes to Financial Statements
June 30, 2020

Note 11 – Risk and Economic Uncertainties

On March 11, 2020, the World Health Organization pronounced the coronavirus (COVID-19) outbreak a pandemic. The duration and impact are unknown. The Organization may face supply chain disruptions; labor shortages; revenue declines; an increase in bad debts; other revenue recognition issues; cash flow disruptions; difficulties meeting loan covenants; and other financial implications. In response to the pandemic, the Organization was awarded \$231,234 through the Families First Coronavirus Response Act and \$770,056 through the CARES Act in April 2020. Management concluded the impact of non-adjusting events from COVID-19 outbreak has not significantly affected the fair value of the financial assets and liabilities of the Organization. The extent of the impact of the coronavirus on the Organization's operational and financial performance is currently uncertain and cannot be predicted.

Note 12 – Adoption of Accounting Pronouncements

In November 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-18 *Statement of Cash Flows* (Topic 230). This Update requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents.

In June 2018, the FASB issued ASU No. 2018-08, Not-For-Profit Entities (Topic 958) *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 helps distinguish if grants and contracts with resource providers are exchange transactions or contributions. Once a transaction is deemed to be a contribution, the ASU also provides guidance to help determine when a contribution is conditional and evaluates the possibility that a condition will not be met is remote. Unconditional contributions are recognized immediately and classified as either net assets *with* or *without donor restrictions*, while conditional contributions received are accounted for as a liability until the barriers to entitlement are overcome, at which point the transaction is recognized as unconditional and classified as either net assets *with* or *without restrictions*. The new standard is effective for the Organization's year ending June 30, 2020 and thereafter and must be applied on a retrospective basis. The Organization adopted the ASU effective July 1, 2019.

Adoption of the ASUs did not result in any reclassifications or restatements to net assets or changes in net assets.

Supplementary Information

**Northeast Missouri Area Agency on Aging
Supplementary Information
Schedule of Financial Position
June 30, 2020**

	Grant Basis	GAAP Adjustments	GAAP Basis
Assets			
Cash	\$ 346,885	-	\$ 346,885
Grants receivable:			
Missouri Department of Health and Senior Services	83,794	-	83,794
Other	29,776	-	29,776
Accounts receivable:			
Missouri HealthNet Division	175,626	-	175,626
Prepaid expenses	9,134	-	9,134
Property, net of accumulated depreciation	-	110,186	110,186
Total assets	645,215	110,186	755,401
Liabilities			
Refundable advances:			
Missouri Department of Health and Senior Services funds held in trust	111,291	-	111,291
Accounts payable	493,965	-	493,965
Accrued liabilities	24,465	-	24,465
Total liabilities	629,721	-	629,721
Net Assets			
Without donor restrictions	15,494	110,186	125,680
Total net assets	15,494	110,186	125,680
Total liabilities and net assets	\$ 645,215	\$ 110,186	\$ 755,401

**Northeast Missouri Area Agency on Aging
Supplementary Information
Schedule of Activities
For the Year Ended June 30, 2020**

	<u>Budget Basis</u>	<u>GAAP Adjustments</u>	<u>GAAP Basis</u>
Revenues			
Missouri Department of Health and Senior Services	\$ 2,691,697	\$ -	\$ 2,691,697
Other Federal Programs	83,262	-	83,262
Missouri HealthNet Division	1,026,178	-	1,026,178
Missouri Department of Transportation	100,668	-	100,668
Program Income	1,004,384	-	1,004,384
Interest on local funds	221	-	221
Interest	3,326	-	3,326
Other Cash - DHSS match	37,519	-	37,519
Other Cash - Non-DHSS match	577,702	-	577,702
Total Revenues	<u>5,524,957</u>	<u>-</u>	<u>5,524,957</u>
Expenditures			
Personnel and fringe	211,875	-	211,875
Travel	7,882	-	7,882
Occupancy and communications	8,250	-	8,250
Printing, supplies, postage	7,242	-	7,242
Equipment:			
Computer, fax, printing	3,663	-	3,663
Other Costs:			
Maintenance and repairs	1,561	-	1,561
Professional services	10,884	-	10,884
NAPIS	15,184	-	15,184
Insurance and bonding	6,081	-	6,081
Memberships, dues, subscriptions	2,567	-	2,567
Advertising	297	-	297
Contractual services	5,249,250	-	5,249,250
Depreciation	-	4,113	4,113
Total expenditures	<u>5,524,736</u>	<u>4,113</u>	<u>5,528,849</u>
Change in net assets	221	(4,113)	(3,892)
Net assets, beginning of year	<u>15,273</u>	<u>114,299</u>	<u>129,572</u>
Net assets, end of year	<u>\$ 15,494</u>	<u>\$ 110,186</u>	<u>\$ 125,680</u>

**Northeast Missouri Area Agency on Aging
Supplementary Information
Schedule of Financial Position - Fund Accounting
June 30, 2020**

	<u>Administration</u>	<u>Supportive</u>	<u>Ombudsman</u>	<u>Congregate Nutrition</u>	<u>Home Delivered Nutrition</u>	<u>Disease Prevention & Health Promotion</u>	<u>Family Caregivers</u>	<u>Special Programs</u>	<u>Area Agency Funds</u>	<u>Eliminations (Due to/From)</u>	<u>Total</u>
Assets:											
Cash	\$ -	\$ 49,029	\$ 84	\$ 50,669	\$ 185,446	\$ 9,289	\$ 36,874	\$ -	\$ 15,494	\$ -	\$ 346,885
Grants receivable:											
Missouri Department of Health and Senior Services	1,867	44,404	8,605	(36,301)	33,130	96	31,993	-	-	-	83,794
Other	-	25,167	-	-	-	-	-	4,609	-	-	29,776
Accounts receivable:											
Missouri HealthNet Division					175,626			-	-	-	175,626
Prepaid Expense	8,137	997	-	-	-	-	-	-	-	-	9,134
Due from other funds	-	-	-	-	-	-	-	-	-	-	-
Total assets	<u>10,004</u>	<u>119,597</u>	<u>8,689</u>	<u>14,368</u>	<u>394,202</u>	<u>9,385</u>	<u>68,867</u>	<u>4,609</u>	<u>15,494</u>	<u>-</u>	<u>645,215</u>
Liabilities:											
Refundable advances:											
Missouri Department of Health and Senior Services funds held in trust	-	27,189	-	1,720	36,575	9,269	36,538	-	-	-	111,291
Accounts payable	188	86,753	8,465	10,241	353,330	3	30,376	4,609	-	-	493,965
Accrued liabilities	9,816	5,655	224	2,407	4,297	113	1,953	-	-	-	24,465
Due to other funds	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>10,004</u>	<u>119,597</u>	<u>8,689</u>	<u>14,368</u>	<u>394,202</u>	<u>9,385</u>	<u>68,867</u>	<u>4,609</u>	<u>-</u>	<u>-</u>	<u>629,721</u>
Net Assets:											
Without donor restrictions	-	-	-	-	-	-	-	-	15,494	-	15,494
Total net assets	-	-	-	-	-	-	-	-	15,494	-	15,494
Total liabilities and net assets	<u>\$ 10,004</u>	<u>\$ 119,597</u>	<u>\$ 8,689</u>	<u>\$ 14,368</u>	<u>\$ 394,202</u>	<u>\$ 9,385</u>	<u>\$ 68,867</u>	<u>\$ 4,609</u>	<u>\$ 15,494</u>	<u>\$ -</u>	<u>\$ 645,215</u>

**Northeast Missouri Area Agency on Aging
Supplementary Information
Schedule of Activities - by Funding Source - Fund Accounting
For the Year Ended June 30, 2020**

	Administration	Supportive	Ombudsman	Congregate Nutrition	Home Delivered Nutrition	Disease Prevention & Health Promotion	Family Caregivers	Special Programs	Area Agency Funds	Eliminations (Other In-Kind)	Total
Revenues:											
MO Dept of Health & Senior Services	\$ 94,943	\$ 489,910	\$ 62,641	\$ 436,788	\$ 1,422,366	\$ 19,049	\$ 148,205	\$17,795	\$ -	\$ -	\$ 2,691,697
Other Federal Programs	-	-	-	-	-	-	-	83,262	-	-	83,262
Missouri HealthNet Division	-	-	-	-	1,026,178	-	-	-	-	-	1,026,178
MO Department of Transportation	-	100,668	-	-	-	-	-	-	-	-	100,668
Program Income	-	56,355	-	449,727	486,522	-	11,780	-	-	-	1,004,384
Interest on local funds	-	-	-	-	-	-	-	-	221	-	221
Interest	-	717	54	865	1,436	47	207	-	-	-	3,326
Other Cash - DHSS match	-	-	-	4,381	33,138	-	-	-	-	-	37,519
Other Cash - Non-DHSS match	-	47,298	-	128,920	400,731	-	753	-	-	-	577,702
Other In-Kind - DHSS Match	8,000	86,058	4,927	46,791	122,000	-	50,000	-	-	(317,776)	-
Total Revenues	102,943	781,006	67,622	1,067,472	3,492,371	19,096	210,945	101,057	221	(317,776)	5,524,957
Expenditures:											
MO Dept of Health & Senior Services	94,943	489,910	62,641	436,788	1,422,366	19,049	148,205	17,795	-	-	2,691,697
Other Federal Programs	-	-	-	-	-	-	-	83,262	-	-	83,262
Missouri HealthNet Division	-	-	-	-	1,026,178	-	-	-	-	-	1,026,178
MO Highway and Transportation	-	100,668	-	-	-	-	-	-	-	-	100,668
Program Income	-	56,355	-	449,727	486,522	-	11,780	-	-	-	1,004,384
Interest on local funds	-	-	-	-	-	-	-	-	-	-	-
Interest	-	717	54	865	1,436	47	207	-	-	-	3,326
Other Cash - DHSS match	-	-	-	4,381	33,138	-	-	-	-	-	37,519
Other Cash - Non-DHSS match	-	47,298	-	128,920	400,731	-	753	-	-	-	577,702
Other In-Kind - DHSS match	8,000	86,058	4,927	46,791	122,000	-	50,000	-	-	(317,776)	-
Total Expenditures	102,943	781,006	67,622	1,067,472	3,492,371	19,096	210,945	101,057	-	(317,776)	5,524,736
Change in net assets	-	-	-	-	-	-	-	-	221	-	221
Net assets, beginning of year											
Other Cash - Non-DHSS match	-	-	-	-	-	-	-	-	15,273	-	15,273
Total net assets, beginning of year	-	-	-	-	-	-	-	-	15,273	-	15,273
Net assets, end of year											
Other Cash - Non-DHSS match	-	-	-	-	-	-	-	-	15,494	-	15,494
Total net assets, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$15,494	\$ -	\$ 15,494

**Northeast Missouri Area Agency on Aging
Supplementary Information
Schedule of Expenditures - Actual - Fund Accounting
For the Year Ended June 30, 2020**

	<u>Total</u>	<u>Administration</u>	<u>Supportive</u>	<u>Ombudsman</u>	<u>Congregate Nutrition</u>	<u>Home Delivered Nutrition</u>	<u>Disease Prevention & Health Promotion</u>	<u>Family Caregivers</u>	<u>Special Programs</u>	<u>Area Agency Funds</u>
Personnel and fringe	\$ 211,875	\$ 76,798	\$ 49,008	\$ 973	\$ 24,270	\$ 43,971	\$ 1,014	\$ 15,841	\$ -	\$ -
Travel	7,882	5,316	559	200	776	776	-	255	-	-
Occupancy and communications	8,250	2,561	2,128	45	997	1,783	42	694	-	-
Printing, supplies, postage	7,242	2,315	1,844	36	866	1,538	36	607	-	-
Equipment:										
Computer, fax, printing	3,663	1,137	947	19	442	791	19	308	-	-
Other Costs:										
Maintenance and repairs	1,561	484	403	10	188	337	8	131	-	-
Professional services	10,884	3,378	2,814	55	1,315	2,352	55	915	-	-
NAPIS	15,184	(313)	2,890	1,311	5,009	5,009	-	1,278	-	-
Insurance and bonding	6,081	1,887	1,573	29	735	1,314	31	512	-	-
Memberships, dues, subscriptions	2,567	1,303	471	15	221	395	9	153	-	-
Advertising	297	77	64	2	30	54	49	21	-	-
Contractual services	<u>5,249,250</u>	<u>-</u>	<u>632,247</u>	<u>60,000</u>	<u>985,832</u>	<u>3,312,051</u>	<u>17,833</u>	<u>140,230</u>	<u>101,057</u>	<u>-</u>
Total cash expenditures	5,524,736	94,943	694,948	62,695	1,020,681	3,370,371	19,096	160,945	101,057	-
In-Kind - DHSS match	<u>317,776</u>	<u>8,000</u>	<u>86,058</u>	<u>4,927</u>	<u>46,791</u>	<u>122,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$5,842,512</u>	<u>\$ 102,943</u>	<u>\$781,006</u>	<u>\$ 67,622</u>	<u>\$1,067,472</u>	<u>\$3,492,371</u>	<u>\$19,096</u>	<u>\$210,945</u>	<u>\$101,057</u>	<u>\$ -</u>

**Northeast Missouri Area Agency on Aging
Supplementary Information
Schedule of Expenditures - Actual - Fund Accounting
Supportive Program
For the Year Ended June 30, 2020**

	Totals	Legal Assistance	Transportation	Information and Assistance	Homemaker	Personal Care	Public Education and Information
Personnel and fringe	\$ 49,008	\$ 2,612	\$ 2,774	\$ 13,956	\$ 9,019	\$ 9,013	\$ 11,634
Travel	559	-	64	-	255	240	-
Occupancy and communications	2,128	107	114	601	398	392	516
Printing, supplies, postage	1,844	92	97	513	356	345	441
Equipment:							
Computer, fax, printing	947	48	51	267	177	175	229
Other Costs:							
Maintenance and repairs	403	20	22	113	75	75	98
Professional services	2,814	141	150	792	525	524	682
NAPIS	2,890	222	222	112	1,167	1,167	-
Insurance and bonding	1,573	79	84	443	293	293	381
Memberships, dues, subscriptions	471	24	24	133	88	87	115
Advertising	64	3	4	18	12	11	16
Contractual services	<u>632,247</u>	<u>43,422</u>	<u>324,813</u>	<u>-</u>	<u>221,954</u>	<u>42,058</u>	<u>-</u>
Total cash expenditures	694,948	46,770	328,419	16,948	234,319	54,380	14,112
In-Kind - DHSS match	<u>86,058</u>	<u>6,648</u>	<u>24,450</u>	<u>2,000</u>	<u>40,960</u>	<u>9,500</u>	<u>2,500</u>
Total Expenditures	<u>\$ 781,006</u>	<u>\$ 53,418</u>	<u>\$ 352,869</u>	<u>\$ 18,948</u>	<u>\$ 275,279</u>	<u>\$ 63,880</u>	<u>\$ 16,612</u>

Northeast Missouri Area Agency on Aging
Supplementary Information
Schedule of Expenditures - Actual - Fund Accounting
Disease Prevention Health Promotions Program
For the Year Ended June 30, 2020

	<u>Totals</u>	<u>EB Education/ Presentations</u>
Personnel and fringe	\$ 1,014	\$ 1,014
Travel	-	-
Occupancy and communications	42	42
Printing, supplies, postage	36	36
Equipment:		
Computer, fax, printing	19	19
Other Costs:		
Maintenance and repairs	8	8
Professional services	55	55
NAPIS	-	-
Insurance and bonding	31	31
Memberships, dues, subscriptions	9	9
Advertising	49	49
Contractual services	<u>17,833</u>	<u>17,833</u>
Total cash expenditures	19,096	19,096
In-Kind - DHSS match	-	-
Total Expenditures	<u>\$ 19,096</u>	<u>\$ 19,096</u>

**Northeast Missouri Area Agency on Aging
Supplementary Information
Schedule of Expenditures - Actual - Fund Accounting
Family Caregiver Support Program
For the Year Ended June 30, 2020**

	<u>Totals</u>	<u>Information and Assistance</u>	<u>In-Home Respite</u>
Personnel and fringe	\$ 15,841	\$ 7,181	\$ 8,660
Travel	255	-	255
Occupancy and communications	694	313	381
Printing, supplies, postage	607	267	340
Equipment:			
Computer, fax, printing	308	139	169
Other Costs:			
Maintenance and repairs	131	59	72
Professional services	915	412	503
NAPIS	1,278	111	1,167
Insurance and bonding	512	231	281
Memberships, dues, subscriptions	153	69	84
Advertising	21	9	12
Contractual services	<u>140,230</u>	<u>-</u>	<u>140,230</u>
Total cash expenditures	160,945	8,791	152,154
In-Kind - DHSS match	<u>50,000</u>	<u>3,000</u>	<u>47,000</u>
Total Expenditures	<u>\$ 210,945</u>	<u>\$ 11,791</u>	<u>\$ 199,154</u>

**Northeast Missouri Area Agency on Aging
 Supplementary Information
 Schedule of Expenditures - Actual - Fund Accounting
 Special Programs
 For the Year Ended June 30, 2020**

	<u>Totals</u>	<u>MIPPA</u>	<u>Navigator Grant</u>	<u>Benefit Enrollment Center</u>
Personnel and fringe	\$ -	\$ -	\$ -	\$ -
Travel	-	-	-	-
Occupancy and communications	-	-	-	-
Printing, supplies, postage	-	-	-	-
Equipment:				
Computer, fax, printing	-	-	-	-
Other Costs:				
Maintenance and repairs	-	-	-	-
Professional services	-	-	-	-
NAPIS	-	-	-	-
Insurance and bonding	-	-	-	-
Memberships, dues, subscriptions	-	-	-	-
Advertising	-	-	-	-
Contractual services	<u>101,057</u>	<u>17,795</u>	<u>64,301</u>	<u>18,961</u>
Total cash expenditures	101,057	17,795	64,301	18,961
In-Kind - DHSS match	-	-	-	-
Total Expenditures	<u>\$ 101,057</u>	<u>\$ 17,795</u>	<u>\$ 64,301</u>	<u>\$ 18,961</u>

**Northeast Missouri Area Agency on Aging
Supplementary Information
Schedule of Priority Supportive Program Expenditures
By Services and Funding Sources
For the Year Ended June 30, 2020**

	Mo Department of Health and Senior Services	Missouri Department of Transportation	Missouri HealthNet Division	Program Income	Interest	Other Cash- Non-DHSS Match	In-kind DHSS Match	Total
Access Services:								
Transportation	\$ 138,956	\$ 100,668	\$ -	\$ 44,067	\$ 221	\$ 44,507	\$ 24,450	\$ 352,869
Information and Events	14,112	-	-	-	-	-	2,500	16,612
Information & Assistance	16,948	-	-	-	-	-	2,000	18,948
Total Access Services	<u>170,016</u>	<u>100,668</u>	<u>-</u>	<u>44,067</u>	<u>221</u>	<u>44,507</u>	<u>28,950</u>	<u>388,429</u>
In-Home Services:								
Homemaker	222,495	-	-	9,968	334	1,522	40,960	275,279
Personal Care	51,586	-	-	2,320	93	381	9,500	63,880
Total In-Home Services	<u>274,081</u>	<u>-</u>	<u>-</u>	<u>12,288</u>	<u>427</u>	<u>1,903</u>	<u>50,460</u>	<u>339,159</u>
Legal Services	<u>45,813</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69</u>	<u>888</u>	<u>6,648</u>	<u>53,418</u>
Total Priority Services	489,910	100,668	-	56,355	717	47,298	86,058	781,006
Reconciliation:								
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	489,910	100,668	-	56,355	717	47,298	86,058	781,006
Per Schedule of Activities- by Funding Source - Fund Accounting	<u>489,910</u>	<u>100,668</u>	<u>-</u>	<u>56,355</u>	<u>717</u>	<u>47,298</u>	<u>86,058</u>	<u>781,006</u>
Variance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Section II

Single Audit Reporting

**Northeast Missouri Area Agency on Aging
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2020**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Carryover From Prior Year	Current Year Grant Award/ P.I. Received	Expenditures	Unexpended Balance at June 30, 2020		Passed Through to Subrecipients
						Unremitted	Remitted	
U.S. Department of Health and Human Services:								
<i>Passed Through Missouri Department of Health and Senior Services:</i>								
Aging Cluster:								
Administration for Community Living:								
Special Programs for the Aging:								
Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	ERS10520005	\$ 156,815	\$ 393,344	\$ 278,713	\$ 244,257	\$ 27,189	\$ 253,516
COVID-19 Title III, Part B, Grants for Supportive Services and Senior Centers-CARES Act	93.044	ERS10520005	-	192,695	192,695	-	-	176,544
Title III, Part B - Program Income	93.044	ERS10520005	-	56,355	56,355	-	-	56,355
Program total					527,763			486,415
Title III, Part C, Subpart 1 - Nutrition Services COVID19 Title III, Part C, Subpart 1, Nutrition Services-Families First	93.045	ERS10520005	147,205	507,607	229,478	423,614	1,720	195,494
Title III, Part C, Subpart 1 - Program Income	93.045	ERS10520005	-	77,078	77,078	-	-	76,737
Title III, Part C, Subpart 2, Nutrition Services COVID-19 Title III, Part C, Subpart 2, Nutrition Services-Families First	93.045	ERS10520005	207,028	265,368	114,343	321,478	36,575	57,459
COVID-19 Title III, Part C, Subpart 2, Nutrition Services-CARES Act	93.045	ERS10520005	-	154,156	154,156	-	-	136,780
Title III, Part C, Subpart 2 - Program Income	93.045	ERS10520005	-	462,468	398,854	63,614	-	398,854
Program total					486,522	-	-	486,522
Nutrition Services Incentive Program	93.053	ERS10520005	-	300,692	300,692	-	-	300,692
Total Aging Cluster					2,738,613			2,588,680
Other Programs:								
Administration for Community Living:								
Special Programs for the Aging:								
Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	ERS10520005	-	1,731	1,731	-	-	1,731

(continued)

**Northeast Missouri Area Agency on Aging
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2020**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Carryover From Prior Year	Current Year Grant Award/ P.I. Received	Expenditures	Unexpended Balance at June 30, 2020		Passed Through to Subrecipients
						Unremitted	Remitted	
Title VII, Chapter 2, Long Term Care								
Ombudsman Services for Older Individuals	93.042	ERS10520005	-	9,230	4,489	4,741	-	4,489
<i>COVID-19 Title VII, Chapter 2, Long Term Care</i>								
Ombudsman Services-CARES Act	93.042	ERS10520005	-	18,019	13,388	4,631	-	13,388
Program total					<u>17,877</u>			
Title III, Part D, Disease Prevention and Health Promotion Services								
National Family Caregiver Support, Title III, Part E	93.043	ERS10520005	47,748	31,211	19,049	50,641	9,269	17,833
<i>COVID-19 National Family Caregiver Support, Title III, Part E-CARES Act</i>	93.052	ERS10520005	180,339	189,802	91,493	242,110	36,538	69,428
Title III, Part E - Program Income	93.052	ERS10520005	-	96,874	59,718	37,156	-	44,708
Program total	93.052	ERS10520005	-	11,780	11,780	-	-	11,780
					<u>162,991</u>			<u>125,916</u>
Administration for Children and Families:								
Social Services Block Grant	93.667	ERS10520005	-	84,229	84,229	-	-	47,586
Administration for Community Living:								
Medicare Enrollment Assistance Program	93.071	ERS10520005	9,315	11,840	17,795	3,360	-	17,795
<i>Passed Through Missouri Alliance of Area Agencies on Aging:</i>								
Medicare Enrollment Assistance Program	93.071	None	9,750	-	9,750	-	-	9,750
Medicare Enrollment Assistance Program	93.071	None		14,244	9,211	5,033	-	9,211
Program total					<u>36,756</u>			<u>36,756</u>
Centers for Medicare and Medicaid Services:								
Cooperative Agreement to Support Navigators in Federally-facilitated Exchanges	93.332	1NAVCA180343-01-00	5,884	-	5,884	-	-	5,884
Cooperative Agreement to Support Navigators in Federally-facilitated Exchanges	93.332	1NAVCA190351-01-00	-	60,000	58,417	1,583	-	58,417
Program total					<u>64,301</u>			<u>64,301</u>
Total Department of Health and Human Services					<u>3,125,547</u>			
Total Federal Awards			<u>764,084</u>	<u>3,874,972</u>	<u>3,125,547</u>	<u>1,402,218</u>	<u>111,291</u>	<u>2,900,680</u>

(continued)

**Northeast Missouri Area Agency on Aging
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2020**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Carryover From Prior Year	Current Year Grant Award/P.I. Received	Expenditures	Unexpended Balance at June 30, 2020		Passed Through to Subrecipients
						Unremitted	Remitted	
State of Missouri Funds:								
Missouri Department of Health and Senior Services:								
General Revenue	N/A	ERS10520005	-	651,858	651,858	-	-	604,564
Elderly Home Delivered Meals Trust Fund	N/A	ERS10520005	-	1,938	1,938	-	-	1,938
Missouri Department of Transportation:								
Missouri Highways and Transportation Commission								
Elderly and Handicapped Transportation Assistance Program	N/A	TMEHTP20	-	100,668	100,668	-	-	100,668
Total State Awards			-	754,464	754,464	-	-	707,170
Total Federal and State Awards			\$764,084	\$4,629,436	\$3,880,011	\$1,402,218	\$111,291	\$3,607,850

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

Northeast Missouri Area Agency on Aging
Notes to Schedule of Expenditures of
Federal and State Awards
For the Year Ended June 30, 2020

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal and state awards (the "Schedule") includes the federal and state award activity of Northeast Missouri Area Agency on Aging under programs of the federal and state governments for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Northeast Missouri Area Agency on Aging, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Northeast Missouri Area Agency on Aging.

Note B – Summary of Significant Accounting Policies

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

Note C – Indirect Cost Rate

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

Note D – Reconciliation of Schedule to Financial Statements

Expenditures of federal and state sources per page 20 of supplementary information:

Missouri Department of Health and Senior Services	\$2,691,697
Other federal programs	83,262
Missouri Department of Transportation	100,668
Program income	<u>1,004,384</u>
Total expenditures of Federal and State Awards	<u>\$3,880,011</u>

Danny L. Marsh, C.P.A.
504 E. U.S. Highway 136
Albany, Missouri 64402
Phone (660) 726-3961
Fax (660) 726-3965
danny.marsh@mem.tax

Ted Espey, C.P.A.
Dannen Merrill, C.P.A.
101 West Edwards
Maryville, Missouri 64468
Phone (660) 582-3181
Fax (660) 582-4132
ted.espey@mem.tax
dannen.merrill@mem.tax

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

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

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 (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 1, 2021.

Compliance and Other Matters

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

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Northeast Missouri Area Agency on Aging's internal control over financial reporting (internal control) 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 Northeast Missouri Area Agency on Aging's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

Purpose of this Report

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

Marsh, Espey & Merrill, P.C.

Maryville, Missouri
February 1, 2021

Danny L. Marsh, C.P.A.

504 E. U.S. Highway 136
Albany, Missouri 64402
Phone (660) 726-3961
Fax (660) 726-3965
danny.marsh@mem.tax

Ted Espey, C.P.A.
Dannen Merrill, C.P.A.
101 West Edwards
Maryville, Missouri 64468
Phone (660) 582-3181
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dannem.merrill@mem.tax

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

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

Report on Compliance for Each Major Federal Program

We have audited Northeast Missouri Area Agency on Aging's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Northeast Missouri Area Agency on Aging's major federal programs for the year ended June 30, 2020. Northeast Missouri Area Agency on Aging's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Northeast Missouri Area Agency on Aging complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

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

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

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

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

Marsh, Espey & Merrill, P.C.

Maryville, Missouri
February 1, 2021

**Northeast Missouri Area Agency on Aging
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020**

Section I – Summary of Auditors' Results

Financial Statements

The type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP?

Unmodified Qualified Adverse Disclaimer

Internal control over financial reporting:

Material weaknesses identified? Yes No

Significant deficiencies identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

Material weaknesses identified? Yes No

Significant deficiencies identified? Yes None reported

Type of report the auditor issued on compliance for major federal programs?

Unmodified Qualified Adverse Disclaimer

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

Identification of major federal programs:

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

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

Auditee qualified as low-risk auditee? Yes No

Section II – Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

Prior Audit Findings

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