

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

Independent Auditors' Report and
Financial Statements with
Supplementary Information
For the Year Ended September 30, 2016

NORTHEAST MISSOURI COMMUNITY ACTION AGENCY
Kirksville, Missouri

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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 consolidated statement of financial position as of September 30, 2016, 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 the 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 auditor's 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 Organization'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 Organization'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, 2016, 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 Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 16-18) 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 19-31) 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 April 20, 2017, 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
April 20, 2017

NORTHEAST MISSOURI COMMUNITY ACTION AGENCY

Kirksville, Missouri

Consolidated Statement of Financial Position

September 30, 2016

ASSETS

Current Assets:

Cash

Cash in Bank - Unrestricted \$ 22,327.49

Cash in Bank - Restricted 103,341.19

Total Cash 125,668.68

Receivables, Net 209,800.66

Inventory 6,726.30

Prepaid Expense 6,330.81

Total Current Assets 348,526.45

Capital Assets, Net 3,302,904.71

TOTAL ASSETS \$ 3,651,431.16

LIABILITIES AND NET ASSETS

Liabilities

Current Liabilities:

Accounts Payable \$ 49,562.87

Accrued Payroll 52,243.28

Accrued Payroll Withholdings 97,207.39

Accrued Annual Leave 42,297.58

Tenant Security Deposits 7,095.00

Line of Credit 60,000.00

Current Maturities of Notes Payable 29,325.64

Total Current Liabilities 337,731.76

Long-Term Liabilities

Notes Payable 588,105.14

Less: Current Maturities of Notes Payable (29,325.64)

Total Long-Term Liabilities 558,779.50

TOTAL LIABILITIES 896,511.26

Net Assets:

Unrestricted 408,579.19

Temporarily Restricted 2,346,340.71

TOTAL NET ASSETS 2,754,919.90

TOTAL LIABILITIES AND NET ASSETS \$ 3,651,431.16

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, 2016CHANGES IN NET ASSETS

Unrestricted Net Assets	
Revenues and Gains	
Contributions	\$ 3,806,808.40
Interest	304.20
Program Income	110,893.46
Rental Income	79,451.34
Miscellaneous Income	1,963.78
Total Revenue and Gains	<u>3,999,421.18</u>
Expenses	
Program Services	
Early Childhood	2,681,728.24
Emergency Services	340,265.01
Weatherization Services	217,126.62
Housing	154,355.75
Community Services	291,795.32
Supporting Activities	
Management and General	422,004.35
Fundraising	3,778.28
Total Expenses	<u>4,111,053.57</u>
Net Assets Released From Restrictions through Satisfaction of Program Restrictions	<u>91,171.89</u>
Increase (Decrease) in Unrestricted Net Assets	<u>(20,460.50)</u>
Temporarily Restricted Net Assets	
Contributions	8,738.82
Net Assets Released From Restrictions Through Satisfaction of Program Restrictions	<u>(91,171.89)</u>
Increase (Decrease) in Temporarily Restricted Net Assets	<u>(82,433.07)</u>
Net Increase(Decrease) In Net Assets	(102,893.57)
NET ASSETS, September 30, 2015	<u>2,857,813.47</u>
NET ASSETS, September 30, 2016	<u>\$ 2,754,919.90</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, 2016

	Program Services					Total Program Services
	Early Childhood	Emergency Services	Weatherization Services	Housing	Community Services	
Expenses						
Salaries and Fringe Benefits	\$ 1,660,477.21	\$ 41,404.74	\$ 118,520.00	\$ 24,202.08	\$ 175,909.92	\$ 2,020,513.95
Contractual Services	12,541.41	-	6,070.56	25.65	28,248.40	46,886.02
Depreciation Expense	4,599.57	-	7,931.60	91,085.71	-	103,616.88
Direct Clent Expense	233,024.66	291,300.23	-	4,356.00	40,005.46	568,686.35
Food	453,761.13	-	-	-	-	453,761.13
Insurance Expense	31,988.53	333.78	4,511.21	13,997.04	4,984.92	55,815.48
Interest Expense	-	-	-	-	-	-
Maintenance and Repairs	13,969.42	164.72	1,408.45	10,610.27	750.19	26,903.05
Materials	-	-	45,280.13	1,060.42	-	46,340.55
Miscellaneous Expense	1,557.50	4.43	-	2,412.00	357.50	4,331.43
Occupancy	21,867.19	-	1,097.23	-	528.11	23,492.53
Postage and Office Supplies	30,339.03	4,558.89	5,043.73	491.37	6,967.19	47,400.21
Supplies	84,622.38	-	698.06	-	-	85,320.44
Telephone	24,697.22	1,518.06	2,570.38	-	2,949.21	31,734.87
Training	13,339.10	25.00	10,639.02	1,544.83	12,881.87	38,429.82
Travel	44,971.01	492.36	9,526.74	1,463.94	16,066.87	72,520.92
Vehicle Expenses	10,275.44	-	281.40	-	-	10,556.84
Utilities	39,697.44	462.80	3,548.11	3,106.44	2,145.68	48,960.47
Total Expenses	\$ 2,681,728.24	\$ 340,265.01	\$ 217,126.62	\$ 154,355.75	\$ 291,795.32	\$ 3,685,270.94
	Supporting Activities					
	Management and General	Fundraising	Total Organization Services			
Expenses						
Salaries and Fringe Benefits	\$ 267,201.08	\$ 2,392.80	\$ 2,290,107.83			
Contractual Services	16,716.90	149.70	63,752.62			
Depreciation Expense	47,222.72	422.88	151,262.48			
Direct Clent Expense	60.00	-	568,746.35			
Food	-	-	453,761.13			
Insurance Expense	2,872.60	25.72	58,713.80			
Interest Expense	34,379.60	307.87	34,687.47			
Maintenance and Repairs	1,646.06	14.74	28,563.85			
Materials	28.05	-	46,368.60			
Miscellaneous Expense	7,859.35	70.38	12,261.16			
Occupancy	66.85	0.60	23,559.98			
Postage and Office Supplies	24,115.05	215.95	71,731.21			
Supplies	-	-	85,320.44			
Telephone	5,214.52	46.70	36,996.09			
Training	3,124.67	27.98	41,582.47			
Travel	8,660.90	77.56	81,259.38			
Vehicle Expenses	-	-	10,556.84			
Utilities	2,836.00	25.40	51,821.87			
Total Expenses	\$ 422,004.35	\$ 3,778.28	\$ 4,111,053.57			

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, 2016

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ (102,893.57)
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities	
Depreciation Expense	151,262.48
(Increase) Decrease in Receivables	29,415.92
(Increase) Decrease in Inventory	(5,274.15)
(Increase) Decrease in Prepaid Expense	5,689.99
Increase (Decrease) in Accounts Payable	(20,334.57)
Increase (Decrease) in Accrued Payroll	(19,318.56)
Increase (Decrease) in Accrued Payroll Withholdings	22,930.50
Increase (Decrease) in Accrued Annual Leave	348.68
Increase (Decrease) in Refundable Grant Advances	(7,118.00)
Increase (Decrease) in Tenant Security Deposits	-
Net cash provided by (used in) operating activities	<u>54,708.72</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Principal Payments on Notes Payable	(27,595.36)
Principal Payments on Line of Credit	<u>(7,500.00)</u>
Net cash provided by (used in) financing activities	<u>(35,095.36)</u>

Net Increase (Decrease) in Cash and Cash Equivalents 19,613.36

Cash, September 30, 2015 106,055.32

Cash, September 30, 2016 \$ 125,668.68

Supplementary Information

Cash Paid During the Period for:

Interest Expense \$ 34,469.86

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, 2016

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).

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. CONCENTRATION OF CREDIT RISK

At year-end, the carrying amount of the Organization's deposits including certificates of deposit was \$125,668.68. 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 \$146,359.25. Of the bank balance, \$92,218.06 was covered by FDIC insurance and \$54,141.19 was held in escrow by the Missouri Housing Development Commission.

4. RECEIVABLES, NET

Receivables at September 30, 2016, consist of amounts due as follows:

Head Start – Federal	\$ 61,410.20
Early Head Start-State	24,086.45
Child and Adult Care Food Program	12,375.39
Family Day Care Homes	32,375.45
LIHEAP Weatherization Grant	4,601.00
Community Services Block Grant	50,173.23
Weatherization	20,731.96
Liberty Utilities Weatherization Grant	1,840.28
Utilicare Weatherization Grant	<u>2,206.70</u>
Total Receivables, Net	<u>\$ 209,800.66</u>

All receivables at September 30, 2016, are considered collectible. Accordingly, the allowance for uncollectibility is zero.

5. INVENTORY

Inventory consists of the following at September 30, 2016:

Weatherization Materials	\$ 4,175.78
Weatherization Labor	<u>2,550.52</u>
Total	<u>\$ 6,726.30</u>

6. CAPITAL ASSETS

Following are the changes in capital assets for the year ended September 30, 2016:

	Balance			Balance
	9/30/2015	Additions	Retirements	9/30/2016
Capital Assets not being depreciated				
Land	\$ 168,727.54	\$ -	\$ -	\$ 168,727.54
Total Capital Assets not being deprec	168,727.54	-	-	168,727.54
Other Capital Assets				
Buildings and Improvements	4,241,097.36	-	-	4,241,097.36
Equipment	21,218.02	-	-	21,218.02
Vehicles	399,899.98	-	-	399,899.98
Total Other Capital Assets	4,662,215.36	-	-	4,662,215.36
Accumulated Depreciation	(1,376,775.71)	(151,262.48)	-	(1,528,038.19)
Total Net Capital Assets	\$ 3,454,167.19	\$ (151,262.48)	\$ -	\$ 3,302,904.71

7. RESTRICTED CASH IN BANK

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

In accordance with the Missouri Housing Development Commission (MHDC) loan agreements, the Organization must maintain escrow accounts for insurance, property taxes, and future repairs and maintenance expenses. MHDC was holding 7 separate escrow accounts with a total balance \$54,141.19.

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, 2016, is \$254,298.54.

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, 2016, is \$135,521.79.

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, 2016, is \$123,376.44.

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, 2016, is \$74,908.37.

The following is a summary of changes in notes payable for the year ended September 30, 2016:

	Principal September 30, 2015	Principal Received (Paid)	Principal September 30, 2016	Interest Paid
Obligations:				
Kirksville Office	\$ 266,550.90	\$ (12,252.36)	\$ 254,298.54	\$ 15,946.68
Wayland HS	139,656.14	(4,134.35)	135,521.79	5,681.65
Memphis HS	129,723.62	(6,347.18)	123,376.44	5,388.82
Glenwood & Edina HS	<u>79,769.84</u>	<u>(4,861.47)</u>	<u>74,908.37</u>	<u>3,682.53</u>
	<u>\$ 615,700.50</u>	<u>\$ (27,595.36)</u>	<u>\$ 588,105.14</u>	<u>\$ 30,699.68</u>

8. NOTES PAYABLE (Continued)

The schedule of maturities of notes payable is as follows:

<u>Year Ending September 30:</u>	<u>Amount</u>
2017	\$ 29,325.64
2018	30,861.48
2019	32,479.98
2020	34,185.71
2021	35,983.49
2022-2026	210,478.77
2027-2031	166,817.47
2032-2036	43,436.48
2037	<u>4,536.12</u>
Total	<u>\$ 588,105.14</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, 2017, including interest of 5.750%. The balance on the note at September 30, 2016 is \$60,000.00 and interest paid during the fiscal year ended September 30, 2016 was \$3,770.18.

10. OPERATING LEASES

As of September 30, 2016, the Organization has entered into a number of operating leases for various office equipment and space. Total payments for the year ended September 30, 2016, were \$36,760.54. Under the current lease agreements, the future minimum lease rentals are as follows:

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, 2016 was \$25,057.02.

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:

Liberty Utility Donations	\$	22,918.26
Lewis Co REC Donations		15,763.16
Central Office Gift Fund		(258.46)
Kahoka 2 Duplexes Net Book Value (Restrictions Expire November 21, 2023)		258,847.15
Kirksville 2 Single Family Homes Net Book Value (Restrictions Expire September 11, 2027)		243,033.33
Edina 1 Single Family Homes Net Book Value (Restrictions Expire August 20, 2028)		144,761.53

13. TEMPORARILY RESTRICTED NET ASSETS (Continued)

Kahoka 2 Single Family Homes Net Book Value (Restrictions Expire August 20, 2028)	\$ 286,511.25
Memphis 4 Single Family Homes Net Book Value (Restrictions Expire October 26, 2030)	507,777.78
Woodridge 3 Single Family Homes Net Book Value (Restrictions Expire September 12, 2032)	503,803.33
Lancaster Single Family Homes Net Book Value (Restrictions Expire September 2, 2035)	<u>363,183.38</u>
Total Temporarily Restricted Net Assets	<u>\$ 2,346,340.71</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	\$ 444,819.82
	Professional Volunteers	15,154.14
	Space	221.00
	Travel	20,751.01
	Supplies	<u>65,185.96</u>
	Total Program In-Kind	546,131.93
	Non-GAAP	<u>(444,819.82)</u>
	Total In-Kind	<u>\$ 101,312.11</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, 2016, through March 24, 2017, 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, 2016

Program Code CFDA No.	Head Start - Federal 2015/2016	Head Start - Federal 2016/2017	Early Head Start - Federal 2015/2016	Early Head Start - Federal 2016/2017	Early Head Start - State 2015/2016	Early Head Start - State 2015/2016	Child Care Food Program 004	Family Day Care Homes 005	Child Care 214	LIHEAP - Energy Assistance 019
	Early Childhood	Early Childhood	Early Childhood	Early Childhood	Early Childhood	Early Childhood	Early Childhood	Early Childhood	Early Childhood	Emergency Services
	\$ 1,451,974.23	\$ 257,986.39	\$ 265,656.44	\$ 72,034.10	\$ -	\$ -	\$ 138,404.47	\$ 369,679.94	\$ -	\$ 310,711.00
Contributions	-	-	-	-	42,498.02	-	-	-	-	-
Grant Revenue - Federal	414,278.61	39,779.34	82,469.53	9,604.45	-	-	-	-	-	-
Grant Revenue - State	315.74	315.76	(2,187.10)	-	-	-	-	47,391.00	-	-
Local - Non-Cash	-	-	-	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Indirect Income	-	-	-	-	-	-	-	-	-	-
Program Income	-	-	-	-	-	-	-	-	80,892.75	-
Rental Income	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-	-	-	-	-	-
Total Revenues and Gains	1,866,568.58	298,081.49	345,938.87	81,638.55	105,131.92	42,498.02	138,404.47	417,070.94	80,892.75	310,711.00
Expenses										
Salaries and Fringe Benefits	1,064,436.68	198,080.82	173,376.11	42,470.24	34,782.87	12,404.33	45,425.62	37,443.11	36,903.29	39,415.91
Salaries and Fringe Benefits Non-Cash	350,041.19	28,422.47	72,865.06	8,645.24	-	-	-	-	-	-
Contractual Services	9,110.88	392.27	2,892.29	86.87	-	-	-	59.10	-	-
Depreciation Expense	-	-	-	-	-	-	-	-	-	-
Direct Client Expense	30,858.86	1,680.00	63,736.33	18,741.82	64,226.45	26,928.00	-	-	26,853.20	258,408.89
Food	-	514.85	-	82.09	-	-	83,484.25	369,679.94	-	-
Indirect Expense	171,374.31	31,891.01	27,913.55	6,837.71	5,600.04	1,997.10	7,313.52	6,028.36	5,941.43	6,345.96
Insurance Expense	31,453.39	57.84	143.52	-	-	-	-	333.78	-	333.78
Interest Expense	-	-	-	-	-	-	-	-	-	-
Maintenance and Repairs	11,441.94	-	1,661.45	512.40	-	-	-	163.97	189.66	164.72
Materials	-	-	-	-	-	-	-	-	-	-
Miscellaneous Expense	1,160.00	397.50	-	-	-	-	-	-	-	-
Occupancy	35,684.65	4,300.00	-	-	-	127.30	-	-	-	-
Occupancy Non-Cash	162.00	23.00	35.00	1.00	-	-	-	276.96	190.95	324.60
Postage and Office Supplies	22,404.84	-	5,696.31	773.95	-	-	19.63	1,444.30	-	3,638.92
Supplies	4,397.89	11,241.02	834.17	-	24.94	1,008.99	1,929.41	-	-	-
Supplies Non-Cash	48,182.14	8,619.18	7,576.28	808.36	-	-	-	-	-	-
Telephone	16,039.33	3,271.25	4,343.62	397.56	-	-	5.32	640.14	-	1,518.06
Training	10,828.06	164.90	1,169.29	1,142.75	32.00	-	-	2.10	-	25.00
Travel	19,877.13	2,002.56	1,091.81	366.45	71.41	32.30	224.39	553.95	-	72.36
Travel Non-Cash	15,893.28	2,714.69	1,993.19	149.85	-	-	-	-	-	-
Vehicle Expenses	8,810.47	1,464.97	-	-	-	-	-	-	-	-
Utilities	30,810.64	2,843.16	4,579.61	622.26	394.21	-	2.33	445.23	-	462.80
Operating Transfer To (From)	(16,399.10)	-	(23,968.72)	-	-	-	-	-	10,814.22	-
Total Expenses	1,866,568.58	298,081.49	345,938.87	81,638.55	105,131.92	42,498.02	138,404.47	417,070.94	80,892.75	310,711.00
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 (Continued)

For the Year Ended September 30, 2016

	Emergency Services		Emergency Services		Emergency Services		Weatherization Services		Weatherization Services		Weatherization Services		Weatherization Services	
	Utilicare LIHEAP	FEMA Multi County	Liberty Utility Donations	Lewis Co REC Donations	Liberty Energy Assistance	Weatherization Assistance - DOE 2015/2016	Weatherization Assistance - DOE 2016/2017	Weatherization Assistance - LIHEAP - DOE	Ameren Weatherization	Weatherization Assistance				
Program Code CFDA No.	044 N/A	128 97.024	024 N/A	040 N/A	038 N/A	006 81.042	106 81.042	039 93.568	016 N/A	037 N/A	037 N/A	037 N/A	037 N/A	037 N/A
Revenues and Gains														
Contributions														
Grant Revenue - Federal	\$ -	\$ 219.80	\$ -	\$ -	\$ -	\$ 76,894.71	\$ 23,119.96	\$ 86,301.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grant Revenue - State	36,491.00	-	-	-	9,470.28	-	-	-	26,603.00	-	-	-	-	6,201.70
Local - Non-Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local	-	-	738.82	8,000.00	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Indirect Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Program Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues and Gains	36,491.00	219.80	738.82	8,000.00	9,470.28	76,894.71	23,119.96	86,301.00	26,603.00	6,201.70	6,201.70	6,201.70	6,201.70	6,201.70
Expenses														
Salaries and Fringe Benefits	1,988.83	-	-	-	4,421.92	41,696.05	7,784.22	46,470.76	15,863.03	-	-	-	-	2,284.02
Salaries and Fringe Benefits Non-Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contractual Services	-	-	-	-	1,000.00	1,479.50	1,059.31	2,531.75	-	-	-	-	-	-
Depreciation Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Direct Client Expense	32,842.00	123.16	(1,167.82)	1,094.00	-	-	-	-	-	-	-	-	-	-
Food	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Indirect Expense	320.20	-	-	-	711.92	6,884.97	930.76	7,809.00	2,553.95	-	-	-	-	363.02
Insurance Expense	-	-	-	-	100.00	1,750.06	(134.00)	1,000.15	1,795.00	-	-	-	-	-
Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance and Repairs	-	-	-	-	-	364.12	303.95	740.38	-	-	-	-	-	-
Materials	-	-	-	-	2,336.94	9,324.54	6,630.43	19,601.85	4,665.90	-	-	-	-	2,720.47
Miscellaneous Expense	-	4.43	-	-	-	-	-	-	-	-	-	-	-	-
Occupancy	-	-	-	-	-	3,847.95	817.60	-	-	-	-	-	-	-
Occupancy Non-Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Postage and Office Supplies	919.97	-	-	-	99.60	4,367.89	417.85	158.39	-	-	-	-	-	-
Supplies	-	-	-	-	300.40	-	118.24	279.42	-	-	-	-	-	-
Supplies Non-Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	403.64	458.84	230.78	1,477.12	-	-	-	-	-
Training	-	-	-	-	-	5,973.18	125.72	4,315.12	25.00	-	-	-	-	200.00
Travel	420.00	-	-	-	299.50	3,607.63	4,455.99	1,034.05	-	-	-	-	-	129.57
Travel Non-Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vehicle Expenses	-	-	-	-	-	281.40	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	200.00	873.95	151.05	2,100.11	223.00	-	-	-	-	-
Operating Transfer To (From)	-	92.21	-	(3,960.17)	-	-	-	29.24	-	-	-	-	-	504.62
Total Expenses	36,491.00	219.80	(1,167.82)	1,094.00	9,470.28	76,894.71	23,119.96	86,301.00	26,603.00	6,201.70	6,201.70	6,201.70	6,201.70	6,201.70
Increase (Decrease) in Net Assets	-	-	1,906.64	6,906.00	-	-	-	-	-	-	-	-	-	-
NET ASSETS, Beginning of Year	-	-	21,011.62	8,857.16	-	-	-	-	-	-	-	-	-	-
NET ASSETS, End of the Year	\$ -	\$ -	\$ 22,918.26	\$ 15,763.16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NORTHEAST MISSOURI COMMUNITY ACTION AGENCY

Kirksville, Missouri

COMMUNITY SERVICES BLOCK GRANT PROGRAM

GRANT NO. PG281300013

For the Program Period October 1, 2015 - September 30, 2016

Schedule of Revenue and Expenses

	<u>Total Grant</u>
Beginning CSBG Residual Receipts	\$ 77,034.15
Revenue	
Grant Revenue-CSBG	374,320.00
Other Income	-
Total Revenue	<u>374,320.00</u>
Expenditures	
Indirect	28,321.50
Personnel Salaries and Wages	134,467.20
Employee Benefits	41,442.72
Direct Client Benefits	9,112.96
Program Services	19,604.56
Contracts and Consulting	28,248.40
Travel	14,393.10
Training and Staff Development	6,252.90
Rent/Space	8,009.37
Utilities	2,145.68
Insurance	4,984.92
Office Supplies	14,310.83
Equipment	6,150.00
Communications	2,949.21
Vehicle Repairs and Maintenance	1,673.77
Other - Advertising	4,420.55
Subtotal Operating Expenses	<u>326,487.67</u>
Leveraging - Head Start	47,832.33
Leveraging - Corporate	77,034.15
Subtotal Leveraging	<u>124,866.48</u>
Total Expenditures	<u>451,354.15</u>
Revenue over(under) Expense	<u>(77,034.15)</u>
Ending CSBG Residuals	<u>\$ -</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, 2016

Revenue			Variable Favorable (Unfavorable)
	Budget	Actual	
Grant Revenue - LIHEAP			
Special Start-up	\$ -	\$ -	\$ -
Current (initial + amendments)	310,711.00	310,711.00	-
Interest	-	-	-
Total Revenue	310,711.00	310,711.00	-
Expenditures			
Administrative/Program Services			
Personnel	33,447.43	39,415.91	(5,968.48)
Contracting/Consulting	120.00	63.60	56.40
Travel/Training	3,200.00	97.36	3,102.64
Rent/Fuel/Utilities	960.00	787.40	172.60
Insurance	1,960.00	333.78	1,626.22
Equipment	-	-	-
Supplies	4,472.53	3,638.92	833.61
Communication Services	1,920.00	1,518.06	401.94
Repair & Maintenance	420.00	164.72	255.28
Other-Program Expenses	2,800.00	2,319.29	480.71
Indirect Cost	5,385.04	6,345.96	(960.92)
Total Administrative/Program Services	54,685.00	54,685.00	-
ECIP Direct Services			
Winter	187,952.00	187,952.00	-
Summer	68,074.00	68,074.00	-
Total ECIP Direct Services	256,026.00	256,026.00	-
Outreach & Education			
Outreach and Education	-	-	-
Total Outreach & Education	-	-	-
Total Expenditures	310,711.00	310,711.00	-
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 June 30, 2016**

DIVISION OF ENERGY**SUBGRANTEE**

Beginning Fund Balance	0	Beginning Fund Balance	0
Revenue		Revenue	
Grant Income	90,651	Grant Income	90,651
Program Income	0	Program Income	0
Total Revenue	90,651	Total Revenue	90,651
<u>Expenditures</u>		<u>Expenditures</u>	
Administration	7,714	Administration	7,714
Insurance	1,750	Insurance	1,750
Financial Audit	0	Financial Audit	0
Leveraging	0	Leveraging	0
T&TA	4,000	T&TA	4,000
Program Operations	77,187	Program Operations	77,187
Total Expenditures	90,651	Total Expenditures	90,651
Ending Fund Balance	0	Ending Fund Balance	0
		Ending Cash on Hand	0
		Ending Inventory	0

**NORTHEAST MISSOURI COMMUNITY ACTION AGENCY
DOE**

Subgrant Number: G-16-EE0006164-4-15

RECONCILIATION OF REVENUES AND EXPENSES

FOR THE PERIOD OF July 1, 2016 to September 30, 2016

DIVISION OF ENERGY**SUBGRANTEE**

Beginning Fund Balance	0	Beginning Fund Balance	0
Revenue		Revenue	
Grant Income	20,887	Grant Income	23,120
Program Income	0	Program Income	0
Total Revenue	20,887	Total Revenue	23,120
<u>Expenditures</u>		<u>Expenditures</u>	
Administration	973	Administration	973
Insurance	0	Insurance	0
Financial Audit	0	Financial Audit	0
Leveraging	0	Leveraging	0
T&TA	383	T&TA	383
Program Operations	19,531	Program Operations	21,764
Total Expenditures	20,887	Total Expenditures	23,120
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: G15-11-0028-4-15

RECONCILIATION OF REVENUES AND EXPENSES
FOR THE PERIOD OF November 1, 2014 to October 31, 2015

DIVISION OF ENERGY

Beginning Fund Balance 0

Revenue

Grant Income 39,939

Program Income 0

Total Revenue 39,939

Expenditures

Administration 2,345

Insurance 150

Financial Audit 0

Leveraging 0

T&TA 0

Program Operations 37,444

Total Expenditures 39,939

Ending Fund Balance 0

SUBGRANTEE

Beginning Fund Balance 0

Revenue

Grant Income 39,939

Program Income 0

Total Revenue 39,939

Expenditures

Administration 2,345

Insurance 150

Financial Audit 0

Leveraging 0

T&TA 0

Program Operations 37,444

Total Expenditures 39,939

Ending Fund Balance 0

Ending Cash on Hand 0

Ending Inventory 0

**NORTHEAST MISSOURI COMMUNITY ACTION AGENCY
Ameren Electric
Subgrant Number: G16-14-0258-1-15**

RECONCILIATION OF REVENUES AND EXPENSES

FOR THE PERIOD OF November 1, 2015 to September 30, 2016

DIVISION OF ENERGY

Beginning Fund Balance 0

Revenue

Grant Income 26,603

Program Income 0

Total Revenue 26,603

Expenditures

Administration 2,554

Insurance 1,795

Financial Audit 0

Leveraging 0

T&TA 0

Program Operations 22,254

Total Expenditures 26,603

Ending Fund Balance 0

SUBGRANTEE

Beginning Fund Balance 0

Revenue

Grant Income 26,603

Program Income 0

Total Revenue 26,603

Expenditures

Administration 2,554

Insurance 1,795

Financial Audit 0

Leveraging 0

T&TA 0

Program Operations 22,254

Total Expenditures 26,603

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 October 31, 2015

DIVISION OF ENERGY

Beginning Fund Balance 0

Revenue

Grant Income 9,964

Program Income 0

Total Revenue 9,964

Expenditures

Administration 996

Insurance 70

Financial Audit 0

Leveraging 0

T&TA 0

Program Operations 8,898

Total Expenditures 9,964

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 70

Financial Audit 0

Leveraging 0

T&TA 0

Program Operations 8,898

Total Expenditures 9,964

Ending Fund Balance 0

Ending Cash on Hand 0

Ending Inventory 0

NORTHEAST MISSOURI COMMUNITY ACTION AGENCY
Liberty Utilities
Subgrant Number: G16-14-0152-1-15

RECONCILIATION OF REVENUES AND EXPENSES

FOR THE PERIOD OF November 1, 2015 to September 30, 2016

DIVISION OF ENERGY		SUBGRANTEE	
Beginning Fund Balance	0	Beginning Fund Balance	0
Revenue		Revenue	
Grant Income	9,373	Grant Income	9,470
Program Income	0	Program Income	0
Total Revenue	9,373	Total Revenue	9,470
<u>Expenditures</u>		<u>Expenditures</u>	
Administration	615	Administration	615
Insurance	100	Insurance	100
Financial Audit	0	Financial Audit	0
Leveraging	0	Leveraging	0
T&TA	0	T&TA	0
Program Operations	8,658	Program Operations	8,755
Total Expenditures	9,373	Total Expenditures	9,470
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
LIHEAP
Subgrant Number: G-16-LIHEAP-16-15**

RECONCILIATION OF REVENUES AND EXPENSES

FOR THE PERIOD OF October 1, 2015 to September 30, 2016

DIVISION OF ENERGY

Beginning Fund Balance 0

Revenue

Grant Income 86,301

Program Income 0

Total Revenue 86,301

Expenditures

Administration 7,809

Insurance 1,000

Financial Audit 0

Leveraging 0

T&TA 4,315

Program Operations 73,177

Total Expenditures 86,301

Ending Fund Balance 0

SUBGRANTEE

Beginning Fund Balance 0

Revenue

Grant Income 86,301

Program Income 0

Total Revenue 86,301

Expenditures

Administration 7,809

Insurance 1,000

Financial Audit 0

Leveraging 0

T&TA 4,315

Program Operations 73,177

Total Expenditures 86,301

Ending Fund Balance 0

Ending Cash on Hand 0

Ending Inventory 0

**NORTHEAST MISSOURI COMMUNITY ACTION AGENCY
UTILICARE
Subgrant Number: G-16-Utilicare-16A-15**

RECONCILIATION OF REVENUES AND EXPENSES

FOR THE PERIOD OF July 1, 2015 to January 31, 2016

DIVISION OF ENERGY

Beginning Fund Balance 0

Revenue

Grant Income 3,995

Program Income 0

Total Revenue 3,995

Expenditures

Administration 399

Insurance 0

Financial Audit 0

Leveraging 0

T&TA 200

Program Operations 3,396

Total Expenditures 3,995

Ending Fund Balance 0

SUBGRANTEE

Beginning Fund Balance 0

Revenue

Grant Income 3,995

Program Income 0

Total Revenue 3,995

Expenditures

Administration 399

Insurance .

Financial Audit 0

Leveraging 0

T&TA 200

Program Operations 3,396

Total Expenditures 3,995

Ending Fund Balance 0

Ending Cash on Hand 0

Ending Inventory 0

**NORTHEAST MISSOURI COMMUNITY ACTION AGENCY
UTILICARE
Subgrant Number: G-16-Utilicare-16B-15**

RECONCILIATION OF REVENUES AND EXPENSES

FOR THE PERIOD OF July 1, 2016 to September 30, 2016

DIVISION OF ENERGY		SUBGRANTEE	
Beginning Fund Balance	0	Beginning Fund Balance	0
Revenue		Revenue	
Grant Income	1,701	Grant Income	2,207
Program Income	0	Program Income	0
Total Revenue	1,701	Total Revenue	2,207
<u>Expenditures</u>		<u>Expenditures</u>	
Administration	110	Administration	110
Insurance	0	Insurance	.
Financial Audit	0	Financial Audit	0
Leveraging	0	Leveraging	0
T&TA	0	T&TA	0
Program Operations	1,591	Program Operations	2,097
Total Expenditures	1,701	Total Expenditures	2,207
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

Kirksville, Missouri

HEAD START FEDERAL PROGRAM

GRANT NO. 07CH7059/03

For the Program Year Ended July 31, 2016

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	513,284.00	531,015.57	17,731.57
Donations	-	2,172.00	(2,172.00)
	<u>2,599,021.00</u>	<u>2,618,924.57</u>	<u>15,559.57</u>
<u>EXPENSES</u>			
Direct Costs			
Personnel	1,088,498.00	1,106,489.53	(17,991.53)
Fringe Benefits	367,676.00	376,220.99	(8,544.99)
Travel	14,536.00	9,600.37	4,935.63
Training	12,928.00	9,342.26	3,585.74
Equipment	-	-	-
Supplies	122,448.00	123,448.20	(1,000.20)
Contractual	118,509.00	130,904.27	(12,395.27)
Facilities/Construction	78,739.00	90,111.97	(11,372.97)
Other	48,188.00	3,075.01	45,112.99
Indirect Costs	234,215.00	238,716.40	(4,501.40)
	<u>2,085,737.00</u>	<u>2,087,909.00</u>	<u>(2,172.00)</u>
Grantee's In-Kind Expenses			
Personnel, Supplies and Other	513,284.00	531,015.57	17,731.57
	<u>2,599,021.00</u>	<u>2,618,924.57</u>	<u>15,559.57</u>
REVENUE OVER (UNDER) EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NORTHEAST MISSOURI COMMUNITY ACTION AGENCY

Kirksville, Missouri

HEAD START PROGRAM

GRANT NO. 07CH7059/03

For the Program Year Ended July 31, 2016

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 August 26, 2016	\$ -
Adjustments: None	<u>-</u>
Balance of Grant Funds Not Received to Carryover to Program Year Ending July 31, 2017	<u>\$ -</u>

NORTHEAST MISSOURI COMMUNITY ACTION AGENCY

Kirksville, Missouri

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2016

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)	12/31/2016	N/A	97.024	\$ 219.80
Total U.S. Department of Homeland Security				219.80
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Direct Programs:				
Head Start	7/31/2016	N/A	93.600	1,717,630.67
Head Start	7/31/2017	N/A	93.600	330,020.49
			TOTAL 93.600 (M)	2,047,651.16
Passed Through:				
State of Missouri Department of Social Services - Family Support Division	9/30/2016	PG281300013	93.569	374,320.00
Community Services Block Grant				
Low-Income Home Energy Assistance Program (ECIP)	9/30/2016	ERS11014014	93.568	310,711.00
State of Missouri Department of Economic Development				
Low-Income Home Energy Assistance Program	9/30/2016	G-16-LIHEAP-16-15	93.568	86,301.00
Total U.S. Department of Health and Human Services			TOTAL 93.568	397,012.00
				2,818,983.16
<u>U.S. DEPARTMENT OF ENERGY</u>				
Passed Through:				
State of Missouri Department of Economic Development	6/30/2016	G-15-EE0006164-3-15	81.042	76,894.71
Weatherization Assistance for Low-Income Individuals				
Weatherization Assistance for Low-Income Individuals	6/30/2017	G-16-EE0006164-4-15	81.042	23,119.96
Total U.S. Department of Energy			TOTAL 81.042	100,014.67
				100,014.67

NORTHEAST MISSOURI COMMUNITY ACTION AGENCY
 Kirksville, Missouri
 Schedule of Expenditures of Federal Awards
 For the Year Ended September 30, 2016

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	9/30/2016	Various	14.239	(M) \$ 2,878,559.68
Total U.S. Department of Housing and Urban Development				<u>2,878,559.68</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	9/30/2016	ERS46110069	10.558	138,404.47
Sponsoring Organizations of Family Child Care Homes	9/30/2016	ERS46111735	10.558	369,679.94
Total U.S. Department of Agriculture			TOTAL 10.558	<u>508,084.41</u>
Total Expenditures of Federal Awards				<u>\$ 6,305,861.72</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 the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

NOTE B -- LOANS

The accompanying schedule of expenditures of federal awards includes the outstanding balance at 09/30/2016 of CHDO forgivable loans because the Federal Government imposes continuing compliance requirements.

NOTE C -- INDIRECT COST RATE

Northeast Missouri Action Agency did not elect to use the 10% de minimis cost rate.

(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 consolidated statement of financial position as of September 30, 2016, 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, and have issued our report thereon dated April 20, 2017.

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 Organization'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
April 20, 2017

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

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

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 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, 2016. Northeast Missouri Community Action Agency's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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.

Opinion on Each Major Federal Program

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 major federal programs for the year ended September 30, 2016.

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 the Uniform Guidance, 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.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
April 20, 2017

NORTHEAST MISSOURI COMMUNITY ACTION AGENCY
Kirksville, Missouri

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2016

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements:

The auditors' report expresses an unmodified opinion on the consolidated 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?	_____	Yes	_____ <u>X</u> _____	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 an unmodified opinion.

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance _____ Yes _____ X _____ No

Identification of major programs:

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	
Home Investment Partnerships Program	CFDA 14.239
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
Head Start	CFDA 93.600

The threshold for distinguishing Types A and B programs was \$750,000.00.

Auditee qualified as a low risk auditee? _____ Yes _____ X _____ No

II. FINANCIAL STATEMENT FINDINGS

None

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

NORTHEAST MISSOURI COMMUNITY ACTION AGENCY
Kirksville, Missouri

Summary Schedule of Prior Audit Findings
For the Year Ended September 30, 2016

Finding: 2015-001 – Matching, Level of Effort, Earmarking

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.

Status: Staff received training and now has a system in place to track all administration costs and ensure only those amounts allowable are charged to grants.

Finding: 2015-002 – Activities Allowed or Unallowed

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.

Status: The Organization has implemented policies and procedures to ensure documentation is on hand to verify energy crisis situations have been satisfied within the required 45 day time frame.