

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

Independent Auditors' Report and
Financial Statements with
Supplementary Information
For the Year Ended September 30, 2019

NORTHEAST MISSOURI COMMUNITY ACTION AGENCY
Kirksville, Missouri

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JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S 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, 2019, 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.

Auditor's 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 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 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, 2019, and the changes in their 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* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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 28, 2020, 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 the effectiveness of Northeast Missouri Community Action Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Northeast Missouri Community Action Agency's internal control over financial reporting and compliance.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
February 28, 2020

NORTHEAST MISSOURI COMMUNITY ACTION AGENCY

Kirksville, Missouri

Consolidated Statement of Financial Position

September 30, 2019

ASSETS

Current Assets:

Cash

Cash in Bank - Unrestricted	\$ 305,678.10
Cash in Bank - Restricted	125,250.08
Total Cash	<u>430,928.18</u>

Receivables, Net 227,142.58

Inventory 770.50

Prepaid Expense 2,041.00

Total Current Assets 660,882.26

Capital Assets, Net 3,258,325.39

TOTAL ASSETS \$ 3,919,207.65

LIABILITIES AND NET ASSETS

Liabilities

Current Liabilities:

Accounts Payable \$ 71,148.49

Accrued Payroll 38,071.13

Accrued Payroll Withholdings 61,367.08

Accrued Annual Leave 48,893.33

Refundable Grant Advances 261,556.52

Due to Grantor 38,012.42

Tenant Security Deposits 7,680.00

Current Maturities of Notes Payable 35,773.24

Total Current Liabilities 562,502.21

Long-Term Liabilities

Notes Payable 541,994.22

Less: Current Maturities of Notes Payable (35,773.24)

Total Long-Term Liabilities 506,220.98

TOTAL LIABILITIES 1,068,723.19

Net Assets:

Net Assets without Donor Restrictions 781,741.54

Net Assets with Donor Restrictions 2,068,742.92

TOTAL NET ASSETS 2,850,484.46

TOTAL LIABILITIES AND NET ASSETS \$ 3,919,207.65

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, 2019CHANGES IN NET ASSETS

Net Assets without Donor Restrictions	
Revenues and Gains	
Contributions	\$ 4,690,063.50
Interest	1,057.08
Program Income	109,686.55
Rental Income	-
Other Income	61,025.07
Gain (loss) on Sale of Assets	-
Total Revenue and Gains	<u>4,861,832.20</u>
Expenses	
Program Services	
Early Childhood	3,303,735.01
Emergency Services	438,445.66
Weatherization Services	242,140.48
Housing	99,690.58
Community Services	312,161.48
Supporting Activities	
Management and General	535,148.79
Fundraising	7,147.74
Total Expenses	<u>4,938,469.74</u>
Net Assets Released From Restrictions through Satisfaction of Program Restrictions	<u>105,821.51</u>
Increase (Decrease) in Net Assets without Donor Restrictions	<u>29,183.97</u>
Net Assets with Donor Restrictions	
Contributions	15,583.83
Net Assets Released From Restrictions Through Satisfaction of Program Restrictions	<u>(105,821.51)</u>
Increase (Decrease) in Net Assets with Donor Restrictions	<u>(90,237.68)</u>
Net Increase(Decrease) In Net Assets	(61,053.71)
NET ASSETS, September 30, 2018	<u>2,911,538.17</u>
NET ASSETS, September 30, 2019	<u>\$ 2,850,484.46</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, 2019

	Program Services					Total Program Services
	Early Childhood	Emergency Services	Weatherization Services	Housing	Community Services	
Expenses						
Salary & Fringe	\$ 2,027,015.89	\$ 62,403.83	\$ 134,461.43	\$ 26,799.85	\$ 139,254.26	\$ 2,389,935.26
Building Maintenance	33,806.80	491.33	674.17	16,258.51	730.57	51,961.38
Communication	35,142.24	1,264.66	3,677.22	866.11	3,576.15	44,526.38
Contract & Consulting	25,049.15	57.89	6,006.13	28.95	18,266.32	49,408.44
Depreciation	59,873.32	-	3,463.50	-	-	63,336.82
Direct Client Services	716,411.95	356,330.18	68,361.51	31,804.55	90,479.30	1,263,387.49
Equipment	3,925.00	-	-	-	-	3,925.00
Insurance	22,815.73	205.53	4,869.89	13,786.78	2,452.07	44,130.00
Interest	3,116.69	-	-	-	-	3,116.69
Supplies	197,530.67	6,748.31	3,822.71	827.95	9,421.89	218,351.53
Other	17,617.04	379.12	1,693.05	377.42	3,715.91	23,782.54
Rent/Space	29,988.96	1,034.52	1,551.84	517.32	2,879.50	35,972.14
Training	29,209.53	8,217.62	2,696.41	1,550.00	19,672.28	61,345.84
Travel	55,405.81	698.10	5,704.79	1,541.10	19,673.22	83,023.02
Utilities	42,356.72	614.57	1,993.42	5,117.98	2,040.01	52,122.70
Vehicle Maintenance & Repairs	4,469.51	-	3,164.41	214.06	-	7,847.98
Total Expenses	\$ 3,303,735.01	\$ 438,445.66	\$ 242,140.48	\$ 99,690.58	\$ 312,161.48	\$ 4,396,173.21
	Supporting Activities					
	Management and General	Fundraising	Total Organization Services			
Expenses						
Salary & Fringe	\$ 270,872.64	\$ 3,547.46	\$ 2,664,355.36			
Building Maintenance	24,853.58	325.49	77,140.45			
Communication	4,623.06	60.55	49,209.99			
Contract & Consulting	3,145.92	41.20	52,595.56			
Depreciation	128,358.69	1,681.04	193,376.55			
Direct Client Services	35,447.21	464.23	1,299,298.93			
Equipment	-	-	3,925.00			
Insurance	18,510.04	242.42	62,882.46			
Interest	23,008.23	301.33	26,426.25			
Office Supplies	10,681.54	139.89	229,172.96			
Other	5,426.76	71.07	29,280.37			
Rent/Space	2,874.12	37.64	38,883.90			
Training	13,873.60	181.69	75,401.13			
Travel	(10,629.04)	-	72,393.98			
Utilities	1,810.46	23.71	53,956.87			
Vehicle Maintenance & Repairs	2,291.98	30.02	10,169.98			
Total Expenses	\$ 535,148.79	\$ 7,147.74	\$ 4,938,469.74			

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, 2019

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ (61,053.71)
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities	
Depreciation Expense	193,376.55
(Gain) Loss on Sale of Assets	-
(Increase) Decrease in Receivables	(19,598.94)
(Increase) Decrease in Inventory	11,891.72
(Increase) Decrease in Prepaid Expense	1,072.00
Increase (Decrease) in Accounts Payable	10,667.37
Increase (Decrease) in Accrued Payroll	8,635.63
Increase (Decrease) in Accrued Payroll Withholdings	(6,773.86)
Increase (Decrease) in Accrued Annual Leave	2,020.31
Increase (Decrease) in Refundable Grant Advances	52,872.76
Increase (Decrease) in Due to Grantor	-
Increase (Decrease) in Tenant Security Deposits	1,010.00
	<hr/>
Net cash provided by (used in) operating activities	194,119.83
CASH FLOWS FROM INVESTING ACTIVITIES	
Payments for Capital Assets	(73,370.00)
	<hr/>
Net cash provided by (used in) investing activities	(73,370.00)
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal Payments on Notes Payable	(40,326.62)
	<hr/>
Net cash provided by (used in) financing activities	(40,326.62)
	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	80,423.21
Cash, September 30, 2018	350,504.97
	<hr/>
Cash, September 30, 2019	\$ 430,928.18
	<hr/> <hr/>
Supplementary Information	
Cash Paid During the Period for:	
Interest Expense	\$ 23,998.44
	<hr/> <hr/>

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, 2019

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

Change in Accounting Principle

Effective October 1, 2018, The Organization adopted Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (ASC Topic 958) and Health Care Entities (ASC Topic 954) – Presentation of Financial Statements of Not-for-Profit Entities. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions", (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Implementation of ASU 2016-14 did not require reclassification or restatement of any opening balances related to the period presented. The Organization net assets previously reported as temporarily restricted are now reported as net assets with donor restrictions. Likewise, The Organization net assets previously reported as unrestricted are now reported as net assets without donor restrictions. The Organization did not have any permanently restricted net assets.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP). Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, The Organization's net assets and changes thereto are classified and reported as follows:

Net assets without donor restrictions – consists of amounts that are available for use in carrying out the activities of The Organization and are not subject to donor-imposed restrictions.

Net assets with donor restrictions – Net assets subject to donor or certain grantor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. We report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Liquidity

Assets are presented in the accompanying statement of financial position according to their nearness of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash.

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Contributions and Unconditional Promises to Give

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as contributions with donor restrictions that increases that net asset class. When donor restrictions expire, that is, when a time restriction ends and/or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction.

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 net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

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 \$430,928.18. 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 \$502,048.09. Of the bank balance, \$252,098.89 was covered by FDIC insurance, \$173,899.12 was covered with securities pledged, and the remaining \$76,050.08 was held in escrow by the Missouri Housing Development Commission and was considered unsecured at year end.

4. RECEIVABLES, NET

Grant and contracts receivable at September 30, 2019, consist of amounts due under the following grants and programs:

Head Start – Federal	\$ 49,098.95
Early Head Start-State	43,695.82
Child and Adult Care Food Program	17,599.99
Family Day Care Homes	32,613.89
DOE Weatherization	22,149.03
Emergency Services Grant	217.11
Community Services Block Grant	48,373.92
Ameren UE Weatherization	11,933.12
Employee Advance	<u>1,460.75</u>
Total Receivables, Net	<u>\$ 227,142.58</u>

All receivables at September 30, 2019, are considered collectible. Accordingly, the allowance for uncollectibility is zero.

5. INVENTORY

Inventory consists of the following at September 30, 2019:

Weatherization Materials	\$ 770.50
Total	<u>\$ 770.50</u>

6. CAPITAL ASSETS

Following are the changes in capital assets for the year ended September 30, 2019:

	Balance 9/30/2018	Additions	Retirements	Balance 9/30/2019
Capital Assets not being depreciated				
Land	\$ 177,827.54	\$ -	\$ -	\$ 177,827.54
Total Capital Assets not being depreciated	<u>177,827.54</u>	-	-	<u>177,827.54</u>
Other Capital Assets				
Buildings and Improvements	4,429,987.13	48,571.00	-	4,478,558.13
Equipment	100,713.28	-	-	100,713.28
Vehicles	466,038.98	24,799.00	-	490,837.98
Total Other Capital Assets	<u>4,996,739.39</u>	<u>73,370.00</u>	-	<u>5,070,109.39</u>
Accumulated Depreciation	<u>(1,796,234.99)</u>	<u>(193,376.55)</u>	-	<u>(1,989,611.54)</u>
Net Capital Assets	<u>\$ 3,378,331.94</u>	<u>\$ (120,006.55)</u>	-	<u>\$ 3,258,325.39</u>

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 \$76,050.08.

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, 2019, is \$206,460.68.

The Organization signed an agreement dated August 27, 2018, with Bank of Kirksville, Kirksville, Missouri, to roll a line of credit to a permanent payment loan which requires 240 monthly payments of \$394.18, payable through August 27, 2038, including interest at rates varying from 6.00% to 12.00%. The balance on this note at September 30, 2019, is \$51,978.90.

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, 2019, is \$122,049.81.

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, 2019, is \$102,639.84.

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, 2019, is \$58,864.99.

8. NOTES PAYABLE (Continued)

The following is a summary of changes in notes payable for the year ended September 30, 2019:

	Principal September 30, 2018	Principal Received (Paid)	Principal September 30, 2019	Interest Paid
Obligations:				
Kirksville Office	\$ 226,498.48	\$ (20,037.80)	\$ 206,460.68	\$ 8,191.26
Loan 7034	54,780.27	(2,801.37)	51,978.90	3,198.63
Wayland HS	126,726.62	(4,676.81)	122,049.81	5,139.19
Memphis HS	109,847.27	(7,207.43)	102,639.84	4,528.57
Glenwood & Edina HS	64,468.20	(5,603.21)	58,864.99	2,940.79
	<u>\$ 582,320.84</u>	<u>\$ (40,326.62)</u>	<u>\$ 541,994.22</u>	<u>\$ 23,998.44</u>

The schedule of maturities of notes payable is as follows:

<u>Year Ending September 30:</u>	<u>Amount</u>
2020	\$ 35,773.24
2021	37,668.94
2022	39,667.79
2023	41,775.61
2024	43,998.44
2025-2029	238,023.26
2030-2034	67,101.00
2035-2038	<u>37,985.94</u>
Total	<u>\$ 541,994.22</u>

9. REFUNDABLE GRANT ADVANCES/DUE TO GRANTOR

Refundable grant advances at September 30, 2019, consist of conditional contributed grant funds received in excess of expenditures in the following programs:

Head Start	\$ 38,012.42
LiHEAP	<u>261,556.52</u>
Total Refundable Grant Advances/Due to Grantor	<u>\$ 299,568.94</u>

10. OPERATING LEASES

As of September 30, 2019, the Organization has entered into a number of operating leases for various office equipment and space. Total payments for the year ended September 30, 2019 were \$31,001.13. Under the current lease agreements, the future minimum lease rentals are as follows:

2020	\$ 8,053.56
2021	8,053.56
2022	8,053.56
2023	8,053.56
2024	7,611.12

11. NET ASSETS

Net assets without donor restrictions

At September 30, 2019, all unrestricted net assets are undesignated as to their use.

Net assets with donor restrictions

Net assets with donor restrictions consist of donations of cash received & restricted to use, promises to give, and MHDC properties that have a use provision. Below is a detailed list of net assets by donor restriction:

Head Start – Donations	\$ 5,195.73
Liberty Utility Donations	3,943.56
Lewis Co REC Donations	24,876.00
Central Office Gift Fund	67.05
Kahoka 2 Duplexes Net Book Value (Restrictions Expire November 21, 2023)	217,721.18
Kirkville 2 Single Family Homes Net Book Value (Restrictions Expire September 11, 2027)	211,113.33
Edina 1 Single Family Homes Net Book Value (Restrictions Expire August 20, 2028)	126,726.53
Kahoka 2 Single Family Homes Net Book Value (Restrictions Expire August 20, 2028)	252,026.25
Memphis 4 Single Family Homes Net Book Value (Restrictions Expire October 26, 2030)	450,277.78
Woodridge 3 Single Family Homes Net Book Value (Restrictions Expire September 12, 2032)	325,852.18
Lancaster Single Family Homes Net Book Value (Restrictions Expire September 2, 2035)	<u>325,852.18</u>
Total Net Assets with Donor Restrictions	<u>\$ 2,068,742.92</u>

12. LIQUIDITY

At September 30, 2019, all net assets with donor restrictions are available for payment of qualifying expenses within the respective The Organization funds as such expenses are incurred, except for contributions receivable which are available when the receivable is collected, which is expected within the next year, and the expense is incurred. Likewise, as of September 30, 2019, all net assets without donor restrictions are available to meet cash needs for general expenses of the Organization within one year.

Cash and Cash Equivalents	\$ 305,678.10
Accounts Receivable, Net	227,142.58
Less: Cash Received by Grants in Advance	(261,556.52)
Less: Cash Received with Donor Restrictions	<u>(34,082.34)</u>
Assets Available to Satisfy Current Obligations	<u>\$ 237,181.82</u>

13. 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.

13. COMPENSATED ABSENCES (Continued)

Any annual leave over 60 hours not used by the end of the program year will be forfeited.

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 annual leave 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.

14. EMPLOYEE BENEFIT PLANS

The Organization participates in a 403(b) plan available for its employees. An employee is eligible after 60 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, 2019 was \$27,099.47.

15. 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	\$ 662,778.25
	Professional Volunteers	271.77
	Space	145.00
	Travel	16,558.69
	Supplies	<u>54,994.78</u>
	Total Program In-Kind	734,748.49
	Non-GAAP	<u>(662,778.25)</u>
	Total In-Kind	<u>\$ 71,970.24</u>

16. 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.

17. 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.

18. 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.

19. SUBSEQUENT EVENTS

The Organization evaluated events and transactions occurring subsequent to September 30, 2019, through February 28, 2020, 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

Combining Schedule of Activities

For the Year Ended September 30, 2019

Program Code CFDA No.	Head Start -	Head Start -	Head Start -	Early Head	Early Head	Early Head	Early Head	Early Head	Early Head	Child Care Food	Family Day Care	Child Care
	Federal 2019/2019	Federal 2019/2020	Federal 2018/2019	Start - Federal 2019/2020	Start - Federal 2018/2019	Start - State 2019/2020	Start - State 2018/2019	Start - State 2019/2020	Start - State 2019/2020	Program	Homes	Child Care
	801 & 803	101 & 103	810 & 812	110 & 112	110 & 112	111	111	211	211	004	005	214
	93.600	93.600	93.600	93.600	93.600	N/A	N/A	N/A	N/A	10.558	10.558	N/A
	Early Childhood	Early Childhood	Early Childhood	Early Childhood	Early Childhood	Early Childhood	Early Childhood	Early Childhood	Early Childhood	Early Childhood	Early Childhood	Early Childhood
Revenues and Gains												
Contributions												
Grant Revenue - Federal	\$ 1,754,395.85	\$ 306,560.48	\$ 359,578.98	\$ 73,601.58	\$ -	\$ -	\$ 390,535.10	\$ 115,562.67	\$ -	\$ 154,650.42	\$ 353,728.77	\$ -
Grant Revenue - State	-	-	-	-	-	-	-	-	-	-	-	16,502.84
Local - Non-Cash	536,589.20	43,438.56	145,232.60	9,488.13	-	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Allocation Income	-	-	-	-	-	-	-	-	-	-	-	-
Program Income	-	1,314.28	250.00	992.94	-	-	-	722.64	-	-	-	4,114.00
Rental Income	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	5,201.00	-	-	-	-	-	-	-	-	-	50,502.00	-
Gain (Loss) on Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues and Gains	2,296,186.05	351,313.32	505,061.58	84,082.65	390,535.10	116,285.31	154,650.42	404,230.77	20,616.84	154,650.42	404,230.77	20,616.84
Expenses												
Salary & Fringe	1,166,712.45	223,241.11	211,637.78	46,192.68	189,674.68	71,850.87	37,894.51	40,135.65	39,404.39	-	-	-
Salary & Fringe - Noncash	487,081.33	33,003.03	135,983.16	6,982.50	1,527.74	1,398.11	318.85	177.44	459.72	-	-	-
Building Maintenance	23,742.55	16,563.67	1,940.78	552.94	2,032.93	562.08	-	865.83	992.53	-	-	-
Communication	23,293.60	4,656.40	2,372.57	366.30	778.14	71.25	7.20	57.89	525.00	-	-	-
Contract & Consulting	17,467.12	277.50	5,838.80	26.25	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Direct Client Services	58,331.42	5,100.03	74,592.77	13,160.03	76,486.62	27,084.69	110,669.69	351,798.73	-	-	-	-
Equipment	1,599.75	-	1,309.22	-	25,815.03	-	-	-	-	-	-	-
Indirect Costs	190,916.98	35,941.82	33,947.77	7,437.02	30,537.63	11,567.99	6,101.02	6,461.84	6,344.11	-	-	-
Insurance	22,253.84	-	107.20	-	351.92	-	-	102.77	-	-	-	-
Interest Expense	2,423.33	439.14	210.07	44.15	46,534.38	6,308.44	-	-	-	-	-	-
Supplies	83,641.00	17,418.22	15,646.12	4,456.96	2,227.13	-	-	-	-	0.65	2,157.44	2,012.81
Supplies - Noncash	36,528.55	9,223.08	7,016.02	186.62	1,325.64	210.75	-	383.94	-	-	-	-
Other	11,525.68	1,733.70	2,250.29	861.30	4,757.53	1,053.90	-	517.32	-	-	-	-
Rent/Space	31,277.99	6,861.80	3,986.42	1.00	-	-	-	-	-	-	-	-
Rent/Space - Noncash	79.00	34.00	31.00	1.00	-	-	-	-	-	-	-	-
Training	18,673.63	2,235.43	4,251.13	506.25	1,737.65	1,342.42	-	347.73	-	-	-	115.29
Transfers	48,726.85	(16,387.28)	(4,697.34)	-	5,224.39	(7,170.80)	(500.18)	(1,567.31)	(31,507.25)	-	-	-
Travel	26,192.12	4,798.49	3,629.05	211.31	1,238.08	262.75	-	2,356.64	-	-	-	-
Travel - Noncash	12,900.32	1,178.45	2,202.42	277.50	-	-	-	-	-	-	-	-
Utilities	29,966.42	4,447.28	2,775.52	592.71	2,473.63	742.86	-	434.86	-	-	-	923.44
Vehicle Maintenance & Repairs	2,852.12	547.45	30.83	-	39.11	1,000.00	-	-	-	-	-	-
Total Expenses	2,296,186.05	351,313.32	505,061.58	84,082.65	390,535.10	116,285.31	154,650.42	404,230.77	20,616.84	154,650.42	404,230.77	20,616.84
Increase (Decrease) in Net Assets	-	-	-	-	-	-	-	-	-	-	-	-
NET ASSETS, Beginning of Year	-	-	-	-	-	-	-	-	-	-	-	-
NET ASSETS, End of the Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NORTHEAST MISSOURI COMMUNITY ACTION AGENCY

Combining Schedule of Activities

For the Year Ended September 30, 2019

Program Code CFDA No.	Head Start Donations	LIHEAP - Energy Assistance	Liberty Utility Donations	Lewis Co REC Donations	Liberty Energy Assistance 2017/2018	Liberty Energy Assistance 2018/2019	Weatherization Assistance - DOE 2018/2019	Weatherization Assistance - DOE 2019/2020	Weatherization Assistance
	400	019	024	040	038	038	106	06	039
	N/A	93.568	N/A	N/A	N/A	N/A	81.042	81.042	93.568
		\$	\$	\$	\$	\$	\$	\$	\$
Revenues and Gains									
Contributions									
Grant Revenue - Federal	-	434,119.45	-	-	-	-	78,686.79	43,113.03	101,301.00
Grant Revenue - State	-	-	-	-	1,466.00	3,835.00	-	-	-
Local - Non-Cash	-	-	-	-	-	-	-	-	-
Local	1,714.89	-	1,713.66	12,000.00	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Allocation Income	-	-	-	-	-	-	-	-	-
Program Income	-	-	155.28	-	-	-	-	-	-
Rental Income	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-
Gain (Loss) on Sale of Assets	-	-	-	-	-	-	-	-	-
Total Revenues and Gains	1,714.89	434,119.45	1,868.94	12,000.00	1,466.00	3,835.00	78,686.79	43,113.03	101,301.00
Expenses									
Salary & Fringe	-	62,403.83	-	-	-	2,186.14	51,163.60	24,524.33	43,351.19
Salary & Fringe - Noncash	-	-	-	-	-	-	-	-	-
Building Maintenance	-	491.33	-	-	-	-	405.04	141.37	10.80
Communication	-	1,264.66	-	-	-	-	1,409.18	652.05	1,038.04
Contract & Consulting	-	57.89	-	-	-	-	1,438.13	1,325.00	1,493.00
Depreciation	-	-	-	-	-	-	-	-	-
Direct Client Services	5.97	341,956.95	9,132.18	5,241.05	1,466.00	1,297.04	6,517.59	9,480.91	38,498.07
Equipment	-	-	-	-	-	-	-	-	-
Indirect Costs	-	10,047.02	-	-	-	351.97	8,237.35	3,948.42	6,980.46
Insurance	-	205.53	-	-	-	-	901.66	-	3,037.23
Interest Expense	-	-	-	-	-	-	-	-	-
Supplies	55.87	6,748.31	-	-	-	-	1,528.33	674.63	1,428.75
Supplies - Noncash	-	-	-	-	-	-	-	-	-
Other	0.42	379.12	-	-	-	-	937.26	255.79	-
Rent/Space	-	1,034.52	-	-	-	-	677.44	258.64	486.44
Rent/Space - Noncash	-	-	-	-	-	-	-	-	-
Training	-	8,217.62	-	-	-	-	1,234.76	-	1,461.65
Transfers	97.95	-	-	-	-	(0.15)	(47.05)	-	(0.46)
Travel	-	698.10	-	-	-	-	2,465.58	1,134.44	1,502.02
Travel - Noncash	-	-	-	-	-	-	-	-	-
Utilities	-	614.57	-	-	-	-	762.45	210.92	774.33
Vehicle Maintenance & Repairs	-	-	-	-	-	-	1,055.47	506.53	1,239.48
Total Expenses	160.21	434,119.45	9,132.18	5,241.05	1,466.00	3,835.00	78,686.79	43,113.03	101,301.00
Increase (Decrease) in Net Assets	1,554.68	-	(7,263.24)	6,758.95	-	-	-	-	-
NET ASSETS, Beginning of Year	3,641.05	-	11,206.80	18,117.05	-	-	-	-	-
NET ASSETS, End of the Year	\$ 5,195.73	\$ -	\$ 3,943.56	\$ 24,876.00	\$ -	\$ -	\$ -	\$ -	\$ -

NORTHEAST MISSOURI COMMUNITY ACTION AGENCY

Combining Schedule of Activities

For the Year Ended September 30, 2019

	Ameren Weatherization 2017/2018	Ameren Weatherization 2018/2019	Emergency Services Grant	MOHIP Street Outreach	MOHIP 19556HIPF	MOHIP 19556HIPM	Housing Development	Rental Properties	Community Services Block Grant
Program Code	016	016	610	650	660	670	300	340	020 & 081-089
CFDA No.	N/A	N/A	14,231	N/A	N/A	N/A	N/A	N/A	93,569
	Weatherization Services	Weatherization Services	Housing	Housing	Housing	Housing	Housing	Housing	Community Services
Revenues and Gains									
Contributions									
Grant Revenue - Federal	\$ -	\$ -	\$ 10,272.94	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 351,994.15
Grant Revenue - State	7,584.00	24,293.12	-	(62.87)	9,303.20	18,000.00	-	-	-
Local - Non-Cash	-	-	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	448.58	-
Allocation Income	-	-	-	-	-	-	-	-	-
Program Income	-	-	-	-	-	-	-	77,661.85	-
Rental Income	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	625.60	-
Gain (Loss) on Sale of Assets	-	-	-	-	-	-	-	-	-
Total Revenues and Gains	7,584.00	24,293.12	10,272.94	(62.87)	9,303.20	18,000.00	-	78,736.03	351,994.15
Expenses									
Salary & Fringe	2,236.91	10,999.26	10,839.54	(54.15)	-	-	3,629.45	12,385.01	139,254.26
Salary & Fringe - Noncash	-	-	-	-	-	-	-	-	-
Building Maintenance	-	116.96	216.06	-	-	-	166.71	15,875.74	730.57
Communication	326.00	251.95	-	-	-	-	737.25	128.86	3,576.15
Contract & Consulting	-	1,750.00	-	-	-	-	28.95	-	18,266.32
Depreciation	-	-	-	-	-	-	-	-	-
Direct Client Services	3,137.69	7,964.21	4,487.30	-	9,244.02	18,000.00	-	73.23	90,479.30
Equipment	-	-	-	-	-	-	-	-	-
Indirect Costs	253.00	1,878.02	1,745.17	(8.72)	-	-	584.34	1,993.99	23,384.60
Insurance	931.00	-	-	-	-	-	822.78	12,964.00	2,452.07
Interest Expense	-	-	-	-	-	-	-	-	-
Supplies	191.00	-	-	-	2.25	-	271.60	554.10	9,421.89
Supplies - Noncash	-	-	-	-	-	-	-	-	-
Other	-	500.00	-	-	-	-	377.08	0.34	3,715.91
Rent/Space	-	129.32	-	-	-	-	431.10	86.22	2,879.50
Rent/Space - Noncash	-	-	-	-	-	-	-	-	-
Training	-	-	-	-	-	-	-	-	-
Transfers	(0.63)	-	(7,015.13)	-	56.93	-	-	1,550.00	19,672.28
Travel	-	602.75	-	-	-	-	-	1,541.10	16,448.07
Travel - Noncash	-	-	-	-	-	-	-	-	19,673.22
Utilities	192.00	53.72	-	-	-	-	392.99	4,724.99	2,040.01
Vehicle Maintenance & Repairs	316.00	46.93	-	-	-	-	-	214.06	-
Total Expenses	7,582.97	24,293.12	10,272.94	(62.87)	9,303.20	18,000.00	7,442.25	52,091.64	351,994.15
Increase (Decrease) in Net Assets	1.03	-	-	-	-	-	(7,442.25)	26,644.39	-
NET ASSETS, Beginning of Year	(1.03)	-	-	-	-	-	(139,402.15)	405,794.22	-
NET ASSETS, End of the Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (146,844.40)	\$ 432,438.61	\$ -

NORTHEAST MISSOURI COMMUNITY ACTION AGENCY

Combining Schedule of Activities

For the Year Ended September 30, 2019

Program Code CFDA No.	Central Office Gift Fund		Agency		Indirect Cost		Organization		Northeast Missouri Community Development Corporation	Generally Accepted Accounting Principle Adjustments	Organization Wide Totals	
	Mgt & General	N/A	010-990	N/A	Pool 012	N/A	Wide	Sub-Totals				N/A
Revenues and Gains												
Contributions												
Grant Revenue - Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,022,003.44	\$ -	-	\$ -	\$ 4,022,003.44	
Grant Revenue - State	-	-	-	-	-	-	587,019.06	-	-	-	587,019.06	
Local - Non-Cash	-	-	-	-	-	-	734,748.49	-	-	(662,778.25)	71,970.24	
Local	-	-	82,596.04	-	-	-	98,024.59	-	-	(73,370.00)	24,654.59	
Interest	-	-	608.50	-	-	-	1,057.08	-	-	-	1,057.08	
Allocation Income	-	-	21,637.10	-	388,658.36	-	410,295.46	-	-	(410,295.46)	-	
Program Income	-	-	24,475.56	-	-	-	109,686.55	-	-	-	109,686.55	
Rental Income	-	-	-	-	-	-	-	-	-	-	-	
Other Income	-	-	4,696.47	-	-	-	61,025.07	-	-	-	61,025.07	
Gain (Loss) on Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	
Total Revenues and Gains	-	-	134,013.67	-	388,658.36	-	6,023,859.74	-	-	(1,146,443.71)	4,877,416.03	
Expenses												
Salary & Fringe	-	-	8,284.62	-	266,135.48	-	2,664,083.59	-	-	-	2,664,083.59	
Salary & Fringe - Noncash	-	-	-	-	-	-	663,050.02	-	-	(662,778.25)	271.77	
Building Maintenance	-	-	2,750.00	-	22,429.07	-	90,015.45	-	-	(12,875.00)	77,140.45	
Communication	-	-	-	-	4,683.61	-	49,209.99	-	-	-	49,209.99	
Contract & Consulting	-	-	689.00	-	2,498.12	-	52,595.56	-	-	-	52,595.56	
Depreciation	-	-	193,376.55	-	-	-	193,376.55	-	-	-	193,376.55	
Direct Client Services	-	-	35,864.88	-	46.56	-	1,300,116.93	-	-	(818.00)	1,299,298.93	
Equipment	-	-	-	-	-	-	28,724.00	-	-	(24,799.00)	3,925.00	
Indirect Costs	-	-	6.56	-	-	-	388,658.36	-	-	(388,658.36)	-	
Insurance	-	-	2,067.02	-	16,685.44	-	62,882.46	-	-	-	62,882.46	
Interest Expense	-	-	23,309.56	-	-	-	26,426.25	-	-	-	26,426.25	
Supplies	28.97	-	1,294.25	-	9,498.21	-	209,874.18	-	-	(35,696.00)	174,178.18	
Supplies - Noncash	-	-	-	-	-	-	54,994.78	-	-	-	54,994.78	
Other	173.39	-	266.67	-	5,057.77	-	29,280.37	-	-	-	29,280.37	
Rent/Space	-	-	-	-	2,911.76	-	59,558.00	-	-	(20,819.10)	38,738.90	
Rent/Space - Noncash	-	-	-	-	-	-	145.00	-	-	-	145.00	
Training	-	-	68.00	-	13,987.29	-	75,401.13	-	-	-	75,401.13	
Transfers	-	-	(1,660.61)	-	-	-	-	-	-	-	-	
Travel	-	-	(14,697.91)	-	4,068.87	-	55,835.29	-	-	-	55,835.29	
Travel - Noncash	-	-	-	-	1,834.17	-	16,558.69	-	-	-	16,558.69	
Utilities	-	-	-	-	1,834.17	-	53,956.87	-	-	-	53,956.87	
Vehicle Maintenance & Repairs	-	-	2,266.00	-	56.00	-	10,169.98	-	-	-	10,169.98	
Total Expenses	202.36	-	253,884.59	-	349,892.35	-	6,084,913.45	-	-	(1,146,443.71)	4,938,469.74	
Increase (Decrease) in Net Assets	(202.36)	-	(119,870.92)	-	38,766.01	-	(61,053.71)	-	-	-	(61,053.71)	
NET ASSETS, Beginning of Year	269.41	-	2,611,912.82	-	-	-	2,911,538.17	-	-	-	2,911,538.17	
NET ASSETS, End of the Year	\$ 67.05	\$ -	\$ 2,492,041.90	\$ -	\$ 38,766.01	\$ -	\$ 2,850,484.46	\$ -	\$ -	\$ -	\$ 2,850,484.46	

NORTHEAST MISSOURI COMMUNITY ACTION AGENCY

Kirksville, Missouri

COMMUNITY SERVICES BLOCK GRANT PROGRAM

GRANT NO. PG281800013

Program Year Ended September 30, 2019

Schedule of Revenue and Expenses

	<u>Total Grant</u>
Beginning CSBG Residual Receipts	\$ -
Revenue	
Grant Revenue-CSBG	351,994.15
Other Income	-
Total Revenue	<u>351,994.15</u>
Expenditures	
Indirect	23,384.60
Personnel Salaries and Wages	139,254.26
Direct Client Benefits	90,479.30
Contracts and Consulting	18,266.32
Travel	19,673.22
Training and Staff Development	19,672.28
Rent/Space	2,879.50
Utilities	2,040.01
Insurance	2,452.07
Office Supplies	9,421.89
Communications	3,576.15
Dues and Subscriptions	3,715.91
Repairs and Maintenance	730.57
Subtotal Operating Expenses	<u>335,546.08</u>
Leveraging - Housing	16,448.07
Leveraging - Weatherization	-
Subtotal Leveraging	<u>16,448.07</u>
Total Expenditures	<u>351,994.15</u>
Revenue over(under) Expense	<u>-</u>
Ending CSBG Residuals	<u>\$ -</u>

NORTHEAST MISSOURI COMMUNITY ACTION AGENCY

Kirksville Missouri

Low Income Home Energy Assistance Program

GRANT NO. ER11017014

Schedule of Revenue and Expenses Compared with Budget

Program Year Ended September 30, 2019

Revenue	Budget	Actual	Variable Favorable (Unfavorable)
Grant Revenue - LIHEAP			
Special Start-up	\$ -	\$ -	\$ -
Current (initial + amendments)	692,013.00	434,119.45	(257,893.55)
Interest	-	-	-
Total Revenue	692,013.00	434,119.45	(257,893.55)
Expenditures			
Administrative/Program Services			
Personnel	68,597.13	62,403.83	6,193.30
Contracting/Consulting	750.00	57.89	692.11
Travel/Training	1,760.00	8,915.72	(7,155.72)
Rent/Fuel/Utilities	1,637.77	1,649.09	(11.32)
Insurance	500.00	205.53	294.47
Equipment	-	-	-
Supplies	7,533.87	6,478.31	1,055.56
Communication Services	1,262.70	1,264.66	(1.96)
Repair & Maintenance	455.66	491.33	(35.67)
Other-	-	-	-
Indirect Cost	11,171.14	10,047.02	1,124.12
Total Administrative/Program Services	93,668.27	91,513.38	2,154.89
ECIP Direct Services			
Winter	461,643.00	254,909.07	206,733.93
Summer	130,207.00	87,697.00	42,510.00
Total ECIP Direct Services	591,850.00	342,606.07	249,243.93
Outreach & Education			
Outreach and Education	6,494.73	-	6,494.73
Total Outreach & Education	6,494.73	-	6,494.73
Total Expenditures	692,013.00	434,119.45	257,893.55
Revenue over (under) Expenditures	-	-	-
Transfer from CSBG	-	-	-
Ending Program Balance	\$ -	\$ -	\$ -

**NORTHEAST MISSOURI COMMUNITY ACTION AGENCY
DOE**

Subgrant Number: G-18-EE0007930-2-15

RECONCILIATION OF REVENUES AND EXPENSES

FOR THE PERIOD OF July 1, 2018 to June 30, 2019

DIVISION OF ENERGY

SUBGRANTEE

Beginning Fund Balance	0	Beginning Fund Balance	0
Revenue		Revenue	
Grant Income	85,584	Grant Income	85,584
Program Income	0	Program Income	0
Total Revenue	85,584	Total Revenue	85,584
<u>Expenditures</u>		<u>Expenditures</u>	
Administration	8,626	Administration	8,626
Insurance	2,758	Insurance	2,758
Financial Audit	203	Financial Audit	203
Leveraging	0	Leveraging	0
T&TA	2,099	T&TA	2,099
Program Operations	71,898	Program Operations	71,898
Total Expenditures	85,584	Total Expenditures	85,584
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-19-EE0007930-3-15
RECONCILIATION OF REVENUES AND EXPENSES
FOR THE PERIOD OF July 1, 2019 to September 30, 2019**

DIVISION OF ENERGY		SUBGRANTEE	
Beginning Fund Balance	0	Beginning Fund Balance	0
Revenue		Revenue	
Grant Income	38,468	Grant Income	43,113
Program Income	0	Program Income	0
Total Revenue	38,468	Total Revenue	43,113
<u>Expenditures</u>		<u>Expenditures</u>	
Administration	3,403	Administration	3,403
Insurance	0	Insurance	0
Financial Audit	0	Financial Audit	0
Leveraging	0	Leveraging	0
T&TA	0	T&TA	0
Program Operations	35,065	Program Operations	39,710
Total Expenditures	38,468	Total Expenditures	43,113
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: G18-14-0258-3-15

RECONCILIATION OF REVENUES AND EXPENSES
FOR THE PERIOD OF November 1, 2017 to October 31, 2018

DIVISION OF ENERGY

Beginning Fund Balance 0

Revenue

Grant Income 25,821

Program Income 0

Total Revenue 25,821

Expenditures

Administration 1,771

Insurance 0

Financial Audit 0

Leveraging 0

T&TA 0

Program Operations 24,050

Total Expenditures 25,821

Ending Fund Balance 0

SUBGRANTEE

Beginning Fund Balance 0

Revenue

Grant Income 25,821

Program Income 0

Total Revenue 25,821

Expenditures

Administration 1,771

Insurance 0

Financial Audit 0

Leveraging 0

T&TA 0

Program Operations 24,050

Total Expenditures 25,821

Ending Fund Balance 0

Ending Cash on Hand 0

Ending Inventory 0

**NORTHEAST MISSOURI COMMUNITY ACTION AGENCY
Ameren Electric
Subgrant Number: G19-14-0258-4-15**

**RECONCILIATION OF REVENUES AND EXPENSES
FOR THE PERIOD OF November 1, 2018 to September 30, 2019**

DIVISION OF ENERGY		SUBGRANTEE	
Beginning Fund Balance	0	Beginning Fund Balance	0
Revenue		Revenue	
Grant Income	24,186	Grant Income	24,293
Program Income	0	Program Income	0
Total Revenue	24,186	Total Revenue	24,293
<u>Expenditures</u>		<u>Expenditures</u>	
Administration	1,771	Administration	1,771
Insurance	0	Insurance	0
Financial Audit	0	Financial Audit	0
Leveraging	0	Leveraging	0
T&TA	0	T&TA	0
Program Operations	22,415	Program Operations	22,522
Total Expenditures	24,186	Total Expenditures	24,293
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
Liberty Utilities
Subgrant Number: G18-14-0152-3-15

RECONCILIATION OF REVENUES AND EXPENSES
FOR THE PERIOD OF November 1, 2017 to October 31, 2018

DIVISION OF ENERGY

Beginning Fund Balance 0

Revenue

Grant Income 9,738

Program Income 0

Total Revenue 9,738

Expenditures

Administration 698

Insurance 0

Financial Audit 0

Leveraging 0

T&TA 0

Program Operations 9,040

Total Expenditures 9,738

Ending Fund Balance 0

SUBGRANTEE

Beginning Fund Balance 0

Revenue

Grant Income 9,738

Program Income 0

Total Revenue 9,738

Expenditures

Administration 698

Insurance 0

Financial Audit 0

Leveraging 0

T&TA 0

Program Operations 9,040

Total Expenditures 9,738

Ending Fund Balance 0

Ending Cash on Hand 0

Ending Inventory 0

NORTHEAST MISSOURI COMMUNITY ACTION AGENCY
Liberty Utilities
Subgrant Number: G19-18-0013-15

RECONCILIATION OF REVENUES AND EXPENSES
FOR THE PERIOD OF November 1, 2018 to March 31, 2019

DIVISION OF ENERGY

Beginning Fund Balance 0

Revenue

Grant Income 3,835

Program Income 0

Total Revenue 3,835

Expenditures

Administration 351

Insurance 0

Financial Audit 0

Leveraging 0

T&TA 0

Program Operations 3,484

Total Expenditures 3,835

Ending Fund Balance 0

SUBGRANTEE

Beginning Fund Balance 0

Revenue

Grant Income 3,835

Program Income 0

Total Revenue 3,835

Expenditures

Administration 351

Insurance 0

Financial Audit 0

Leveraging 0

T&TA 0

Program Operations 3,484

Total Expenditures 3,835

Ending Fund Balance 0

Ending Cash on Hand 0

Ending Inventory 0

**NORTHEAST MISSOURI COMMUNITY ACTION AGENCY
LIHEAP
Subgrant Number: G-19-LIHEAP-19-15**

RECONCILIATION OF REVENUES AND EXPENSES

FOR THE PERIOD OF October 1, 2018 to September 30, 2019

DIVISION OF ENERGY

Beginning Fund Balance 0

Revenue

Grant Income 101,301

Program Income 0

Total Revenue 101,301

Expenditures

Administration 6,980

Insurance 2,862

Financial Audit 0

Leveraging 0

T&TA 1,462

Program Operations 89,997

Total Expenditures 101,301

Ending Fund Balance 0

SUBGRANTEE

Beginning Fund Balance 0

Revenue

Grant Income 101,301

Program Income 0

Total Revenue 101,301

Expenditures

Administration 6,980

Insurance 2,862

Financial Audit 0

Leveraging 0

T&TA 1,462

Program Operations 89,997

Total Expenditures 101,301

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. 07CH7059/06/01

For the Program Year Ended July 31, 2019

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	\$ 2,452,768.00	\$ 2,452,768.00	\$ -
Grantee's In-Kind Contributions	613,193.00	737,588.64	124,395.64
Other Income	-	8,884.47	8,884.47
	<u>3,065,961.00</u>	<u>3,199,241.11</u>	<u>133,280.11</u>
<u>EXPENSES</u>			
Direct Costs			
Personnel	1,177,018.00	1,167,628.84	9,389.16
Fringe Benefits	469,453.00	428,861.97	40,591.03
Travel	11,230.00	10,060.35	1,169.65
Training	-	-	-
Equipment	3,600.00	-	3,600.00
Supplies	52,820.00	121,041.46	(68,221.46)
Contractual	163,392.00	161,843.08	1,548.92
Facilities/Construction	-	-	-
Other	310,174.00	315,181.74	(5,007.74)
Indirect Costs	<u>265,081.00</u>	<u>257,035.03</u>	<u>8,045.97</u>
Total Federal Expenses	<u>2,452,768.00</u>	<u>2,461,652.47</u>	<u>(8,884.47)</u>
Grantee's In-Kind Expenses			
Personnel, Supplies and Other	<u>613,193.00</u>	<u>737,588.64</u>	<u>(124,395.64)</u>
	<u>3,065,961.00</u>	<u>3,199,241.11</u>	<u>(133,280.11)</u>
TOTAL EXPENSES			
REVENUE OVER (UNDER) EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NORTHEAST MISSOURI COMMUNITY ACTION AGENCY

Kirksville, Missouri

HEAD START PROGRAM

GRANT NO. 07CH7059/06/01

For the Program Year Ended July 31, 2019

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 October 30, 2019	
Adjustments: None	<u>-</u>
Balance of Grant Funds Not Received to Carryover to Program Year Ending July 31, 2020	<u>\$ -</u>

NORTHEAST MISSOURI COMMUNITY ACTION AGENCY

Kirksville, Missouri

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Year Ended	Pass-Through Entity Identifying Number	CFDA #	Federal Expenditures
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Direct Programs:				
Head Start	7/31/2019	N/A	93.600	\$ 2,113,974.83
Head Start	7/31/2020	N/A	93.600	380,162.06
			TOTAL 93.600 (M)	<u>2,494,136.89</u>
Passed Through:				
State of Missouri Department of Social Services - Family Support Division Community Services Block Grant	9/30/2019	PG281800013	93.569	351,994.14
Low-Income Home Energy Assistance Program (ECIP)	9/30/2019	ER11017014	93.568	434,119.45
State of Missouri Department of Economic Development Low-Income Home Energy Assistance Program	9/30/2019	G-19-LIHEAP-19-15	93.568	101,301.00
			TOTAL 93.568	<u>535,420.45</u>
				<u>3,381,551.48</u>
Total U.S. Department of Health and Human Services				
<u>U.S. DEPARTMENT OF ENERGY</u>				
Passed Through:				
State of Missouri Department of Economic Development Weatherization Assistance for Low-Income Individuals	6/30/2019	G-18-EE0007930-02-15	81.042	78,686.79
Weatherization Assistance for Low-Income Individuals	6/30/2020	G-19-EE0007930-03-15	81.042	43,113.03
			TOTAL 81.042	<u>121,799.82</u>
Total U.S. Department of Energy				<u>121,799.82</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Passed-through:				
Missouri Housing Development Commission CHDO Forgivable Loan Program - Outstanding Loan Balances Emergency Services Grant	9/30/2019	Various	14.239 (M)	2,878,559.68
	3/31/2020	18-762-E	14.231	<u>10,272.94</u>
Total U.S. Department of Housing and Urban Development				<u>2,888,832.62</u>

NORTHEAST MISSOURI COMMUNITY ACTION AGENCY
 Kirksville, Missouri
 Schedule of Expenditures of Federal Awards
 For the Year Ended September 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Year Ended	Pass-Through Entity Identifying Number	CFDA #	Federal Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Passed Through:				
State of Missouri Department of Health and Human Services	9/30/2019	19CACFP	10.558	\$ 154,650.42
Child and Adult Care Food Program	9/30/2019	ERS46111735	10.558	353,728.77
Sponsoring Organizations of Family Child Care Homes			TOTAL 10.558	508,379.19
Total U.S. Department of Agriculture				508,379.19
Total Expenditures of Federal Awards				\$ 6,900,563.11

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 09/30/2019 of CHDO forgivable loans because the Federal Government imposes continuing compliance requirements.

NOTE C -- INDIRECT COST RATE

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

(M) = Major Program

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S 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, 2019, 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 February 28, 2020.

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 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 28, 2020

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S 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, 2019. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's 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, 2019.

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
February 28, 2020

NORTHEAST MISSOURI COMMUNITY ACTION AGENCY
Kirksville, Missouri

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2019

I. SUMMARY OF AUDITOR'S RESULTS

Consolidated Financial Statements:

The auditor's 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 auditor's 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 2 CFR 200.516(a)?	_____	Yes	_____ <u>X</u> _____	No
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Identification of major programs:

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Head Start	CFDA 93.600
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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Home Investment Partnership Program	CFDA 14.239
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The threshold for distinguishing Types A and B programs was \$750,000.00.

Auditee qualified as a low risk auditee?	_____	Yes	_____ <u>X</u> _____	No
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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, 2019

NONE