

Contract #K-1314-33 (not to exceed \$14,500)

With Aging Services Inc. for the Operation of the Kiwanis Kruiser  
Transportation Program for Senior Adults and Adults with Disabilities

### **FY23 ANNUAL REPORT as of 01/31/2024**

Aging Services Inc./ASI appreciates the support from the City of Norman for the operation of the Kiwanis Kruiser Transportation Program for senior adults and adults with disabilities. For many years, the support from the City of Norman which covers gasoline and repair expenses has been an integral component of the ASI transportation program.

Aging Services Inc. tracks the number of one way rides and the number of unduplicated individuals served by the Kiwanis Kruiser Transportation Program. ASI then tracks the number of senior adults served separately from the number of individuals with disabilities who are provided rides by this service.

- From 07/01/22 through 06/30/23 (**FY23 Year End**), the Kiwanis Kruiser provided a total of **3,072 one way rides to a pool of 1,459 senior adults and 77 adults with disabilities.**
- From 07/01/21 through 6/30/22 (**FY22 Year End**), the Kiwanis Kruiser provided a total of **1,052 one way rides to a pool of 426 senior adults and 1 adults with disabilities.**
- From 07/01/21 through 06/30/21 (**FY21 Year End**), the Kiwanis Kruiser provided a total of **2,002 one-way rides to a pool from 997 senior adults and 27 adults with disabilities.**

A 2023 Ford Star craft Allstar 11 passenger bus was used to provide these services. The bus was acquired through the federally funded 5310 program which was administered by ODOT (Office of Mobility and Public Transit Division).

The Norman Chapter of the Kiwanis Club has provided not only a \$200 per month stipend to support this service; but also provided the match funds of **\$11,678.00** for the new 2023 5310 Kiwanis Kruiser.

Rides are provided on a donation basis with a suggested donation for a one-way ride of \$2.50. No one is denied a ride whether or not a donation is made because it is a stipulation of the Older Americans Act/Title III grant. During the first six months of this fiscal year, the Kruiser riders donated a total of **\$2,003.49** for the rides that were provided. These donations covered **1%** of the cost to operate this service during FY22-23 fiscal year. It should be noted that the majority of Kiwanis Kruiser riders are living on a fixed income and at least **67%** of riders are at or below the federal poverty guidelines given their monthly income level.

ASI provided Kiwanis Kruiser riders with a Satisfaction Survey in April of 2023. The majority of the riders who responded to the survey questions reported the following:

- Most riders are females who still live in their own home.
- Most riders are at least 60 years of age or older.
- Most riders feel the Kiwanis Kruiser Transportation Service is very important.
- Most riders stated that the driver was polite and helpful.
- Most riders stated that the service helps them get out of the house more often and enhances their ability to continue to live independently and less lonely lives.
- Most riders felt that the service was excellent, convenient, and very helpful.
- The most frequently requested rides were for medical appointments and grocery shopping opportunities.
- There has been an increase in the use of the wheelchair ramp for riders in the past year.

ASI holds a contract with OK Department of Human Services to provide ADvantage Case Management Services. ASI also holds a contract to provide ADvantage Meals in Cleveland County. Income from these contracts is used to make up the difference between the budget and actual expenses, but these funds are also needed to help with expenses of other programs and services provided. Therefore, the Aging Services Inc. Board of Directors has been working to develop new fund raising efforts to help fund our much needed programs and services for senior adults in our community. Currently, the Board of Directors is conducting an on-line auction this year in December along with our Annual Fund Drive. We also held our first ever Chili Cook-off Event with Basket Bidding in 2023. We raised \$6,437 in the combined events. ASI also is pursuing many grant opportunities related to transportation and new vehicles.

We have been incredibly thankful for the contract that we have had with the City of Norman this year. They have fixed so much on our "carry over" vehicle that it almost is like a new vehicle. **Aging Services Inc. respectfully requests consideration of a continuation of this contract at the rate not to exceed \$14,500 for FY24/25. It is hoped that the City will find that the service is of great enough importance to continue the funding to cover our gasoline and normal repair expenses. Aging Services Inc. appreciates the support of the City of Norman in this endeavor.**

Respectfully submitted,

A handwritten signature in black ink that reads "Tammy C. Vaughn". The script is cursive and fluid, with the first name "Tammy" being more prominent than the last name "Vaughn".

Tammy C. Vaughn

Executive Director

1:23 PM

01/31/24

Accrual Basis

## Aging Services, Inc.

## Balance Sheet

As of June 30, 2023

	Jun 30, 23
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
1010 · FF - Operating	183,337.79
1015 · Arvest - Special Assist Acct.	53,689.53
1020 · First Fidelity Payroll	-1,666.83
Total Checking/Savings	235,360.49
Accounts Receivable	
1110 · Accounts receivable	
1113 · Allowance for AR Accounts	-1,147.33
1110 · Accounts receivable - Other	291,800.53
Total 1110 · Accounts receivable	290,653.20
Total Accounts Receivable	290,653.20
Other Current Assets	
2122 · Payroll Asset	9,923.40
1330 · Prepaid Rent	2,219.08
1331 · Prepaid Insurance	7,409.23
Total Other Current Assets	19,551.71
Total Current Assets	545,565.40
Fixed Assets	
1640 · Furniture, fixtures, & equip	159,652.72
1650 · Vehicles	116,992.41
1745 · Accum deprec- furn,fix,equip	-179,593.78
Total Fixed Assets	97,051.35
<b>TOTAL ASSETS</b>	<b>642,616.75</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
2010 · Accounts payable	29,379.43
Total Accounts Payable	29,379.43
Other Current Liabilities	
2100 · Payroll Liabilities - Main Acct	
2105 · Flexible Spending Accounts	25.62
2106 · SUTA Payable	451.59
2107 · State Withholding	-1,575.29
2108 · Insurance Payable	476.44
2100 · Payroll Liabilities - Main Acct - Other	103.50
Total 2100 · Payroll Liabilities - Main Acct	-518.14
2110 · Accrued Compensated Absences	15,849.87
Total Other Current Liabilities	15,331.73
Total Current Liabilities	44,711.16
Total Liabilities	44,711.16
Equity	
3010 · Unrestrict (retained earnings)	525,375.06
3100 · Temporarily restrict net asset	40,000.00

Aging Services, Inc.  
**Balance Sheet**  
As of June 30, 2023

	Jun 30, 23
Net Income	32,530.53
Total Equity	597,905.59
TOTAL LIABILITIES & EQUITY	642,616.75

**Aging Services, Inc.**  
Financial Statements  
June 30, 2022



Aging Services, Inc.  
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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Aging Services, Inc.  
Norman, Oklahoma

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Aging Services, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Aging Services, Inc. as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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

#### ***Responsibilities of Management for the Financial Statements***

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



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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Supplementary Information***

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2023, on our consideration of Aging Services, Inc. 's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Aging Services, Inc. 's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Aging Services, Inc. 's internal control over financial reporting and compliance.

*Mary C Johnson & Associates PLLC*

Norman, Oklahoma  
June 19, 2023

**Aging Services, Inc.**  
Statement of Financial Position  
June 30, 2022

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 333,032
Account receivables, net of \$1,147 allowance	265,725
Contributions receivable	7,010
Prepaid expenses	<u>9,628</u>

Total current assets 615,395

PROPERTY AND EQUIPMENT, net of  
Accumulated depreciation

88,501

Total assets

\$ 703,896

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 115,662
Accrued compensated absences	<u>15,850</u>

Total current liabilities 131,512

NET ASSETS

Net assets without donor restrictions	562,061
Net assets with donor restrictions	<u>10,323</u>

Total net assets 572,384

Total liabilities and net assets

\$ 703,896

See accompanying notes to the financial statements.

**Aging Services, Inc.**  
**Statement of Activities**  
**For the Year Ended June 30, 2022**

	Without Donor Restriction	With Donor Restriction	Total
<b>PUBLIC SUPPORT AND REVENUE</b>			
Contributions			
United Way	\$ -	\$ 18,323	\$ 18,323
Government	1,180,223	-	1,180,223
Participant contributions	72,309	-	72,309
Miscellaneous contributions	81,132		81,132
Program Service Fees	281,918	-	281,918
Special events	3,111	-	3,111
Other income	20,973	-	20,973
Net assets released from restrictions	48,000	(48,000)	-
	<u>1,687,666</u>	<u>(29,677)</u>	<u>1,657,989</u>
Total support and revenue			
<b>EXPENSES</b>			
Program services	1,393,125	-	1,393,125
Supporting services	261,423	-	261,423
	<u>1,654,548</u>	<u>-</u>	<u>1,654,548</u>
Total expenses			
<b>CHANGE IN NET ASSETS</b>	<u>33,118</u>	<u>(29,677)</u>	<u>3,441</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>528,943</u>	<u>40,000</u>	<u>568,943</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 562,061</u>	<u>\$ 10,323</u>	<u>\$ 572,384</u>

See accompanying notes to the financial statements.

**Aging Services, Inc.**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2022**

	Program services					Supporting Services					
	Title III	Advantage Meals	Advantage Case Management	Respite Care	Outreach	Other Programs	Total Program Services	Fund-Raising	Management & General	Supporting Services	Total
Salaries, Wages, & Payroll expenses	\$ 244,033	\$ 18,470	\$ 139,624	\$ 69,882	\$ -	\$ -	\$ 472,009	\$ -	\$ 204,656	\$ 204,656	\$ 676,665
Bad debt	-	-	-	-	-	-	-	-	16,567	16,567	16,567
Miscellaneous	-	-	-	-	-	-	-	-	35,185	35,185	35,185
Professional fees	11,212	684	1,500	2,134	-	517	16,047	-	4,662	4,662	20,709
Rent & utilities	25,675	1,268	4,871	1,774	-	-	33,588	-	-	-	33,588
Respite care services	-	-	-	335,555	-	-	335,555	-	-	-	335,555
Senior support services & food costs	395,679	43,899	-	-	-	10,427	430,005	-	-	-	430,005
Supplies and Fees	2,459	5,602	3,419	4,812	-	-	16,292	-	-	-	16,292
Telephone/cell phones	4,079	-	604	118	-	-	4,801	-	-	-	4,801
Travel	28,407	-	1,815	2,517	-	-	32,739	-	-	-	32,739
Vehicle expenses	14,297	876	-	-	-	-	15,173	-	-	-	15,173
Total Expenses Before Depreciation	725,841	70,799	151,833	416,792	-	10,944	1,376,209	-	261,070	261,070	1,637,279
Depreciation	16,422	-	226	268	-	-	16,916	-	353	-	17,269
Total Functional Expenses	\$ 742,263	\$ 70,799	\$ 152,059	\$ 417,060	\$ -	\$ 10,944	\$ 1,393,125	\$ -	\$ 261,423	\$ 261,070	\$ 1,654,548

See accompanying notes to the financial statements.

**Aging Services, Inc.**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2022**

OPERATING ACTIVITIES	
Change in net assets	\$ 3,441
Adjustment to reconcile change in net assets to net cash used for operating activities:	
Depreciation	17,269
Allowance for accounts receivable	(7,286)
Accounts receivable	38,217
Prepaid expenses	1,297
Accounts payable	9,918
Accrued expenses	1,812
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>77,658</u>
INVESTING ACTIVITIES	
Purchase of property and equipment	<u>(26,443)</u>
NET CASH USED FOR INVESTING ACTIVITIES	<u>(26,443)</u>
NET CHANGE IN CASH	51,215
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>281,817</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 333,032</u></u>

See accompanying notes to the financial statements.

**Aging Services, Inc.**  
**Notes to the Financial Statements**  
**For Year Ended June 30, 2022**

**NOTE 1 - PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES**

*Principal Business Activity*

Aging Services, Inc. is a private nonprofit corporation, organized to assist and promote independent living for the elderly of Cleveland County and surrounding communities by providing various services and networking with other agencies for services. Aging Services, Inc. is funded by the Older Americans Act through a grant from Areawide Aging Agency, Inc. of Central Oklahoma. Federal and state funds are passed through the Oklahoma Department of Health and Human Services to provide the funding for grants and contracts to Aging Services, Inc. Approximately 71% of the Organizations' support for June 30, 2022, came from the Older Americans Act passed through the Areawide Aging Agency, Inc. of Central Oklahoma.

*Financial Statement Presentation*

The financial statements are presented in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic ASC 958, which requires Aging Services, Inc. to report net assets based on the existence or absence of donor-imposed restrictions. Under these standards, Aging Services, Inc. is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

The financial statements of Aging Services, Inc. are prepared using the accrual method of accounting and accordingly reflect all significant receivables, payables, and other liabilities. Net assets and revenues and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Aging Services, Inc. are classified as follows:

Without Donor Restrictions – Net assets available for the various programs and administration of the Organization.

With Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, with donor restricted net assets are reclassified to without donor restriction net assets and reported in the statement of activities as net assets released from restrictions.

All contributions are considered available for unrestricted use, unless restricted by the donor or subject to other legal restrictions.

*Support*

All contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as restricted support and increase net assets with donor restrictions. Contributions received with donor-imposed conditions and restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions.

**Aging Services, Inc.**  
**Notes to the Financial Statements**  
**For Year Ended June 30, 2022**

**NOTE 1 - PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

*Concentrations of Credit Risks*

Financial instruments that potentially expose the Organization to concentrations of credit risk consist of cash and short-term promises to give. The Organization maintains cash at high-quality financial institutions and accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. As of June 30, 2022, the uninsured and uncollateralized portion of the cash balances was \$77,520.

*Cash and Cash Equivalents*

For purpose of the statement of cash flows, cash includes interest bearing saving and checking accounts.

*Receivables*

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Agency provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and knowledge of circumstances that may affect the ability of clients to meet their obligations. Receivables are considered uncollectible if disallowed by third party, or contract terms. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

Accounts receivable is net of an allowance for uncollectable claims in the amount of \$1,147 at June 30, 2022.

*Contributions Receivable*

Contributions are expected to be realized in one year or less and are classified as net assets with donor restrictions in the statement of activities.

*Property and Equipment*

Property and equipment are recorded at cost. Contributed assets are recorded at fair market value at the date of donation. If donor stipulates how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted supported. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

	<u>Depreciable Life</u>
Furniture and fixtures	5 to 7 Years
Vehicles	5 Years

The Organization capitalizes property and equipment with a useful life of more than one year and a cost or fair market value on the date of donation with a value of \$300 or greater. Depreciation expense for 2022 was \$17,269.



**Aging Services, Inc.**  
**Notes to the Financial Statements**  
**For Year Ended June 30, 2022**

**NOTE 1 - PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

*Donated Supplies and Services*

The Organization records the value of donated facilities, services, and supplies when there is an objective basis available to measure their value. Such donations are reflected as in-kind contributions in the accompanying statements at their estimated values at the date of receipt. Volunteers regularly donated their time to the Organization's program services. These amounts do not qualify for recording in the financial statements in accordance with FASB Accounting Standards Codification Topic ASC 958. A substantial number of volunteers who serve on the Board of Directors and many committees donate significant amounts of their time. No amount has been reflected in the statements for these services. No objective basis is available to measure the value of such services.

*Estimates*

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 reported amount of revenues and expenses during the reporting period. Actual result could differ from those estimates.

*Income Taxes*

The Organization has been granted tax exempt status under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code.

*Functional Expenses*

The costs of providing the various programs, and support 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 based on estimated usage.

*Subsequent Events*

Management was evaluated subsequent events, through the date of this report which is the date of the financial statements were made available to be issued.

**Aging Services, Inc.**  
**Notes to the Financial Statements**  
**For Year Ended June 30, 2022**

**NOTE 2 - LIQUIDITY AND AVAILABILITY**

The following reflects the Aging Services, Inc.'s financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position and board designations.

Financial assets at year end:	
Cash and cash equivalents	\$ 333,032
Account Receivables, net of allowance	272,735
Total Financial assets	<u>\$ 605,767</u>

Less amounts no available to be used within one year, due to:

Donor-imposed restrictions:	
Restricted for Client Services	\$ 10,323
Total used by Net Assets with donor restrictions	<u>\$ 10,323</u>

Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 595,444</u>
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**NOTE 3 - PROPERTY AND EQUIPMENT**

The carrying value of such assets at June 30, 2022 is as follows:

<u>Depreciable:</u>	
Furniture and fixtures	\$ 151,102
Vehicles	116,993
	<u>268,095</u>
Less accumulated depreciation	<u>(179,594)</u>
Property and Equipment, Net	<u>\$ 88,501</u>

**NOTE 4 - COMPENSATED ABSENCES**

Employees of the Organization accrue vacation payroll benefits based on their employment status and tenure. Employees accrue annual leave at a rate of twenty hours per month for a full-time employee. Part-time employees accrue at a prorated basis computed on the number of hours worked. A maximum of 80 hours will be paid upon resignation or termination. The Organization's compensated absences for vacation accrual as of June 30, 2022 are \$15,850.

**NOTE 5 - EMPLOYEE BENEFIT PLAN**

Aging Services, Inc. offers an employee retirement benefit plan under Sec 408(k) of the Internal Revenue Code. Total contributions to the Plan during the year ended June 30, 2022 were \$19,239.

**Aging Services, Inc.**  
**Notes to the Financial Statements**  
**For Year Ended June 30, 2022**

**NOTE 6 - CONCENTRATION**

Aging Services, Inc. derives a majority of its revenue from service contracts and grants from government agencies. Although there is no reason to think that such funding would be discontinued or reduced, a significant reduction in the level of revenue from these agencies could have a material effect on the organization's programs, activities and operations.

**NOTE 7 - ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2022, included the following:

Receivable in less than one year	
Program Service Fees	\$ 266,872
Less allowance for uncollectible receivables	<u>(1,147)</u>
Total receivables	<u>\$ 265,725</u>

Program service receivables are stated at the contract billing amounts. These receivables represent services and meals that have been provided to eligible recipients that are billed to the area oversight agencies for federal and state funds. Management reviews the aging of account receivables throughout the year and reprocesses those that have been returned unpaid by the agencies. Write off of accounts occur once the accounts exceed ninety days and collections efforts are having no effect. Bad debt expense for the year ending June 30, 2022 was \$16,567.

**NOTE 8 - RESTRICTIONS ON NET ASSETS**

Net Assets with Donor restrictions at year end are available for the following purposes:

Restricted for purpose - United Way (Rural Meals)	\$ 7,010
Restricted for purpose - Kiwanis Kruiser Van	<u>3,313</u>
	<u>\$ 10,323</u>

**NOTE 9 - IN-KIND DONATIONS**

The City of Norman provides assistance to Aging Services, Inc. in the form of gasoline fuel, repairs and maintenance for the transportation vehicle used by Aging Services. During the year ending June 30, 2022, this contribution is estimated to be \$10,000. It is not included in revenue and expense because this is only an estimate of the value.

**Aging Services, Inc.**  
**Notes to the Financial Statements**  
**For Year Ended June 30, 2022**

**NOTE 10 - DONATED FACILITIES**

Aging Services, Inc. uses various kitchen facilities in the surrounding area to provide congregate meals to the elderly and handicapped participants. These facilities are provided by government agencies, City of Norman, local community centers, and churches. Aging Services, Inc. has not attempted to determine the fair value for the use of such facilities, and as such, no amount has been reflected in the financial statements as fair valued revenue and expense for their rental.

**Aging Services, Inc.**  
**Schedule of Expenditure of Federal and State Awards**  
**For Year Ended June 30, 2022**

Federal Grantor/Pass- Through Grantor Program Title	Federal Assistance Number	Award Amount	Federal Expenditures
<u>U.S Department of Health and Human Services</u>			
<u>Oklahoma Department of Human Services - Aging Services Division</u>			
National Family Caregiver Support - Title III part E	93.052	248,436	248,436
COVID-19 National Family Caregiver Support - Title III part E (ARP)	93.052	81,566	44,679
COVID-19 National Family Caregiver Support - Title III part E (CARES)	93.052	49,318	40,000
<u>Aging Cluster</u>			
Grants for Supportive Services and Senior Centers - Title III part B	93.044	67,331	67,331
COVID-19 Grants for Supportive Services and Senior Centers - Title III part B (ARP)	93.044	16,643	4,891
Nutrition Services - Title III part C -1	93.045	231,284	231,284
COVID-19 Nutrition Services - Title III part C -1 (ARP)	93.045	31,428	30,686
Nutrition Services - Title III part C -2	93.045	128,157	128,157
COVID-19 Nutrition Services - Title III part C -2 (ARP)	93.045	92,886	61,908
COVID-19 Consolidated Appropriation Act (CAA)	93.045	87,000	87,000
Nutrition Services Incentive Program - Cash in Lieu of Commodity	93.053	34,018	34,018
Subtotal Aging Cluster		<u>\$ 688,747</u>	<u>\$ 645,275</u>
Subtotal U.S. Department of Health and Human Services		<u>\$ 1,068,067</u>	<u>\$ 978,390</u>
Total federal awards		<u>\$ 1,068,067</u>	<u>\$ 978,390</u>
<u>State Awards</u>			
Federal Grantor/Pass- Through Grantor Program Title	Federal Assistance Number	Award Amount	State Expenditures
<u>Oklahoma Department of Human Services - Aging Services Division</u>			
Grants for Supportive Services and Senior Centers - Title III part B	93.044	11,882	11,882
COVID-19 Grants for Supportive Services and Senior Centers - Title III part B (ARP)	93.044	2,936	863
Nutrition Services - Title III part C -1	93.045	40,815	40,815
COVID-19 Nutrition Services - Title III part C -1 (ARP)	93.045	5,545	5,415
Nutrition Services - Title III part C -2	93.045	34,226	34,226
COVID-19 Nutrition Services - Title III part C -2 (ARP)	93.045	16,391	10,926
National Family Caregiver Support - Title III part E	93.052	82,812	82,812
COVID-19 National Family Caregiver Support - Title III part E (ARP)	93.052	27,189	14,893
Subtotal Oklahoma Department of Human Services - Aging Services Division		<u>\$ 221,796</u>	<u>\$ 201,832</u>
Total state awards		<u>\$ 221,796</u>	<u>\$ 201,832</u>
Total federal and state awards		<u>\$ 1,289,863</u>	<u>\$ 1,180,222</u>

See accompanying notes to the schedule of expenditure of federal and state awards

**Aging Services, Inc.**  
**Notes to Schedule of Expenditure of Federal and State Awards**  
**For Year Ended June 30, 2022**

**Note 1 – Basis of Presentation**

The accompanying schedule of expenditure of federal and state awards (the Schedule) includes the federal and state grant activity of Aging Services, Inc. under programs of the federal and Oklahoma state government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule present on a selected portion of the operation of Aging Services, Inc., it is not intended to and does not present the financial position, changes in net position, or cash flows of Aging Services, Inc..

**Note 2 – Summary of Significant Accounting Policies**

- (a) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (b) Pass-through entity identifying numbers are presented where available.

**Note 3 – Indirect Cost Rate**

Aging Services, Inc. has elected not to use the 10% de minimis indirect costs rate allowed under the Uniform Guidance.

**Note 4 – Subrecipients**

Aging Services, Inc. did not have any awards that have been passed through to subrecipients.



Mary E. Johnson & Associates, PLLC  
C e r t i f i e d   P u b l i c   A c c o u n t a n t s

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*

Board of Directors  
Aging Services, Inc.  
Norman, Oklahoma

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 Aging Services, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statement of activities, statement of functional expense, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated June 19, 2023

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Aging Services, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Aging Services, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Aging Services, Inc.'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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-01 that we consider to be a material weakness.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Aging Services, Inc.'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 determination of financial statement. 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*.

### **Aging Services, Inc. 's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on Aging Services, Inc. response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Aging Services, Inc. response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

*Mary C Johnson & Associates PLLC*

Norman, Oklahoma  
June 19, 2023





Mary E. Johnson & Associates, PLLC  
C e r t i f i e d   P u b l i c   A c c o u n t a n t s

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM  
GUIDANCE

Board of Directors  
Aging Services, Inc.  
Norman, OK

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

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

In our opinion, Aging Services, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

***Basis for Opinion on Each Major Federal Program***

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

We are required to be independent of Aging Services, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each

major federal program. Our audit does not provide a legal determination of Aging Services, Inc.'s compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

## Report on Internal Control over Compliance

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

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

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-001 to be a material weakness.

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

*Government Auditing Standards* requires the auditor to perform limited procedures on Aging Services, Inc.'s response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Aging Services, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

*Mary E Johnson & Associates PLLC*

Norman, Oklahoma  
June 19, 2023

**Aging Services, Inc.**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2022**

Financial Statement:

Type of audit report:

Unmodified Opinion

Internal control over financial reporting:

Material weakness(es) identified?

☒ Yes ☐ No

Significant Deficiency(ies) identified  
that are not considered to be material  
weaknesses?

☐ Yes ☒ None Reported

Noncompliance material to financial statement

☐ Yes ☒ No

Federal Awards:

Internal control over major program:

Material weakness(es) identified?

☒ Yes ☐ No

Significant Deficiency(ies) identified  
that are not considered to be material  
weaknesses?

☐ Yes ☒ None Reported

Type of auditors' report issued on compliance for major programs:

Unmodified Opinion

Any audit findings disclosed that are required to be reported under 2  
CFR section 200.516(a)

☐ Yes ☒ No

Identification of Major Programs:

Assistance Listing Numbers

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 a low-risk auditee?

☐ Yes ☒ No

**Aging Services, Inc.**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2022**

**Section II – Financial Statement Findings**

See Finding 2022-001 below

**Section III – Federal Award Findings and Questioned Costs**

**2022-001**      **Federal Agency:** U.S. Department of Health and Human Services  
**Pass Thru Entity:** Oklahoma Department of Human Services-Aging Services Division  
**Federal Program:** Aging Cluster  
**Assistance Listing:** 93.044; COVID-19 93.044; 93.045; COVID-19 93.045; 93.053

*Condition:* Expenses reported to program did not have proper approval documented and receipt of goods.  
*Criteria:* 2 CFR 200.403(g) costs that meet general criteria in order to be allowable under federal awards must be adequately documented.  
*Context:* 2 out of 40 expenses did not have proper approval or receipt of goods.  
*Cause:* Invoices did not have proper approval noted before payment.  
*Effect:* Possible unallowable costs reported to grant.  
*Recommendation:* Expenses should not be paid without proper approval and supporting invoices. The Entity should follow procedures regarding requiring appropriate staff with authority to approve expenses and require support for receipt of goods.

*Repeat Finding  
from Prior Year:* No

*Views of Responsible Officials  
and Planned Corrective  
Action:*

Aging expense reported did receive proper approval, however there no approval on actual invoices. Aging Services Director will make sure all invoices have approval by signature and receipt of goods, when signing checks and approval for purchases of any items to be purchased.

Director of Aging Services to follow this protocol:

1. Give approval for the purchase of any items to staff to purchase items.
2. Make sure when either an invoice comes in the mail or is put with a check for signature that Director makes sure that she signs both the check and invoice. As a back-up, the accountant will check all invoices for the Director's signature before completing any Aging Services check.

**Aging Services, Inc.**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended June 30, 2022**

**Financial Statement Findings**

None

**Federal Award Findings and Questioned Costs**

None