

**Young at Heart Resources
Albany, Missouri**

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

For the Year Ended June 30, 2020

Young at Heart Resources

Table of Contents

	<u>Page</u>
Section I: Financial Statements and Supplementary Information	
Independent Auditor's Report	1
Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7
Supplementary Information:	
Financial Schedules:	
Schedule of Financial Position – Fund Accounting	18
Schedule of Activities – by Funding Source – Fund Accounting	19
Schedule of Expenditures – Actual – Fund Accounting	20
Schedule of Priority Supportive Program Expenditures, by Services and Funding Sources	25
Section II: Single Audit Reporting	
Schedule of Expenditures of Federal and State Awards	26
Notes to Schedule of Expenditures of Federal and State Awards	28
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 <i>Government Auditing Standards</i>	29

Young at Heart Resources

Table of Contents

	<u>Page</u>
Section II: Single Audit Reporting (continued)	
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance	31
Schedule of Findings and Questioned Costs	33

Section I
Financial Statements and
Supplementary Information

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Independent Auditor's Report

To the Board of Directors
Young at Heart Resources
Albany, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Young at Heart Resources (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 Young at Heart Resources 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 March 23, 2021, on our consideration of Young at Heart Resources' 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 Young at Heart Resources' 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 Young at Heart Resources' internal control over financial reporting and compliance.

Marsh, Espey & Merrill

Maryville, Missouri
March 23, 2021

Young at Heart Resources
Statement of Financial Position
June 30, 2020

ASSETS

Cash	\$ 580,770
Grants receivable:	
Missouri Department of Health and Senior Services	351,844
Other	10,694
Accounts receivable:	
Missouri HealthNet Division	146,869
Other	5
Prepaid expenses	14,358
Security deposit	<u>3,855</u>
 Total assets	 <u><u>1,108,395</u></u>

LIABILITIES

Refundable advances:	
Missouri Department of Health and Senior Services funds held in trust	788,992
Accounts payable	219,546
Accrued liabilities	<u>31,474</u>
 Total liabilities	 <u><u>1,040,012</u></u>

NET ASSETS

With donor restrictions	8,463
Without donor restrictions	<u>59,920</u>
 Total net assets	 <u><u>68,383</u></u>
 Total liabilities and net assets	 <u><u>\$ 1,108,395</u></u>

See accompanying notes to financial statements.

Young at Heart Resources
Statement of Activities
For the Year Ended June 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and other support:			
Contributions:			
Missouri Department of Health and Senior Services	\$ 2,533,465	\$	\$ 2,533,465
Other Federal Programs	19,991		19,991
Missouri Department of Transportation	42,941		42,941
Paycheck Protection Program		127,400	127,400
County Senior Tax		1,300	1,300
Other	1,000	200	1,200
Missouri HealthNet Division	889,175		889,175
Program Income	672,737	3,130	675,867
Interest	1,366		1,366
Other Cash - DHSS Match	15,461		15,461
Other Cash - Non-DHSS Match	96,759		96,759
Total revenues	<u>4,272,895</u>	<u>132,030</u>	<u>4,404,925</u>
Net assets released from restrictions:			
Satisfaction of purpose restrictions	<u>138,043</u>	<u>(138,043)</u>	<u>0</u>
Expenses:			
Program Services:			
Supportive Services	484,241		484,241
Ombudsman	118,811		118,811
Congregate Meals	914,292		914,292
Home Delivered Nutrition	2,423,127		2,423,127
Disease Prevention & Health Promotion	39,908		39,908
Family Caregivers	180,548		180,548
Special Programs:			
Medicare Enrollment Assistance (MIPPA)	23,352		23,352
Supporting Activities:			
Area Agency administration	216,402		216,402
Total expenses	<u>4,400,681</u>	<u>0</u>	<u>4,400,681</u>
Change in net assets	10,257	(6,013)	4,244
Net assets, beginning of year	<u>49,663</u>	<u>14,476</u>	<u>64,139</u>
Net assets, end of year	<u>\$ 59,920</u>	<u>\$ 8,463</u>	<u>\$ 68,383</u>

See accompanying notes to financial statements.

Young at Heart Resources
Statement of Functional Expenses
 For the Year Ended June 30, 2020

	Supporting Activities	Program Services							Total
		Area Agency Administration	Supportive Services	Ombudsman	Congregate Nutrition	Home Delivered Nutrition	Disease Prevention & Health Promotion	Family Caregivers	
Expenses:									
Personnel and fringe	\$ 159,767	\$ 228,166	\$ 87,211	\$ 73,928	\$ 88,102	\$ 28,171	\$ 76,339	\$ 19,045	\$ 760,729
Travel	20,781	18,693	7,991	1,819	1,857	4,178	3,314	1,469	60,102
Occupancy & communication	13,719	25,708	9,938	7,218	8,662	5,126	9,482	1,967	81,820
Printing, supplies and office	4,638	8,545	10,926	2,786	3,216	1,533	3,053	668	35,365
Equipment									-
Other costs:									
Insurance and bonding	1,749	3,721	1,164	695	844	558	1,003	203	9,937
Memberships, dues, subscriptions	3,838	335	50	7	7	342	57		4,636
Professional services	11,500								11,500
Miscellaneous	410		1,531	782	783		238		3,744
Transportation - PAR, client reimbursement vouchers and coupons/bus passes		60,565							60,565
Contractual		138,508		827,057	2,319,656		87,062		3,372,283
Total expenses	\$ 216,402	\$ 484,241	\$ 118,811	\$ 914,292	\$ 2,423,127	\$ 39,908	\$ 180,548	\$ 23,352	\$ 4,400,681

See accompanying notes to financial statements.

Young at Heart Resources
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	\$ 2,493,657
Other Federal Programs	19,917
Missouri HealthNet Division	811,659
Missouri Department of Transportation	33,904
Program Income	675,867
Contributions	129,900
Interest	1,366
Other Cash - DHSS Match	15,461
Other Cash - Non-DHSS Match	104,179
Cash paid to contractors	(3,386,382)
Cash paid to suppliers and employees	<u>(1,034,200)</u>

Net decrease in cash (134,672)

Cash, Beginning of Year 715,442

Cash, End of Year 580,770

Reconciliation of Change in Net Assets to Net Cash

Flows From Operating Activities

Change in Net Assets	4,244
Adjustments to reconcile change in net assets to net cash used for operating activities:	
(Increase) decrease in:	
Grants receivable:	
Missouri Department of Health and Senior Services	(254,996)
Other	(9,111)
Accounts receivable:	
Missouri HealthNet Division	(77,516)
Other	7,420
Prepaid expenses	(4,611)
Increase (decrease) in:	
Refundable advances:	
Missouri Department of Health and Senior Services funds held in trust	215,188
Accounts payable	(12,227)
Accrued liabilities	(3,063)
Net cash used for operating activities	<u><u>\$ (134,672)</u></u>

See accompanying notes to financial statements.

Young at Heart Resources
Notes to Financial Statements
June 30, 2020

Note 1 – Organization and Nature of Activities

Young at Heart Resources (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 Northwest 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.

Change of Name of the Organization

Effective December 31, 2019, the Organization amended its Articles of Incorporation to change its name from “Northwest Missouri Area Agency on Aging” to “Young at Heart Resources.”

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, case management, legal assistance, information and assistance, options counseling, benefits counseling, outreach, Medicare Part D assistance, advocacy, personal emergency response systems 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 routine health screening services to older individuals, medication management, chronic disease programs, health education, health fitness and health promotions to older individuals.

Family Caregivers – provides in-home respite, case management, personal emergency response systems, options counseling, benefits counseling, and information and assistance services to assist family caregivers in providing extended care to older persons.

Young at Heart Resources
Notes to Financial Statements
June 30, 2020

Note 1 – Organization and Nature of Activities (continued)

Description of Program Services and Supporting Activities (continued)

Special Programs – MIPPA provides benefit counseling and assistance for low income clients.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting

The 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 March 23, 2021, the date on which the financial statements were available to be issued.

Young at Heart Resources
Notes to Financial Statements
June 30, 2020

Note 2 – Summary of Significant Accounting Policies (continued)

Fund Accounting

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

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).

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.

Young at Heart Resources
Notes to Financial Statements
June 30, 2020

Note 2 – Summary of Significant Accounting Policies (continued)

Equipment

Equipment is 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 \$2,500 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.

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 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 \$3,832. This practice does not represent a material departure from generally accepted accounting principles.

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 accrue paid time off (PTO) based on years of service, number of hours worked per week, and the date they began continuous employment with the Agency. PTO can accumulate to a maximum of 240 hours. Employees who terminate their employment with proper notice and in good standing receive payment for 50% of the unused PTO hours which were accrued. Employees who are terminated due to poor performance or other performance issues are not eligible to receive payment of accrued PTO. The Agency also donates up to 10 days per year to an extended leave account for use in the event of a short-term illness. Employees may also roll over limited amounts of PTO to their extended leave account each June. Extended leave is not paid when employment ends. The Organization's policy is to recognize the costs of compensated absences when earned. Total vested leave at June 30, 2020 amounted to \$21,150 and is included in "accrued liabilities" on the Statement of Financial Position.

Young at Heart Resources
Notes to Financial Statements
June 30, 2020

Note 2 – Summary of Significant Accounting Policies (continued)

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 *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.

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 \$788,992 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.

Young at Heart Resources
Notes to Financial Statements
June 30, 2020

Note 2 – Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses (continued)

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

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

Travel - Costs are billed directly to the applicable program.

Building space, utilities, telephone and insurance – Costs which cannot be identified with a particular program are allocated to each program based on square footage occupied.

Equipment, printing, supplies and general office expenses – Costs which cannot be identified with a particular program are allocated to each program based on salary allocations.

Other – Most costs are directly charged to the programs. The remaining costs are allocated to each program based on total salary allocations.

Cash equivalents

For purposes of the Statement of Cash Flows, cash and cash equivalents include all highly liquid investments with a maturity of three months or less when acquired. The Organization has no cash equivalents at June 30, 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 \$437,392 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 various financial institutions located in Northwest Missouri and limits the amount of credit exposure to any one financial institution. The balances are insured by the Federal Deposit Insurance Corporation (FDIC). The Organization limits its cash in bank balances at each institution so as to not exceed FDIC coverage limits. The Organization has not experienced, nor does it anticipate, any losses in bank deposit accounts.

Young at Heart Resources
Notes to Financial Statements
June 30, 2020

Note 2 – Summary of Significant Accounting Policies (continued)

Concentration of Credit Risk

The Organization receives support from various federal and state agencies. At June 30, 2020, approximately 99.7% of the grants and contracts receivable balances were due from state governmental agencies.

Concentration of Revenue

The Organization received approximately 82% of its revenues from federal and state governmental agencies. Of this amount, approximately 70% was received from the Missouri Department of Health and Senior Services and approximately 25% from the Missouri HealthNet Division. Approximately 18% 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.

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.

Young at Heart Resources
Notes to Financial Statements
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	\$ 580,770
Grant receivable	362,538
Grants and accounts receivable	<u>146,874</u>
Financial assets, at year-end	1,090,182
Less those unavailable for general expenditures within one year, due to:	
Restricted by donor with purpose restriction	(<u>8,463</u>)
 Financial assets available to meet cash needs for general expenditures within one year	 \$ <u>1,081,719</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.

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:

	Conditional Promises to Give due in:				Allowance
	Less than 1 year	1 to 5 years	More than 5 years	Total	
Missouri Department of Health and Senior Services	\$ 351,844	\$ -	\$ -	\$ 351,844	\$ -
Missouri Highways and Transportation Commission	9,037	-	-	9,037	-
Missouri Alliance of Area Agencies on Aging	<u>1,657</u>	<u>-</u>	<u>-</u>	<u>1,657</u>	<u>-</u>
Total	<u>\$ 362,538</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 362,538</u>	<u>\$ -</u>

Young at Heart Resources
Notes to Financial Statements
June 30, 2020

Note 6 – Equipment inventory

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

Balance, beginning of year	\$ 37,959
Additions	-
Dispositions	(-)
Balance, end of year	<u>\$ 37,959</u>

Note 7 – Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of June 30, 2020:

Subject to expenditure for specified purpose:	
Supportive services:	
Gentry County senior tax – purpose restriction	\$5,638
Disease Prevention and Health Promotion – purpose restriction	200
Administration:	
In-home services – purpose restriction	2,500
Volunteer recognition – purpose restriction	<u>125</u>
Total net assets with donor restrictions	<u>\$8,463</u>

Note 8 – Employee Benefit Plan

The Organization has a 408(p) SIMPLE plan available for its employees. Under this plan an employee may defer a portion of their salary in accordance with the salary reduction agreement entered into with the employer. The Organization makes matching contributions of 100% of employee contributions up to 3% of compensation. Organization contributions for the year ended June 30, 2020 total \$14,071.

Note 9 – Commitments and Contingencies

Operating leases

The Organization has entered into various lease agreements for the rental of office space. The leases are operating in nature. The lease for the Albany facility was for a term of twelve months that expired June 30, 2020, and has been renewed for an additional twelve months effective July 1, 2020. The lease for the Cameron facility is for a term of seven years that expires March 31, 2023. The remaining lease is for a term of one year or less. Lease provisions allow for cancellation upon 30 days written notice should federal funds be unavailable. Rental expense for the year ended June 30, 2020 amounted to \$62,252.

Young at Heart Resources
Notes to Financial Statements
June 30, 2020

Note 9 – Commitments and Contingencies (continued)

Operating leases (continued)

Future minimum lease payments under operating leases that have remaining terms in excess of one year as of June 30, 2020 are:

<u>Year Ending June 30:</u>	<u>Amount</u>
2021	\$ 46,260
2022	46,260
2023	<u>34,695</u>
Total future minimum lease payments	<u>\$127,215</u>

Commitments

In June 2020, the Organization entered into an agreement to acquire computer equipment in the amount of \$43,319. The equipment will be delivered in September 2020.

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, congregate, home delivered, and family caregiver 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.

Young at Heart Resources
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 \$428,192 through the Families First Coronavirus Response Act and \$582,100 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

Young at Heart Resources
Supplementary Information
Schedule of Financial Position - Fund Accounting
June 30, 2020

	Administration	Supportive	Ombudsman	Congregate Nutrition	Home Delivered Nutrition	Disease Prevention & Health Promotion	Family Caregivers	Special Programs	Elimination (Due to/from)	Total
ASSETS										
Cash		\$ 126,183		\$ 314,677	\$ 63,754	\$ 2,987	\$ 69,972	\$ 3,197		\$ 580,770
Grants receivable:										
Missouri Department of Health and Senior Services	8,111	35,940	18,757	7,094	258,686	4,367	17,929	960		351,844
Other		10,694								10,694
Accounts receivable:										
Missouri HealthNet Division		2,697			144,172					146,869
Other		5								5
Prepaid expense	3,603	4,606	1,510	1,079	1,278	746	1,271	265		14,358
Security Deposit		3,855								3,855
Due from other funds		16,014							(16,014)	-
Total assets	11,714	199,994	20,267	322,850	467,890	8,100	89,172	4,422	(16,014)	1,108,395
LIABILITIES										
Refundable advances:										
Missouri Department of Health and Senior Services Funds held in trust:										
Accounts payable	68	13,999	3,732	13,953	179,953	200	7,631	10		219,546
Accrued liabilities	6,992	8,713	3,779	3,330	4,154	1,027	2,956	523		31,474
Due to other funds	3,258		12,756						(16,014)	-
Total liabilities	10,318	139,132	20,267	322,850	467,890	7,000	84,147	4,422	(16,014)	1,040,012
NET ASSETS										
With donor restrictions	125	8,138				200				8,463
Without donor restrictions	1,271	52,724				900	5,025			59,920
Total net assets	1,396	60,862	-	-	-	1,100	5,025	-	-	68,383
Total liabilities and net assets	\$ 11,714	\$ 199,994	\$ 20,267	\$ 322,850	\$ 467,890	\$ 8,100	\$ 89,172	\$ 4,422	\$ (16,014)	\$ 1,108,395

Young at Heart Resources
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	Elimination (Other In-Kind)	Total
Revenues:										
MO Department of Health and Senior Services	\$ 149,607	\$ 321,377	\$ 103,780	\$ 479,548	\$ 1,262,830	\$ 34,854	\$ 158,161	\$ 23,308	\$ -	\$ 2,533,465
Other Federal Programs		19,991								19,991
Missouri HealthNet Division	38,171	36,177			814,827					889,175
MO Department of Transportation		42,941								42,941
Program Income		4,026		342,986	326,052	45	2,714	44		675,867
Contributions	1,000	1,366				200				2,500
Interest										1,366
Other Cash - DHSS match		10,523					4,938			15,461
Other Cash - Non-DHSS match	28,624	45,960	15,031	91,605	19,264	5,009	18,666			224,159
In-kind - DHSS match	23,500	80,639	553	108,836	217,136	4,606	2,122	(437,392)		-
In-kind - Non-DHSS match										
Total revenues	240,902	564,300	119,364	1,022,975	2,640,109	44,714	186,601	23,352	(437,392)	4,404,925
Expenditures:										
MO Department of Health and Senior Services	149,607	321,377	103,780	479,548	1,262,830	34,854	158,161	23,308		2,533,465
Other Federal Programs		19,991								19,991
Missouri HealthNet Division	38,171	36,177			814,827					889,175
MO Department of Transportation		42,941								42,941
Program Income		4,026		342,986	326,052	45	2,714	44		675,867
Contributions		6,577					937			7,514
Interest										1,366
Other Cash - DHSS match		10,523					4,938			15,461
Other Cash - Non-DHSS match	28,624	41,263	15,031	91,758	19,418	5,009	13,798			214,901
In-kind - DHSS match	23,500	80,639	553	108,836	217,136	4,606	2,122	(437,392)		-
In-kind - Non-DHSS match										
Total expenditures	239,902	564,880	119,364	1,023,128	2,640,263	44,514	182,670	23,352	(437,392)	4,400,681
Change in net assets	1,000	(580)	-	(153)	(154)	200	3,931	-	-	4,244
Net assets, beginning of year:										
Contributions	396	14,646								15,042
Other Cash - Non-DHSS match		48,040				900	157			49,097
Total net assets, beginning of year	396	62,686	-	-	-	900	157	-	-	64,139
Transfer to (from)										
Contributions		(937)					937			-
Other Cash - Non-DHSS match		(307)		153	154					-
Total transfers to (from)	-	(1,244)	-	153	154	-	937	-	-	-
Net assets, end of year:										
Contributions	1,396	8,432				200				10,028
Other Cash - Non-DHSS match		52,430				900	5,025			58,355
Total net assets, end of year	\$ 1,396	\$ 60,862	\$ -	\$ -	\$ -	\$ 1,100	\$ 5,025	\$ -	\$ -	\$ 68,383

Young at Heart Resources
Supplementary Information
Schedule of Expenditures - Actual - Fund Accounting
For the Year Ended June 30, 2020

	Totals	Administration	Supportive Services	Ombudsman	Congregate Nutrition	Home Delivered Nutrition	Disease Prevention Health Promotion	Family Caregiver	Special Programs
Expenses:									
Personnel and fringe	\$ 760,729	\$ 159,767	\$ 228,166	\$ 87,211	\$ 73,928	\$ 88,102	\$ 28,171	\$ 76,339	\$ 19,045
Travel	60,102	20,781	18,693	7,991	1,819	1,857	4,178	3,314	1,469
Occupancy & communication	81,820	13,719	25,708	9,938	7,218	8,662	5,126	9,482	1,967
Printing, supplies and office	35,365	4,638	8,545	10,926	2,786	3,216	1,533	3,053	668
Equipment	-								
Other costs:									
Insurance and bonding	9,937	1,749	3,721	1,164	695	844	558	1,003	203
Memberships, dues, subscriptions	4,636	3,838	335	50	7	7	342	57	
Professional services	11,500	11,500							
Miscellaneous	3,744	410		1,531	782	783		238	
Transportation - PAR, client reimbursement vouchers and coupons/bus passes	60,565		60,565						
Contractual	3,372,283		138,508		827,057	2,319,656		87,062	
Subtotal	4,400,681	216,402	484,241	118,811	914,292	2,423,127	39,908	180,548	23,352
In-kind - DHSS match	437,392	23,500	80,639	553	108,836	217,136	4,606	2,122	
In-kind - Non-DHSS-match	-								
Total expenses	\$ 4,838,073	\$ 239,902	\$ 564,880	\$ 119,364	\$ 1,023,128	\$ 2,640,263	\$ 44,514	\$ 182,670	\$ 23,352

Young at Heart Resources
 Supplementary Information
Schedule of Expenditures - Actual - Fund Accounting
Supportive Program

For the Year Ended June 30, 2020

	Totals	Legal Assistance	Transportation	Information & Assistance	Case Management	Information (Events)	Homemaker	Personal Care	Advocacy
Expenses:									
Personnel and fringe	\$ 228,166		\$ 25,309	\$ 63,427	\$ 122,899	\$ 4,282			\$ 12,249
Travel	18,693			6,573	6,574				5,546
Occupancy & communication	25,708		2,647	6,937	13,117	2,044			963
Printing, supplies and office Equipment	8,545		971	2,401	4,143	601			429
Other costs:									
Insurance and bonding	3,721		1,107	715	1,414	174			311
Memberships, dues, subscriptions	335		98	180	57				
Professional services									
Miscellaneous	-								
Transportation - PAR, client reimbursement vouchers and coupons/bus passes	60,565		60,565						
Contractual	138,508	23,583					99,793	15,132	
Subtotal	484,241	23,583	90,697	80,233	148,204	7,101	99,793	15,132	19,498
In-kind - DHSS match	80,639	-	58,008				2,134	2,134	18,363
In-kind - Non-DHSS-match									
Total expenses	\$ 564,880	\$ 23,583	\$ 148,705	\$ 80,233	\$ 148,204	\$ 7,101	\$ 101,927	\$ 17,266	\$ 37,861

Young at Heart Resources
Supplementary Information

**Schedule of Expenditures - Actual - Fund Accounting
Disease Prevention and Health Promotions Program**

For the Year Ended June 30, 2020

	Totals	EB Fitness Programs
Expenses:		
Personnel and fringe	\$ 28,171	\$ 28,171
Travel	4,178	4,178
Occupancy & communication	5,126	5,126
Printing, supplies and office Equipment	1,533	1,533
Other costs:		
Insurance and bonding	558	558
Memberships, dues, subscriptions	342	342
Professional services		
Miscellaneous		
Transportation - PAR, client reimbursement vouchers and coupons/bus passes		
Contractual		
Subtotal	39,908	39,908
In-kind - DHSS match	4,606	4,606
In-kind - Non-DHSS-match		
Total expenses	\$ 44,514	\$ 44,514

Young at Heart Resources
 Supplementary Information
Schedule of Expenditures - Actual - Fund Accounting
Family Caregiver

For the Year Ended June 30, 2020

	Totals	Information (Events)	Respite	Training	Case Management
Expenses:					
Personnel and fringe	\$ 76,339	\$ 5,012		\$ 1,479	\$ 69,848
Travel	3,314			10	3,304
Occupancy & communication	9,482	2,044		132	7,306
Printing, supplies and office	3,053	601		92	2,360
Equipment					
Other costs:					
Insurance and bonding	1,003	174		14	815
Memberships, dues, subscriptions	57				57
Professional services					
Miscellaneous	238			238	
Transportation - PAR, client reimbursement vouchers and coupons/bus passes					
Contractual	87,062		87,062		
Subtotal	180,548	7,831	87,062	1,965	83,690
In-kind - DHSS match	2,122		2,122		
In-kind - Non-DHSS-match					
Total expenses	\$ 182,670	\$ 7,831	\$ 89,184	\$ 1,965	\$ 83,690

Young at Heart Resources
 Supplementary Information
Schedule of Expenditures - Actual - Fund Accounting
Special Programs

For the Year Ended June 30, 2020

	Totals	MIPPA
Expenses:		
Personnel and fringe	\$ 19,045	\$ 19,045
Travel	1,469	1,469
Occupancy & communication	1,967	1,967
Printing, supplies and office Equipment	668	668
Other costs:		
Insurance and bonding	203	203
Memberships, dues, subscriptions		
Professional services		
Miscellaneous		
Transportation - PAR, client reimbursement vouchers and coupons/bus passes		
Contractual		
Subtotal	<u>23,352</u>	<u>23,352</u>
In-kind - DHSS match		
In-kind - Non-DHSS-match		
Total expenses	<u>\$ 23,352</u>	<u>\$ 23,352</u>

Young at Heart Resources
Supplementary Information
**Schedule of Priority Supportive Program Expenditures
by Services and Funding Sources**
For the Year Ended June 30, 2020

	Missouri Department of Health and Senior Services	Other Federal Programs	Missouri HealthNet Division	Missouri Department of Transportation	Program Income	Contributions	Interest	Other Cash-		Other Cash-		In-kind DHSS Match	Total
								DHSS Match	Non-DHSS Match	DHSS Match	Non-DHSS Match		
Access Services:													
Transportation Information & Assistance	\$ 42,741	\$ -	\$ -	\$ 42,941	\$ 1,616	\$ -	\$ -	\$ -	\$ 3,399	\$ 58,008	\$ 148,705		
Case Management Information (Events)	44,164	19,991	-	-	-	1,366	-	-	14,712	-	80,233		
Total Access Services	91,004	-	36,177	-	-	-	-	-	21,023	-	148,204		
	7,101	-	-	-	-	-	-	-	-	-	7,101		
	185,010	19,991	36,177	42,941	1,616	1,366	-	-	39,134	58,008	384,243		
In-Home Services:													
Homemaker	84,924	-	-	-	2,410	6,545	-	5,913	1.00	2,134	101,927		
Personal Care	14,073	-	-	-	-	32	-	1,027	-	2,134	17,266		
Other respite (FERS)	-	-	-	-	-	-	-	-	-	-	-		
Total In-Home Services	98,997	-	-	-	2,410	6,577	-	6,940	1.00	4,268	119,193		
Legal Services	20,000	-	-	-	-	-	-	3,583	-	-	23,583		
Total Priority Services	304,007	19,991	36,177	42,941	4,026	6,577	1,366	10,523	39,135	62,276	527,019		
Reconciliation:													
SHL/Advocacy	17,370	-	-	-	-	-	-	-	2,128	18,363	37,861		
Total Expenditures	321,377	19,991	36,177	42,941	4,026	6,577	1,366	10,523	41,263	80,639	564,880		
Per Schedule of Activities - by Funding Source - Fund Accounting Variance	\$ 321,377	\$ 19,991	\$ 36,177	\$ 42,941	\$ 4,026	\$ 6,577	\$ 1,366	\$ 10,523	\$ 41,263	\$ 80,639	\$ 564,880		
	-	-	-	-	-	-	-	-	-	-	-		

Section II

Single Audit Reporting

Northwest 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	Current Year Award Amount/ P.I. Received	Carryover From Prior Year	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	ERS 105-20-004	415,958	380,556	262,678	417,416	116,420	118,997
COVID-19 Title III, Part B - Families First	93.044	ERS 105-20-004	194,633		96,069	98,564	0	23,075
Title III, Part B - Program Income	93.044	ERS 105-20-004	4,026		4,026			2,410
Program total					<u>362,773</u>	<u>374,135</u>	<u>305,567</u>	<u>144,482</u>
Title III, Part C, Subpart 1 - Nutrition Services	93.045	ERS 105-20-004	460,410	367,199	147,907			71,556
COVID-19 Title III, Part C, Subpart 1 - Families First	93.045	ERS 105-20-004	77,853		77,853			73,882
Title III, Part C, Subpart 1 - Program Income	93.045	ERS 105-20-004	342,986		342,986			342,986
Title III, Part C, Subpart 2 - Nutrition Services	93.045	ERS 105-20-004	299,024	300,759	53,863	262,137	283,783	3,791
COVID-19 Title III, Part C, Subpart 2 - Families First	93.045	ERS 105-20-004	155,706		155,706			155,706
COVID-19 Title III, Part C, Subpart 2 - CARES Act	93.045	ERS 105-20-004	467,118		362,413	104,705		362,413
Title III, Part C, Subpart 2 - Program Income	93.045	ERS 105-20-004	326,052		326,052			324,628
Program total					<u>1,466,780</u>	<u>71,176</u>		<u>1,334,962</u>
Nutrition Services Incentive Program	93.053	ERS 105-20-004	345,645		274,469			274,469
Program total					<u>2,104,022</u>			<u>1,753,913</u>
Total Aging Cluster								
Other Programs:								
Administration for Community Living:								
Special Programs for the Aging:								
Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	ERS 105-20-004	1,731		1,731			
Title VII, Chapter 2 - Long Term Care	93.042	ERS 105-20-004	9,096		9,096			
Ombudsman Services for Older Individuals	93.042	ERS 105-20-004	17,134		17,134			
COVID-19 Title VII, Chapter 2 - CARES Act	93.042	ERS 105-20-004			26,230			
Program total					<u>26,230</u>			
Title III, Part D - Disease Prevention and Health Promotion Services	93.043	ERS 105-20-004	31,348	24,613	26,552	23,636	5,773	
Title III, Part D - Program income	93.043	ERS 105-20-004	45		45			
Program total					<u>26,597</u>			

(continued)

Northwest 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	Current Year Award Amount/ P.I. Received	Carryover From Prior Year	Expenditures	Unexpended Balance at June 30, 2020		Passed Through to Subrecipients
						Unremitted	Remitted	
National Family Caregiver Support, Title III, Part E COVID-19 National Family Caregiver Support, Title III E - CARES Act	93.052	ERS 105-20-004	191,254	225,817	139,063	204,448	73,560	78,473
Title III, Part E - Program Income	93.052	ERS 105-20-004	97,848		45,896	51,952		
Program total	93.052	ERS 105-20-004	2,714		2,714			2,714
					187,673			81,187
Administration for Children and Families:								
Social Services Block Grant	93.667	ERS 105-20-004	84,913		84,913			40,439
Administration for Community Living:								
Medicare Enrollment Assistance Program	93.071	ERS 105-20-004	25,791	5,886	23,308	4,480	3,889	
Medicare Enrollment Assistance - Program Income	93.071	ERS 105-20-004	44		44			
<i>Passed Through Missouri Alliance of Area Agencies on Aging</i>								
Medicare Enrollment Assistance Program	93.071	None	14,468	10,496	19,991	4,973		
Program total					43,343			
Total Department of Health and Human Services					2,474,509			
Total Expenditures of Federal Awards			3,565,797	1,315,326	2,474,509	1,617,622	788,992	1,875,539
State of Missouri Funds:								
Missouri Department of Health and Senior Services:								
General Revenue	N/A	ERS 105-20-004	752,856		752,856			625,325
Elderly Home Delivered Meals Trust Fund	N/A	ERS 105-20-004	1,958		1,958			1,958
<i>Passed Through Missouri Alliance of Area Agencies on Aging</i>								
General Revenue	N/A	None	6,563		6,563			
Missouri Department of Transportation:								
Missouri Highways and Transportation Commission								
Elderly and Handicapped Transportation Assistance Program	N/A	TMEHTP19NW1	42,941		42,941			
Total Expenditures of State Awards			804,318	0	804,318	0	0	627,283
Total Expenditures of Federal and State Awards			4,370,115	1,315,326	3,278,827	1,617,622	788,992	2,502,822

See accompanying notes to the Schedule of Expenditures of Federal and State Awards.

Young at Heart Resources
Notes to Schedule of Expenditures of
Federal and State Awards
For the Year Ended June 30, 2020

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and state awards (the "Schedule") includes the federal and state award activity of Young at Heart Resources 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 Young at Heart Resources, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Young at Heart Resources.

Note 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 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 3: Indirect Cost Rate

Young at Heart Resources has elected not to use the 10-percent de minimis indirect cost rate allowed under Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Note 4: Reconciliation of Schedule to Financial Statements

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

Missouri Department of Health and Senior Services	\$2,533,465
Other federal programs	19,991
Missouri Department of Transportation	42,941
Program income	<u>675,867</u>
Subtotal	3,272,264
State general revenue – passed thru Missouri Alliance of Area Agencies on Aging (performance based grant)	<u>6,563</u>
Total expenditures of Federal and State Awards	<u>\$3,278,827</u>

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

To the Board of Directors
Young at Heart Resources
Albany, 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 Young at Heart Resources (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 March 23, 2021.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Young at Heart Resources' 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 Young at Heart Resources' 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 Young at Heart Resources' 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
March 23, 2021

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

To the Board of Directors
Young at Heart Resources
Albany, Missouri

Report on Compliance for Each Major Federal Program

We have audited Young at Heart Resources' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Young at Heart Resources' major federal programs for the year ended June 30, 2020. Young at Heart Resources' 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 Young at Heart Resources' 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 Young at Heart Resources' 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 Young at Heart Resources' compliance.

Opinion on Each Major Federal Program

In our opinion, Young at Heart Resources 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 Young at Heart Resources 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 Young at Heart Resources' 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 Young at Heart Resources' 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
March 23, 2021

Young at Heart Resources
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

The 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:

CFDA Number

93.044; 93.045; 93.053

Name of Federal Program or Cluster

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.

