
MID-AMERICA REGIONAL COUNCIL
UNIFORM GUIDANCE
SINGLE AUDIT REPORT
DECEMBER 31, 2023

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**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
Mid-America Regional Council
Kansas City, Missouri

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 *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Mid-America Regional Council (MARC), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise MARC's basic financial statements, and have issued our report thereon dated June 26, 2024.

Report On Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered MARC'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of MARC's internal control. Accordingly, we do not express an opinion on the effectiveness of MARC'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 over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the attached finding 2023-001, we identified a certain deficiency in internal control that we consider to be a significant deficiency.

Report On Compliance And Other Matters

As part of obtaining reasonable assurance about whether MARC's financial statements are free of 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*.

MARC's Response To The Finding

MARC's response to the finding identified in our audit is described as part of the attached finding. MARC's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

RubinBrown LLP

June 26, 2024

**Independent Auditors' 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
Mid-America Regional Council

Report On Compliance For Each Major Federal Program

We have audited Mid-America Regional Council's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Mid-America Regional Council's major federal programs for the year ended December 31, 2023. Mid-America Regional Council's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Mid-America Regional Council 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 December 31, 2023.

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; 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 responsibility 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 Mid-America Regional Council and to meet our 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 Mid-America Regional Council'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 Mid-America Regional Council'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 Mid-America Regional Council'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 Mid-America Regional Council'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 Mid-America Regional Council'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 Mid-America Regional Council'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 Mid-America Regional Council'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 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 Auditors' 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 limitations, 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 the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Mid-America Regional Council as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Mid-America Regional Council's basic financial statements. We issued our report thereon dated June 26, 2024, which contained an unmodified opinion on those financial statements. 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 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 basic 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.

RubinBrown LLP

September 17, 2024

MID-AMERICA REGIONAL COUNCIL

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For The Year Ended December 31, 2023

Federal Funding Agency ALN Number And Description Agency Awarding Funds To MARC	Grant Identifying Description	Grant Identifying Number	MARC Grant Number	Total Expenditures	Pass-Through To Sub- Recipients
Department of Agriculture:					
10.177 – Regional Food Systems Partnerships U.S. Dept. of Agriculture	KC Healthy Kids: Envisioning A Collaborative KC Food Shed	AM21RFSPKS1015	51550	\$ 3,044	\$ —
10.331 – Food Insecurity Nutrition Incentive Grants Program					
Department of Agriculture	USDA GusNIP Nutrition Incentive Program	2020-70030-33185	52690	859,828	374,024
Department of Agriculture	COVID 19 USDA GusNIP CRR Nutrition Incentive Program	2021-07329	52695	1,516,969	270,027
Department of Agriculture	USDA GusNIP Produce Prescription Program	2022-70424-38548	52696	100,714	44,998
Subtotal – 10.331				<u>2,477,511</u>	<u>689,049</u>
Department of Commerce:					
11.032 – State Digital Equity Planning and Capacity Grant					
Missouri Department of Economic Development	MO Dept of Economic Development Broadband Plan	29-30-DP314	57205	13,158	—
11.035 – Broadband Equity, Access, and Deployment Program					
Missouri Department of Economic Development	MO Dept of Economic Development Broadband Plan	29-20-B275	57205	13,158	—
11.302 – Economic Development Support for Planning Organizations					
Economic Development Administration	EDA Partnership Planning 2021-2024	ED21DEN3020029	52865	45,884	—
11.307 – Economic Adjustment Assistance (Economic Development Cluster)					
Economic Development Administration	COVID 19 EDA Workforce: KC Regional Economic Recovery Program	05-79-06096	58080	124,714	18,833
Department of Health and Human Services:					
93.042 – Special Programs for the Aging Title VII, Chapter 2 Long Term Care Ombudsman Services for Older Individuals					
Missouri Department of Health and Senior Services	SFY 23 Area Agency on Aging Programs	ERS 105 23 007	Various	6,150	
Missouri Department of Health and Senior Services	COVID 19 SFY 23 Area Agency on Aging Programs - ARPA	ERS 105 23 007	Various	1,500	
Missouri Department of Health and Senior Services	SFY 24 Area Agency on Aging Programs	ERS 105 24 007	Various	12,387	—
Subtotal – 93.042				<u>20,037</u>	<u>—</u>
93.043 – Special Programs for the Aging Title III, Part D Disease Prevention and Health Promotion Services					
Missouri Department of Health and Senior Services	SFY 23 Area Agency on Aging Programs	ERS 105 23 007	Various	32,253	13,650
Missouri Department of Health and Senior Services	SFY 24 Area Agency on Aging Programs	ERS 105 24 007	Various	38,315	16,900
Subtotal – 93.043				<u>70,568</u>	<u>30,550</u>

MID-AMERICA REGIONAL COUNCIL

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS *(Continued)* For The Year Ended December 31, 2023

Federal Funding Agency ALN Number And Description Agency Awarding Funds To MARC	Grant Identifying Description	Grant Identifying Number	MARC Grant Number	Total Expenditures	Pass- Through To Sub- Recipients
93.044 – Special Programs for the Aging Title III, Part B Grants (Aging Cluster) for Supportive Services and Senior Centers					
Missouri Department of Health and Senior Services	SFY 23 Area Agency on Aging Programs	ERS 105 23 007	Various	945,003	24,353
Missouri Department of Health and Senior Services	COVID 19 SFY 23 Area Agency on Aging Programs - ARPA	ERS 105 23 007	Various	142,326	23,181
Missouri Department of Health and Senior Services	SFY 24 Area Agency on Aging Programs	ERS 105 24 007	Various	1,303,559	102,814
Missouri Department of Health and Senior Services	COVID 19 SFY 24 Area Agency on Aging Programs - ARPA	ERS 105 24 007	Various	45,317	—
Program Income	SFY 23 Area Agency on Aging Programs	ERS 105 23 007	Various	20	20
Program Income	SFY 24 Area Agency on Aging Programs	ERS 105 24 007	Various	30	30
Missouri Department of Health and Senior Services	Value Based Provider (Medicaid) Reassessment	CS230932004	21678	(2,949)	—
Subtotal – 93.044				2,433,306	150,398
93.045 – Special Programs for the Aging Title III, Part C (Aging Cluster) Nutrition Services					
Missouri Department of Health and Senior Services	SFY 23 Area Agency on Aging Programs	ERS 105 23 007	Various	\$ 518,017	\$ 139,181
Missouri Department of Health and Senior Services	COVID 19 SFY 23 Area Agency on Aging Programs - ARPA	ERS 105 23 007	Various	969,193	439,428
Missouri Department of Health and Senior Services	SFY 24 Area Agency on Aging Programs	ERS 105 24 007	Various	1,426,487	544,015
Missouri Department of Health and Senior Services	COVID 19 SFY 24 Area Agency on Aging Programs - ARPA	ERS 105 24 007	Various	249,522	124,464
Program Income	SFY 23 Area Agency on Aging Programs	ERS 105 23 007	Various	98,971	93,576
Program Income	SFY 24 Area Agency on Aging Programs	ERS 105 24 007	Various	103,992	97,188
Subtotal – 93.045				3,366,182	1,437,852
93.048 – Special Programs for the Aging, Title IV, and Title II, Discretionary Projects					
Missouri Association of Area Agencies on Aging	COVID 19 and Influenza Vaccine Uptake Initiative for Older Adults and people with Disabilities	90HDC0007-01-00	20635	68,524	—
93.052 – National Family Caregiver Support, Title III, Part E					
Missouri Department of Health and Senior Services	SFY 23 Area Agency on Aging Programs	ERS 105 23 007	Various	315,319	154,423
Missouri Department of Health and Senior Services	COVID 19 SFY 23 Area Agency on Aging Programs - ARPA	ERS 105 23 007	Various	2,039	—
Missouri Department of Health and Senior Services	SFY 24 Area Agency on Aging Programs	ERS 105 24 007	Various	297,606	161,370
Missouri Department of Health and Senior Services	COVID 19 SFY 24 Area Agency on Aging Programs - ARPA	ERS 105 24 007	Various	26,450	—
Program Income	SFY 23 Area Agency on Aging Programs	ERS 105 23 007	Various	65	40
Program Income	SFY 24 Area Agency on Aging Programs	ERS 105 24 007	Various	100	100
Subtotal – 93.052				641,579	315,933
93.053 – Nutrition Services Incentive Program (Aging Cluster)					
Missouri Department of Health and Senior Services	SFY 23 Area Agency on Aging Programs	ERS 105 23 007	Various	186,998	56,857
Missouri Department of Health and Senior Services	SFY 24 Area Agency on Aging Programs	ERS 105 24 007	Various	271,259	138,393
Subtotal – 93.053				458,257	195,250
93.243 – Substance Abuse and Mental Health Services Projects of Regional and National Significance					
Missouri Department of Health and Senior Services	HHS SAMHSA Mobile Crisis Response	1H79SM087236-01	52057	457,852	261,831

MID-AMERICA REGIONAL COUNCIL

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS *(Continued)* For The Year Ended December 31, 2023

Federal Funding Agency ALN Number And Description Agency Awarding Funds To MARC	Grant Identifying Description	Grant Identifying Number	MARC Grant Number	Total Expenditures	Pass- Through To Sub- Recipients
93.323 – Epidemiology and Laboratory Capacity for Infectious Disease (ELC) Missouri Department of Health and Senior Services	CHW Supervisory Training	53082	52070	<u>18,000</u>	<u>—</u>
93.434 – Every Student Succeeds Act/Preschool Development Grants Department of Health and Human Services	Community Regional Leaders	OOC23000022	49870	<u>8,342</u>	<u>—</u>
93.495 - Community Health Workers for Public Health Response and Resilient Kansas Department of Health and Environment	KDHE KC Regional Community Health Worker (CHW) Collab 2023	None	52058	<u>324,724</u>	<u>—</u>
93.575 – Child Care and Development Block Grant (CCDF Cluster) Missouri Department of Elementary and Secondary Education	Preschool Child Care Collaborative Network	CS230237003	49900	185,506	—
Missouri Department of Elementary and Secondary Education	Infant Toddler Child Care Collaborative Network	CS230236004	49910	106,626	—
Missouri Department of Elementary and Secondary Education	Home Based Child Care Collaborative Network	CS230235004	49920	<u>45,846</u>	<u>—</u>
Subtotal – 93.575				<u>337,978</u>	<u>—</u>
93.600 – Head Start Cluster Department of Health and Human Services	Early Head Start Expansion FY 22-23	07HP000467-02	42140	1,159,470	609,933
Department of Health and Human Services	Core Operating Head Start & Early Head Start FY21-22	07CH010610-05	42200	522	—
Department of Health and Human Services	COVID-19 (CRRSAA & ARP) Head Start FY21-23	07HE000358-01	42205	1,285,851	492,007
Department of Health and Human Services	Core Head Start & Early Head Start FY22-23	07CH010610-06	42210	25,626,957	14,520,548
Department of Health and Human Services	Core Head Start & Early Head Start FY23-24	07CH012381-01	42220	<u>4,882,240</u>	<u>2,619,414</u>
Subtotal – 93.600				<u>32,955,040</u>	<u>18,241,902</u>
93.667 – Social Services Block Grant Missouri Department of Health and Senior Services	SFY 23 Area Agency on Aging Programs	ERS 105 23 007	Various	105,479	27,976
Missouri Department of Health and Senior Services	SFY 24 Area Agency on Aging Programs	ERS 105 24 007	Various	<u>172,757</u>	<u>35,320</u>
Subtotal – 93.667				<u>278,236</u>	<u>63,296</u>
93.734 - Empowering Older Adults and Adults with Disabilities through Chronic Disease Self-Management Education Programs - financed by Prevention and Public Health Funds (PPHF) Department of Health and Human Services	Dept. of HHS, Admin for Community Living-Chronic Disease Self-Management ACL CDSME 2021-2024	90CSSG0043-01-0	20625	<u>331,230</u>	<u>52,415</u>
93.747 - Elder Abuse Prevention Interventions Program Department of Health and Human Services	Managed Services Network	CS221944005 Amendment 3	21520	<u>254,353</u>	<u>—</u>

MID-AMERICA REGIONAL COUNCIL

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS *(Continued)* For The Year Ended December 31, 2023

Federal Funding Agency ALN Number And Description Agency Awarding Funds To MARC	Grant Identifying Description	Grant Identifying Number	MARC Grant Number	Total Expenditures	Pass- Through To Sub- Recipients
93.889 - National Bioterrorism Hospital Preparedness Program					
Missouri Department of Health and Senior Services	Bioterrorism Hospital Preparedness ASPR FY 2022	CS200489001 Amendment 06	77190	185,168	—
Missouri Department of Health and Senior Services	Bioterrorism Hospital Preparedness ASPR FY 2023	CS232784001	77195	136,020	—
Subtotal – 93.889				321,188	—
93.969 - PPHF Geriatric Education Centers					
St. Louis University	Geriatric Workforce Enhancement Program	ERS #43173	20530	8,653	—
Department of Homeland Security:					
97.067 – Homeland Security Grant Program					
Missouri Department of Public Safety	Urban Areas Security Initiative FY22	EMW-2022-SS-00094-02	73250	403,458	50,637
Missouri Department of Public Safety	MO Homeland Security Grant FY 2019 - LETPA TEW	EMW-2019-SS-00039-21	73334	15,731	—
Missouri Department of Public Safety	MO Homeland Security Grant FY 2020 - LETPA TEW	EMW-2020-SS-00051-17	73335	52,479	22,184
Missouri Department of Public Safety	MO Homeland Security Grant FY 2021 - LETPA TEW	EMW-2021-SS-00038-62	73336	75,198	32,014
Missouri Department of Public Safety	MO Homeland Security Grant Program FY 2019	EMW-2019-SS-00039-02	73600	66,765	26,012
Missouri Department of Public Safety	MO Homeland Security Grant Program FY 2020	EMW-2020-SS-00051	73620	107,192	49,218
Missouri Department of Public Safety	MO Homeland Security Grant Program FY 2021	EMW-2021-SS-00038	73640	210,451	25,877
Kansas Highway Patrol	KS Homeland Security Grant Program FY 2019	EMW-2019-SS-00004	73500	64,779	3,303
Kansas Highway Patrol	KS Homeland Security Grant Program FY 2020	EMW-2020-SS-00006	73520	120,154	43,969
Kansas Highway Patrol	KS Homeland Security Grant Program FY 2021	EMW-2021-SS-00018	73540	123,630	18,889
Kansas Highway Patrol	KS Homeland Security Grant Program FY 2022	EMW-2022-SS-00016	73560	161,862	2,477
Kansas Highway Patrol	KS Homeland Security Grant Program FY 2023	EMW-2023-SS-00003-S01	73565	13,132	—
Subtotal – 97.067				1,414,831	274,580
Department of Housing and Urban Development:					
14.261 – Homeless Management Information Systems Technical Assistance					
Dept. of Housing and Urban Development	HUD HMIS Capacity Building	MO00287H7P041800	52306	1,080	—
14.267 – Continuum of Care Program					
Dept. of Housing and Urban Development	Health Management Information System (HMIS)- Kansas FY 2022-2023	KS0113L7P052106	52315	33,652	—
Department of Justice:					
16.745 - Criminal and Juvenile Justice and Mental Health Collaboration Program					
Department of Justice	U.S. Dept. of Justice Eastern Jackson County Co-Responder Program	2020-MO-BX-0044	58220	143,547	104,661
Department of Justice	U.S. Dept. of Justice Connect and Protect Program	15PBJA-23-GG-02158-MENT	58230	25,906	25,906
Subtotal – 16.745				169,453	130,567

MID-AMERICA REGIONAL COUNCIL

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS *(Continued)* For The Year Ended December 31, 2023

Federal Funding Agency ALN Number And Description Agency Awarding Funds To MARC	Grant Identifying Description	Grant Identifying Number	MARC Grant Number	Total Expenditures	Pass- Through To Sub- Recipients
Department of Transportation:					
20.205 – Highway Planning & Construction Cluster					
Kansas Department of Transportation	KDOT PSP Projects 2021	213-20	61750	—	—
Kansas Department of Transportation	KDOT PSP Projects 2023	239-22	61770	415,565	—
Kansas Department of Transportation	Operation Green Light Operations FY 2023-2024	K-9218-23	65240	216,585	—
Kansas Department of Transportation	KS Operation Green Light Advanced Traffic Management System	N-0741-01	65399	76,237	—
Kansas Department of Transportation	KS CMAQ Active Transportation 2022	136-22	66365	7,965	—
Kansas Department of Transportation	KS CMAQ Rideshare 2023	46 N-0436-23	66366	150,000	—
Kansas Department of Transportation	KS CMAQ Air Quality Public Education Program	46 N-0435-23	66367	277,500	—
Kansas Department of Transportation	KS CMAQ Active Transportation 2023	N-0318-23	66368	28,461	—
Missouri Highway and Transportation Commission	MoDOT Operation Green Light CMAQ Signal Enhancements	CMAQ 3302 (424)	65397	209	—
Missouri Highway and Transportation Commission	MO Operation Green Light Advanced Traffic Management System	CMAQ 3302 (430)	65399	165,785	—
Missouri Highway and Transportation Commission	Operation Green Light Operations FY 2023-2024	STBG-3302 (436)	65240	505,365	—
Missouri Highway and Transportation Commission	COVID 19 MoDOT COVID (CRRSAA) Regional Overlay Project	HIP 9901 (441)	69649	296,731	—
Subtotal – 20.205				<u>2,140,403</u>	<u>—</u>
20.505 – Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research					
Kansas Department of Transportation	Consolidated Planning Grant FY 2023	None	64600	1,524,743	—
Missouri Highway and Transportation Commission	Consolidated Planning Grant FY 2023	None	64600	2,159,344	—
Subtotal – 20.505				<u>3,684,087</u>	<u>—</u>
20.507 – Federal Transit Formula Grants (Federal Transit Cluster)					
Federal Transit Administration	FTA-MO PSP Projects 2021	1851-2021-1	61740	1	—
Federal Transit Administration	FTA-MO PSP 2023	1851-2022-2	61760	402,093	—
Federal Transit Administration	FTA-MO CMAQ 2020 - Active Transportation	MO-2020-032-00	66381	3,365	—
Federal Transit Administration	FTA-MO CMAQ 2021 - Air Quality	MO-2021-026-00	66383	99,133	—
Federal Transit Administration	FTA-MO CMAQ 2021 - Active Transportation	MO-2021-026-00	66384	36,000	—
Federal Transit Administration	FTA-MO CMAQ 2021 - Rideshare	MO-2021-026-00	66385	55,340	—
Federal Transit Administration	FTA-MO CMAQ 2022 - Air Quality	MO-2022-022-00	66386	179,213	—
Federal Transit Administration	FTA-MO CMAQ 2022 - Rideshare	MO-2022-022-00	66388	56,679	—
Subtotal – 20.507				<u>831,824</u>	<u>—</u>
20.513 – Enhanced Mobility of Seniors and Individuals with Disabilities (Transit Services Programs Cluster)					
Kansas City Area Transportation Authority	KCATA FTA Section 5310 Program Administration, FY 2021-22	None	61064	\$ 49,227	\$ —
20.600 – State and Community Highway Safety (Highway Safety Cluster)					
Kansas Department of Transportation	Destination Safe FY 20-23	PM-1516-21	61948	20,000	—

MID-AMERICA REGIONAL COUNCIL

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS *(Continued)* For The Year Ended December 31, 2023

Federal Funding Agency ALN Number And Description Agency Awarding Funds To MARC	Grant Identifying Description	Grant Identifying Number	MARC Grant Number	Total Expenditures	Pass- Through To Sub- Recipients
20.703 – Interagency Hazardous Material Public Sector Training and Planning Grants					
Kansas Division of Emergency Management	KS HMEP Planning FY 21-22	693JK31940016HMEP	71120	39,917	—
Kansas Division of Emergency Management	KS HMEP Training FY 22-23	693JK32240057HMEP	71121	62,475	—
Subtotal – 20.703				<u>102,392</u>	<u>—</u>
20.933 – National Infrastructure Investments					
U.S. Department of Transportation	US DOT Bistate Sustainable Reinvestment Corridor Planning Project	MO-2024-001-00	69950	4,076	—
20.941 – Strengthening Mobility and Revolutionizing Transportation (SMART) Grants Program					
Missouri Department of Public Safety	USDOT SMART Grant : Operation Green Light: Regional Traffic Signal Performance Measures	SMARTFY22N1P1G36	65405	51,467	50,014
Department of Treasury					
21.027 - Coronavirus State and Local Fiscal Recovery Funds					
Johnson County, KS Department of Health and Environment	COVID 19 Johnson County Coronavirus Recover Funds	SLFRP0226	51525	35,000	—
Johnson County, KS Department of Health and Environment	COVID 19 Johnson County ARPA HMIS	184000006-11	52316	233,565	—
Subtotal – 21.027				<u>268,565</u>	<u>—</u>
Environmental Protection Agency:					
66.001 – Air Pollution Control Program Support					
Kansas Department of Health and Environment	KDHE Air Quality Implementation FY 2023	None	66307	50,200	—
66.046 – Climate Pollution Reduction Grants					
US Environmental Protection Agency	EPA Climate Pollution Reduction Program	5D-96704301	35310	106,839	—
66.306 – Environmental Justice Collaborative Problem- Solving Cooperative Agreement Program					
US Environmental Protection Agency (EPA)	EPA Climate Resiliency	84037401	35300	38,718	11,169
66.454 – Water Quality Management Planning					
Missouri Department of Natural Resources	EPA MDNR Water Quality Management Planning FY2023-25-604(b)	G22-WQM-01	34371	7,805	—
66.461 – Regional Wetland Program Development Grants					
US Environmental Protection Agency	EPA R7 Wetland Program Development	97790901	35295	123,930	—
66.605 – Performance Partnership Grants					
Missouri Department of Natural Resources	MDNR Air Quality 2022-23	A-2000-23	62239	12,440	—
66.808 – Solid Waste Management Assistance Grants					
US Environmental Protection Agency	EPA Regional Food Waste Reduction Action Plan	97790001	34375	99,981	—
66.818 – Brownfields Multipurpose, Assessment, Revolving...					
US Environmental Protection Agency	EPA Kansas City Regional Brownfields Coalition Assessment	97782401	35290	79,204	—
Total expenditures of federal awards				\$ <u>54,321,692</u>	\$ <u>21,923,639</u>

See the notes to schedule of expenditures of federal awards.

MID-AMERICA REGIONAL COUNCIL

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

December 31, 2023

1. **Organization**

The accompanying schedule of expenditures of federal awards presents the activity of all federal award programs of Mid-America Regional Council (MARC) for the year ended December 31, 2023. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included on the schedule.

2. **Basis Of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of MARC and is presented on the modified-accrual basis of accounting. 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

3. **Local Government Contributions**

Local cost sharing, as defined by the Title 2 CFR 200.306, is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

4. **Additional Audits**

Grantor agencies reserve the right to conduct additional audits of MARC's grant programs for economy and efficiency program results. Such an audit may disclose disallowed costs to MARC. However, management does not believe such audits would result in any disallowed costs that would be material to MARC's financial position at December 31, 2023.

5. **Indirect Costs Rate**

MARC has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

MID-AMERICA REGIONAL COUNCIL

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2023**

Section I - Summary Of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ yes x no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? x yes ___ none reported

Noncompliance material to financial statements noted? ___ yes x no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ___ yes x no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ___ yes x none reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ___ yes x no

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name Of Federal Program Or Cluster</u>
20.205	Highway Planning and Construction Grant Program
93.044, 93.045, 93.053	COVID 19 Aging Cluster
97.067	Homeland Security Grant Program
93.600	Head Start Cluster

Dollar threshold used to distinguish between type A and type B programs: \$1,629,651
Auditee qualified as low-risk auditee? Yes

MID-AMERICA REGIONAL COUNCIL

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)* December 31, 2023

Section II - Financial Statement Findings

Finding 2023-001 – Significant Deficiency

Criteria: The FASB ASC glossary defines an error in previously issued financial statements as an error in recognition, measurement, presentation, or disclosure in financial statements resulting from mathematical mistakes, mistakes in the application of generally accepted accounting principles (GAAP), or oversight or misuse of facts that existed at the time the financial statements were prepared.

Condition: During our audit, it was determined based on research by management that certain fees charged to participating cities and counties in prior years had been recorded as unearned revenue when no time or purpose restrictions existed in the fee arrangements.

Context: The unused portion of fees charged to participating cities and counties were being reported as unearned revenue instead of being reported as revenue in each reporting period. The amounts previously reported as unearned revenue accumulated to \$9,119,949 over several years. The fee arrangements did not contain a purpose or time restriction on the fees, therefore they should have been recorded as revenue in each respective reporting period.

Effect: As a result of management's research, MARC had to correct an error in the previous reporting of these revenues in its financial statements by making a prior period restatement. MARC increased January 1, 2023 net position and fund balance by \$9,119,949.

Cause: In prior years, MARC did not have policies and controls in place to ensure revenues were reported in accordance with GAAP under GASB guidance.

Recommendation: MARC should consider changes to its policies and control structure so that fees billed to its participating cities and counties are properly recorded as revenue when earned and only deferred when the appropriate time or use restrictions are in place.

Views Of Responsible Officials/Corrective Action Plan (Unaudited): MARC concurs with the findings. The identification of the error was the result of an internal review of fees billed to cities and counties. As a result of that process, MARC has implemented internal policies and controls related to the reporting these fees and will only record unearned revenue if time or purpose restrictions are present.

Completion Date: December 2023

Contact Person: Andrew Molloy, Finance Director

Section III - Federal Award Findings And Questioned Costs

None

Mid-America Regional Council (MARC)
Corrective Action Plan
For the Fiscal Year Ended December 31, 2023

Section II – Financial Statement Findings: Finding 2023-001 – Significant Deficiency

Description of Finding:

It was determined based on research by management that certain fees charged to participating cities and counties in prior years had been recorded as unearned revenue instead of revenue when no time or purpose restrictions existed in the fee arrangements. As a result of this research, MARC corrected this error in previous reporting by making a prior period restatement as of January 1, 2023, which increased net position and fund balance by \$9,119,949.

Views of Responsible Officials:

MARC concurs with the finding.

Planned Corrective Action:

In December 2023, MARC implemented internal policies and controls related to the reporting of these fees and will only record unearned revenue if time or purpose restrictions are present.

Person Responsible for Corrective Action:

Andrew Molloy, Finance Director

Anticipated Completion Date:

December 2023

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Janeé Hanzlick
Commissioner
Johnson County,
Kansas

1st Vice Chair
Beto Lopez
Mayor Pro Tem
Lee's Summit,
Missouri

2nd Vice Chair
Damien Boley
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Smithville,
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