

AgeWell Services of West Michigan
**SINGLE AUDIT OF FEDERAL
FINANCIAL ASSISTANCE PROGRAMS**
Financial Report and
Independent Auditor's Reports
September 30, 2022



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

Board of Directors
AgeWell Services of West Michigan
Muskegon, Michigan

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 the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of AgeWell Services of West Michigan (a nonprofit organization), which comprise the statement of financial position as of September 30, 2022, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 27, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered AgeWell Services of West Michigan's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of AgeWell Services of West Michigan's internal control. Accordingly, we do not express an opinion on the effectiveness of AgeWell Services of West Michigan's internal control.

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

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

Board of Directors
AgeWell Services of West Michigan
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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether AgeWell Services of West Michigan’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 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.



Muskegon, Michigan
March 27, 2023

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
AgeWell Services of West Michigan
Muskegon, Michigan

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited AgeWell Services of West Michigan'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 AgeWell Services of West Michigan's major federal programs for the year ended September 30, 2022. AgeWell Services of West Michigan'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, AgeWell Services of West Michigan 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 September 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 to our report.

We are required to be independent of AgeWell Services of West Michigan 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 AgeWell Services of West Michigan'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 AgeWell Services of West Michigan's federal programs.

Report on Compliance for Each Major Federal Program—Continued

Auditor's Responsibility 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 AgeWell Services of West Michigan'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 GAAS, 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 AgeWell Services of West Michigan's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, 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 AgeWell Services of West Michigan'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 AgeWell Services of West Michigan'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 AgeWell Services of West Michigan'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

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

Board of Directors
AgeWell Services of West Michigan
Page 3

Report on Internal Control Over Compliance—Continued

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. Given these limitation, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of AgeWell Services of West Michigan as of and for the year ended September 30, 2022, and have issued our report thereon dated March 27, 2023, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance 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.



Muskegon, Michigan
March 27, 2023

AgeWell Services of West Michigan
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended September 30, 2022

| <u>Federal grantor/pass-through grantor/ program or cluster title/identifying number</u> | <u>Assistance Listing Number</u> | <u>Entitlement program or award amount</u> | <u>Accrued (deferred) revenue October 1, 2021</u> | <u>Adjustments and transfers</u> | <u>Cash or payments in kind received (cash basis)</u> | <u>Amount of grant expenditures</u> | <u>Accrued (deferred) revenue September 30, 2022</u> | <u>Passed through to subrecipients</u> |
|--|--|--|---|--|---|---|--|--|
| <i>U.S. Department of Housing and Urban Development</i> | | | | | | | | |
| Passed through City of Norton Shores | | | | | | | | |
| CDBG - Entitlement Grants Cluster | | | | | | | | |
| Community Development Block Grants/ Entitlement Grants | | | | | | | | |
| B-21-MC-26-0031 | 14.218 | \$ 155,127 | \$ - | \$ - | \$ 5,000 | \$ 5,000 | \$ - | \$ - |
| <i>U.S. Department of Transportation</i> | | | | | | | | |
| Passed through Michigan Department of Transportation | | | | | | | | |
| Federal Transit Administration Enhanced Mobility of Seniors and Individuals with Disabilities | | | | | | | | |
| 2019-0573 | 20.513 | 120,000 | - | - | 89,230 | 89,230 | - | - |
| <i>U.S. Department of Health and Human Services</i> | | | | | | | | |
| Passed through Senior Resources of West Michigan | | | | | | | | |
| Aging Cluster | | | | | | | | |
| Special Programs for the Aging—Title III, Part B, Grants for Supportive Services and Senior Centers | | | | | | | | |
| 93.044 | | | | | | | | |
| Dynamic Transport | | | | | | | | |
| 2020-2021 | | 50,930 | 17,775 | - | 17,775 | - | - | - |
| 2021-2022 | | 24,225 | - | - | 18,071 | 24,225 | 6,154 | - |
| COVID-19 ARP 2021-2022 | | 65,000 | - | - | 27,361 | 65,000 | 37,639 | - |
| COVID-19 ARP Mini Grant 2021-2022 | | 720 | - | - | - | 720 | 720 | - |
| Elder Abuse Prevention | | | | | | | | |
| 2020-2021 | | 12,000 | 9,174 | - | 9,174 | - | - | - |
| COVID-19 ARP 2021-2022 | | 11,316 | - | - | 1,558 | 9,579 | 8,021 | - |
| Volunteer Transport | | | | | | | | |
| 2020-2021 | | 2,173 | 784 | - | 784 | - | - | - |
| 2021-2022 | | 2,278 | - | - | 1,764 | 2,278 | 514 | - |
| | | 168,642 | 27,733 | - | 76,487 | 101,802 | 53,048 | - |

AgeWell Services of West Michigan
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS—Continued
Year ended September 30, 2022

| Federal grantor/pass-through grantor/ program or cluster title/identifying number | Assistance Listing Number | Entitlement program or award amount | Accrued (deferred) revenue October 1, 2021 | Adjustments and transfers | Cash or payments in kind received (cash basis) | Amount of grant expenditures | Accrued (deferred) revenue September 30, 2022 | Passed through to subrecipients |
|--|---------------------------------|--|--|---------------------------------|---|------------------------------------|---|---------------------------------------|
| <i>U.S. Department of Health and Human Services—Continued</i> | | | | | | | | |
| Passed through Senior Resources of West Michigan—Continued | | | | | | | | |
| Aging Cluster—Continued | | | | | | | | |
| Special Programs for the Aging—Title III, Part C, Nutrition Services | 93.045 | | | | | | | |
| Title III C-1 Congregate Meals | | | | | | | | |
| 2020-2021 | | \$ 451,988 | \$ 33,086 | \$ - | \$ 33,086 | \$ - | \$ - | \$ - |
| 2021-2022 | | 446,509 | - | - | 397,336 | 437,210 | 39,874 | - |
| Mini Grant 2021-2022 | | 7,048 | - | - | - | 7,048 | 7,048 | - |
| COVID-19 ARP 2021-2022 | | 2,973 | - | - | 2,514 | 2,514 | - | - |
| COVID-19 CAA 2021-2022 | | 15,245 | - | - | 15,245 | 15,245 | - | - |
| Title III C-2 Home Delivered Meals | | | | | | | | |
| 2020-2021 | | 354,660 | 33,744 | - | 33,744 | - | - | - |
| 2021-2022 | | 467,895 | - | - | 433,535 | 467,895 | 34,360 | - |
| COVID-19 ARP 2021-2022 | | 270,755 | - | - | 233,563 | 270,755 | 37,192 | - |
| COVID-19 ARP Mini Grant 2021-2022 | | 17,963 | - | - | - | 17,963 | 17,963 | - |
| COVID-19 CAA 2021-2022 | | 169,954 | - | - | 169,954 | 169,954 | - | - |
| | | 2,204,990 | 66,830 | - | 1,318,977 | 1,388,584 | 136,437 | - |
| Nutrition Services Incentive Program | 93.053 | | | | | | | |
| Title III C-1 Congregate Meals | | | | | | | | |
| 2020-2021 | | 60,021 | 4,451 | - | 4,451 | - | - | - |
| 2021-2022 | | 54,451 | - | - | 48,327 | 53,317 | 4,990 | - |
| Title III C-2 Home Delivered Meals | | | | | | | | |
| 2020-2021 | | 103,443 | 9,770 | - | 9,770 | - | - | - |
| 2021-2022 | | 111,196 | - | - | 102,919 | 111,196 | 8,277 | - |
| | | 329,111 | 14,221 | - | 165,467 | 164,513 | 13,267 | - |
| Total Aging Cluster | | 2,702,743 | 108,784 | - | 1,560,931 | 1,654,899 | 202,752 | - |

AgeWell Services of West Michigan
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS—Continued
Year ended September 30, 2022

| <u>Federal grantor/pass-through grantor/ program or cluster title/identifying number</u> | <u>Assistance Listing Number</u> | <u>Entitlement program or award amount</u> | <u>Accrued (deferred) revenue October 1, 2021</u> | <u>Adjustments and transfers</u> | <u>Cash or payments in kind received (cash basis)</u> | <u>Amount of grant expenditures</u> | <u>Accrued (deferred) revenue September 30, 2022</u> | <u>Passed through to subrecipients</u> |
|--|--|--|---|--|---|---|--|--|
| <i>U.S. Department of Health and Human Services—Continued</i> | | | | | | | | |
| Passed through Senior Resources of West Michigan—Continued | | | | | | | | |
| Special Programs for the Aging—Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation | | | | | | | | |
| 2020-2021 | 93.041 | \$ 6,591 | \$ 1,917 | \$ - | \$ 1,917 | \$ - | \$ - | \$ - |
| 2021-2022 | | 6,591 | - | - | 6,591 | 6,591 | - | - |
| | | <u>13,182</u> | <u>1,917</u> | <u>-</u> | <u>8,508</u> | <u>6,591</u> | <u>-</u> | <u>-</u> |
| Total U.S. Department of Health and Human Services | | 2,715,925 | 110,701 | - | 1,569,439 | 1,661,490 | 202,752 | - |
| <i>U.S. Department of Homeland Security</i> | | | | | | | | |
| Passed through United Way Worldwide | | | | | | | | |
| Emergency Food and Shelter National Board Program | | | | | | | | |
| Phase 39 Oceana 39-4796-00 017 E9 | 97.024 | 1,050 | - | - | 525 | 525 | - | - |
| COVID-19 Phase ARPAN Muskegon ARPAN-4778-00 010 E9 | | 17,000 | - | - | 17,000 | 17,000 | - | - |
| COVID-19 Phase ARPAN Oceana ARPAN-4796-00 017 E9 | | 6,000 | - | - | 3,000 | 3,000 | - | - |
| | | <u>24,050</u> | <u>-</u> | <u>-</u> | <u>20,525</u> | <u>20,525</u> | <u>-</u> | <u>-</u> |
| TOTAL FEDERAL ASSISTANCE | | \$ 3,015,102 | \$ 110,701 | \$ - | \$ 1,684,194 | \$ 1,776,245 | \$ 202,752 | \$ - |

The accompanying notes are an integral part of this schedule.

AgeWell Services of West Michigan
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended September 30, 2022

1. The accompanying Schedule of Expenditures of Federal Awards (the “schedule”) includes the federal award activity of the Organization under programs of the federal government for the year ended September 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 presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position or change in net position of the Organization.
2. Please see the financial statement footnotes for the significant accounting policies used in preparing this schedule. 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. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Organization is not using the ten-percent de minimis indirect cost rate as allowed under the Uniform Guidance.
3. Reconciliation of unrestricted revenues from federal sources per financial statements and expenditures per single audit report Schedule of Expenditures of Federal Awards.

| | |
|--|----------------------------|
| Revenues from federal sources per September 30, 2022 financial statements | <u>\$ 1,776,245</u> |
| Expenditures per single audit report Schedule of Expenditures of Federal Awards | <u>\$ 1,776,245</u> |

AgeWell Services of West Michigan
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended September 30, 2022

SECTION I—SUMMARY OF AUDITOR’S RESULTS

A. Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: **Unmodified**
2. Internal control over financial reporting:
 - Material weakness(es) identified? yes no
 - Significant deficiency(ies) identified? yes none reported
3. Noncompliance material to financial statements noted? yes no

B. Federal Awards

1. Internal control over major federal programs:
 - Material weakness(es) identified? yes no
 - Significant deficiency(ies) identified? yes none reported
2. Type of auditor's report issued on compliance for major federal programs: **Unmodified**
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes no

4. Identification of major programs:

Assistance Listing Number(s)

Name of Federal Program/Cluster

U.S. Department of Health and Human Services

93.044, 93.045 and 93.053

• Aging Cluster

5. Dollar threshold used to distinguish between type A and type B programs: **\$750,000**
6. Auditee qualified as low-risk auditee? yes no

SECTION II – FINANCIAL STATEMENT FINDINGS

NONE

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

CLIENT DOCUMENTS



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

March 27, 2023

Senior Resources of West Michigan
Muskegon, Michigan

AgeWell Services of West Michigan respectfully advises you that there were **no** audit findings reported in our single audit report, dated January 25, 2022, for the year ended September 30, 2021.

Sincerely,

A handwritten signature in black ink that reads "Kristen M. Collee".

Kristen M. Collee
Executive Director



CORRECTIVE ACTION PLAN

March 27, 2023

Senior Resources of West Michigan
Muskegon, Michigan

AgeWell Services of West Michigan respectfully submits the following Corrective Action Plan for the year ended September 30, 2022.

Name and address of independent public accounting firm:

Brickley DeLong, P.C.
P.O. Box 999
Muskegon, Michigan 49443

Audit period: September 30, 2022

The Schedule of Findings and Questioned Costs for the year ended September 30, 2022 provided *no* findings in either Section II or Section III. Accordingly, there are *no* matters requiring corrective action as shown below.

SECTION II – FINANCIAL STATEMENT FINDINGS

There were *no* findings in relation to the financial statement audit.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were *no* findings in relation to the major federal award programs.

If Senior Resources of West Michigan has questions regarding this plan, please call Kristen M. Collee at (231) 733-8630.

Sincerely,

Kristen M. Collee
Executive Director