

Northeast Independent Living Services

Financial Statements

Year Ended June 30, 2025 and 2024

Northeast Independent Living Services

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Financial Section



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Independent Auditors' Report

Board of Directors
Northeast Independent Living Services
Hannibal, Missouri

Opinion

We have audited the accompanying financial statements of Northeast Independent Living Services (NEILS) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northeast Independent Living Services as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of NEILS 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 NEILS' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

Independent Auditors' Report (Concluded)

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 NEILS' 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 NEILS' 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2025, on our consideration of Northeast Independent Living Services' 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 NEILS' 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 NEILS' internal control over financial reporting and compliance.

Wade Stables P.C.

Wade Stables P.C.

Certified Public Accountants

October 27, 2025
Hannibal, Missouri

Northeast Independent Living Services

Statements of Financial Position

June 30, 2025 and 2024

	June 30,	
	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,449,777	\$ 1,192,919
Accounts receivable	286,304	321,716
Total Current Assets	\$ 1,736,081	\$ 1,514,635
Capital Assets		
Equipment, net of depreciation	1,159,309	1,030,752
Total Assets	\$ 2,895,390	\$ 2,545,387
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 23,806	\$ 18,991
Accrued payroll	37,779	16,831
Current portion of long-term debt	22,717	22,443
Total Current Liabilities	\$ 84,302	\$ 58,265
Long-term Debt	255,254	277,328
Total Liabilities	\$ 339,556	\$ 335,593
Net Assets		
Without donor restrictions	\$ 2,555,834	\$ 2,209,794
Total Net Assets	\$ 2,555,834	\$ 2,209,794
Total Liabilities and Net Assets	\$ 2,895,390	\$ 2,545,387

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

Northeast Independent Living Services

Statements of Activities

For the Years Ended June 30, 2025 and 2024

	June 30,	
	2025	2024
Net Assets Without Donor Restrictions		
Revenue and Support		
Program fees	\$ 6,600,698	\$ 5,741,421
Grant income	6,500	4,716
Rent income	17,400	2,400
Interest income	28,837	14,769
Gain on sale of fixed assets	-	6,500
Miscellaneous income	4,898	5,751
Total Revenue and Support Without Donor Restrictions	\$ 6,658,333	\$ 5,775,557
Net Assets Released from Restrictions and Reclassifications	-	-
Total Revenue and Support and Reclassifications Without Donor Restrictions	\$ 6,658,333	\$ 5,775,557
Expenses		
Program services		
Independent living	\$ 6,172,023	\$ 5,163,686
Total Program Services	\$ 6,172,023	\$ 5,163,686
Supporting activities		
Management and general	\$ 140,270	\$ 95,052
Total Supporting Activities	\$ 140,270	\$ 95,052
Total Expenses	\$ 6,312,293	\$ 5,258,738
Increase (Decrease) in Net Assets Without Donor Restrictions	\$ 346,040	\$ 516,819
Net Increase (Decrease) in Net Assets	\$ 346,040	\$ 516,819
Net Assets, Beginning of Year	2,209,794	1,692,975
Net Assets, End of Year	\$ 2,555,834	\$ 2,209,794

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

Northeast Independent Living Services

Statement of Functional Expenses

For the Year Ended June 30, 2025

	<u>Program Services</u>	<u>Supporting Activities</u>	
	<u>Independent</u>	<u>Management</u>	
	<u>Living</u>	<u>and General</u>	<u>Total</u>
Salaries	\$ 1,222,799	\$ 29,812	\$ 1,252,611
Payroll taxes and benefits	145,876	3,556	149,432
Retirement	23,399	570	23,969
Total Personnel Costs	\$ 1,392,073	\$ 33,939	\$ 1,426,012
Insurance	53,391	1,302	54,693
Depreciation	37,417	24,175	61,592
Operating supplies	-	12,098	12,098
Lobbyist fees	-	2,884	2,884
Professional fees	-	8,535	8,535
Telephone and utilities	28,375	-	28,375
Postage	-	3,477	3,477
Training and education	3,368	-	3,368
Advertising	11,004	-	11,004
Dues and publications	-	5,131	5,131
Software	51,250	-	51,250
Maintenance and repairs	-	48,729	48,729
Attendant payroll processing	4,459,291	-	4,459,291
SMH sub-contractors	57,250	-	57,250
Consumer assistance	49,947	-	49,947
Fees and service charges	1,192	-	1,192
Travel	5,520	-	5,520
Miscellaneous	11,925	-	11,925
Interest expense	10,020	-	10,020
Total Functional Expenses	\$ 6,172,023	\$ 140,270	\$ 6,312,293

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

Northeast Independent Living Services

Statement of Functional Expenses

For the Year Ended June 30, 2024

	Program Services Independent Living	Supporting Activities Management and General	Total
Salaries	\$ 1,043,385	\$ 25,438	\$ 1,068,823
Payroll taxes and benefits	129,902	3,167	133,069
Retirement	14,640	357	14,997
Total Personnel Costs	\$ 1,187,927	\$ 28,962	\$ 1,216,889
Insurance	40,923	998	41,921
Depreciation	24,130	15,929	40,059
Operating supplies	-	9,608	9,608
Lobbyist fees	-	2,277	2,277
Professional fees	-	7,985	7,985
Telephone and utilities	24,494	-	24,494
Postage	-	3,212	3,212
Training and education	1,000	-	1,000
Advertising	30,241	-	30,241
Dues and publications	-	2,598	2,598
Software	41,883	-	41,883
Maintenance and repairs	-	23,483	23,483
Attendant payroll processing	3,646,009	-	3,646,009
SMH sub-contractors	82,603	-	82,603
Consumer assistance	55,035	-	55,035
Fees and service charges	2,907	-	2,907
Travel	6,965	-	6,965
Miscellaneous	8,790	-	8,790
Interest expense	10,779	-	10,779
Total Functional Expenses	\$ 5,163,686	\$ 95,052	\$ 5,258,738

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

Northeast Independent Living Services

Statements of Cash Flows

For the Years Ended June 30, 2025 and 2024

	June 30,	
	2025	2024
Cash Flows from Operating Activities:		
Increase (decrease) in net assets	\$ 346,040	\$ 516,819
Adjustments to reconcile change in net assets to Net Cash Provided by Operating Activities:		
Depreciation	61,592	40,059
(Gain) loss on sale of capital assets	-	(6,500)
(Increase) decrease in operating assets:		
Accounts receivable	35,412	117,196
Increase (decrease) in operating liabilities:		
Accounts payable	4,815	(106,787)
Accrued payroll	20,948	(4,508)
Net Cash Provided by (Used for) Operating Activities	\$ 468,807	\$ 556,279
Cash Flows from Investing Activities:		
Purchase of capital assets	\$ (190,149)	\$ (440,472)
Proceeds from sale of capital assets	-	6,500
Net Cash Provided by (Used by) Investing Activities	\$ (190,149)	\$ (433,972)
Cash Flows from Financing Activities:		
Debt payments	\$ (21,800)	\$ (18,391)
Net Cash Provided by (Used for) Financing Activities	\$ (21,800)	\$ (18,391)
Net Increase in Cash and Cash Equivalents	\$ 256,858	\$ 103,916
Cash and Cash Equivalents, Beginning of Year	1,192,919	1,089,003
Cash and Cash Equivalents, End of Year	\$ 1,449,777	\$ 1,192,919
Supplemental Disclosures		
Cash paid for interest	\$ 10,020	\$ 10,779
Noncash activities	None	None

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

1. Significant Accounting Policies

Organization

Northeast Independent Living Services (NEILS) is a private, not-for-profit organization incorporated under the laws of the State of Missouri, governed by a Board of Directors. NEILS enables persons with disabilities, primarily in the Missouri counties of Clark, Lewis, Marion, Monroe, Pike, and Ralls, to gain effective control and direction of their own lives. NEILS attempts to stimulate and promote a growing sense of personal dignity and responsible community participation of persons with disabilities in the six-county area through training, community development, and direct services to meet the unmet needs of persons with disabilities.

Financial Statement Presentation

NEILS has chosen to maintain its accounting records on the accrual basis. Accordingly, revenue is recognized when earned or when it otherwise becomes available, and expenditures are recognized when incurred.

Under requirements of the Financial Accounting Standards Board, NEILS is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. In addition, NEILS is required to present a statement of cash flows.

Contributions

In accordance with the Not-for-Profit Entities topics of the FASB Accounting Standards Codification, the Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restriction.

Government Grants

Support received under grants and contracts from projects supported by the United States and State of Missouri governments are reported as public support.

Donated Materials and Services

Donated materials and equipment are recorded as contributions at their estimated values at the date of receipt. NEILS may receive donated services from a variety of unpaid volunteers assisting with activities throughout the year. NEILS has not recognized any amounts in the accompanying statements of activities because the criteria for recognition of such volunteer effort under accounting standards has not been satisfied.

Estimates

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

Cash and Cash Equivalents

For purposes of the statement of cash flows, NEILS considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Functional Expenses

NEILS allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and/or support service are allocated directly according to their natural expenditure classification.

Capital Assets

NEILS capitalizes acquisitions of capital assets greater than \$1,000. These are recorded at cost for items purchased by the Organization. Capital assets donated to the Organization are recorded at the fair market value when received. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets ranging from five to thirty years.

Northeast Independent Living Services

Notes to Financial Statements

Year Ended June 30, 2025 and 2024

1. Significant Accounting Policies (Concluded)

Liquidity Management and Availability of Resources

On June 30, 2025, NEILS had \$1,736,081 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure consisting of cash of \$1,449,777 and accounts receivable of \$286,304. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date.

On June 30, 2024, NEILS had \$1,514,635 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure consisting of cash of \$1,192,919 and accounts receivable of \$321,716. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date.

NEILS does not currently have a policy structuring its financial assets to be available as general expenditures, liabilities, and other obligations become due.

Subsequent Events

Subsequent events were evaluated through October 27, 2025, which is the date the financial statements were available to be issued.

2. Capital Assets

Capital assets with a cost greater than \$1,000 purchased by the Organization are recorded at cost. Capital assets donated to the Organization are recorded at the fair market value when received and put in service. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets.

Following is a summary of capital assets on June 30, 2025 and 2024:

	<u>June 30,</u>	
	<u>2025</u>	<u>2024</u>
Building and equipment	\$ 1,423,208	\$ 1,233,059
Accumulated depreciation	<u>(263,899)</u>	<u>(202,307)</u>
Net capital assets	<u>\$ 1,159,309</u>	<u>\$ 1,030,752</u>

Depreciation expense for the year ending June 30, 2025 and 2024, was \$61,592 and \$40,059, respectively.

3. Related Party Transactions

During the course of the audit, it was noted \$6,600 and \$4,950 was paid to Kendrick Lawn Care for services during the years ended June 30, 2025 and 2024, respectively. The Executive Director has ownership interest in this company.

4. Concentration of Credit Risk

NEILS derives the majority of its program revenues from the State of Missouri, the loss of which would have a materially adverse effect on the financial statements. During the year ended June 30, 2025 and 2024, the amount of funds received was \$6,068,562 and \$5,669,357, respectively. This contract is renewable annually on July 1.

Northeast Independent Living Services

Notes to Financial Statements

Year Ended June 30, 2025 and 2024

5. Tax Exempt Status

NEILS is exempt from federal and state income tax under Section 501(c)(3) of the Internal Revenue Code. IRS Form 990, *Return of Organization Exempt from Income Tax*, for the year ended June 30, 2025, and prior years have been filed or will be timely filed. NEILS' income tax filings are subject to audit by various taxing authorities and are open for audit for 2023 to 2025.

6. Notes Payable

On November 13, 2020, NEILS entered into a loan agreement with Heartland Bank and Trust, formerly known as Town and County Bank, to purchase the Paris Gravel Building in Hannibal, Missouri.

A summary of the note payable as of June 30, 2025, is shown below:

Heartland Bank and Trust Company, original amount \$372,000, including interest at FHLB 5 year advance rate plus 2.85%, for an original rate of 3.41%, to mature on November 13, 2035.	\$ 277,971
Less: Current portion	<u>(22,717)</u>
Long-term portion	<u>\$ 255,254</u>

The following table summarizes the future principal amounts due:

<u>Year Ended June 30,</u>	
2026	\$ 22,717
2027	23,504
2028	24,318
2029	25,161
2030	26,032
2031-2035	144,328
2036	<u>11,911</u>
	<u>\$ 277,971</u>

7. Employee Benefit Plans

NEILS contributes to a qualified SIMPLE pension plan for its full-time employees. NEILS contributes up to 3% match per employee to this plan. For the years ending June 30, 2025 and 2024, NEILS had \$23,969 and \$14,997, respectively, in retirement expenses.

Compliance Section



**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
Northeast Independent Living Services
Hannibal, 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 Northeast Independent Living Services (NEILS) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 27, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered NEILS' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of NEILS' internal control. Accordingly, we do not express an opinion on the effectiveness of the NEILS' 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2025-001 that we consider to be a significant deficiency.

**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* (Concluded)**

Report on Compliance and Other Matters

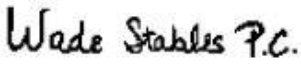
As part of obtaining reasonable assurance about whether NEILS' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2025-002 and 2025-003.

Northeast Independent Living Services' Response to Findings

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Wade Stables P.C.
Certified Public Accountants

October 27, 2025
Hannibal, Missouri

Significant Deficiencies:

Finding 2025-001: Segregation of Duties

Criteria: During the course of our audit, we noticed a lack of segregation of duties within the accounting functions of the Organization. Essentially, one person is in charge of the majority of the accounting duties. Due to the limited number of people working the office, segregation of duties is normally difficult to accomplish within a small organization; however, management should be mindful of areas that can be improved.

Condition: Strong internal control requires segregation of incompatible duties to minimize the risk of misstatement.

Effect: Proper segregation of duties strengthens internal control and is essential to ensure financial reporting is accurate. Misstatements are more likely to occur and not be detected and, consequently, corrected so that management and other users of the financial statements receive reliable information.

Recommendation: NEILS should segregate duties the best they can. Individuals who perform certain procedures should be limited in their ability to perform other functions. Cash receipts should be recorded, and the deposits prepared by someone other than the employee responsible for posting to the accounting records. Bank statements, canceled checks, and appropriate advices should be received by someone other than the employee maintaining cash records. Bank reconciliations should be prepared by someone without other cash responsibilities and reviewed by a second party. Initials and dates should be used to indicate who prepared and who reviewed the applicable documents as well as when the review was performed.

Response: Due to the limited number of staff members, complete segregation of duties is not feasible. Management will segregate duties as best as possible.

Noncompliance:

Finding 2025-002: Cost Allocation

Criteria:

A Cost Allocation Plan is required by the Independent Living Program administered by Missouri Vocational Rehabilitation to support the distribution of costs to various funding sources, and that such costs are properly calculated and reasonable.

Condition:

The Organization implemented a Cost Allocation Plan effective January 1, 2023. Per this Cost Allocation Plan, compensation for personal services is to be documented with timesheets showing time distribution for all employees and allocated based on time spent on each program or grant. The Organization does not have a method in place to track personnel's time distribution in order to allocate costs per the Cost Allocation Plan. The Organization continues to allocate costs based on the budget. The budget is then used to allocate costs reported in the Financial Status Reports. Although fiscal year end 2025 personnel costs reported in the Financial Status Reports agreed to budgeted salaries, the reported expenditures exceeded actual salaries per the general ledger by \$22,323. To partially offset this excess, employer payroll tax expenses of \$13,928 should also be included in the Financial Status Reports.

Cause:

The distribution of costs to funding sources is currently determined by the budget, and time distribution records are not used to allocate costs reported in the Financial Status Reports.

Effect:

The Organization may be noncompliant with certain conditions of the Independent Living Program administered by Missouri Vocational Rehabilitation.

Noncompliance (Concluded):

Finding 2025-002: Cost Allocation (Concluded)

Recommendation:

We recommend that the Organization implement a process to track time distribution per the parameters of the Cost Allocation Plan and use the data to allocate costs in the quarterly reports.

Response:

NEILS will create a plan to track time distribution in accordance with the elected Cost Allocation Plan and use the data to allocate costs in the quarterly reports.

Finding 2025-003: Report Submission

Criteria:

The grant agreement between the Organization and the State of Missouri, Department of Health and Senior Services, requires specific reports to be submitted to the Office of Adult Learning and Rehabilitation Services during the course of the state fiscal year. Among the required reports are Quarterly Service Reports should be submitted within 30 days after the end of each quarter.

Condition:

The Quarterly Service Report for the quarter ending December 31, 2024, was submitted February 2, 2025, two days after the required date.

Cause:

The Executive Director was on leave for bereavement when the report would typically have been submitted, resulting in the report being submitted two days late.

Effect:

Noncompliance could lead to the Organization's funding being withheld until the appropriate report is filed.

Recommendation:

We recommend a process be put in place to ensure required reporting is submitted in a timely manner to ensure compliance with grant requirements.

Response:

It is management's view that this was an isolated incident. However, processes will be implemented to ensure grant reporting is submitted timely.