

MO-KAN REGIONAL COUNCIL

**AUDITED FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
JUNE 30, 2024**

**TOGETHER WITH
INDEPENDENT AUDITORS' REPORT**

**DSWA CERTIFIED PUBLIC ACCOUNTANTS, P.C.
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**MO-KAN REGIONAL COUNCIL
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Mo-Kan Regional Council
St. Joseph, Missouri

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Mo-Kan Regional Council as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Mo-Kan Regional Council's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Mo-Kan Regional Council as of June 30, 2024, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Mo-Kan Regional Council 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 the Mo-Kan Regional Council's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' report that includes our opinions. 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 the Mo-Kan Regional Council'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 the Mo-Kan Regional Council'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.

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

The Missouri Local Government Retirement System Information and budgetary comparison information on pages 24 through 26 is presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Mo-Kan Regional Council's basic financial statements. The supplementary information on pages 30 through 35 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is also not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic 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 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic 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 February 26, 2025, on our consideration of the Mo-Kan Regional Council'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 the Mo-Kan Regional Council'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 Mo-Kan Regional Council's internal control over financial reporting and compliance.

DSWA Certified Public Accountants, P.C.

Raymore, Missouri
February 26, 2025

**MO-KAN REGIONAL COUNCIL
STATEMENT OF NET POSITION
JUNE 30, 2024**

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 922,425
Accounts receivable	163,704
Prepaid insurance	5,021
Current portion of notes receivable	115,199
Total current assets	<u>1,206,349</u>

NONCURRENT ASSETS:

Restricted cash	100,114
Notes receivable, net of current portion	971,362
Capital assets, net of accumulated depreciation	9,201
Right to use assets, net of accumulated amortization	45,115
Total noncurrent assets	<u>1,125,792</u>
Total assets	<u>\$ 2,332,141</u>

LIABILITIES

CURRENT LIABILITIES:

Current portion of finance lease obligations	\$ 15,373
Accounts payable	37,601
Deferred revenue	6,883
Payroll liabilities	1,482
Escrow deposits	5,329
Total current liabilities	<u>66,668</u>

NONCURRENT LIABILITIES:

Compensated absences	45,547
Net pension obligation	181,636
Finance lease obligations	32,405
Total noncurrent liabilities	<u>259,588</u>
Total liabilities	<u>326,256</u>

DEFERRED INFLOWS OF RESOURCES

DEFERRED INFLOWS OF RESOURCES:

Deferred inflows of resources related to pensions	<u>59,181</u>
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NET POSITION

NET POSITION:

Net investment in capital and right to use assets	6,538
Restricted:	
Per grant requirements	1,336,552
Unrestricted	603,614
Total net position	<u>\$ 1,946,704</u>

The accompanying notes are an integral part of the financial statements.

**MO-KAN REGIONAL COUNCIL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

Functions	Expenditures	Program Revenues		Net (Expense) Revenue and Changes In Net Position
		Charges for Services	Operating Grants And Contributions	Total Governmental Activities
PRIMARY GOVERNMENT:				
Governmental activities:				
Planning activities	\$ 757,250	\$ 161,700	\$ 422,213	\$ (173,337)
General revenues:				
Interest				55,412
Local assessments				38,767
Miscellaneous				1,904
Total general revenues				96,083
Change in Net Position				(77,254)
Net Position - Beginning of year				2,023,958
Net Position - End of year				\$ 1,946,704

The accompanying notes are an integral part of the financial statements.

MO-KAN REGIONAL COUNCIL
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Special Revenue Fund	Eliminations	Total Governmental Funds
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 605,547	\$ 316,878	\$ -	\$ 922,425
Accounts receivable	-	163,704	-	163,704
Prepaid expenses	5,021	-	-	5,021
Due from other funds	287,775	-	(287,775)	-
Current portion of notes receivable	-	115,199	-	115,199
Total current assets	<u>898,343</u>	<u>595,781</u>	<u>(287,775)</u>	<u>1,206,349</u>
NONCURRENT ASSETS:				
Restricted cash	-	100,114	-	100,114
Notes receivable, net of current portion	-	971,362	-	971,362
Total noncurrent assets	<u>-</u>	<u>1,071,476</u>	<u>-</u>	<u>1,071,476</u>
Total assets	<u>\$ 898,343</u>	<u>\$ 1,667,257</u>	<u>\$ (287,775)</u>	<u>\$ 2,277,825</u>
LIABILITIES				
Accounts payable	\$ -	\$ 37,601	\$ -	\$ 37,601
Deferred revenue	6,883	-	-	6,883
Payroll liabilities	1,482	-	-	1,482
Escrow deposits	-	5,329	-	5,329
Due to other funds	-	287,775	(287,775)	-
Total liabilities	<u>8,365</u>	<u>330,705</u>	<u>(287,775)</u>	<u>51,295</u>
FUND BALANCES				
Nonspendable	5,021	-	-	5,021
Restricted:				
Per grant requirements	-	1,336,552	-	1,336,552
Unassigned	884,957	-	-	884,957
Total fund balances	<u>889,978</u>	<u>1,336,552</u>	<u>-</u>	<u>2,226,530</u>
Total liabilities and fund balances	<u>\$ 898,343</u>	<u>\$ 1,667,257</u>	<u>\$ (287,775)</u>	<u>\$ 2,277,825</u>

Reconciliation to Statement of Net Position:

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance - governmental funds	\$ 2,226,530
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$112,193 and the accumulated depreciation is \$102,992.	9,201
Right to use assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$75,193 and the accumulated amortization is \$15,039.	45,115
Unfunded accrued absences payable are recognized as paid time off when earned by employees in the government-wide financial statements but are not considered currently payable and are not accrued in the funds.	(45,547)
The net pension liability is not due and payable in the current period; therefore, it is not reported in the funds. The following is the detail of the net effect of these differences in the treatment of the net pension liability and related deferred items:	
Net pension obligation	(181,636)
Deferred inflows due to pensions	(59,181)
Long-term liabilities, including finance leases payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(47,778)</u>
Total net position - governmental activities	\$ 1,946,704

The accompanying notes are an integral part of the financial statements.

MO-KAN REGIONAL COUNCIL
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	General	Special Revenue	Total
REVENUES:			
Intergovernmental revenue:			
Federal grants	\$ -	\$ 317,167	\$ 317,167
State revenues	79,356	25,690	105,046
Local assessments	38,767	-	38,767
Charges for services	43,396	8,467	51,863
Miscellaneous	1,904	-	1,904
Reimbursed expenses	109,837	-	109,837
Interest	37,843	17,569	55,412
Total revenues	<u>311,103</u>	<u>368,893</u>	<u>679,996</u>
EXPENDITURES:			
Current:			
Salaries and benefits	255,884	215,987	471,871
Board expense	41	-	41
Computer	773	6,080	6,853
Contractual labor and equipment	1,346	107,737	109,083
Marketing	593	-	593
Travel	6,526	20,501	27,027
Printing and copying	833	1,587	2,420
Loan processing	383	-	383
Memberships and dues	1,497	5,824	7,321
Conferences, meetings, and training	2,475	2,908	5,383
Occupancy	8,594	6,942	15,536
Insurance	25,296	-	25,296
Allocated expenses	29,837	52,835	82,672
Miscellaneous	10,807	6,380	17,187
Total expenditures	<u>344,885</u>	<u>426,781</u>	<u>771,666</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(33,782)	(57,888)	(91,670)
Other financing sources (uses)			
Transfers in (out)	<u>(78,876)</u>	<u>78,876</u>	<u>-</u>
Total other financing sources (uses)	<u>(78,876)</u>	<u>78,876</u>	<u>-</u>
Net change in fund balance	(112,658)	20,988	(91,670)
Fund balances - beginning	<u>1,002,636</u>	<u>1,315,564</u>	<u>2,318,200</u>
Fund balances - ending	<u>\$ 889,978</u>	<u>\$ 1,336,552</u>	<u>\$ 2,226,530</u>

The accompanying notes are an integral part of the financial statements.

**MO-KAN REGIONAL COUNCIL
RECONCILIATION OF THE COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances-total governmental funds	\$ (91,670)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs are capitalized and allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Depreciation expense	(3,207)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, right to use assets with an initial, individual cost of more than \$5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as amortization expense. This is the amount by which capital outlays exceeded amortization in the current period.

Amortization expense	(15,039)
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Some expenses reported in the statement of activities are not considered current expenditures and, therefore, are not reported as expenditures in the governmental funds:

Decrease (increase) in accrued, unfunded vacation payable	(10,820)
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Some expenses reported in the statement of activities related to pension expenses differ from those reported in the funds due to timing differences related to the use of current financial resources:

Decrease (increase) in pension expense related to actuarial valuations	28,637
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Capital or right to use assets acquired by finance leases are shown as an expenditure and revenue in the governmental funds. The revenue must be removed from the statement of activities; principal payments are applied to the liability; interest expense is recognized as it is paid.

Principal payments - finance leases	<u>14,845</u>
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Change in net position of governmental activities	<u>\$ (77,254)</u>
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The accompanying notes are an integral part of the financial statements.

**MO-KAN REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization:

The Mo-Kan Regional Council (the Council) is organized under the Regional Planning and Community Development Act of 1966 (Chapter 251, RSMo). The Council is partially funded through contributions of member governmental entities and agencies that contract with the Council for specific program operations. The Council operates under the direction of a 32-member Council which represents local elected officials and their appointees. The Council provides many of the following services as authorized by its By-laws: provide technical assistance and advisory services to member governments in areas of planning, zoning, mapping, grant applications, and administration and operation of State and Federal programs.

B. Accounting Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

C. Basis of Presentation:

Measurement focus is a term used to describe “what” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. In these statements, governmental activities are presented using the accrual basis of accounting and the economic resources measurement focus. These statements report financial information for the Council as a whole, excluding fiduciary activities, with interfund activities removed. This basis recognizes revenues when earned and expenditures when they are incurred.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants, contributions and interest on investments restricted to meeting the operational or capital requirements of a particular function. Other items not properly included among program revenues are reported instead as general revenues.

The governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Revenues are recognized when they become both “measurable and available.” Measurable means the amount can be determined. Available means the amount is collectible within the current period or soon enough thereafter to pay current liabilities. The period of time the Council uses to define available is 60 days. Expenditures are recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**MO-KAN REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (continued):

The accounts of the Council are organized on the basis of funds, each of which is a separate accounting entity. The operations of each fund are accounted for through a set of self-balancing accounts which comprise its assets, liabilities, fund balances, revenues, and expenditures. The following funds are used by the Council:

Governmental Funds

General Fund - The General Fund is the main operating fund of the Council. It is used to account for all financial resources except those required to be accounted for in another fund or administratively assigned by management to be kept as a separate fund.

Special Revenue Fund - The Special Revenue Fund is used to account for revenues derived from specific revenue sources that are restricted to expenditures for specified purposes as required by grant agreements. The Council's policy is to use restricted resources first when restricted expenditures are incurred.

The major sources of revenue are grants, state financial assistance, member government assessments, local contributed cash, and other revenues as discussed below:

Federal and State Grant Revenue - Grant revenue is recognized when program expenditures are incurred in accordance with program guidelines. Such revenue is subject to review by the funding agency and may result in disallowance in subsequent periods.

State Financial Assistance - State financial assistance is appropriated annually by the Missouri Legislature, and is recognized at the beginning of each fiscal year upon notification of the amount of the award from the Office of the Governor.

Member Government Assessments - All member governments are required to pay assessments to the Council. Assessments are determined annually and are recognized as revenues during the year for which they are assessed.

Local Contributed Cash - Contributions to grant programs from local governments are recognized as revenue when grant expenditures are incurred for cost reimbursement grants.

Other Revenues - Other revenues are composed primarily of interest and charges for services. Interest income is recorded as earned. Charges for services are recorded as revenues when services are rendered.

**MO-KAN REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Compensated Absences:

The Council accrues a liability for compensated absences which meet the following criteria:

- 1) The Council's obligation relating to employee rights to receive compensation for future absences is attributable to employee's services already rendered.
- 2) The obligation relates to rights that vest or accumulate.
- 3) Payment of the compensation is probable.
- 4) The amount can be reasonably estimated.

In accordance with the above criteria, the Council has accrued a liability for vacation which has been earned but not taken by Council employees. In the fund financial statements, only the portion of the liability that has been funded by granting sources has been recognized.

E. Budgets and Budgetary Accounting:

In accordance with the Council's bylaws, the budget committee submits to the full Council membership a proposed annual operating budget for adoption at a regular board meeting. The operating budget covers all funds and includes proposed revenues and expenditures for the upcoming year.

The Council's primary funding source is federal, state and local grants which have grant periods that may or may not coincide with the Council's fiscal year. These grants normally are for a twelve-month period; however, they can be awarded for periods shorter or longer than twelve months.

Because of the Council's dependency on federal, state and local budgetary decisions, revenue estimates are based upon the best available information as to potential sources of funding.

The resultant annual budget is subject to constant change within the fiscal year due to increases or decreases in actual grant awards from those estimated, changes in grant periods, unanticipated grant awards not included in the budget, and expected grant awards which fail to materialize.

The full membership of the Council formally approves the annual budget but greater emphasis is placed on complying with the grant budget, terms and conditions on a grant-by-grant basis. These terms and conditions usually specify the period during which costs may be incurred and outline budget restrictions or allowances.

A single all-purpose fund budget is adopted for all funds on the modified accrual basis of accounting, except for the EDA revolving loan fund which utilizes the accrual basis of accounting for budgetary purposes. Budget comparison reporting is not presented on an individual fund basis since a single all-purpose fund budget is adopted and reported for all funds.

**MO-KAN REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgets and Budgetary Accounting (continued):

In accordance with the modified accrual basis of accounting, the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds does not include capital outlays as expenditures. The Required Supplementary Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Budgetary Basis) – Governmental Funds, is prepared on the basis utilized in preparing the budget and, accordingly, does not include capital outlays as expenditures.

F. Governmental Fund Balances:

The Council considers restricted, committed, assigned and unassigned amounts to be spent in that order when expenditures are incurred for which any of those amounts are available.

The Executive Board is responsible for determining any committed or assigned fund balances. To establish, modify, or rescind a fund balance commitment, formal action must be taken by the Executive Board.

G. Cash Equivalents:

The Council considers all short-term, highly liquid investments to be cash equivalents.

H. Accounts Receivable:

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include billings for services and grants.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as billings for services and grants since they are usually both measurable and available. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. No allowance for uncollectible amounts has been provided since management believes the amount of such allowance would be immaterial.

I. State-Administered Grants:

State-administered grants are federal grant funds or appropriated state funds which are allocated to State agencies and then reallocated to local units of government.

**MO-KAN REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets:

The Council's capital assets are stated at historical cost and reported in the government-wide financial statements. Contributions of capital assets received from federal, state, or local sources are recorded at the estimated fair value at the time of receipt.

Property costing \$5,000 or greater is capitalized. Additions, improvements and costs that significantly extend the useful life of an asset are capitalized. Depreciation is recorded using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

Office equipment	7 – 10 years
Computer software and hardware	3 years

K. Right to Use Assets:

A right to use asset represents a lessee's right to use an asset, typically property or equipment, over the duration of a lease term. In the government-wide financial statements right to use assets are accounted for as assets in the Statement of Net Position. All right to use assets are valued based on the associated terms of the finance lease agreement. A capitalization threshold of \$5,000 is used to report right to use assets, which are amortized using the amortization schedule of the associated finance lease agreement.

In the fund financial statements, finance lease principal and interest payments are accounted for as expended.

L. Fair Value of Financial Instruments:

The carrying amounts of cash, cash equivalents, short-term investments, receivables, accrued expenses, and other liabilities approximate their fair values due to the short-term maturities of these financial instruments.

M. Net Position:

Net position in the government-wide financial statements represents the difference between assets and liabilities, and is reported in three categories:

1. Net investment in capital assets consists of net capital and right to use assets, including restricted capital assets, and reduced by the outstanding balance of any debt that is attributable to the acquisition, construction, or improvement of the assets.
2. Restricted net position consists of assets with constraints placed upon their use by external groups such as creditors, grantors, or contributors; or by laws and regulations of other governments; net of any related liability.
3. Unrestricted net position includes all other net position that does not meet the above definitions.

The Council first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**MO-KAN REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Balances:

The fund financial statements present fund balances by classification based on the extent to which the Council is bound to honor constraints on the specific purposes for which the funds may be spent. The following classifications are used to describe the relative strength of these constraints:

1. Nonspendable – amounts that are either not in spendable form or legally or contractually required to be maintained intact.
2. Restricted – amounts constrained to specific uses by external groups such as creditors, grantors, or contributors; or by laws and regulations of other governments.
3. Committed – amounts constrained to specific uses by the Council itself, using its highest level of decision making authority, the Council's Board of Directors. Commitments may be established, modified, or rescinded only through resolutions passed by the Council's Board of Directors.
4. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that the Council intends to use for a specific purpose. For all funds other than the General Fund, this includes any remaining funds not otherwise classified, as they are assigned to the purposes for which the fund was established. For the General Fund, the assignment can result from intent expressed by the Council's Board of Directors or by Council administrators to which the Board of Directors delegates the authority.
5. Unassigned – amounts that are available for any purpose. Positive amounts are reported in only the General Fund. Negative unassigned fund balances are reported for all other governmental funds where the nonspendable, restricted, and committed fund balances exceed the total fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Council applies restricted funds first. When an expenditure is incurred for which committed, assigned, and/or unassigned fund balances are available, the Council first applies committed funds, then assigned funds, and finally unassigned funds, as needed.

O. Change in Accounting Principles:

For fiscal year 2022, the Council implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. At June 30, 2024, the Council had finance leases in the amount of \$47,778 for right to use assets in the amount of \$45,115, net of accumulated amortization.

**MO-KAN REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Change in Accounting Principles (continued):

For fiscal year 2023, the Council implemented Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA). GASB Statement No. 96 defined a SBITA as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. Under this Statement, a government generally should recognize a right to use subscription asset—an intangible asset—and a corresponding subscription liability. At June 30, 2024, there were no material SBITAs.

2. INTERGOVERNMENTAL REVENUES

The Council received funds under Missouri Statute, Chapter 251, "State Planning Assistance," to be used as matching funds for local projects and administrative services. These funds are generally used to match or supplement funding of existing projects. The Council received \$24,923 during the year ended June 30, 2024.

3. CASH AND CASH EQUIVALENTS

Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. The Council does not have a formally adopted deposit policy, but follows the requirements set forth in the state statutes. At June 30, 2024, the Council's cash and cash equivalents balance was \$1,022,539 and the bank balance was \$1,025,903. Of the bank balances, \$1,025,903 was covered by federal depository insurance or by governmental securities pledged by the financial institution in the Council's name. The Council had no foreign currency risk.

Restricted cash consists of \$100,114 of revolving loan funds required to be used for future loans made by the Council.

The Council may invest in certificates of deposit, bonds of the State of Missouri or any wholly-owned corporation of the United States, or in other short-term obligations of the United States. The Council does not have a formally adopted investment policy, but follows the requirement set forth in the state statutes.

4. NOTES RECEIVABLE

The Council administers a revolving loan fund established with Economic Development Administration (EDA) funds and local funds. The grant requires a minimum twenty-five per cent local share in cash. During the year ended June 30, 2024, one new loan was awarded. The balance of loans outstanding at June 30, 2024, was \$1,086,561.

Management considers write-offs to be insignificant. Therefore, no allowance for doubtful accounts has been established.

**MO-KAN REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

5. INTERFUND BALANCES AND TRANSFERS

The following is a summary of interfund balances for all funds at June 30, 2024:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 287,775	\$ -
Special Revenue Fund	<u>-</u>	<u>287,775</u>
Totals	<u>\$ 287,775</u>	<u>\$ 287,775</u>

The purpose for the interfund balances is for the payment of expenditures by the General Fund on behalf of the Special Revenue Fund prior to grant receipts being received by the Special Revenue Fund.

Operating transfers are the distribution of local cash resources to grant projects requiring local cash match in accordance with the terms and conditions of the grant contract. Local funds are derived from the Council's assessments paid by member governments, state financial assistance received from annual state legislature appropriations and other revenues.

The following is a summary of interfund transfers for all funds for the year ended June 30, 2024:

<u>Fund</u>	<u>Transfer to Other Funds</u>	<u>Transfer from Other Funds</u>
General Fund	\$ -	\$ 78,876
Special Revenue Fund	<u>78,876</u>	<u>-</u>
Totals	<u>\$ 78,876</u>	<u>\$ 78,876</u>

6. PENSION PLAN

A. Plan Description:

The Mo-Kan Regional Council's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The Mo-Kan Regional Council participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS' responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org or by writing LAGERS, PO Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334.

**MO-KAN REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

6. PENSION PLAN (CONTINUED)

B. Benefits Provided:

LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age and receive a reduced allowance.

	February 29, 2024
	<u>Valuation</u>
Benefit Multiplier:	1.50%
Final Average Salary:	5 years
Member Contributions:	4.00%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

The Council began participation in the retirement program during the year ended June 30, 2018.

C. Covered Employees:

At June 30, 2024, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	4
Inactive, Nonretired Members	3
Active Members	<u>4</u>
TOTAL	<u><u>11</u></u>

D. Contributions:

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4% to the pension plan. The employer contribution rate is 12.00% of annual covered payroll.

E. Net Pension Liability:

The employer's net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 29, 2024.

**MO-KAN REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

6. PENSION PLAN (CONTINUED)

F. Actuarial Assumptions:

The total pension liability in the February 29, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75% wage inflation; 2.25% price inflation
Salary Increase	2.75% to 6.75% including wage inflation
Investment rate of return	7.00%, net of investment expense

The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups.

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

The long-term expected rate of return on pension plan investments was determined using model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Alpha	5.00%	2.37%
Equity	39.00%	5.37%
Fixed Income	23.00%	1.47%
Real Assets	33.00%	3.45%
Strategic Assets	7.00%	3.46%
Cash/Leverage	-7.00%	-0.26%

G. Discount Rate:

The discount rate used to measure the total pension liability is 7.00%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

**MO-KAN REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

6. PENSION PLAN (CONTINUED)

H. Changes in the Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at 6/30/23	\$ 466,956	\$ 263,316	\$ 203,640
Changes for the year:			
Service Cost	26,566	-	26,566
Interest on Total Pension Liability	32,210	-	32,210
Change in benefit terms	-	-	-
Difference between expected and actual experience of the Total Pension Liability	(14,330)	-	(14,330)
Benefit payments, including refunds of employee contributions	(40,429)	(40,429)	-
Contributions - employer	-	36,673	(36,673)
Contributions - employee	-	11,460	(11,460)
Net investment income	-	19,541	(19,541)
Pension Plan Administrative Expense	-	(1,472)	1,472
Other (Net Transfer)	-	248	(248)
Net changes	4,017	26,021	(22,004)
Balances at 6/30/24	\$ 470,973	\$ 289,337	\$ 181,636

I. Sensitivity of the Net Pension Liability to Changes in the Discount Rate:

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.00%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	Current Single Discount		
	1% Decrease 6.00%	Rate Assumption 7.00%	1% Increase 8.00%
Total Pension Liability	\$ 543,963	\$ 470,973	\$ 413,009
Plan Fiduciary Net Position	289,337	289,337	289,337
Net Pension Liability/(Asset)	<u>\$ 254,626</u>	<u>\$ 181,636</u>	<u>\$ 123,672</u>

**MO-KAN REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

6. PENSION PLAN (CONTINUED)

J. Pension Expense and Deferred outflows of Resources and Deferred Inflows of Resources Related to Pension:

For the year ended June 30, 2024, the employer recognized pension expense of \$8,036. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 6,584	\$ (21,465)
Changes in assumptions	-	(1,710)
Net difference between projected and actual earnings on pension plan investments	5,098	(10,356)
Total	<u>\$ 11,682</u>	<u>\$ (33,531)</u>

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Net Deferred Outflow of Resources
2025	\$ (23,045)
2026	(12,454)
2027	(12,881)
2028	(8,152)
2029	(2,649)
Thereafter	-
Total	<u>\$ (59,181)</u>

**MO-KAN REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

7. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Additions	Retirements	Balance June 30, 2024
Capital assets being depreciated:				
Property and equipment	\$ 80,824	\$ -	\$ -	\$ 80,824
Computer hardware	26,963	-	-	26,963
Computer software	4,406	-	-	4,406
Total costs	<u>112,193</u>	<u>-</u>	<u>-</u>	<u>112,193</u>
Less: Accumulated depreciation				
Property and equipment	(75,904)	(2,220)	-	(78,124)
Computer hardware	(19,475)	(987)	-	(20,462)
Computer software	(4,406)	-	-	(4,406)
Total accumulated depreciation	<u>(99,785)</u>	<u>(3,207)</u>	<u>-</u>	<u>(102,992)</u>
Capital assets, net	<u>\$ 12,408</u>	<u>\$ (3,207)</u>	<u>\$ -</u>	<u>\$ 9,201</u>

8. RIGHT TO USE ASSETS

The right to use assets activity for the year ended June 30, 2024, was as follows:

	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024
Right to use assets being amortized				
Software	\$ 75,193	\$ -	\$ -	\$ 75,193
	75,193	-	-	75,193
Less: accumulated amortization	(15,039)	(15,039)	-	(30,078)
Net right to use assets	<u>\$ 60,154</u>	<u>\$ (15,039)</u>	<u>\$ -</u>	<u>\$ 45,115</u>

The Council leases office space from Mo-Kan Development, Inc. on a year-to-year basis. The lease payments are \$1,400 per month, including utilities. The lease is renewable at the end of each year for successive one-year terms.

9. RELATED PARTY TRANSACTIONS

The Council is related to Mo-Kan Development, Inc. (the Corporation), a not-for-profit corporation, by sharing administrative personnel. The Council received reimbursements for management fees and office expenses in the amount of \$109,837 from the Corporation during the year ended June 30, 2024.

**MO-KAN REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

10. FINANCE LEASE OBLIGATIONS

The following is a summary of the finance leases for the year ended June 30, 2024:

	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024
<u>Lease Purchase Dated:</u>				
July, 2022	\$ 62,623	\$ -	\$ (14,845)	\$ 47,778
	<u>\$ 62,623</u>	<u>\$ -</u>	<u>\$ (14,845)</u>	<u>\$ 47,778</u>

In July 2022, the Organization entered a finance lease related to the office building currently occupied by the Organization. The leases require monthly payments of \$1,400.

The future minimum lease payments required under the lease and the present value of the net minimum lease payments as of June 30, 2024, are as follows:

Year ended June 30	Lease Payments	Interest	Payments
2025	\$ 15,373	\$ 1,427	\$ 16,800
2026	15,920	880	16,800
2027	16,485	314	16,799
Total	<u>\$ 47,778</u>	<u>\$ 2,621</u>	<u>\$ 50,399</u>

11. CONTINGENCY

The Council receives federal grants and state funding for specific purposes that are subject to review and audit. These reviews and audits could lead to requests for reimbursement or to withholding of future funding for expenditures disallowed under, or other noncompliance with, the terms of the grants and funding.

12. RISK MANAGEMENT

The Council is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The Council assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in the past year.

13. ECONOMIC DEPENDENCY

The Council receives a substantial amount of its support from federal, state, and local governments. If a significant reduction in this level of government support were to occur, it may have an effect on the Council's programs.

14. RESTRICTIONS

Funds received for grant programs are restricted to use on the purposes of the respective programs. The amount of restricted net position consists of the equity retained by the Council for those programs.

**MO-KAN REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

15. DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through February 26, 2025, the date the financial statements were available to be issued.

**MO-KAN REGIONAL COUNCIL
REQUIRED SUPPLEMENTARY INFORMATION
MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM INFORMATION**

Schedule of Changes in Net Pension Liability and Related Ratios

	Fiscal Year Ended June 30, 2018	Fiscal Year Ended June 30, 2019	Fiscal Year Ended June 30, 2020	Fiscal Year Ended June 30, 2021	Fiscal Year Ended June 30, 2022	Fiscal Year Ended June 30, 2023	Fiscal Year Ended June 30, 2024
Total Pension Liability							
Service Cost	\$ 10,206	\$ 28,340	\$ 25,228	\$ 31,529	\$ 35,030	\$ 30,060	\$ 26,566
Interest on the Total Pension Liability	363	26,503	32,729	32,193	33,855	33,177	32,210
Difference between expected and actual experience of the Total Pension Liability	(10,569)	44,307	(48,430)	8,805	(39,047)	(28,488)	(14,330)
Changes of Assumptions	356,743	-	-	(10,206)	-	-	-
Benefit payments, including refunds of employee contributions	-	(10,395)	(13,150)	(27,131)	(21,650)	(53,046)	(40,429)
Net Change in Total Pension Liability	356,743	88,755	(3,623)	35,190	8,188	(18,297)	4,017
Total Pension Liability, beginning	-	356,743	445,498	441,875	477,065	485,253	466,956
Total Pension Liability, ending	<u>\$ 356,743</u>	<u>\$ 445,498</u>	<u>\$ 441,875</u>	<u>\$ 477,065</u>	<u>\$ 485,253</u>	<u>\$ 466,956</u>	<u>\$ 470,973</u>
Plan Fiduciary Net Position							
Contributions-employer	\$ 30,694	\$ 28,495	\$ 32,669	\$ 43,712	\$ 33,632	\$ 38,883	\$ 36,673
Contributions-employee	20,937	9,911	10,454	12,952	9,965	12,961	11,460
Pension Plan Net Investment income	2,100	9,532	2,399	61,517	329	13,743	19,541
Benefit payments, including refunds of employee contributions	-	(10,395)	(13,150)	(27,131)	(21,650)	(53,046)	(40,429)
Pension Plan Administrative expense	(513)	(967)	(1,479)	(1,131)	(1,326)	(1,827)	(1,472)
Other	2,492	10,186	(1,687)	1,807	(782)	9,030	248
Net Change in Plan Fiduciary Net Position	55,710	46,762	29,206	91,726	20,168	19,744	26,021
Plan Fiduciary Net Position, beginning	-	55,710	102,472	131,678	223,404	243,572	263,316
Plan Fiduciary Net Position, ending	<u>\$ 55,710</u>	<u>\$ 102,472</u>	<u>\$ 131,678</u>	<u>\$ 223,404</u>	<u>\$ 243,572</u>	<u>\$ 263,316</u>	<u>\$ 289,337</u>
Employer Net Pension Liability	\$ 301,033	\$ 343,026	\$ 310,197	\$ 253,661	\$ 241,681	\$ 203,640	\$ 181,636
Plan fiduciary net position as a percentage of the total pension liability	15.62%	23.00%	29.80%	46.83%	50.19%	56.39%	61.43%
Covered Employee Payroll	\$ 294,844	\$ 223,130	\$ 288,784	\$ 392,223	\$ 305,954	\$ 358,567	\$ 245,880
Employer's Net Pension Liability as a percentage of covered employee payroll	102.10%	153.73%	107.41%	64.67%	78.99%	56.79%	73.87%

Note: This schedule will ultimately be built out to ten years, beginning with June 30, 2018.

See independent auditors' report and accompanying notes to the financial statements.

**MO-KAN REGIONAL COUNCIL
REQUIRED SUPPLEMENTARY INFORMATION
MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM INFORMATION**

**Schedule of Contributions
First Seven Fiscal Years***

Fiscal Year	Actuarially Determined Contribution	Contribution in Relation	Contribution Deficiency	Covered Employee Payroll	Contribution as Percentage
2018	\$ 30,694	\$ 30,694	\$ -	\$ 266,904	11.50%
2019	28,495	28,495	-	247,778	11.50%
2020	34,759	32,669	2,090	261,350	12.50%
2021	56,017	43,713	12,304	323,796	13.50%
2022	33,632	33,632	-	249,123	13.50%
2023	38,883	38,883	-	324,026	12.00%
2024	36,673	36,673	-	286,506	12.80%

*This schedule will be built out to 10 years. The Council did not begin participation until the fiscal year 2018.

See independent auditors' report and accompanying notes to the financial statements.

MO-KAN REGIONAL COUNCIL
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET TO
ACTUAL - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Intergovernmental revenue:				
Federal grants	\$ 356,651	\$ 356,651	\$ 317,167	\$ (39,484)
State revenues	102,129	102,129	105,046	2,917
Local assessments	48,957	48,957	38,767	(10,190)
Charges for services	173,591	173,591	51,863	(121,728)
Miscellaneous	-	-	1,904	1,904
Reimbursed expenses	101,100	101,100	109,837	8,737
Interest	84,000	84,000	55,412	(28,588)
Total revenues	<u>866,428</u>	<u>866,428</u>	<u>679,996</u>	<u>(186,432)</u>
EXPENDITURES:				
Current:				
Salaries and benefits	616,632	616,632	471,871	144,761
Board	2,000	2,000	41	1,959
Computer	16,300	16,300	6,853	9,447
Contractual labor and equipment	-	-	109,083	(109,083)
Marketing	500	500	593	(93)
Travel	18,250	18,250	27,027	(8,777)
Printing and copying	4,000	4,000	2,420	1,580
Loan processing	7,000	7,000	383	6,617
Homeland security	100,000	100,000	-	100,000
Memberships and dues	6,000	6,000	7,321	(1,321)
Conferences, meetings, and training	5,000	5,000	5,383	(383)
Occupancy	16,800	16,800	15,536	1,264
Insurance	21,000	21,000	25,296	(4,296)
Allocated expenses	-	-	82,672	(82,672)
Miscellaneous	34,720	34,720	17,187	17,533
Total expenditures	<u>848,202</u>	<u>848,202</u>	<u>771,666</u>	<u>76,536</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	18,226	18,226	(91,670)	(109,896)
Fund balances - beginning	<u>2,000,932</u>	<u>2,000,932</u>	<u>2,318,200</u>	<u>317,268</u>
Fund balances - ending	<u>\$ 2,019,158</u>	<u>\$ 2,019,158</u>	<u>\$ 2,226,530</u>	<u>\$ 207,372</u>

See independent auditors' report and accompanying notes to the financial statements.



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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*

To the Board of Directors
Mo-Kan Regional Council
St. Joseph, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Mo-Kan Regional Council, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Mo-Kan Regional Council's basic financial statements, and have issued our report thereon dated February 26, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Mo-Kan Regional Council'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 Mo-Kan Regional Council's internal control. Accordingly, we do not express an opinion on the effectiveness of Mo-Kan Regional Council'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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mo-Kan Regional Council'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.

DSWA Certified Public Accountants, P.C.

Raymore, Missouri
February 26, 2025

**MO-KAN REGIONAL COUNCIL
SCHEDULE OF FINDINGS AND RESPONSES TO THE 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***

**CURRENT YEAR
JUNE 30, 2024**

Internal Control over Financial Reporting

None

Compliance and Other Matters

None

**PRIOR YEAR
JUNE 30, 2024**

Internal Control over Financial Reporting

None

Compliance and Other Matters

None

MO-KAN REGIONAL COUNCIL
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL GENERAL FUND PROJECTS
FOR THE YEAR ENDED JUNE 30, 2024

	Atchison RTP	Cameron RTP	CDBG Cameron Harris Street	CDBG Clarksdale Road	CDBG Clarksdale Water	CDBG Savannah NCMC	CDBG Union Star	CDBG Wathena	Clarksdale Strategic Plan	Lathrop Comp Plan
REVENUES:										
Intergovernmental revenue:										
State revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local assessments	-	-	-	-	-	-	-	-	-	-
Charges for services	2,000	-	7,500	-	-	-	-	2,488	500	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Reimbursed expenses	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total revenues	<u>2,000</u>	<u>-</u>	<u>7,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,488</u>	<u>500</u>	<u>-</u>
EXPENDITURES:										
Current:										
Salaries and benefits	2,348	-	4,756	3,464	827	14,765	2,919	4,676	1,078	114
Board	-	-	-	-	-	-	-	-	-	-
Computer	-	-	-	-	-	-	-	-	-	-
Contractual labor and equipment	-	-	-	-	-	-	-	-	-	-
Marketing	-	-	-	-	-	-	-	-	-	-
Travel	174	-	148	54	36	1	24	1,076	28	-
Printing and copying	-	-	51	14	11	7	39	35	-	-
Loan processing	-	-	-	-	-	-	-	66	-	-
Memberships and dues	-	-	-	-	-	-	-	-	-	-
Conferences, meetings, and training	-	-	-	-	-	-	-	250	-	-
Occupancy	85	-	151	102	25	462	94	163	32	4
Insurance	-	-	-	-	-	-	-	-	-	-
Allocated expenses	261	-	515	363	116	1,524	308	640	114	12
Miscellaneous	-	-	49	-	255	-	2	136	-	-
Total expenditures	<u>2,868</u>	<u>-</u>	<u>5,670</u>	<u>3,997</u>	<u>1,270</u>	<u>16,759</u>	<u>3,386</u>	<u>7,042</u>	<u>1,252</u>	<u>130</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(868)</u>	<u>-</u>	<u>1,830</u>	<u>(3,997)</u>	<u>(1,270)</u>	<u>(16,759)</u>	<u>(3,386)</u>	<u>(4,554)</u>	<u>(752)</u>	<u>(130)</u>
Other financing sources (uses)										
Transfers in (out)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ (868)</u>	<u>\$ -</u>	<u>\$ 1,830</u>	<u>\$ (3,997)</u>	<u>\$ (1,270)</u>	<u>\$ (16,759)</u>	<u>\$ (3,386)</u>	<u>\$ (4,554)</u>	<u>\$ (752)</u>	<u>\$ (130)</u>

The accompanying notes are an integral part of the financial statements.

MO-KAN REGIONAL COUNCIL
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL GENERAL FUND PROJECTS
FOR THE YEAR ENDED JUNE 30, 2024

	MKDI CDC	Corporate Work/ Plan	RLF EDA	RLF MKRC	RLF RBEG	SEMA Tornado Sirens	SS4A Gower	USDA Savannah	Total All General Fund Projects
REVENUES:									
Intergovernmental revenue:									
State revenues	\$ -	\$ 24,923	\$ -	\$ -	\$ -	\$ -	\$ 54,433	\$ -	\$ 79,356
Local assessments	-	38,767	-	-	-	-	-	-	38,767
Charges for services	-	2,558	-	-	-	-	-	28,350	43,396
Miscellaneous	-	150	684	-	-	-	1,070	-	1,904
Reimbursed expenses	109,837	-	-	-	-	-	-	-	109,837
Interest	-	4,537	32,336	615	355	-	-	-	37,843
Total revenues	<u>109,837</u>	<u>70,935</u>	<u>33,020</u>	<u>615</u>	<u>355</u>	<u>-</u>	<u>55,503</u>	<u>28,350</u>	<u>311,103</u>
EXPENDITURES:									
Current:									
Salaries and benefits	78,087	32,245	41,664	-	-	-	47,406	21,535	255,884
Board	-	41	-	-	-	-	-	-	41
Computer	719	54	-	-	-	-	-	-	773
Contractual labor and equipment	-	1,346	-	-	-	-	-	-	1,346
Marketing	-	593	-	-	-	-	-	-	593
Travel	4,189	253	8	-	-	-	440	95	6,526
Printing and copying	161	(122)	578	-	-	-	59	-	833
Loan processing	317	-	-	-	-	-	-	-	383
Memberships and dues	1,223	191	83	-	-	-	-	-	1,497
Conferences, meetings, and training	2,225	-	-	-	-	-	-	-	2,475
Occupancy	2,604	1,067	1,357	-	-	-	1,730	718	8,594
Insurance	8,776	16,520	-	-	-	-	-	-	25,296
Allocated expenses	9,986	4,698	4,357	-	-	-	4,791	2,152	29,837
Miscellaneous	1,550	7,169	569	-	-	-	1,077	-	10,807
Total expenditures	<u>109,837</u>	<u>64,055</u>	<u>48,616</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,503</u>	<u>24,500</u>	<u>344,885</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>6,880</u>	<u>(15,596)</u>	<u>615</u>	<u>355</u>	<u>-</u>	<u>-</u>	<u>3,850</u>	<u>(33,782)</u>
Other financing sources (uses)									
Transfers in (out)	-	(90,645)	15,596	-	-	-	-	(3,827)	(78,876)
Total other financing sources (uses)	<u>-</u>	<u>(90,645)</u>	<u>15,596</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,827)</u>	<u>(78,876)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (83,765)</u>	<u>\$ -</u>	<u>\$ 615</u>	<u>\$ 355</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23</u>	<u>(112,658)</u>
Fund balances - beginning									<u>1,002,636</u>
Fund balances - ending									<u>\$ 889,978</u>

The accompanying notes are an integral part of the financial statements.

MO-KAN REGIONAL COUNCIL
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL SPECIAL REVENUE FUND PROJECTS
FOR THE YEAR ENDED JUNE 30, 2024

	22-25 Economic Development Administration	21-22 Economic Development Administration	20-22 COVID Economic Development Administration	SSJID Economic Development Administration	Homeland Security Grant Program Equipment	18-19 Homeland Security Grant Program	19-20 Homeland Security Grant Program	20-21 Homeland Security Grant Program	21-22 Homeland Security Grant Program	22-23 Homeland Security Grant Program
REVENUES:										
Intergovernmental revenue:										
Federal grants	\$ 75,516	\$ -	\$ -	\$ -	\$ 83,721	\$ -	\$ -	\$ 3,689	\$ 26,966	\$ -
State revenues	-	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	7,279	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total revenues	<u>75,516</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>91,000</u>	<u>-</u>	<u>-</u>	<u>3,689</u>	<u>26,966</u>	<u>-</u>
EXPENDITURES:										
Current:										
Salaries and benefits	67,584	-	-	-	-	-	-	(124)	23,093	688
Computer	1,358	-	-	-	-	-	-	13	538	-
Contractual labor and equipment	-	-	-	-	91,000	-	-	-	-	-
Travel	8,815	-	-	-	-	-	-	75	2,175	-
Printing and copying	266	-	-	-	-	-	-	13	97	-
Memberships and dues	3,107	-	-	-	-	-	-	203	406	-
Conferences, meetings, and training	1,419	-	-	-	-	-	-	-	775	-
Occupancy	2,030	-	-	-	-	-	-	19	750	16
Allocated expenses	8,626	-	-	-	-	-	-	173	2,609	70
Miscellaneous	1,353	-	-	-	-	-	-	-	9	-
Total expenditures	<u>94,558</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>91,000</u>	<u>-</u>	<u>-</u>	<u>372</u>	<u>30,452</u>	<u>774</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(19,042)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,317</u>	<u>(3,486)</u>	<u>(774)</u>
Other financing sources (uses)										
Transfers in (out)	<u>19,042</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>19,042</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	-	-	-	-	3,317	(3,486)	(774)
Fund balances - beginning	<u>(26,874)</u>	<u>(41,500)</u>	<u>1,446</u>	<u>(1,954)</u>	<u>-</u>	<u>(234)</u>	<u>(666)</u>	<u>(2,332)</u>	<u>1,743</u>	<u>-</u>
Fund balances - ending	<u>\$ (26,874)</u>	<u>\$ (41,500)</u>	<u>\$ 1,446</u>	<u>\$ (1,954)</u>	<u>\$ -</u>	<u>\$ (234)</u>	<u>\$ (666)</u>	<u>\$ 985</u>	<u>\$ (1,743)</u>	<u>\$ (774)</u>

The accompanying notes are an integral part of the financial statements.

MO-KAN REGIONAL COUNCIL
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL SPECIAL REVENUE FUND PROJECTS
FOR THE YEAR ENDED JUNE 30, 2024

	EDA Revolving Loan Fund	EDA COVID Revolving Loan Fund	EDA Revolving Loan Fund	MKRC Revolving Loan Fund	RBEG Micro-Revolving Loan Fund	USDA Savannah	EPA	Broadband	20-21 Workforce Programs	22-23 WDB
REVENUES:										
Intergovernmental revenue:										
Federal grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,990	\$ -	\$ -	\$ -
State revenues	-	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-
Interest	-	17,569	-	-	-	-	-	-	-	-
	<u>-</u>	<u>17,569</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,990</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:										
Current:										
Salaries and benefits	-	16,411	-	-	-	-	18,944	4,397	-	-
Computer	-	-	-	-	-	-	-	-	-	-
Contractual labor and equipment	-	-	-	-	-	-	168	-	-	-
Travel	-	-	-	-	-	-	372	-	-	-
Printing and copying	-	93	-	-	-	-	-	-	-	-
Memberships and dues	-	-	-	-	-	-	-	-	-	-
Conferences, meetings, and training	-	-	-	-	-	-	359	-	-	-
Occupancy	-	581	-	-	-	-	603	118	-	-
Allocated expenses	-	1,714	-	-	-	-	2,043	451	-	-
Miscellaneous	-	54	-	-	-	-	-	-	-	-
	<u>-</u>	<u>18,853</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,489</u>	<u>4,966</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(1,284)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,499)</u>	<u>(4,966)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)										
Transfers in (out)	-	1,284	-	-	-	3,827	4,499	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>1,284</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,827</u>	<u>4,499</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	-	-	3,827	-	(4,966)	-	-
Fund balances - beginning	<u>929,047</u>	<u>356,254</u>	<u>4,271</u>	<u>103,008</u>	<u>63,712</u>	<u>(3,827)</u>	<u>45</u>	<u>6,011</u>	<u>3,319</u>	<u>191</u>
Fund balances - ending	<u>\$ 929,047</u>	<u>\$ 356,254</u>	<u>\$ 4,271</u>	<u>\$ 103,008</u>	<u>\$ 63,712</u>	<u>\$ -</u>	<u>\$ 45</u>	<u>\$ 1,045</u>	<u>\$ 3,319</u>	<u>\$ 191</u>

The accompanying notes are an integral part of the financial statements.

MO-KAN REGIONAL COUNCIL
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL SPECIAL REVENUE FUND PROJECTS
FOR THE YEAR ENDED JUNE 30, 2024

	20-21 MoDOT TAC	21-22 MoDOT TAC	22-23 MoDOT TAC	22-23 MoDOT HSTP	23-24 MoDOT Highway Planning and Construction	HMGP Lathrop	HMGP Clinton Co Sirens	HMP Clinton Co	HMP DeKalb	MDNR 604B
REVENUES:										
Intergovernmental revenue:										
Federal grants	\$ -	\$ -	\$ -	\$ 25,000	\$ 72,285	\$ -	\$ -	\$ 12,000	\$ -	\$ -
State revenues	-	-	-	-	-	-	-	-	-	25,690
Charges for services	-	-	-	-	-	1,188	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>72,285</u>	<u>1,188</u>	<u>-</u>	<u>12,000</u>	<u>-</u>	<u>25,690</u>
EXPENDITURES:										
Current:										
Salaries and benefits	-	-	-	4,847	62,803	388	6,834	667	136	9,319
Computer	-	-	-	-	4,171	-	-	-	-	-
Contractual labor and equipment	-	-	-	-	1,672	-	-	-	-	14,897
Travel	-	-	-	-	9,040	24	-	-	-	-
Printing and copying	-	-	-	-	689	55	22	274	78	-
Memberships and dues	-	-	-	-	2,108	-	-	-	-	-
Conferences, meetings, and training	-	-	-	-	355	-	-	-	-	-
Occupancy	-	-	-	181	2,106	10	241	36	4	247
Allocated expenses	-	-	-	439	8,788	48	710	99	22	976
Miscellaneous	-	-	-	-	4,710	-	-	-	-	254
	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,467</u>	<u>96,442</u>	<u>525</u>	<u>7,807</u>	<u>1,076</u>	<u>240</u>	<u>25,693</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,533</u>	<u>(24,157)</u>	<u>663</u>	<u>(7,807)</u>	<u>10,924</u>	<u>(240)</u>	<u>(3)</u>
Other financing sources (uses)										
Transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,157</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,157</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	19,533	-	663	(7,807)	10,924	(240)	(3)
Fund balances - beginning	<u>(35,526)</u>	<u>24,899</u>	<u>(19,173)</u>	<u>(26,488)</u>	<u>-</u>	<u>(288)</u>	<u>-</u>	<u>(8,539)</u>	<u>2,469</u>	<u>3</u>
Fund balances - ending	<u>\$ (35,526)</u>	<u>\$ 24,899</u>	<u>\$ (19,173)</u>	<u>\$ (6,955)</u>	<u>\$ -</u>	<u>\$ 375</u>	<u>\$ (7,807)</u>	<u>\$ 2,385</u>	<u>\$ 2,229</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements.

MO-KAN REGIONAL COUNCIL
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL SPECIAL REVENUE FUND PROJECTS
FOR THE YEAR ENDED JUNE 30, 2024

	Hazard Mitigation Planning	De Minimus	Total All Special Revenue Fund Projects
REVENUES:			
Intergovernmental revenue:			
Federal grants	\$ -	\$ -	\$ 317,167
State revenues	-	-	25,690
Charges for services	-	-	8,467
Interest	-	-	17,569
	<u>-</u>	<u>-</u>	<u>368,893</u>
EXPENDITURES:			
Current:			
Salaries and benefits	-	-	215,987
Computer	-	-	6,080
Contractual labor and equipment	-	-	107,737
Travel	-	-	20,501
Printing and copying	-	-	1,587
Memberships and dues	-	-	5,824
Conferences, meetings, and training	-	-	2,908
Occupancy	-	-	6,942
Allocated expenses	-	26,067	52,835
Miscellaneous	-	-	6,380
	<u>-</u>	<u>26,067</u>	<u>426,781</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(26,067)</u>	<u>(57,888)</u>
Other financing sources (uses)			
Transfers in (out)	<u>-</u>	<u>26,067</u>	<u>78,876</u>
Total other financing sources (uses)	<u>-</u>	<u>26,067</u>	<u>78,876</u>
Net change in fund balance	-	-	20,988
Fund balances - beginning	<u>25,911</u>	<u>(39,364)</u>	<u>1,315,564</u>
Fund balances - ending	<u>\$ 25,911</u>	<u>\$ (39,364)</u>	<u>\$ 1,336,552</u>

The accompanying notes are an integral part of the financial statements.

MO-KAN REGIONAL COUNCIL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Program	Federal Assistance Listing Number	Pass-Through Entity's Identifying Number	Passed-through to Subrecipients	Expenditures
CASH FEDERAL AWARDS				
<u>U.S. Department of Commerce</u>				
Direct Program				
Support for Planning Organizations	11.302	ED20DEN3020027	\$ -	\$ 94,558
COVID 19 Economic Adjustment Assistance	11.307	05-79-06022	-	482,900
Broadband Equity Access and Deployment	11.035	C007476-17	-	4,966
Total U.S. Department of Commerce			-	582,424
<u>U.S. Department of Environmental Protection Agency</u>				
Direct Program				
Brownfields Assessment and Cleanup Cooperative	66.818	BF-97746001	-	22,489
Passed through State of Missouri-Department of Natural Resources				
Department of Natural Resource - 604B	66.454	C6007476-17	-	25,690
Total U.S. Department of Environmental Protection Agency			-	48,179
<u>U. S. Department of Homeland Security</u>				
Passed through State of Missouri-State Emergency Management Agency				
Hazard Mitigation Planning	97.039	PDMC-PJ-07-MO-2019-011	-	1,076
Hazard Mitigation Planning	97.039	PDMC-PJ-07-MO-2019-011	-	240
Hazard Mitigation Planning	97.039	FEMA-4490-DR-MO #0024	-	7,807
Hazard Mitigation Planning	97.039	FEMA-4490-DR-MO #0008	-	525
Total Hazard Mitigation Planning			-	9,648
Passed through State of Missouri-Office of Homeland Security				
Homeland Security Grant Program	97.067	EMW-2021-SS-00038-09-02	-	2,115
Homeland Security Grant Program	97.067	EMW-2022-SS-00094-09-01	-	8,113
Homeland Security Grant Program	97.067	EMW-2022-SS-00094-09-02	-	22,339
Homeland Security Grant Program	97.067	EMW-2023-SS-00085-08-01	-	774
Homeland Security Grant Program	97.067	EMW-2022-SS-00094-08-04	-	8,300
Homeland Security Grant Program	97.067	EMW-2022-SS-00094-08-07	-	43,914
Homeland Security Grant Program	97.067	EMW-2022-SS-00094-08-03	-	7,279
Homeland Security Grant Program	97.067	EMW-2023-SS-00085-08-07	-	31,507
Total Homeland Security Grant Program			-	124,341
Total U.S. Department of Homeland Security			-	133,989
<u>U. S. Department of Transportation</u>				
Passed through State of Missouri- Department of Transportation				
Highway Planning and Construction	20.205	SPR2327S	-	96,444
MO-DOT HSTP-State Planning & Research	20.215	2022-08-72217	-	5,467
Total U.S. Department of Transportation			-	101,911
Total Federal Awards			\$ -	\$ 866,503

**MO-KAN REGIONAL COUNCIL
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

- A. Basis of Presentation: The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Mo-Kan Regional Council under programs of the federal government for the fiscal year ended June 30, 2024. 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 Mo-Kan Regional Council, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Mo-Kan Regional Council.

The accompanying schedule includes all federal financial assistance programs administered by the Mo-Kan Regional Council.

- B. Summary of Significant Accounting Policies: Expenditures reported on the Schedule are on the accrual basis which recognizes expenditures of federal awards when the related expenditure is incurred. 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.
- C. Indirect Cost Rate: Mo-Kan Regional Council has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

2. ECONOMIC DEVELOPMENT ADMINISTRATION REVOLVING LOAN GRANT:

- A. The calculation of expenditures of federal awards for the Economic Development Administration Assistance Revolving Loan (RLF) grant programs follows:

Balance of RLF Loan-COVID 19 outstanding as of June 30, 2024	\$ 343,555
Cash balance in RLF as of June 30, 2024	120,490
Administrative expense paid out of RLF income during fiscal year	18,855
Subtotal	482,900
Federal share of the RLF	100%
Expenditures of federal awards	<u>\$ 482,900</u>



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

To the Board of Directors
Mo-Kan Regional Council

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Mo-Kan Regional Council'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 Mo-Kan Regional Council's major federal programs for the fiscal year ended June 30, 2024. Mo-Kan 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, Mo-Kan Regional Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2024.

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 Mo-Kan Regional Council 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 Mo-Kan 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 the Council's federal programs.

Auditors' 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 Mo-Kan 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 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 Mo-Kan Regional Council'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 Mo-Kan 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 Mo-Kan 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 Mo-Kan 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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.

DSWA Certified Public Accountants. P.C.

Raymore, Missouri
February 26, 2025

**MO-KAN REGIONAL COUNCIL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness identified? Yes ____ No X

Significant Deficiencies identified not considered to be material weaknesses? Yes ____ None reported X

Noncompliance material to financial statements noted? Yes ____ No X

Federal Awards

Internal control over programs:

Material weaknesses identified? Yes ____ No X

Significant deficiencies identified not considered to be material weaknesses? Yes ____ None reported X

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

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance Section 2 CFR 200.516(a)? Yes ____ No X

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program</u>
11.307	COVID 19 Economic Adjustment Assistance

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low risk auditee? Yes X No ____

**MO-KAN REGIONAL COUNCIL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.