

**NORTHEAST MISSOURI
COMMUNITY ACTION AGENCY**
Kirksville, Missouri

Independent Auditors' Report and
Financial Statements with
Supplementary Information
For the Year Ended September 30, 2015

NORTHEAST MISSOURI COMMUNITY ACTION AGENCY
Kirksville, Missouri

TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
Independent Auditors' Report	1-2
Consolidated Statement of Financial Position	3
Consolidated Statement of Activities	4
Consolidated Statement of Functional Expenses	5
Consolidated Statement of Cash Flows	6
Notes to the Consolidated Financial Statements	7-15
Supplementary Information:	
Combining Schedule of Activities	16-19
Schedule of Grant Revenue and Expenses	
Community Services Block Grant Program – Grant No. PG281300013.....	20
Low Income Home Energy Assistance Program – Grant No. ERS11014014.....	21
Weatherization Program – DOE – Grant No. G-15-EE0006164-3-15	22
Weatherization Program – DOE – Grant No. G-14-EE0006164-2-15	23
Weatherization Program – Ameren Electric – Grant No. G15-11-0028-3-15	24
Weatherization Program – Ameren Electric – Grant No. G14-11-0028-3-15	25
Weatherization Program – Liberty Utilities – Grant No. G15-10-0192-4-15	26
Weatherization Program – Liberty Utilities – Grant No. G14-10-0192-3-15	27
Weatherization Program – LIHEAP – Grant No. G-15-LIHEAP-15-15	28
Head Start Program - Grant No. 07CH7059/02	29
Reconciliation of Final Financial Report to Audited Financial Statements	
Head Start/Training and Technical Assistance Programs	30
Schedule of Expenditures of Federal Awards	31-32
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 <i>Government Auditing Standards</i>	33-34
Independent Auditors' Report on Compliance for Each Major Program Program and on Internal Control Over Compliance in Required by OMB Circular A-133.....	35-37
Schedule of Findings and Questioned Costs	38-40
Summary Schedule of Prior Audit Findings	41
Corrective Action Plan	42

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Northeast Missouri Community Action Agency
Kirksville, Missouri

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Northeast Missouri Community Action Agency (a nonprofit organization), which comprise the statement of consolidated financial position as of September 30, 2015, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Northeast Missouri Community Action Agency as of September 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The combining schedule of activities (presented on Pages 16-19) is prepared for additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary schedules (presented on pages 20-30) are presented for purposes of additional analysis as required by grantors and are not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and, accordingly, we express no opinion on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2016, on our consideration of Northeast Missouri Community Action Agency'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 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 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 Northeast Missouri Community Action Agency's internal control over financial reporting and compliance.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
February 16, 2016

NORTHEAST MISSOURI COMMUNITY ACTION AGENCY

Kirksville, Missouri

Consolidated Statement of Financial Position

September 30, 2015

ASSETS

Current Assets:

Cash

Cash in Bank - Unrestricted \$ 56,855.32

Cash in Bank - Restricted 49,200.00

Total Cash 106,055.32

Receivables, Net 239,216.58

Inventory 1,452.15

Prepaid Expense 12,020.80

Total Current Assets 358,744.85

Capital Assets, Net 3,454,167.19

TOTAL ASSETS \$ 3,812,912.04

LIABILITIES AND NET ASSETS

Liabilities

Current Liabilities:

Accounts Payable \$ 69,897.44

Accrued Payroll 71,561.84

Accrued Payroll Withholdings 74,276.89

Accrued Annual Leave 41,948.90

Refundable Grant Advances 7,118.00

Tenant Security Deposits 7,095.00

Line of Credit 67,500.00

Current Maturities of Notes Payable 28,795.52

Total Current Liabilities 368,193.59

Long-Term Liabilities

Notes Payable 615,700.50

Less: Current Maturities of Notes Payable (28,795.52)

Total Long-Term Liabilities 586,904.98

TOTAL LIABILITIES 955,098.57

Net Assets:

Unrestricted 436,539.69

Temporarily Restricted 2,421,273.78

TOTAL NET ASSETS 2,857,813.47

TOTAL LIABILITIES AND NET ASSETS \$ 3,812,912.04

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

NORTHEAST MISSOURI COMMUNITY ACTION AGENCY

Kirksville, Missouri

Consolidated Statement of Activities
For the Year Ended September 30, 2015

CHANGES IN NET ASSETS

Unrestricted Net Assets	
Revenues and Gains	
Contributions	\$ 4,067,099.60
Interest	283.61
Program Income	81,449.00
Rental Income	71,103.33
Miscellaneous Income	26,169.41
Total Revenue and Gains	<u>4,246,104.95</u>
Expenses	
Program Services	
Early Childhood	3,014,735.30
Emergency Services	339,240.24
Weatherization Services	261,223.39
Housing	42,726.23
Community Services	269,705.04
Supporting Activities	
Management and General	534,991.40
Fundraising	4,811.20
Total Expenses	<u>4,467,432.80</u>
Net Assets Released From Restrictions through Satisfaction of Program Restrictions	<u>96,601.67</u>
Increase (Decrease) in Unrestricted Net Assets	<u>(124,726.18)</u>
Temporarily Restricted Net Assets	
Contributions	386,685.14
Program Income	-
Net Assets Released From Restrictions Through Satisfaction of Program Restrictions	<u>(96,601.67)</u>
Increase (Decrease) in Temporarily Restricted Net Assets	<u>290,083.47</u>
Net Increase(Decrease) In Net Assets	165,357.29
NET ASSETS, September 30, 2014	<u>2,692,456.18</u>
NET ASSETS, September 30, 2015	<u>\$ 2,857,813.47</u>

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

NORTHEAST MISSOURI COMMUNITY ACTION AGENCY

Kirksville, Missouri

Consolidated Statement of Functional Expenses
For the Year Ended September 30, 2015

	Program Services					Total Program Services
	Early Childhood	Emergency Services	Weatherization Services	Housing	Community Services	
Expenses						
Salaries and Fringe Benefits	\$ 1,904,462.51	\$ 40,216.88	\$ 120,878.25	\$ 20,172.87	\$ 167,940.21	\$ 2,253,670.72
Contractual Services	155,464.26	78.00	7,495.32	1,168.84	23,257.57	187,463.99
Depreciation Expense	13,591.42	-	13,570.55	-	-	27,161.97
Direct Client Expense	173,554.75	290,609.76	-	2,195.34	2,600.00	468,959.85
Food	450,037.67	-	-	-	-	450,037.67
Insurance Expense	15,439.29	1,133.95	4,162.80	11,806.19	7,764.79	40,307.02
Interest Expense	-	-	-	-	-	-
Maintenance and Repairs	23,361.62	312.77	1,018.82	4,850.25	1,311.45	30,854.91
Materials	-	-	56,550.84	212.21	1,050.63	57,813.68
Miscellaneous Expense	-	504.37	36,356.78	13.44	-	36,874.59
Occupancy	38,199.12	258.64	582.00	-	-	40,631.26
Postage and Office Supplies	28,349.04	2,965.91	1,337.51	173.35	1,591.50	64,208.09
Supplies	23,484.65	-	188.75	-	-	23,673.40
Telephone	18,638.47	523.13	611.37	265.74	815.24	20,853.95
Training	27,454.22	1,050.00	7,772.15	-	11,250.39	47,526.76
Travel	64,051.67	659.99	2,974.49	915.99	13,954.62	82,556.76
Vehicle Expenses	35,674.82	489.38	6,340.64	-	4,710.22	47,215.06
Utilities	42,971.79	437.46	1,383.12	952.01	2,076.14	47,820.52
Total Expenses	\$ 3,014,735.30	\$ 339,240.24	\$ 261,223.39	\$ 42,726.23	\$ 269,705.04	\$ 3,927,630.20

	Supporting Activities		Total Organization Services
	Management and General	Fundraising	
Expenses			
Salaries and Fringe Benefits	\$ 279,735.25	\$ 2,392.80	\$ 2,535,798.77
Contractual Services	20,520.65	175.53	208,160.17
Depreciation Expense	136,709.82	1,401.73	165,273.52
Direct Client Expense	(310.08)	-	468,649.77
Food	-	-	450,037.67
Insurance Expense	7,387.60	63.19	47,757.81
Interest Expense	36,201.53	309.66	36,511.19
Maintenance and Repairs	2,510.75	21.48	33,387.14
Materials	-	-	57,813.68
Miscellaneous Expense	5,666.94	48.47	42,590.00
Occupancy	1,716.79	14.69	42,362.74
Postage and Office Supplies	26,473.20	226.45	90,907.74
Supplies	739.36	6.32	24,419.08
Telephone	5,156.88	44.11	26,054.94
Training	1,383.43	11.83	48,922.02
Travel	7,831.56	66.99	90,455.31
Vehicle Expenses	556.60	4.76	47,776.42
Utilities	2,711.12	23.19	50,554.83
Total Expenses	\$ 534,991.40	\$ 4,811.20	\$ 4,467,432.80

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

NORTHEAST MISSOURI COMMUNITY ACTION AGENCY

Kirksville, Missouri

Consolidated Statement of Cash Flows
For the Year Ended September 30, 2015

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 165,357.29
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities	
Depreciation Expense	165,273.52
(Increase) Decrease in Receivables	13,509.84
(Increase) Decrease in Inventory	1,075.12
(Increase) Decrease in Prepaid Expense	(1,999.97)
Increase (Decrease) in Accounts Payable	(4,230.79)
Increase (Decrease) in Accrued Payroll	4,206.93
Increase (Decrease) in Accrued Payroll Withholdings	(3,427.03)
Increase (Decrease) in Accrued Annual Leave	(3,302.38)
Increase (Decrease) in Refundable Grant Advances	5,934.24
Increase (Decrease) in Tenant Security Deposits	365.00
	<hr/>
Net cash provided by (used in) operating activities	342,761.77

CASH FLOWS FROM INVESTING ACTIVITIES

Payments for Capital Assets	(344,324.83)
	<hr/>
Net cash provided by (used in) investing activities	(344,324.83)

CASH FLOWS FROM FINANCING ACTIVITIES

Principal Payments on Notes Payable	(26,502.04)
Principal Payments on Line of Credit	-
	<hr/>
Net cash provided by (used in) financing activities	(26,502.04)

Net Increase (Decrease) in Cash and Cash Equivalents (28,065.10)

Cash, September 30, 2014

 134,120.42

Cash, September 30, 2015

 \$ 106,055.32

Supplemental Information

Cash Paid During the Period for:

Interest Expense	\$ 35,336.74
------------------	--------------

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

NORTHEAST MISSOURI COMMUNITY ACTION AGENCY

Kirksville, Missouri

Notes to the Consolidated Financial Statements
September 30, 2015

1. NATURE OF ACTIVITIES

Northeast Missouri Community Action Agency (the "Organization") is a nonprofit organization established in 1965 which serves the economically and socially disadvantaged persons in five counties of Adair, Clark, Knox, Schuyler, and Scotland. The consolidated financial statements include the accounts of Northeast Missouri Community Development Corporation. The affiliated organization is reported separately to emphasize that it is legally separate from the Organization. The affiliated organization can sue and be sued, and can buy, sell, or lease real property. Separate financial statements are not prepared for NMCDC.

The Organization provides services to stimulate a better focusing of all available local, state, federal and private resources upon the goal of enabling low income families and individuals to attain the skills, knowledge, motivations and to secure the opportunities needed for them to become more fully self sufficient. The Organization administers the following major sources of revenue to meet the needs of the area it serves: Head Start Programs, Low-Income Home Energy Assistance Programs, Energy Crisis Intervention Program, Community Services Block Grant Programs, and others. The following is a description of the program services:

Early Childhood – Provides quality child and family services for children 0 – 5 years old.

Emergency Services – Helps low-income individuals and families with the payment of utility bills.

Community Services – Provides a variety of services to help support low-income individuals and families.

Weatherization Services – Weatherizes homes so they are more energy efficient.

Housing – Provides safe and affordable housing for low-income individuals and families.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization's program policy is to prepare its financial statements on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities. Assets are recorded at cost when purchased, or in the case of gifts, at fair value at the date of the gift. Investments are valued at fair value for financial statement presentation.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include all highly liquid instruments with a maturity of three months or less when acquired.

Allowance for Doubtful Accounts

The allowance for doubtful accounts is based upon management's evaluation of outstanding grant receivables and other receivables at the end of the year.

Income Taxes

The Organization is exempt from Federal income taxes under IRS Code Section 501(c)3. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). The Organization is no longer subject to examination by tax authorities for years before September 30, 2012.

Inventory

Inventory consist of weatherization materials and work in process and are valued at cost, using the first-in, first-out method (FIFO).

Capital Assets

It is the Organization's policy to capitalize capital assets with a useful life of more than one year and a value over \$5,000.00. Capital assets are stated at cost, if purchased, and at fair value at the date of donation, if donated. Such items acquired under grants from Federal and state sources are considered to be owned by the Organization while used in the programs for which they are purchased or in programs authorized in the future. However, the funding source has a reversionary interest in the property. Property and equipment purchased or donated to the corporate account are depreciated based on estimated useful lives using the straight-line method as follows:

Equipment	3-7 Years
Vehicles	5 Years
Buildings and Improvements	15-40 Years

Net Assets

The Organization's net assets are classified as follows:

Unrestricted net assets: Unrestricted net assets represent those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by contract or by board designation. Changes in net assets arising from exchange transaction are included as well as resources derived from gifts and contributions. These resources are used at the discretion of the governing board to meet current expenses for any purpose.

Temporarily restricted net assets: Temporarily restricted net assets consist of those net assets whose use by the Organization has been limited by donors to later periods of time or after specified dates or to specified purposes.

Permanently restricted net assets: Permanently restricted net assets consist of funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the donor restrictions. If a restriction is satisfied in the same period the contribution is received, the contribution is reported as unrestricted.

In-Kind Goods/Services

The Organization receives donated goods and services as part of its programs. In-kind contributions are shown both as support and expenditures in these programs, and are recorded at the fair value of the goods or services at the time of donation. Amounts included are only those allowable under generally accepted accounting principles.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Allocated Costs

The Organization allocates its expenses on a functional basis among its various programs and support activities. Expenses that can be identified with a specific program and support activity are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated using various allocation methods.

3. CASH IN BANK

Concentration of Credit Risk

At year-end, the carrying amount of the Organization's deposits including certificates of deposit was \$106,055.35. The bank balance was held at two banks and the Missouri Housing Development Corporation resulting in a concentration of credit risk. The bank balance was \$125,093.49. Of the bank balance, \$78,225.05 was covered by FDIC insurance and \$46,868.44 was held in escrow by the Missouri Housing Development Commission.

Restricted Cash

In accordance with the USDA Rural Development loan agreement, the Organization must make minimum contributions monthly into a debt service reserve account and a replacement and extension account. The following is a list of required transfers and actual balance:

	Monthly Transfer	Required Reserve
WayLand Head Start	\$ 140.00	\$ 16,700.00
Memphis Head Start	159.00	19,000.00
Glenwood & Edina Head Start	<u>112.50</u>	<u>13,500.00</u>
	411.50	49,200.00

4. RECEIVABLES, NET

Receivables at September 30, 2015, consist of amounts due as follows:

Head Start – Federal	\$ 96,376.23
Child and Adult Care Food Program	13,937.11
Family Day Care Homes	33,796.62
Ameren UE Weatherization Grant	24,544.00
Community Services Block Grant	29,611.06
Weatherization	9,914.29
Infill – Lancaster	31,013.00
Other	<u>24.27</u>
Total Receivables, Net	<u>\$ 239,216.58</u>

All receivables at September 30, 2015, are considered collectible. Accordingly, the allowance for uncollectibility is zero.

5. INVENTORY

Inventory consists of the following at September 30, 2015:

Weatherization Materials	\$ 1,452.15
--------------------------	-------------

6. CAPITAL ASSETS

Following are the changes in capital assets for the year ended September 30, 2015:

	Balance 9/30/2014	Additions	Retirements	Transfers	Balance 9/30/2015
Capital Assets not being depreciated					
Land	\$ 161,227.54	\$ 7,500.00	\$ -	\$ -	\$ 168,727.54
Construction in Progress	36,487.17	336,824.83	-	(373,312.00)	-
Total Capital Assets not being depreciated	<u>197,714.71</u>	<u>344,324.83</u>	<u>-</u>	<u>(373,312.00)</u>	<u>168,727.54</u>
Other Capital Assets					
Buildings and Improvements	3,867,785.36	-	-	373,312.00	4,241,097.36
Equipment	21,218.02	-	-	-	21,218.02
Vehicles	399,899.98	-	-	-	399,899.98
Total Other Capital Assets	<u>4,288,903.36</u>	<u>-</u>	<u>-</u>	<u>373,312.00</u>	<u>4,662,215.36</u>
Accumulated Depreciation	(1,211,502.19)	(165,273.52)	-	-	(1,376,775.71)
Total Net Capital Assets	<u>\$ 3,275,115.88</u>	<u>\$ 179,051.31</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,454,167.19</u>

7. REFUNDABLE GRANT ADVANCES

Refundable grant advances at September 30, 2015, consist of grant funds received in advance of expenditures in the following program:

LIHEAP – ECIP	\$ 7,118.00
---------------	-------------

8. NOTES PAYABLE

The Organization signed an agreement dated August 15, 2009, with Bank of Kirksville, Kirksville, Missouri, to roll a construction loan of the Kirksville Main office to a permanent payment loan which requires 240 monthly payments of \$2,423.71, payable through September 15, 2029, including interest at rates varying from 6.00% to 11.50%. This note is secured with the building constructed. The balance on this note at September 30, 2015, is \$266,550.90.

The Organization signed an agreement dated October 23, 2007, with USDA Rural Development, to purchase and renovate a building in Wayland, Missouri, to be used as Head Start classrooms. The note is payable annually with 4.125% interest, payable through November 23, 2037. The promissory note is secured by the building. The balance on the note at September 30, 2015, is \$139,646.14.

The Organization signed an agreement dated August 28, 2005, with USDA Rural Development, to purchase and renovate a building in Memphis, Missouri, to be used as Head Start classrooms. The note is payable annually with 4.250% interest, payable through September 28, 2035. The promissory note is secured by the building. The balance on the note at September 30, 2015, is \$129,723.62.

The Organization signed an agreement dated February 24, 1999, with USDA Rural Development, to purchase and renovate buildings in Glenwood, Missouri and Edina, Missouri, to be used as Head Start classrooms. The note is payable annually with 4.750% interest, payable through March 24, 2029. The promissory note is secured by the building. The balance on the note at September 30, 2015, is \$79,769.84.

The following is a summary of changes in notes payable for the year ended September 30, 2015:

	Principal September 30, 2014	Principal Received (Paid)	Principal September 30, 2015	Interest Paid
Obligations:				
Kirksville Office	\$ 278,370.27	\$ (11,819.37)	\$ 266,550.90	\$ 17,265.15
Wayland HS	143,622.16	(3,966.02)	139,656.14	5,849.98
Memphis HS	135,805.45	(6,081.83)	129,723.62	5,654.17
Glenwood & Edina HS	84,404.66	(4,634.82)	79,769.84	3,909.18
	\$ 642,202.54	\$ (26,502.04)	\$ 615,700.50	\$ 32,678.48

8. NOTES PAYABLE (Continued)

The schedule of maturities of notes payable is as follows:

<u>Year Ending September 30:</u>	<u>Amount</u>
2016	\$ 28,795.52
2017	30,310.21
2018	31,906.78
2019	33,589.76
2020	35,363.93
2021-2025	206,995.57
2026-2030	193,099.79
2031-2035	41,684.13
2036-2037	<u>13,954.81</u>
Total	<u>\$ 615,700.50</u>

9. LINE OF CREDIT

The Organization has obtained a line of credit with Bank of Kirksville, Kirksville, Missouri for operating expenses. The note is due August 16, 2016, including interest of 5.250%. The balance on the note at September 30, 2015 is \$67,500.00 and interest paid during the fiscal year ended September 30, 2015 was \$2,658.26.

10. OPERATING LEASES

As of September 30, 2015, the Organization has entered into a number of operating leases for various office equipment and space. Total payments for the year ended September 30, 2015, were \$36,431.79. Under the current lease agreements, the future minimum lease rentals are as follows:

2016	\$ 27,371.48
2017	13,146.48
2018	13,146.48
2019	11,209.40

11. COMPENSATED ABSENCES

Employees earn annual leave based upon the number of years of service.

<u>Completed Years of Service</u>	<u>Rate of Annual Leave</u>
Less than 5 years	.0577/hour
6 – 10 years	.06635/hour
11 years and more	.0750/hour

A maximum of 60 hours of annual leave may be carried over into the next program year. Any annual leave over 60 hours not used by the end of the program year will be forfeited.

11. COMPENSATED ABSENCES (Continued)

Employees accrue sick leave at a rate of .04615 per hour worked. Employees may accumulate up to 320 hours of sick leave. Accumulated sick leave is not paid to terminated employees.

The Organization determines a liability for compensated absences when the following conditions are met:

1. The Organization's obligation relating to employees' rights to receive compensation for future absences is attributable to employee services already rendered;
2. The obligation relates to rights that vest or accumulate;
3. Payment of the compensation is probable; and
4. The amount can be reasonably estimated and is material to the financial statements.

In accordance with the above criteria, the Organization has accrued a liability for vacation pay which has been earned, but not taken, by Organization employees; however, the Organization has not accrued a liability for sick leave earned, but not taken, by Organization employees, in accordance with guidance provided by FASB ASC 710-10-25-7, the amounts cannot be reasonably estimated at this time.

12. EMPLOYEE BENEFIT PLANS

The Organization participates in a 403(b) plan available for its employees. An employee is eligible after 90 days of full-time service. The Organization contributes 1% of the employees gross pay from the point of eligibility to five years of service, from five years to ten years of service the Organization contributes 2% of the employee's gross pay, and after ten years of service the Organization contributes 3% of the employee's gross pay. Total contributions made by the Organization into the plan on behalf of the employees for the year ended September 30, 2015 was \$27,088.47.

13. TEMPORARILY RESTRICTED NET ASSETS

Temporarily Restricted Net Assets consist of donations received and are restricted to use and time are presented by program and/or asset as follows:

Atmos Energy Assistance	\$	7,373.30
Liberty Utility Donations		13,638.32
Lewis Co REC Donations		8,857.16
Central Office Gift Fund		(98.46)
Kahoka 2 Duplexes Net Book Value (Restrictions Expire November 21, 2023)		272,555.81
Kirksville 2 Single Family Homes Net Book Value (Restrictions Expire September 11, 2027)		253,673.33
Edina 1 Single Family Homes Net Book Value (Restrictions Expire August 20, 2028)		150,773.19

13. TEMPORARILY RESTRICTED NET ASSETS (Continued)

Kahoka 2 Single Family Homes Net Book Value (Restrictions Expire August 20, 2028)	\$ 298,006.25
Memphis 4 Single Family Homes Net Book Value (Restrictions Expire October 26, 2030)	526,944.44
Woodridge 3 Single Family Homes Net Book Value (Restrictions Expire September 12, 2032)	521,423.33
Landcaster Single Family Homes Net Book Value (Restrictions Expire September 2, 2035)	<u>368,127.11</u>
 Total Temporarily Restricted Net Assets	 <u>\$ 2,421,273.78</u>

14. IN-KIND CONTRIBUTIONS

Under the grant agreements, the Organization (grantee) receives a percentage of total estimated project funds from the Federal government. The balance of the project funds is contributed to the Organization from non-Federal sources in the form of “in-kind” contributions of services or property from the Organization, delegated agencies, the community, or non-Federal governmental organizations. The services and goods donated are valued according to the grant guidelines. In-kind revenues and in-kind expenses that are allowable under generally accepted accounting principles (GAAP) have been recognized in the financial statements.

Head Start	Non-professional Volunteers	\$ 504,045.51
	Professional Volunteers	26,312.19
	Space	660.00
	Travel	58,114.34
	Supplies	<u>27,159.24</u>
	Total Program In-Kind	616,291.28
	Non-GAAP	<u>(504,045.51)</u>
Total In-Kind	<u>\$ 112,245.77</u>	

15. REAL ESTATE JOINT VENTURES

The Organization is involved in one real estate joint venture and Northeast Missouri Community Development Corporation (NMCDC) is involved in two real estate joint ventures. All joint ventures are for affordable housing development projects in their service area. The Organization and NMCDC ownership interest is .01% in two of the properties and .0051% in one of the properties. The original capital contributions ranged from \$5.00 to \$100.00 at the initial startup time. Federal and state grants and tax credits, permanent loan financing, and the capital contributions of the limited partners financed a significant portion of each of the project’s total cost.

The primary reason for admission of the Organization and Northeast Missouri Community Development Corporation (a related entity) as a general partner in these real estate joint ventures is to qualify the projects for federal and state grants, tax credits, and permanent financing which are favorable to the development of the low income housing projects. While the Organization and Northeast Missouri Community Development Corporation (a related entity) have an ownership interest in these real estate joint ventures, the financial nature of these interests are de minimis and are, therefore, not reported in the financial statements.

16. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Organization expects such amounts, if any, to be immaterial.

17. CONCENTRATION OF RISK

Most of the Organization's revenues are in the form of grants from federal and state sources. The Organization's ability to continue operations if the grant programs were lost or canceled is unknown.

18. SUBSEQUENT EVENTS

The Organization evaluated events and transactions occurring subsequent to September 30, 2015, through February 16, 2016, the date the financial statements were available to be issued. During this period, there were no subsequent events requiring recognition in the financial statements. Additionally, there were no nonrecognized subsequent events requiring disclosure.

SUPPLEMENTARY INFORMATION

NORTHEAST MISSOURI COMMUNITY ACTION AGENCY

Consolidated Combining Schedule of Activities

For the Year Ended September 30, 2015

Program Code CFDA No.	Head Start - Federal 2015/2016	Head Start - Federal 201 & 203	Head Start - Federal 201 & 203	Early Head Start - Federal 2015/2016	Early Head Start - Federal 2014/2015	Early Head Start - State 2013/2014	Early Head Start - State 2014/2015	Child Care Food Program	Family Day Care Homes	Enterprise Head Start	LIHEAP - Energy Assistance
	Early Childhood	Early Childhood	Early Childhood	Early Childhood	Early Childhood	Early Childhood	Early Childhood	Early Childhood	Early Childhood	Early Childhood	Emergency Services
Revenues and Gains											
Contributions											
Grant Revenue - Federal	\$ 263,635.77	\$ 1,509,483.27	\$ 1,509,483.27	\$ 104,474.36	\$ 298,916.51	\$ -	\$ -	\$ 147,908.71	\$ 345,006.51	\$ -	\$ 337,049.00
Grant Revenue - State	-	-	-	-	-	145,084.35	157,697.88	-	-	-	-
Local - Non-Cash	29,996.12	488,737.22	488,737.22	4,467.35	93,090.59	-	-	-	-	-	-
Local	2,649.57	-	-	2,352.73	-	-	-	-	47,175.00	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Indirect Income	-	-	-	-	-	-	-	-	-	-	-
Program Income	-	-	-	-	-	-	-	-	-	-	-
Rental Income	-	-	-	-	-	-	-	-	-	60,519.00	-
Miscellaneous Income	-	-	-	-	-	-	-	-	-	-	-
Total Revenues and Gains	296,281.46	1,998,220.49	1,998,220.49	111,294.44	392,007.10	145,084.35	157,697.88	147,908.71	392,181.51	60,519.00	337,049.00
Expenses											
Salaries and Fringe Benefits	174,250.24	1,080,784.53	1,080,784.53	71,593.72	207,138.58	33,188.86	88,943.31	72,110.99	37,883.20	112,256.89	40,196.18
Salaries and Fringe Benefits Non-Cash	18,494.78	425,758.11	425,758.11	2,700.34	83,404.47	-	-	-	-	-	-
Contractual Services	11,514.50	32,253.52	32,253.52	17,211.51	94,406.73	-	-	-	78.00	-	78.00
Depreciation Expense	-	-	-	-	-	-	-	-	-	-	-
Direct Client Expense	3,960.75	2,516.57	2,516.57	761.78	389.31	111,954.03	83,632.05	5,322.12	-	(34,981.86)	281,709.00
Food	6,439.23	20,896.86	20,896.86	-	1,106.21	-	-	76,588.86	345,006.51	-	-
Indirect Expense	29,586.91	173,870.10	173,870.10	11,526.59	33,280.89	5,343.41	14,319.88	11,608.92	4,549.15	18,073.36	6,471.58
Insurance Expense	941.60	5,211.87	5,211.87	130.40	7,947.13	37.35	-	78.49	1,092.45	-	1,133.95
Interest Expense	-	-	-	-	-	-	-	-	-	-	-
Maintenance and Repairs	3,919.46	13,402.77	13,402.77	1,101.13	4,625.29	-	-	-	312.97	-	312.77
Materials	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Expense	-	-	-	-	-	-	-	-	-	-	-
Occupancy	6,597.36	39,187.77	39,187.77	50.00	263.89	-	-	-	696.10	-	504.37
Occupancy Non-Cash	52.00	503.00	503.00	1.00	104.00	-	-	-	-	-	258.64
Postage and Office Supplies	12,311.65	7,880.15	7,880.15	6,165.72	8,609.22	-	3,091.30	1.55	1,368.08	-	3,224.55
Supplies	-	-	-	-	-	(3,674.59)	-	-	-	-	-
Supplies Non-Cash	10,359.47	12,508.86	12,508.86	1,708.29	2,582.62	-	-	-	-	-	-
Telephone	2,404.23	11,977.12	11,977.12	750.39	3,337.77	-	20.00	-	148.96	-	523.13
Training	7,349.98	16,088.22	16,088.22	258.65	3,297.46	-	300.00	-	159.91	-	1,050.00
Travel	1,810.09	-	-	208.40	2,170.00	-	374.31	303.71	886.18	130.99	659.99
Travel Non-Cash	1,089.87	49,967.25	49,967.25	57.72	6,999.50	-	-	-	-	-	-
Vehicle Expenses	2,502.65	31,764.01	31,764.01	52.33	1,355.83	-	-	-	-	-	489.38
Utilities	2,696.69	30,719.76	30,719.76	811.47	8,743.87	-	-	-	-	-	437.46
Operating Transfer To (From)	-	42,930.02	42,930.02	(3,795.00)	(77,755.67)	(1,818.36)	(32,982.97)	(18,105.93)	-	(34,960.38)	-
Total Expenses	296,281.46	1,998,220.49	1,998,220.49	111,294.44	392,007.10	145,084.35	157,697.88	147,908.71	392,181.51	60,519.00	337,049.00
Increase (Decrease) in Net Assets	-	-	-	-	-	-	-	-	-	-	-
NET ASSETS, Beginning of Year	-	-	-	-	-	-	-	-	-	-	-
NET ASSETS, End of the Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NORTHEAST MISSOURI COMMUNITY ACTION AGENCY

Consolidated Combining Schedule of Activities

For the Year Ended September 30, 2015

	Program Code	Uticare LIHEAP	FEMA Multi County		FEMA - Clark County		FEMA - Adair County		Atmos Energy Assistance		Liberty Utility Donations		Lewis Co REC Donations		Liberty Energy Assistance		Weatherization Assistance - DOE 2014/2015		Weatherization Assistance	
			CFDA No.	044	N/A	97.024	128	97.024	129	97.024	127	023	024	040	038	206	039	81.042	93.568	
			Emergency Services	Emergency Services	Emergency Services	Emergency Services	Emergency Services	Emergency Services	Emergency Services	Emergency Services	Emergency Services	Emergency Services	Emergency Services	Emergency Services	Weatherization Services	Weatherization Services	Weatherization Services	Weatherization Services	Weatherization Services	Weatherization Services
Revenues and Gains																				
Contributions																				
Grant Revenue - Federal		\$ -	\$ 3,006.36	\$ -	\$ 431.06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,964.00	\$ -	\$ 72,280.13	\$ 86,885.00		
Grant Revenue - State		24.03	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local - Non-Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local		-	-	-	-	-	-	-	-	-	2,586.14	-	8,000.00	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Indirect Income		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Program Income		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental Income		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues and Gains		24.03	3,006.36	-	431.06	-	-	-	-	-	2,586.14	8,000.00	-	9,964.00	72,280.13	86,885.00				
Expenses																				
Salaries and Fringe Benefits		20.70	-	-	-	-	-	-	-	-	-	-	-	2,727.46	44,241.19	42,185.51				
Salaries and Fringe Benefits Non-Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contractual Services		-	-	-	-	-	-	-	-	-	-	-	-	877.00	973.15	5,628.63				
Depreciation Expense		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Direct Client Expense		-	5,168.14	(3,265.96)	1,412.38	-	-	-	-	-	1,673.58	3,912.62	-	-	-	-	-	-	-	-
Food		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Indirect Expense		3.33	-	-	-	-	-	-	-	-	-	-	-	439.12	7,122.83	6,791.87				
Insurance Expense		-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,162.80				
Interest Expense		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance and Repairs		-	-	-	-	-	-	-	-	-	-	-	-	-	269.32	193.20				
Materials		-	-	-	-	-	-	-	-	-	-	-	-	5,272.31	9,694.81	25,650.49				
Miscellaneous Expense		-	-	-	-	-	-	-	-	-	-	-	-	2,004.34	-	-				
Occupancy		-	-	-	-	-	-	-	-	-	-	-	-	194.00	194.00	-				
Occupancy Non-Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,145.88	839.35		
Postage and Office Supplies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplies Non-Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	540.95	-	-	-
Telephone		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,980.11	-	-	-
Training		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	797.68	-	-	-
Travel Non-Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vehicle Expenses		-	-	-	-	-	-	-	-	-	-	-	-	15.42	4,316.75	376.86				
Utilities		-	-	-	-	-	-	-	-	-	-	-	-	129.71	848.07	129.61				
Operating Transfer To (From)		-	(2,161.78)	3,265.96	(981.32)	7,373.30	(7,373.30)	(7,373.30)	(7,373.30)	(7,373.30)	(7,373.30)	(7,373.30)	(2,004.34)	(2,004.34)	(2,004.34)	(6,895.17)				
Total Expenses		24.03	3,006.36	-	431.06	3,912.62	(5,699.72)	3,912.62	3,912.62	7,373.30	(7,373.30)	8,285.86	4,087.38	9,964.00	72,280.13	86,885.00				
Increase (Decrease) in Net Assets		-	-	-	-	(7,373.30)	8,285.86	4,087.38	-	-	-	-	-	-	-	-	-	-	-	-
NET ASSETS, Beginning of Year		-	-	-	-	7,373.30	12,725.76	4,769.78	-	-	-	-	-	-	-	-	-	-	-	-
NET ASSETS, End of Year		-	-	-	-	\$ -	\$ 21,011.62	\$ 8,857.16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NORTHEAST MISSOURI COMMUNITY ACTION AGENCY
 Consolidated Combining Schedule of Activities
 For the Year Ended September 30, 2015

Program Code CFDA No.	DOE 2015/2016		Green Hills Weatherization		Ameren Weatherization		Ameren Weatherization - prior yr		Fans and Air Conditioners		Housing Development		Infill-Lancaster Housing		Rental Properties		Community Services Block Grant		Back-to-School Grant	
			Weatherization Services		Weatherization Services		Weatherization Services		Weatherization Services		Housing		Housing		Housing		Community Services		Community Services	
	006	81.042	250	N/A	016	N/A	016	N/A	011	N/A	300	N/A	600	14,239	340	N/A	020	93,569	017	N/A
Revenues and Gains	\$	13,756.29	\$	-	\$	-	\$	-	\$	-	\$	-	\$	348,584.25	\$	-	\$	389,083.21	\$	-
Contributions	-	-	-	-	39,939.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grant Revenue - Federal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grant Revenue - State	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local - Non-Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Indirect Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Program Income	-	-	-	-	-	-	-	-	-	20,930.00	-	-	-	-	-	-	-	-	-	-
Rental Income	-	-	-	-	-	-	-	-	-	-	-	-	-	71,537.00	-	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-	-	-	-	-	-	-	-	-	1,751.62	-	-	-	-	-	-
Total Revenues and Gains	13,756.29				39,939.00						20,930.00		348,584.25		73,288.62		389,083.21			
Expenses																				
Salaries and Fringe Benefits	3,724.55				22,450.97		5,548.57				13,066.70				7,106.17		167,940.21			
Salaries and Fringe Benefits Non-Cash	-				-		-				-				-		-			
Contractual Services	9.00				7.54		-			973.84					195.00		23,257.57			
Depreciation Expense	-				-		-			-					-		-			
Direct Client Expense	-				-		-			2,945.34					-		2,600.00			
Food	-				-		-			-					-		-			
Indirect Expense	599.65				3,559.13		948.80			2,103.74					1,144.09		27,038.37			
Insurance Expense	-				-		-			218.17					11,588.02		7,764.79			
Interest Expense	-				-		-			-					-		-			
Maintenance and Repairs	10.55				121.04		-			221.25					4,629.00		1,311.45			
Materials	4,638.46				9,665.71		1,629.06			-					212.21		1,050.63			
Miscellaneous Expense	-				-		34,352.44			-					13.44		-			
Occupancy	-				194.00		-			-					-		1,591.50			
Occupancy Non-Cash	-				-		-			-					-		-			
Postage and Office Supplies	74.88				13.58		-			176.87					190.48		38,722.08			
Supplies	188.75				-		-			-					-		-			
Supplies Non-Cash	-				-		-			-					-		-			
Telephone	69.22				1.20		-			265.74					-		815.24			
Training	-				147.00		-			-					-		11,250.39			
Travel	-				-		-			552.68					363.31		13,954.62			
Travel Non-Cash	-				-		-			-					-		-			
Vehicle Expenses	519.40				529.76		582.45			-					-		4,710.22			
Utilities	79.66				196.07		-			-					952.01		2,076.14			
Operating Transfer To (From)	3,842.17		9,493.92		3,053.00		(43,061.32)		9,203.00		96,446.29				-		73,150.60			931.00
Total Expenses	13,756.29		9,493.92		39,939.00				9,203.00		116,970.62		343,574.83		26,393.73		377,933.81			931.00
Increase (Decrease) in Net Assets	-		(9,493.92)		-		-		(9,203.00)		(96,040.62)		5,009.42		46,894.89		11,849.40			(931.00)
NET ASSETS, Beginning of Year	-		9,493.92		-		-		9,203.00		16,395.34		(5,009.42)		282,585.67		65,184.75			931.00
NET ASSETS, End of the Year	\$	-	\$	-	\$	-	\$	-	\$	-	\$	(79,645.28)	\$	-	\$	329,480.56	\$	77,034.15	\$	-

NORTHEAST MISSOURI COMMUNITY ACTION AGENCY

Consolidated Combining Schedule of Activities

For the Year Ended September 30, 2015

Program Code CFDA No.	Fingerprinting - Cogent	Central Office Gift Fund		Agency		Indirect Cost		Organization		Generally		
		500	052	010-990		Pool 012	Wide	Sub-Totals	Accounting Principle	Adjustments	Wide	Totals
				N/A	N/A							
Community Services		Mgt. & General		Mgt. & General		Mgt. & General						
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,920,500.43	-	-	\$ 3,920,500.43	
Revenues and Gains												
Contributions												
Grant Revenue - Federal												
Grant Revenue - State												
Local - Non-Cash												
Local	2,787.00		337,020.67	283.61				402,571.11		(344,324.83)	58,246.28	
Interest								283.61			283.61	
Indirect Income							358,774.08			(358,774.08)	-	
Program Income								81,449.00			81,449.00	
Rental Income								95,156.96		(24,053.63)	71,103.33	
Miscellaneous Income								32,635.17		(6,465.76)	26,169.41	
Total Revenues and Gains	2,787.00		401,890.79	358,774.08			5,870,453.90		(1,237,663.81)		4,632,790.09	
Expenses												
Salaries and Fringe Benefits												
Salaries and Fringe Benefits Non-Cash												
Contractual Services												
Depreciation Expense												
Direct Client Expense												
Food												
Indirect Expense												
Insurance Expense												
Interest Expense												
Maintenance and Repairs												
Materials												
Miscellaneous Expense												
Occupancy												
Occupancy Non-Cash												
Postage and Office Supplies												
Supplies												
Supplies Non-Cash												
Telephone												
Training												
Travel												
Travel Non-Cash												
Vehicle Expenses												
Utilities												
Operating Transfer To (From)	6,144.64		(23,815.95)	(122.41)							-	
Total Expenses	6,144.64	112.95	186,148.02	358,774.08			5,705,096.61		(1,237,663.81)		4,467,432.80	
Increase (Decrease) in Net Assets	(3,357.64)	(112.95)	215,742.77				165,357.29				165,357.29	
NET ASSETS, Beginning of Year	3,357.64	14.49	2,285,430.95				2,692,456.18				2,692,456.18	
NET ASSETS, End of the Year	\$ -	\$ (98.46)	\$ 2,501,173.72	\$ -			\$ 2,857,813.47		\$ -		\$ 2,857,813.47	

NORTHEAST MISSOURI COMMUNITY ACTION AGENCY

Kirksville, Missouri

COMMUNITY SERVICES BLOCK GRANT PROGRAM

GRANT NO. PG281300013

For the Program Period October 1, 2014 - September 30, 2015

Schedule of Revenue and Expenses

	<u>Total Grant</u>
Beginning CSBG Residual Receipts	\$ 65,184.75
Revenue	
Grant Revenue-CSBG	389,083.21
Other Income	-
Total Revenue	<u>389,083.21</u>
Expenditures	
Indirect	27,038.37
Personnel Salaries and Wages	131,194.67
Employee Benefits	36,745.54
Direct Client Benefits	19,156.81
Program Services	9,582.45
Contracts and Consulting	23,239.57
Travel	11,980.30
Training and Staff Development	8,754.99
Rent/Space	9,701.25
Utilities	2,076.14
Insurance	7,764.79
Office Supplies	9,121.13
Communications	1,446.66
Vehicle Repairs and Maintenance	6,280.54
Subtotal Operating Expenses	<u>304,083.21</u>
 Leveraging - Head Start	 30,000.00
Leveraging - Weatherization	43,150.60
Subtotal Leveraging	<u>73,150.60</u>
 Total Expenditures	 <u>377,233.81</u>
 Revenue over(under) Expense	 <u>11,849.40</u>
 Ending CSBG Residuals	 <u>\$ 77,034.15</u>

NORTHEAST MISSOURI COMMUNITY ACTION AGENCY

Kirksville Missouri

Low Income Home Energy Assistance Program

GRANT NO. ERS11014014

Schedule of Revenue and Expenses Compared with Budget

Program Year Ended September 30, 2015

Revenue			Variable Favorable (Unfavorable)
	Budget	Actual	
Grant Revenue - LIHEAP			
Special Start-up	\$ -	\$ -	\$ -
Current (initial + amendments)	337,049.00	337,049.00	-
Interest	-	-	-
Total Revenue	337,049.00	337,049.00	-
Expenditures			
Administrative/Program Services			
Personnel	39,183.18	40,196.18	(1,013.00)
Contracting/Consulting	100.00	78.00	22.00
Travel/Training	2,292.00	2,199.37	92.63
Rent/Fuel/Utilities	800.00	696.10	103.90
Insurance	1,600.00	1,133.95	466.05
Equipment	-	-	-
Supplies	3,323.88	3,561.81	(237.93)
Communication Services	700.00	523.13	176.87
Repair & Maintenance	350.00	312.77	37.23
Other-Program Expenses	800.00	167.11	632.89
Indirect Cost	6,190.94	6,471.58	(280.64)
Total Administrative/Program Services	55,340.00	55,340.00	-
ECIP Direct Services			
Winter	219,733.00	219,733.00	-
Summer	61,976.00	61,976.00	-
Total ECIP Direct Services	281,709.00	281,709.00	-
Outreach & Education			
Outreach and Education	-	-	-
Total Outreach & Education	-	-	-
Total Expenditures	337,049.00	337,049.00	-
Revenue over (under) Expenditures	-	-	-
Transfer from CSBG	-	-	-
Ending Program Balance	\$ -	\$ -	\$ -

**NORTHEAST MISSOURI COMMUNITY ACTION AGENCY
DOE
Subgrant Number: G-15-EE0006164-3-15**

RECONCILIATION OF REVENUES AND EXPENSES

FOR THE PERIOD OF July 1, 2015 to September 30, 2015

DIVISION OF ENERGY**SUBGRANTEE**

Beginning Fund Balance	0	Beginning Fund Balance	0
Revenue		Revenue	
Grant Income	8,081	Grant Income	13,756
Program Income	0	Program Income	0
Total Revenue	8,081	Total Revenue	13,756
<u>Expenditures</u>		<u>Expenditures</u>	
Administration	1,631	Administration	1,631
Insurance	0	Insurance	0
Financial Audit	0	Financial Audit	0
Leveraging	0	Leveraging	0
T&TA	0	T&TA	0
Program Operations	6,450	Program Operations	12,125
Total Expenditures	8,081	Total Expenditures	13,756
Ending Fund Balance	0	Ending Fund Balance	0
		Ending Cash on Hand	0
		Ending Inventory	0

Subgrantee amounts differ from Energy Center due to generally accepted accounting principles accrual accounting adjustments, amounts reported were accurate and support was available at time of filing and unbilled administrative and support services.

**NORTHEAST MISSOURI COMMUNITY ACTION AGENCY
DOE
Subgrant Number: G-14-EE0006164-2-15
RECONCILIATION OF REVENUES AND EXPENSES
FOR THE PERIOD OF July 1, 2014 to June 30, 2015**

DIVISION OF ENERGY**SUBGRANTEE**

Beginning Fund Balance	0	Beginning Fund Balance	0
Revenue		Revenue	
Grant Income	83,795	Grant Income	83,795
Program Income	0	Program Income	0
Total Revenue	83,795	Total Revenue	83,795
<u>Expenditures</u>		<u>Expenditures</u>	
Administration	6,622	Administration	6,622
Insurance	1,926	Insurance	1,926
Financial Audit	0	Financial Audit	0
Leveraging	0	Leveraging	0
T&TA	2,000	T&TA	2,000
Program Operations	73,247	Program Operations	73,247
Total Expenditures	83,795	Total Expenditures	83,795
Ending Fund Balance	0	Ending Fund Balance	0
		Ending Cash on Hand	0
		Ending Inventory	0

**NORTHEAST MISSOURI COMMUNITY ACTION AGENCY
Ameren Electric
Subgrant Number: G15-11-0028-3-15**

RECONCILIATION OF REVENUES AND EXPENSES

FOR THE PERIOD OF November 1, 2014 to September 30, 2015

DIVISION OF ENERGY		SUBGRANTEE	
Beginning Fund Balance	0	Beginning Fund Balance	0
Revenue		Revenue	
Grant Income	35,010	Grant Income	39,939
Program Income	0	Program Income	0
Total Revenue	35,010	Total Revenue	39,939
<u>Expenditures</u>		<u>Expenditures</u>	
Administration	2,345	Administration	2,359
Insurance	0	Insurance	0
Financial Audit	0	Financial Audit	0
Leveraging	0	Leveraging	0
T&TA	0	T&TA	0
Program Operations	32,665	Program Operations	37,580
Total Expenditures	35,010	Total Expenditures	39,939
Ending Fund Balance	0	Ending Fund Balance	0
		Ending Cash on Hand	0
		Ending Inventory	0

Subgrantee amounts differ from Energy Center due to generally accepted accounting principles accrual accounting adjustments, amounts reported were accurate and support was available at time of filing and unbilled administrative and support services.

**NORTHEAST MISSOURI COMMUNITY ACTION AGENCY
Ameren Electric
Subgrant Number: G14-11-0028-3-15**

**RECONCILIATION OF REVENUES AND EXPENSES
FOR THE PERIOD OF November 1, 2013 to October 31, 2014**

DIVISION OF ENERGY

Beginning Fund Balance 0

Revenue

Grant Income 95,403

Program Income 0

Total Revenue 95,403

Expenditures

Administration 11,033

Insurance 2,276

Financial Audit 0

Leveraging 0

T&TA 0

Program Operations 82,094

Total Expenditures 95,403

Ending Fund Balance 0

SUBGRANTEE

Beginning Fund Balance 0

Revenue

Grant Income 95,403

Program Income 0

Total Revenue 95,403

Expenditures

Administration 11,033

Insurance 2,276

Financial Audit 0

Leveraging 0

T&TA 0

Program Operations 82,094

Total Expenditures 95,403

Ending Fund Balance 0

Ending Cash on Hand 0

Ending Inventory 0

**NORTHEAST MISSOURI COMMUNITY ACTION AGENCY
Liberty Utilities
Subgrant Number: G15-10-0192-4-15**

RECONCILIATION OF REVENUES AND EXPENSES

FOR THE PERIOD OF November 1, 2014 to September 30, 2015

DIVISION OF ENERGY

Beginning Fund Balance 0

Revenue

Grant Income 9,964

Program Income 0

Total Revenue 9,964

Expenditures

Administration 996

Insurance 0

Financial Audit 0

Leveraging 0

T&TA 0

Program Operations 8,898

Total Expenditures 9,894

Ending Fund Balance 0

SUBGRANTEE

Beginning Fund Balance 0

Revenue

Grant Income 9,964

Program Income 0

Total Revenue 9,964

Expenditures

Administration 996

Insurance 0

Financial Audit 0

Leveraging 0

T&TA 0

Program Operations 8,898

Total Expenditures 9,894

Ending Fund Balance 0

Ending Cash on Hand 0

Ending Inventory 0

**NORTHEAST MISSOURI COMMUNITY ACTION AGENCY
Liberty Utilities
Subgrant Number: G14-10-0192-3-15**

RECONCILIATION OF REVENUES AND EXPENSES

FOR THE PERIOD OF November 1, 2013 to October 31, 2014

DIVISION OF ENERGY

Beginning Fund Balance 0

Revenue

Grant Income 23,439

Program Income 0

Total Revenue 23,439

Expenditures

Administration 1,085

Insurance 177

Financial Audit 0

Leveraging 0

T&TA 0

Program Operations 22,177

Total Expenditures 23,439

Ending Fund Balance 0

SUBGRANTEE

Beginning Fund Balance 0

Revenue

Grant Income 23,439

Program Income 0

Total Revenue 23,439

Expenditures

Administration 1,085

Insurance 177

Financial Audit 0

Leveraging 0

T&TA 0

Program Operations 22,177

Total Expenditures 23,439

Ending Fund Balance 0

Ending Cash on Hand 0

Ending Inventory 0

**NORTHEAST MISSOURI COMMUNITY ACTION AGENCY
LIHEAP
Subgrant Number: G-15-LIHEAP-15-15**

RECONCILIATION OF REVENUES AND EXPENSES

FOR THE PERIOD OF October 1, 2014 to September 30, 2015

DIVISION OF ENERGY

Beginning Fund Balance 0

Revenue

Grant Income 86,885

Program Income 0

Total Revenue 86,885

Expenditures

Administration 5,437

Insurance 450

Financial Audit 0

Leveraging 0

T&TA 5,738

Program Operations 75,260

Total Expenditures 86,885

Ending Fund Balance 0

SUBGRANTEE

Beginning Fund Balance 0

Revenue

Grant Income 86,885

Program Income 0

Total Revenue 86,885

Expenditures

Administration 5,437

Insurance 450

Financial Audit 0

Leveraging 0

T&TA 5,738

Program Operations 75,260

Total Expenditures 86,885

Ending Fund Balance 0

Ending Cash on Hand 0

Ending Inventory 0

NORTHEAST MISSOURI COMMUNITY ACTION AGENCY

Kirksville, Missouri

HEAD START FEDERAL PROGRAM

GRANT NO. 07CH7059/02

For the Program Year Ended July 31, 2015

Schedule of Revenue and Expenses Compared with Budget

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE - FAVORABLE (UNFAVORABLE)</u>
<u>REVENUE</u>			
Grant Revenue - Head Start	\$ 2,085,737.00	\$ 2,085,737.00	\$ -
Grantee's In-Kind Contributions	521,434.00	521,434.00	-
TOTAL REVENUE	<u>2,607,171.00</u>	<u>2,607,171.00</u>	<u>-</u>
 <u>EXPENSES</u>			
Direct Costs			
Personnel	998,161.00	1,065,411.16	(67,250.16)
Fringe Benefits	483,419.00	404,620.20	78,798.80
Travel	15,627.00	3,681.89	11,945.11
Equipment	-	-	-
Supplies	84,968.00	39,130.18	45,837.82
Contractual	17,000.00	135,965.04	(118,965.04)
Facilities/Construction	-	-	-
Other	252,472.00	201,461.99	51,010.01
Indirect Costs	234,090.00	235,466.54	(1,376.54)
Total Federal Expenses	<u>2,085,737.00</u>	<u>2,085,737.00</u>	<u>-</u>
Grantee's In-Kind Expenses			
Personnel, Supplies and Other	<u>521,434.00</u>	<u>521,434.00</u>	<u>-</u>
TOTAL EXPENSES	<u>2,607,171.00</u>	<u>2,607,171.00</u>	<u>-</u>
REVENUE OVER (UNDER) EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NORTHEAST MISSOURI COMMUNITY ACTION AGENCY

Kirksville, Missouri

HEAD START PROGRAM

GRANT NO. 07CH7059/02

For the Program Year Ended July 31, 2015

Reconciliation of Final Financial Report to Audited Financial Statements

	<u>UNOBLIGATED BALANCE OF FEDERAL FUNDS</u>
Unobligated Balance of Federal Funds on Financial Status Report Filed September 23, 2015	\$ -
Adjustments: None	<u>-</u>
Balance of Grant Funds Not Received to Carryover to Program Year Ending July 31, 2016	<u>\$ -</u>

NORTHEAST MISSOURI COMMUNITY ACTION AGENCY

Kirksville, Missouri

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Year Ended	Pass-Through Entity Identifying Number	CFDA #	Federal Expenditures
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Direct Programs:				
Emergency Food and Shelter Program - Multi County (District 14)	12/31/2015	N/A	97.024	\$ 3,006.36
Emergency Food and Shelter Program - Adair County	12/31/2015	N/A	97.024	431.06
			TOTAL 97.024	<u>3,437.42</u>
Total U.S. Department of Homeland Security				<u>3,437.42</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Direct Programs:				
Head Start	7/31/2015	N/A	93.600	1,808,399.78
Head Start	7/31/2016	N/A	93.600	368,110.13
			TOTAL 93.600 (M)	<u>2,176,509.91</u>
Passed Through:				
State of Missouri Department of Social Services - Family Support Division Community Services Block Grant	9/30/2015	PG281300013	93.569	389,083.21
Low-Income Home Energy Assistance Program (ECIP) State of Missouri Department of Economic Development Low-Income Home Energy Assistance Program	9/30/2015	ERS11014014	93.568	337,049.00
	9/30/2015	G-15-LIHEAP-15-15	93.568	86,885.00
			TOTAL 93.568 (M)	<u>423,934.00</u>
Total U.S. Department of Health and Human Services				<u>2,989,527.12</u>
<u>U.S. DEPARTMENT OF ENERGY</u>				
Passed Through:				
State of Missouri Department of Economic Development Weatherization Assistance for Low-Income Individuals Weatherization Assistance for Low-Income Individuals	6/30/2016	G-15-EE0006164-3-15	81.042	13,756.29
	6/30/2015	G-14-EE0006164-2-15	81.042	72,280.13
			TOTAL 81.042	<u>86,036.42</u>
Total U.S. Department of Energy				<u>86,036.42</u>

NORTHEAST MISSOURI COMMUNITY ACTION AGENCY
 Kirksville, Missouri
 Schedule of Expenditures of Federal Awards
 For the Year Ended September 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Year Ended	Pass-Through Entity Identifying Number	CFDA #	Federal Expenditures
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Passed-through:				
Missouri Housing Development Commission				
CHDO Forgivable Loan Program - Outstanding Loan Balances	9/30/2015	Various	14.239	\$ 2,878,559.68
HOME Repair Opportunity Program (HeRO)	9/30/2015	14-063-HC	14.239	348,584.25
			TOTAL 14.239 (M)	<u>3,227,143.93</u>
Total U.S. Department of Housing and Urban Development				<u>3,227,143.93</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Passed Through:				
State of Missouri Department of Health and Human Services				
Child and Adult Care Food Program	9/30/2015	ERS46110069	10.558	147,908.71
Sponsoring Organizations of Family Child Care Homes	9/30/2015	ERS46111735	10.558	345,006.51
			TOTAL 10.558 (M)	<u>492,915.22</u>
Total U.S. Department of Agriculture				<u>492,915.22</u>
Total Expenditures of Federal Awards				<u>\$ 6,799,060.11</u>

NOTE A -- BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Northeast Missouri Community Action Agency and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

NOTE B -- LOANS

The accompanying schedule of expenditures of federal awards includes the outstanding balance at 09/30/2015 of CHDO forgivable loans because the Federal Government imposes continuing compliance requirements.

(M) = Major Program

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

**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 Missouri Community Action Agency
Kirksville, 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 consolidated financial statements of Northeast Missouri Community Action Agency (a nonprofit organization), which comprise the statement of consolidated financial position as of September 30, 2015, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated February 16, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Northeast Missouri Community Action Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Northeast Missouri Community Action Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of Northeast Missouri Community Action Agency'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 consolidated 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Northeast Missouri Community Action Agency's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of consolidated financial statement amounts. 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 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.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
February 16, 2016

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133**

Board of Directors
Northeast Missouri Community Action Agency
Kirksville, Missouri

Report on Compliance for Each Major Federal Program

We have audited Northeast Missouri Community Action Agency's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of Northeast Missouri Community Action Agency's major federal programs for the year ended September 30, 2015. Northeast Missouri Community Action Agency's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Northeast Missouri Community Action Agency's major federal programs based on our audit of the types of compliance requirements referred to above. 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 OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Northeast Missouri Community Action Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Northeast Missouri Community Action Agency's compliance.

Basis for Qualified Opinion on CFDA 93.600 Head Start and CFDA 93.568 Low Income Home Energy Assistance Program

As described in the accompanying schedule of findings and questioned costs, Northeast Missouri Community Action Agency did not comply with requirements regarding the following:

Finding #	CFDA #	Program (or Cluster) Name	Compliance Requirement
2015-001	93.600	Head Start	Matching, Level of Effort, Earmarking
2015-001	93.568	Low Income Home Energy Assistance Program	Allowable costs

Compliance with such requirements is necessary, in our opinion, for Northeast Missouri Community Action Agency to comply with the requirements applicable to that program.

Qualified Opinion on CFDA 93.600 Head Start and CFDA 93.568 Low Income Home Energy Assistance Program

In our opinion, except for the noncompliance described in the “Basis for Qualified Opinion” paragraphs above, Northeast Missouri Community Action Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on 93.600 Head Start and CFDA 93.568 Low Income Home Energy Assistance Program for the year ended September 30, 2015.

Unmodified Opinion on Compliance for Each of the Other Major Federal Programs

In our opinion, Northeast Missouri Community Action Agency 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 other major federal programs identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs for the year ended September 30, 2015.

Other Matters

Northeast Missouri Community Action Agency’s response to the noncompliance findings identified in our audit is described in the accompanying corrective action plan. Northeast Missouri Community Action Agency’s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Northeast Missouri Community Action Agency is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Northeast Missouri Community Action Agency’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Northeast Missouri Community Action Agency’s internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2015-001 and 2015-002 to be material weaknesses.

Northeast Missouri Community Action Agency's response to the internal control over compliance findings identified in our audit is described in the accompanying corrective action plan. Northeast Missouri Community Action Agency's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Purpose of this Report

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
February 16, 2016

NORTHEAST MISSOURI COMMUNITY ACTION AGENCY
Kirksville, Missouri

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2015

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements:

The auditors' report expresses an unmodified opinion on the financial statements of Northeast Missouri Community Action Agency.

Internal Control over Financial Reporting:

Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____	No
Significant deficiency(ies) identified?	_____	Yes	_____ <u>X</u> _____	None Reported
Non compliance or other matters required to be reported under <i>Government Auditing Standards</i> ?	_____	Yes	_____ <u>X</u> _____	No

Federal Awards:

Internal control over major programs:				
Material weakness(es) identified?	_____ <u>X</u> _____	Yes	_____ _____	No
Significant deficiency(ies) identified?	_____	Yes	_____ <u>X</u> _____	None Reported

The auditors' report on compliance for the major federal award programs for Northeast Missouri Community Action Agency expresses a qualified opinion.

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	_____ <u>X</u> _____	Yes	_____ _____	No
--	----------------------	-----	-------------	----

Identification of major programs:

U.S. DEPARTMENT OF AGRICULTURE		
Child and Adult Care Food Program		CFDA 10.558
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Section 8 Housing Choice Vouchers		CFDA 14.871
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Low-Income Home Energy Assistance Program		CFDA 93.568
Community Service Block Grant		CFDA 93.569
Head Start		CFDA 93.600

The threshold for distinguishing Types A and B programs was \$300,000.00.

Auditee qualified as a low risk auditee?	_____ <u>X</u> _____	Yes	_____ _____	No
--	----------------------	-----	-------------	----

II. FINANCIAL STATEMENT FINDINGS

None

NORTHEAST MISSOURI COMMUNITY ACTION AGENCY
Kirksville, Missouri

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2015

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding: 2015-001 – Earmarking

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Head Start – CFDA 93.600

Criteria:

Administrative earmark. The costs of developing and administering a Head Start program shall not exceed 15 percent of the annual total program costs, including the required non-Federal contribution to such costs (i.e., matching), unless a waiver has been granted by ACF. Development and administrative costs include, but are not limited to, the cost of organization-wide planning, coordination and general purpose direction, accounting and auditing, purchasing and personnel functions, and the cost of operating and maintaining space for these purposes (42 USC 9839(b)(2); 45 CFR section 1301.32).

Condition:

During our testing, it was noted that the Organization did not have adequate documentation on hand to verify they are meeting the administrative earmark requirements.

Effect:

The Organization did not document compliance with administrative earmarks, which could result in disallowed costs.

Cause:

The Organization staff did not realize the importance of program codes use in the accounting software in the past.

Recommendation:

We recommend the Organization implement procedures to allow for the tracking of expenses between program and administrative.

Views of responsible officials and planned corrective action:

See the Corrective Action Plan on page 42 of the current year audit.

NORTHEAST MISSOURI COMMUNITY ACTION AGENCY
Kirksville, Missouri

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2015

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding: 2015-002 – Activities Allowed or Unallowed

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Low-Income Home Energy Assistance – CFDA 93.568

Criteria:

LIHEAP funds may be used to intervene in energy-related crisis situations, as defined by the pass through entity (42USC 8623(c) and 8624(b)(1)). The pass-through entity, the State of Missouri Department of Social Services, requires crisis situations to be processed within 48 hours.

Condition:

During our testing, it was noted that the Organization did not have adequate documentation on hand to verify energy crisis situations were issued to the vendor within the required 45 day time frame.

Effect:

The Organization did not document compliance with guidelines, which could result in delayed payment for the energy crisis.

Cause:

The Organization lacked sufficient documentation to allow for the timely processing of energy crisis payments was not present in the files.

Recommendation:

We recommend the Organization implement procedures to allow for the timely processing of all energy related crisis'. This process should include improved documentation of time lines within participant files to better document the Organization has met requirements.

Views of responsible officials and planned corrective action:

See the Corrective Action Plan on page 42 of the current year audit.

NORTHEAST MISSOURI COMMUNITY ACTION AGENCY
Kirksville, Missouri

Summary Schedule of Prior Audit Findings
For the Year Ended September 30, 2015

Finding 2014-001 – Improper Classification of Transactions

Condition:

Reconciliations of balance sheet accounts found transactions that were improperly classified and/or not recorded at all. These balance sheet account reconciliations resulted in material amounts of general ledger adjustments posted after year end and through the date of the audit report.

Status: Staff were trained in the area of financial statement preparation and reconciliations were up to date.

Corrective Action Plan

February 16, 2016

Cognizant or Oversight Agency for Audit

Northeast Missouri Community Action Agency respectfully submits the following corrective action plan for the year ended September 30, 2015.

Name and address of independent certified public accounting firm: Jarred, Gilmore & Phillips, PA, P.O. Box 779, 1815 S Santa Fe, Chanute, Kansas 66720.

Audit period: Year ended September 30, 2015.

The findings from the February 16, 2016 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

Finding: 2015-001 – Earmarking

Recommendation:

We recommend the Organization implement procedures to allow for the tracking of expenses between program and administrative.

Views of responsible officials and planned corrective action:

The Finance Director received guidance on how to calculate Head Start administrative costs and has assigned a code in the accounting system to specifically track all direct administrative costs. Any shared costs that include direct Head Start administrative costs, will be charged at the approved percentage outlined in the approved grant application. This will enable the finance department to accurately account for all administrative costs associated with the program to ensure they do not exceed the 15% of the annual total program costs, including the required non-Federal contribution to such costs (i.e., matching), unless a waiver has been granted by ACF.

Finding: 2015-002 – Activities Allowed or Unallowed

Recommendation:

We recommend the Organization implement procedures to allow for the timely processing of all energy related crisis'. This process should include improved documentation of time lines within participant files to better document the Organization has met requirements.

Views of responsible officials and planned corrective action:

The Program Director will run an "Un-batched and Un-Paid Batch Report" a least a monthly to ensure all applications are being batched and paid within the time limit. All potential issues will be researched and corrected immediately which will allow for timely processing

If the Oversight Agency for Audit has questions regarding this plan, please call Penny Miles, Executive Director, at (660)665-9855.

Sincerely,

Northeast Missouri Community Action Agency

Northeast Missouri Community Action Agency

Corrective Action Plan