

**AREA AGENCY ON AGING OF
WESTERN MICHIGAN, INC.**

*FINANCIAL STATEMENTS, ADDITIONAL INFORMATION
AND SINGLE AUDIT*

Years Ended September 30, 2020 and 2019

TABLE OF CONTENTS

	Page
PURPOSE AND BOARD OF DIRECTORS	1
INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS	2
FINANCIAL STATEMENTS	4
STATEMENTS OF FINANCIAL POSITION	5
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS	6
STATEMENT OF FUNCTIONAL EXPENSES	8
STATEMENTS OF CASH FLOWS	10
NOTES TO FINANCIAL STATEMENTS	11
ADDITIONAL INFORMATION	18
SUPPLEMENTAL SCHEDULE: FUNDED SERVICE CATEGORIES BY SOURCE	19
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	20
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	24
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	26
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	29
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	32

AREA AGENCY ON AGING OF WESTERN MICHIGAN, INC.

PURPOSE AND BOARD OF DIRECTORS

September 30, 2020

PURPOSE

Area Agency on Aging of Western Michigan, Inc.'s purpose is to provide older persons and persons with disabilities in social and economic need with services designed to maintain independence and dignity through planning resource use, funding and coordinating supportive services, advocating on behalf of older adults, and educating communities about aging issues.

BOARD OF DIRECTORS

Executive Committee

Chairperson
Vice Chairperson
Secretary
Treasurer
Representative of Advisory Council
Member at Large

Bill Routley
Marilyn Burns
Richard Karns
Carol Hennessy
Robert Sundholm
Cindy LaBelle

Allegan
Ionia
Kent
Lake
Mason
Mecosta
Montcalm
Newaygo
Osceola
City of Grand Rapids

Rick Cain, Stuart Peet
Larry Tiejema, Dennis Sitzer
Carol Hennessy, Nancy Nielsen
Marilyn Burns, Betty Dermyer
Ron Bacon, Peggy Dittmer
Sharon Bongard, Bill Routley
Betty Kellenberger, Linda Weger
Kenneth DeLaat, Cindy LaBelle
Larry Emig, Richard Karns
Jane Devries, Milinda Ysasi

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

Board of Directors
Area Agency on Aging of Western Michigan, Inc.
Grand Rapids, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of Area Agency on Aging of Western Michigan, Inc. which comprise the statements of financial position as of September 30, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 audits 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 Area Agency on Aging of Western Michigan, Inc. as of September 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of Area Agency Grant Funds – Support Services Detail is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is 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 June 28, 2021, on our consideration of Area Agency on Aging of Western Michigan, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Area Agency on Aging of Western Michigan, Inc.'s internal control over financial reporting and compliance.



June 28, 2021
Grand Rapids, Michigan

FINANCIAL STATEMENTS

AREA AGENCY ON AGING OF WESTERN MICHIGAN, INC.

STATEMENTS OF FINANCIAL POSITION

September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 4,817,131	\$ 6,947,309
Certificates of deposit	7,014,518	5,628,232
Accounts receivable	345,109	355,453
Grants receivable	5,720,541	2,806,265
Prepaid expenses	131,585	102,298
Property and equipment	<u>2,751,254</u>	<u>2,859,263</u>
TOTAL ASSETS	<u>\$ 20,780,138</u>	<u>\$ 18,698,820</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 5,290,926	\$ 3,723,319
Accrued liabilities	709,274	554,046
Loan payable	<u>1,410,652</u>	<u>-</u>
TOTAL LIABILITIES	7,410,852	4,277,365
Net Assets		
Net assets without donor restrictions	13,278,708	14,329,954
Net assets with donor restrictions	<u>90,578</u>	<u>91,501</u>
TOTAL NET ASSETS	<u>13,369,286</u>	<u>14,421,455</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 20,780,138</u>	<u>\$ 18,698,820</u>

See accompanying notes

AREA AGENCY ON AGING OF WESTERN MICHIGAN, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended September 30, 2020

	Net assets without donor restrictions	Net assets with donor restrictions	Total
Public Support and Revenue			
Contributions	\$ 1,976	\$ 66,598	\$ 68,574
Federal Medicaid waiver contract	28,239,060	-	28,239,060
Federal grants	6,649,163	-	6,649,163
State grants	3,819,279	-	3,819,279
Local sources	11,032,459	-	11,032,459
Program	178,247	-	178,247
Net assets released from restrictions			
Expiration of time restrictions	35,000	(35,000)	-
Satisfaction of donor requirements	32,521	(32,521)	-
TOTAL PUBLIC SUPPORT AND REVENUE	49,987,705	(923)	49,986,782
Expenses			
Program services	49,062,154	-	49,062,154
General and administrative	1,976,797	-	1,976,797
TOTAL EXPENSES	51,038,951	-	51,038,951
CHANGE IN NET ASSETS	(1,051,246)	(923)	(1,052,169)
Net Assets at Beginning of Year	14,329,954	91,501	14,421,455
NET ASSETS AT END OF YEAR	\$ 13,278,708	\$ 90,578	\$ 13,369,286

See accompanying notes

AREA AGENCY ON AGING OF WESTERN MICHIGAN, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended September 30, 2019

	Net assets without donor restrictions	Net assets with donor restrictions	Total
Public Support and Revenue			
Contributions	\$ 3,951	\$ 86,703	\$ 90,654
Federal Medicaid waiver contract	25,131,759	-	25,131,759
Federal grants	4,883,321	-	4,883,321
State grants	3,957,613	-	3,957,613
Local sources	11,705,129	-	11,705,129
Program	276,379	-	276,379
Net assets released from restrictions			
Expiration of time restrictions	35,000	(35,000)	-
Satisfaction of donor requirements	58,935	(58,935)	-
TOTAL PUBLIC SUPPORT AND REVENUE	46,052,087	(7,232)	46,044,855
Expenses			
Program services	44,586,032	-	44,586,032
General and administrative	1,819,380	-	1,819,380
TOTAL EXPENSES	46,405,412	-	46,405,412
CHANGE IN NET ASSETS	(353,325)	(7,232)	(360,557)
Net Assets at Beginning of Year	14,683,279	98,733	14,782,012
NET ASSETS AT END OF YEAR	\$ 14,329,954	\$ 91,501	\$ 14,421,455

See accompanying notes

AREA AGENCY ON AGING OF WESTERN MICHIGAN, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended September 30, 2020

	<u>Program Expenses</u>	<u>General and Administrative</u>	<u>Total</u>
Salaries	\$ 4,595,034	\$ 1,286,044	\$ 5,881,078
Employee benefits	1,523,383	406,686	1,930,069
Subcontractors	42,123,581	-	42,123,581
Occupancy	182,122	88,768	270,890
Office supplies	178,830	89,595	268,425
Marketing and promotion	24,341	7,103	31,444
Travel	87,261	12,419	99,680
Professional fees	271,596	46,428	318,024
Equipment	-	-	-
Telephone	66,307	13,362	79,669
Advocacy	-	26,392	26,392
Advocacy for Senior Issues	9,699	-	9,699
TOTAL EXPENSES	\$ 49,062,154	\$ 1,976,797	\$ 51,038,951

See accompanying notes

AREA AGENCY ON AGING OF WESTERN MICHIGAN, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended September 30, 2019

	<u>Program Expenses</u>	<u>General and Administrative</u>	<u>Total</u>
Salaries	\$ 4,277,831	\$ 1,141,823	\$ 5,419,654
Employee benefits	1,420,654	378,660	1,799,314
Subcontractors	37,820,528	-	37,820,528
Occupancy	201,588	83,662	285,250
Office supplies	152,033	84,692	236,725
Marketing and promotion	15,212	16,938	32,150
Travel	180,146	20,852	200,998
Professional fees	432,427	52,450	484,877
Equipment	-	-	-
Telephone	63,681	14,333	78,014
Advocacy	-	25,970	25,970
Advocacy for Senior Issues	21,932	-	21,932
TOTAL EXPENSES	\$ 44,586,032	\$ 1,819,380	\$ 46,405,412

See accompanying notes

AREA AGENCY ON AGING OF WESTERN MICHIGAN, INC.

STATEMENTS OF CASH FLOWS

Years Ended September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities		
Change in net assets	\$ (1,052,169)	\$ (360,557)
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities		
Depreciation expense	115,709	113,425
Changes in operating assets and liabilities		
Accounts receivable	10,344	14,473
Grants receivable	(2,914,276)	(180,239)
Prepaid expenses	(29,287)	(988)
Accounts payable	1,567,607	100,037
Accrued liabilities	155,228	80,141
	<u>(2,146,844)</u>	<u>(233,708)</u>
NET CASH USED BY OPERATING ACTIVITIES		
Cash Flows from Investing Activities		
Net change in certificates of deposit	(1,386,286)	(1,023,534)
Purchase of property and equipment	(7,700)	(43,389)
	<u>(1,393,986)</u>	<u>(1,066,923)</u>
NET CASH USED BY INVESTING ACTIVITIES		
Cash Flows from Financing Activities		
Proceeds from Paycheck Protection Program SBA loan	1,410,652	-
	<u>1,410,652</u>	<u>-</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES		
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,130,178)	(1,300,631)
Cash and Cash Equivalents at Beginning of Year	<u>6,947,309</u>	<u>8,247,940</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 4,817,131</u>	<u>\$ 6,947,309</u>

See accompanying notes

AREA AGENCY ON AGING OF WESTERN MICHIGAN, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2020 and 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business Activity

Area Agency on Aging of Western Michigan, Inc. (Agency) was founded in May 1974 as a Michigan nonprofit organization, designated by the Michigan Commission on Service to the Aging, to plan and coordinate Older American Programs in a nine county region of western Michigan. The Agency provides older persons and persons with disabilities in social and economic need with services designed to maintain independence and dignity through planning resource use, funding and coordinating supportive services, advocating on behalf of older adults, and educating communities about aging issues. The Agency is governed by a board of directors that consists of two representatives from each of the nine counties and the city of Grand Rapids.

Financial Statement Format

The Agency is required to report information regarding its financial position and activities according to two classes of net assets - without donor restriction and with donor restriction. Net assets with donor restrictions consist of \$35,000 funding for a future time period and the balance for various program restrictions.

Basis of Accounting

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

Cash and Cash Equivalents

The Agency maintains its cash and cash equivalents at three financial institutions. Cash equivalents consist of money market funds. Deposits are insured by the Federal Deposit Insurance Corporation. From time to time during the year, the Agency may have cash on deposit in excess of the federally insured limit.

Certificates of Deposit

The Agency maintains investments in the form of certificates of deposit at several financial institutions. The certificates bear interest at varying rates up to 1.80% with a final maturity in September 2021 and penalties for early withdrawal. The carrying value of the certificates of deposit include interest earned through the end of the year. The certificates of deposit are insured by the Federal Deposit Insurance Corporation.

AREA AGENCY ON AGING OF WESTERN MICHIGAN, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2020 and 2019

Grants and Accounts Receivable

Grants receivable represents revenue earned from federal, state, or local funding sources for services purchased on behalf of Agency clients. Revenue is earned and recorded when the underlying service is provided or purchased for the Agency client.

Grants and accounts receivable are stated at the amount management expects to collect from balances outstanding. Management has reviewed the balances that comprise the various categories of grants receivable and determined such balances to be fully collectible. Accordingly, no provision for uncollectible accounts is included in the financial statements. If amounts become uncollectible, a provision for the potential loss will be charged to operations when that determination is made. All grants receivable are expected to be collected within one year.

Property and Equipment

Expenditures for property related to the main facility are capitalized at cost, and depreciation is computed using the straight-line method over the estimate useful life of the asset. Equipment used by the Agency is purchased with resources from grants that specify that the title remain with the grantor. Accordingly, expenditures for equipment are recorded as expenses of the program benefited.

Property, plant, and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Management annually reviews assets to determine whether carrying values have been impaired. If the expected future cash flow from the use of the asset and its eventual disposition is less than the carrying amount of the asset, an impairment loss is recognized and measured using the asset's fair value. No such losses were recognized during 2020 and 2019.

Donations of property and equipment are recorded as support at estimated fair value at the time received. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Agency reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

AREA AGENCY ON AGING OF WESTERN MICHIGAN, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2020 and 2019

Contributions

Contributions received are recorded as with or without donor restriction depending on the existence and/or nature of any donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. The Agency reports gifts of cash and other assets as donor restricted if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restriction. If the restriction will be met in the same reporting period, the support will be recorded as without donor restriction.

Functional Allocation Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Fund-raising costs are not material and are included in general and administrative expenses.

Income Taxes

The Internal Revenue Service has determined the Agency is exempt from income taxes under provisions of Code Section 501(c)(3) whereby only unrelated business income, as defined by Section 509(a)(1) of the Code, is subject to federal income tax. The Agency currently has no unrelated business activity. Accordingly, no provision for income taxes has been recorded. In addition, the Agency qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(1). Tax positions taken are assessed for uncertainty and a provision may be recorded if a tax position is not likely to be sustained upon examination.

Subsequent Events

Management has evaluated significant events or transactions occurring subsequent to September 30, 2020, for potential recognition or disclosure in these financial statements. The evaluation was performed through June 28, 2021 the date the financial statements were available for issuance.

AREA AGENCY ON AGING OF WESTERN MICHIGAN, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2020 and 2019

Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with U.S. generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Recently Issued Accounting Pronouncements

In May 2014 and in subsequent amendments, the Financial Accounting Standards Board (FASB) issued ASU No. 2014-09 which amended Revenue from Contracts with Customers (Topic 606) of the Accounting Standards Codification. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. The guidance will be effective for the Agency for the period ending September 30, 2021. The Agency is currently evaluating the impact on its financial statements.

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-02, Leases (Topic 842), which provides guidance for accounting for leases. The new guidance requires organizations to recognize the assets and liabilities for the rights and obligations created by leased assets, initially measured at the present value of the lease payments. The accounting guidance for lessors is largely unchanged. The ASU is effective for the Agency for period ending September 30, 2023 with early adoption permitted. The Agency is currently evaluating the impact of this guidance on its financial statements.

NOTE 2 - IMPLEMENTATION OF NEW ACCOUNTING PRONOUNCEMENT

The Agency adopted FASB ASU 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made as of October 1, 2019. ASU 2018-08 provides guidance on distinguishing between contributions and exchange transactions and guidance to determine whether a contribution is restricted. The Agency adopted the requirements of this standard as of October 1, 2019, utilizing the modified retrospective method of transition. The effect of applying the new guidance was not significant to the financial statements.

AREA AGENCY ON AGING OF WESTERN MICHIGAN, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2020 and 2019

NOTE 3 - LIQUIDITY

The Agency's financial assets which are available within one year of the balance sheet date for general expenditure are as follows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 4,817,130	\$ 6,947,308
Certificates of deposit	7,014,518	5,628,232
Accounts receivable	345,109	355,452
Grants receivable	<u>5,720,541</u>	<u>2,806,265</u>
	<u>\$ 17,897,298</u>	<u>\$ 15,737,257</u>

As part of Area Agency's liquidity management, the Agency has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As part of its liquidity management, the Agency invests cash in excess of daily requirements in a ladder portfolio of short-term investments, primarily marketable certificates of deposits and money market sweep accounts.

The Agency shall maintain a minimum fund balance in cash and cash equivalents sufficient to fund 90 days of normal operational costs (approximately \$10,790,000). This amount will be based on documented operational expenses (non-capital) for all programs in the most recent fiscal year for which there are audited financial statements. Exceptions to the 90-day threshold may be granted by the Area Agency Board or Executive Committee.

Cash expenditures and/or financial commitments outside of approved budgets that would reduce fund balance below the 90-day threshold required formal approval from one of the following: Area Agency Board Chair (if immediate need determined by Executive Director and Finance Director) or Executive Committee of the Board of Directors.

AREA AGENCY ON AGING OF WESTERN MICHIGAN, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2020 and 2019

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	<u>2020</u>	<u>2019</u>
Land	\$ 586,625	\$ 586,625
Building	<u>2,967,921</u>	<u>2,960,221</u>
	3,554,546	3,546,846
Accumulated depreciation	<u>(803,292)</u>	<u>(687,583)</u>
	<u>\$ 2,751,254</u>	<u>\$ 2,859,263</u>

NOTE 5 - LOAN PAYABLE

In April 2020, the Agency secured a note payable with a bank and the U.S. Small Business Administration for \$1,410,652. The note was obtained pursuant to the Paycheck Protection Program (PPP) of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, with payment and maturity terms as defined in the Act. Proceeds from the loan are to be used for qualifying expenses as defined by the CARES Act and Economic Aid Act. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses. The Agency has used the entire loan proceeds for qualifying expenses and intends to apply for forgiveness under the terms of the PPP, CARES Act, and Economic Aid Act.

NOTE 6 - PENSION PLAN

Substantially all Agency employees are included in a Simplified Employee Pension - Individual Retirement Account (SEP - IRA) Plan. An employee becomes eligible on the first day of the plan period following 90 days of employment. The Agency contributes 10% of the gross amount of each employee's salary into the SEP - IRA. Total contributions were \$558,350 and \$524,720 for the years ended September 30, 2020 and 2019, respectively.

AREA AGENCY ON AGING OF WESTERN MICHIGAN, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2020 and 2019

NOTE 7 - CONCENTRATIONS OF RISK

Area Agency on Aging of Western Michigan, Inc. received significant funding from three governmental agencies during each of the years ended September 30, 2020 and 2019 as follows:

	Grants Receivable Prior to Netting of Unearned Advances		Public Support and Revenue	
	2020	2019	2020	2019
Aging and Adult Service Agency (AASA)	52%	28%	13%	10%
Kent County senior millage	14%	27%	22%	25%
Federally funded Medicaid waiver program	13%	28%	56%	55%

The Agency's operations are concentrated in services to senior citizens. In addition, the Agency operates in a heavily regulated environment. The operations of the Agency are subject to the administrative directives, rules, and regulations of federal, state, and local regulatory agencies, including, but not limited to, AASA. Such administrative directives, rules, and regulations are subject to change by an Act of Congress or an administrative change mandated by AASA. Changes may occur with little notice or inadequate funding to pay for the related cost, including the administrative burden, to comply with a change.

NOTE 8 - CONTINGENCIES

The Agency participates in federal grant programs. These programs are subject to compliance audits. The audits of the programs for September 30, 2020 have been conducted and a Single Audit Report has been issued. However, the compliance audit reports have not yet been accepted by the grantors. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Agency expects such amounts, if any, to be immaterial.

NOTE 9 - RISKS & UNCERTAINTIES

During March 2020, a global pandemic was declared by the World Health Organization related to the rapidly growing outbreak of a novel strain of coronavirus (COVID-19). The pandemic has significantly impacted the economic conditions in the U.S and globally. While the disruption is currently expected to be temporary, there is uncertainty around the duration. Management does not anticipate significant disruptions in the Agency's operations; however, given the uncertainty of the lasting effect of this outbreak, the financial impact to the Agency cannot be determined.

ADDITIONAL INFORMATION

AREA AGENCY ON AGING OF WESTERN MICHIGAN, INC.

SUPPLEMENTAL SCHEDULE: FUNDED SERVICE CATEGORIES BY SOURCE

Year Ended September 30, 2020

BeeneGarter LLP

Service Category	Federal	State	Title III-D			State Care Mgmt		PREVNT	State Cgvr	St. Respite	Merit	CARES	FFCRA	Title III C-1	State	CRF DCW	
	Admin	Admin	Title III-B	Title III-EAP	Title III-E	State Access	State In-Home	St. Alt. Care	State ANS State NHO	Support State MSO	Escheat Funds			Trust Fund	Title III C-2	Congregate State HDM	Prem Pay NSIP
Care Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 431,825	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Caregiver Information & Assistance	-	-	-	-	40,000	-	-	-	-	-	-	-	-	-	-	-	
Outreach	-	-	141,117	-	-	-	-	-	-	-	-	-	13,842	-	-	-	
Transportation	-	-	214,137	-	-	-	-	-	-	-	-	-	1,481	-	-	-	
Homemaker	-	-	32,746	-	-	-	177,026	108,450	18,711	-	-	-	-	-	-	37,564	
Medication Management	-	-	1,477	-	-	-	13,060	2,548	1,925	-	-	-	-	-	-	-	
Assistive Devices & Technology	-	-	3,826	-	-	-	33,714	20,000	-	-	-	-	4,542	-	-	-	
Disaster Recovery & Outreach	-	-	-	-	-	-	-	-	-	-	-	304,941	-	-	-	-	
Respite Care	-	-	-	-	46,296	-	190,021	-	10,885	13,601	18,567	90,346	732	-	-	7,213	
Overnight Respite Care	-	-	-	-	-	-	-	-	-	-	-	2,915	-	-	-	-	
Homemaker - Respite Care	-	-	-	-	2,623	-	42,841	-	-	-	134	9,471	-	-	-	-	
Personal Care - Respite Care	-	-	-	-	1,105	-	17,047	-	-	-	366	7,209	-	-	-	-	
Legal Assistance	-	-	63,000	-	1,154	-	-	-	-	-	-	-	30,638	-	-	-	
Adult Day Care	-	-	-	-	11,856	-	-	-	49,690	19,891	10,694	161,508	-	-	-	8,939	
Disease Prevention	-	-	7,396	60,201	-	-	-	-	-	-	-	-	-	-	-	-	
LTC Ombudsman	-	-	10,072	12,823	-	-	-	-	42,110	17,168	-	-	2,331	-	-	-	
Senior Center Staffing	-	-	70,294	-	-	-	-	-	-	-	-	-	4,976	-	-	-	
Elder Abuse Prevention	-	-	-	14,801	-	-	-	-	62,411	-	-	-	-	-	-	-	
Caregiver Support Group	-	-	-	-	25,998	-	-	-	-	-	-	-	-	-	-	-	
Caregiver Supplemental	-	-	-	-	419	-	-	-	-	-	-	-	-	-	-	-	
Kinship Support	-	-	-	-	23,722	-	-	-	-	-	-	-	-	-	-	-	
Caregiver Education	-	-	-	-	39,401	-	-	-	-	-	-	-	-	-	-	-	
Caregiver Training	-	-	-	-	7,957	-	-	-	-	-	-	-	-	-	-	-	
Program Development	-	-	182,790	-	-	-	-	-	-	-	-	-	-	-	-	-	
Nutrition Services																	
Congregate Meals	-	-	-	-	-	-	-	-	-	-	-	-	198,286	627,665	21,744	161,373	
Home Delivered Meals	-	-	-	-	-	-	-	-	-	-	-	1,053,652	396,572	831,627	1,086,815	678,943	
AAA RD/Nutritionist	-	-	-	-	-	-	-	-	-	-	-	-	-	50,000	-	-	
Region Specific																	
Outreach & Assistance	-	-	31,136	-	-	27,404	-	-	-	-	-	-	-	-	-	-	
Caregiver Focal Point	-	-	-	-	63,000	-	-	-	-	-	-	-	-	-	-	-	
Care Management	-	-	-	-	66,075	-	-	20,000	-	-	-	-	-	-	-	-	
Home Support	-	-	-	-	-	37,500	-	-	-	-	-	-	-	-	-	-	
Community Living Supports	-	-	59,977	-	-	-	683,455	124,640	-	-	-	119,937	-	-	-	-	
Administration	374,543	62,390	-	-	-	-	-	-	-	-	-	65,599	68,468	-	-	-	
SCS Administration	-	-	-	-	-	-	-	-	-	3,312	-	-	-	-	-	-	
MATF Administration	-	-	-	-	-	-	-	-	-	-	-	26,846	-	-	-	-	
SUPPORT SERVICES TOTAL	\$ 374,543	\$ 62,390	\$ 817,968	\$ 87,825	\$ 329,606	\$ 64,904	\$ 1,588,989	\$ 255,638	\$ 205,732	\$ 53,972	\$ 29,761	\$ 298,295	\$ 1,602,671	\$ 663,326	\$ 1,509,292	\$ 1,108,559	\$ 894,032

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

AREA AGENCY ON AGING OF WESTERN MICHIGAN, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended September 30, 2020

BeeneGarter^{LLP}

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA #</u>	<u>Grant Period</u>	<u>Agency or Pass-through Number</u>	<u>Federal Award Amount</u>	<u>Passed Through To Subrecipients</u>	<u>Total Federal Expenditures</u>
Department of Health and Human Services						
Passed through State of Michigan						
Aging & Adult Services Agency						
Special Programs for the Aging						
Title III, Part B						
Grants for Supportive Services and Senior Centers - Administration	93.044	10/19-09/20	E20203627; 3341	\$ 107,492	\$ -	\$ 107,492
Grants for Supportive Services and Senior Centers - Social Services	93.044	10/19-09/20	E20203627; 3341	959,721	525,120	817,968
COVID-19 Grants for Supportive Services and Senior Centers - Administration - CARES Act	93.044	04/20-09/20	E20203627; 3341	53,571	-	16,867
COVID-19 Grants for Supportive Services and Senior Centers - Social Services - CARES Act	93.044	04/20-09/20	E20203627; 3341	471,340	83,178	311,799
Title III, Part C - Nutrition Services						
Administration	93.045	10/19-09/20	E20203627; 3341	216,256	-	216,256
Part 1 (Congregate Meals)	93.045	10/19-09/20	E20203627; 3341	898,693	627,665	677,665
Part 2 (Home Delivered Meals)	93.045	10/19-09/20	E20203627; 3341	1,031,759	831,627	831,627
COVID-19 Administration - FFCRA	93.045	03/20-09/20	E20203627; 3341	68,468	-	68,468
COVID-19 Part 1 (Congregate Meals) - FFCRA	93.045	03/20-09/20	E20203627; 3341	198,286	198,286	198,286
COVID-19 Part 2 (Home Delivered Meals) - FFCRA	93.045	03/20-09/20	E20203627; 3341	396,572	396,572	396,572
COVID-19 Administration - CARES Act	93.045	04/20-09/20	E20203627; 3341	128,570	-	40,480
COVID-19 Nutrition Services - CARES Act	93.045	04/20-09/20	E20203627; 3341	1,131,216	1,032,436	1,053,652
Nutrition Services Incentive Program	93.053	10/19-09/20	E20203627; 3341	840,316	840,316	840,316
Subtotal Aging Cluster					4,535,200	5,577,448

The accompanying notes are an integral part of this schedule

AREA AGENCY ON AGING OF WESTERN MICHIGAN, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended September 30, 2020

BeeneGarter^{LLP}

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA #	Grant Period	Agency or Pass-through Number	Federal Award Amount	Pass Through To Subrecipients	Total Federal Expenditures
Special Programs for the Aging Title III, Part D Disease Prevention and Health Promotion Services	93.043	10/19-09/20	E20203627; 3341	\$ 72,508	\$ 28,539	\$ 60,201
Special Programs for the Aging Title VII, Chapter 2 Long Term Care Ombudsman Services for Older Individuals	93.042	10/19-09/20	E20203627; 3341	14,598	-	12,823
COVID-19 Long Term Care Ombudsman Services for Older Individuals - CARES Act	93.042	04/20-09/20	E20203627; 3341	47,429	-	2,331
Special Programs for the Aging Title VII, Chapter 3 Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	10/19-09/20	E20203627; 3341	14,801	-	14,801
Title III, Part E National Family Caregiver Support, Title III, Part E - Administration	93.052	10/19-09/20	E20203627; 3341	50,795	-	50,795
National Family Caregiver Support, Title III, Part E COVID-19 National Family Caregiver Support, Title III, Part E - Administration - CARES Act	93.052	10/19-09/20	E20203627; 3341	465,956	137,581	329,606
COVID-19 National Family Caregiver Support, Title III, Part E - CARES Act	93.052	04/20-09/20	E20203627; 3341	26,210	-	8,252
COVID-19 National Family Caregiver Support, Title III, Part E - CARES Act	93.052	04/20-09/20	E20203627; 3341	230,609	27,328	169,290

The accompanying notes are an integral part of this schedule

AREA AGENCY ON AGING OF WESTERN MICHIGAN, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended September 30, 2020

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA #	Grant Period	Agency or Pass-through Number	Federal Award Amount	Pass Through To Subrecipients	Total Federal Expenditures
Passed through Michigan Medicare/Medicaid Assistance Program, Inc.:						
State Health Insurance Assistance Program	93.324	04/19-03/20	90SAPG0010-03-00	\$ 75,315	\$ -	\$ 38,134
State Health Insurance Assistance Program	93.324	04/20-03/21	90SAPG0090-01-04	76,550	-	36,061
Special Programs for the Aging						
Title IV and Title II Discretionary Projects	93.048	06/19-05/20	90MPPG0039-02-00	21,011	-	10,959
Title IV and Title II Discretionary Projects	93.048	06/20-05/21	90MPPG0039-03-00	21,011	-	6,786
Total Department of Health and Human Services					4,728,648	6,317,487
Department of the Treasury						
Passed through State of Michigan Aging & Adult Services Agency Coronavirus Relief Fund						
COVID-19 Direct Care Worker Premium Pay	21.019	07/20-09/20	E20203627; 3341	119,613	26,631	53,716
Total Department of Labor					26,631	53,716
Total Federal Awards					\$ 4,755,279	\$ 6,371,203

BeeneGarter^{LLP}

The accompanying notes are an integral part of this schedule

AREA AGENCY ON AGING OF WESTERN MICHIGAN, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

September 30, 2020

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Area Agency on Aging of Western Michigan, Inc. (Agency) under programs of the federal government for the year ended September 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 the Agency, it is not intended to and does not present the financial position, related statements of activities and changes in net assets, functional expenses or cash flows of the Agency.

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 the Uniform Guidance, Cost Principles for Nonprofit Organizations, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Agency has elected not to use the 10% de minimis indirect costs rate allowed under the Uniform Guidance and has agreed upon indirect cost rates with each oversight agency.

NOTE 3 - DONATED PERSONAL PROTECTIVE EQUIPMENT - UNAUDITED

Beginning in March 2020 and throughout the year, the Agency received multiple deliveries of personal protective equipment (PPE) from the Michigan Department of Health and Human Services Aging and Adult Services Agency in response to the COVID-19 pandemic. These donated items include facial masks and shields, gloves, gowns, bulk hand sanitizer, and disinfecting wipes. The Agency used the PPE for employees, service providers, and program participants. The estimated value of the PPE received of approximately \$91,000 was determined in accordance with the provisions of the Uniform Guidance based on the fair market value at the time of receipt.

The estimated value of the PPE is unaudited.

AREA AGENCY ON AGING OF WESTERN MICHIGAN, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

September 30, 2020

NOTE 4 - TOTAL FUNDING SUMMARIZED BY FEDERAL PROGRAM

Program	CFDA#	Federal Expenditures
Special Programs for the Aging		
Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	\$ 925,460
COVID-19 Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	328,666
Title III, Part C- Nutrition Services	93.045	1,725,548
COVID-19 Title III, Part C- Nutrition Services	93.045	1,757,458
Title III, Part D- Disease Prevention and Health Promotion Services	93.043	60,201
Title VII, Chapter 2 - Long Term Care Ombudsman Services for Older Individuals	93.042	12,823
COVID-19 Title VII, Chapter 2 - Long Term Care Ombudsman Services for Older Individuals	93.042	2,331
Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	14,801
Title IV and Title II Discretionary Projects	93.048	17,745
National Family Caregiver Support, Title III, Part E	93.052	380,401
COVID-19 National Family Caregiver Support, Title III, Part E	93.052	177,542
Nutrition Services Incentive Program	93.053	840,316
State Health Insurance Assistance Program	93.324	74,195
COVID-19 Coronavirus Relief Fund	21.019	53,716
		<u>\$ 6,371,203</u>

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Area Agency on Aging of Western Michigan, Inc.
Grand Rapids, Michigan

We have audited, 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, the financial statements of Area Agency on Aging of Western Michigan, Inc., which comprise the statement of financial position as of September 30, 2020 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 28, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



June 28, 2021
Grand Rapids, Michigan

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
Area Agency on Aging of Western Michigan, Inc.
Grand Rapids, Michigan

Report on Compliance for Each Major Federal Program

We have audited Area Agency on Aging of Western Michigan, Inc.'s compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the Agency's major federal program for the year ended September 30, 2020. The Agency's major federal program is 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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the Agency's major federal program 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 the Agency'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 Area Agency on Aging of Western Michigan, Inc.'s compliance.

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

Management of the Agency 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 the Agency's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 the Agency'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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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.

Beene Garter LLP

June 28, 2021
Grand Rapids, Michigan

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

AREA AGENCY ON AGING OF WESTERN MICHIGAN, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended September 30, 2020

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on whether the financial statements of Area Agency on Aging of Western Michigan, Inc. were prepared in accordance with GAAP.
2. No material weaknesses were identified during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Area Agency on Aging of Western Michigan, Inc. were disclosed during the audit.
4. No material weaknesses were identified during the audit of the major federal award programs.
5. The auditors' report on compliance for the major federal award program for Area Agency on Aging of Western Michigan, Inc. expresses an unmodified opinion.
6. No audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this Schedule.
7. The program tested as a major program was Special Programs for the Aging (Aging Cluster of Programs) CFDA #93.044, #93.045 and #93.053.
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Area Agency on Aging of Western Michigan, Inc. was determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

Current year – None

Prior year – None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

Current year – None

Prior year – None
