

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

Independent Auditors' Report and  
Financial Statements with  
Supplementary Information  
For the Year Ended September 30, 2018

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

**TABLE OF CONTENTS**

	<u>PAGE NUMBER</u>
Independent Auditors' Report .....	1-2
Consolidated Statement of Financial Position .....	3
Consolidated Statement of Activities .....	4
Consolidated Statement of Functional Expenses .....	5
Consolidated Statement of Cash Flows .....	6
Notes to the Consolidated Financial Statements .....	7-15
Supplementary Information:	
Combining Schedule of Activities .....	16-19
Schedule of Grant Revenue and Expenses	
Community Services Block Grant Program – Grant No. PG281800013 .....	20
Low Income Home Energy Assistance Program – Grant No. ER11017014 .....	21
Weatherization Program – DOE – Grant No. G-17-EE0007930-15 .....	22
Weatherization Program – DOE – Grant No. G-18-EE0007930-2-15 .....	23
Weatherization Program – Ameren Electric – Grant No. G18-14-0258-3-15 .....	24
Weatherization Program – Liberty Utilities – Grant No. G16-14-0152-3-15 .....	25
Weatherization Program – LIHEAP – Grant No. G-18-LIHEAP-18-15 .....	26
Head Start Program - Grant No. 07CH7059/05 .....	27
Reconciliation of Final Financial Report to Audited Financial Statements	
Head Start/Training and Technical Assistance Programs .....	28
Schedule of Expenditures of Federal Awards .....	29-30
Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	31-32
Independent Auditors’ Report on Compliance for Each Major Program Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	33-34
Schedule of Findings and Questioned Costs .....	35-36
Summary Schedule of Prior Audit Findings .....	37

**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, 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

***Management's Responsibility for the Consolidated Financial Statements***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the 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, 2018, 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 16-19) 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 20-28) 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 May 2, 2019, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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

May 2, 2019  
Chanute, Kansas

**NORTHEAST MISSOURI COMMUNITY ACTION AGENCY**

Kirksville, Missouri

Consolidated Statement of Financial Position

September 30, 2018

ASSETS

Current Assets:

Cash

Cash in Bank - Unrestricted \$ 232,222.76  
Cash in Bank - Restricted 118,282.21

Total Cash 350,504.97

Receivables, Net 207,543.64

Inventory 12,662.22

Prepaid Expense 3,113.00

Total Current Assets 573,823.83

Capital Assets, Net 3,378,331.94

TOTAL ASSETS \$ 3,952,155.77

LIABILITIES AND NET ASSETS

Liabilities

Current Liabilities:

Accounts Payable \$ 60,481.12

Accrued Payroll 29,435.50

Accrued Payroll Withholdings 68,140.94

Accrued Annual Leave 46,873.02

Refundable Grant Advances 208,683.76

Due to Grantor 38,012.42

Tenant Security Deposits 6,670.00

Line of Credit -

Current Maturities of Notes Payable 33,975.28

Total Current Liabilities 492,272.04

Long-Term Liabilities

Notes Payable 582,320.84

Less: Current Maturities of Notes Payable (33,975.28)

Total Long-Term Liabilities 548,345.56

TOTAL LIABILITIES 1,040,617.60

Net Assets:

Unrestricted 752,557.57

Temporarily Restricted 2,158,980.60

TOTAL NET ASSETS 2,911,538.17

TOTAL LIABILITIES AND NET ASSETS \$ 3,952,155.77

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, 2018

CHANGES IN NET ASSETS

Unrestricted Net Assets	
Revenues and Gains	
Contributions	\$ 4,440,198.97
Interest	957.56
Program Income	53,123.01
Rental Income	79,914.70
Other Income	10,909.50
Gain (loss) on Sale of Assets	2,100.00
Total Revenue and Gains	<u>4,587,203.74</u>
Expenses	
Program Services	
Early Childhood	2,903,898.67
Emergency Services	400,202.92
Weatherization Services	220,222.13
Housing	122,785.41
Community Services	231,495.26
Supporting Activities	
Management and General	435,991.67
Fundraising	6,170.34
Total Expenses	<u>4,320,766.40</u>
Net Assets Released From Restrictions through Satisfaction of Program Restrictions	<u>106,377.29</u>
Increase (Decrease) in Unrestricted Net Assets	<u>372,814.63</u>
Temporarily Restricted Net Assets	
Contributions	17,092.41
Net Assets Released From Restrictions Through Satisfaction of Program Restrictions	<u>(106,377.29)</u>
Increase (Decrease) in Temporarily Restricted Net Assets	<u>(89,284.88)</u>
Net Increase(Decrease) In Net Assets	283,529.75
NET ASSETS, September 30, 2017	<u>2,628,008.42</u>
NET ASSETS, September 30, 2018	<u>\$ 2,911,538.17</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, 2018

	Program Services					Total Program Services
	Early Childhood	Emergency Services	Weatherization Services	Housing	Community Services	
Expenses						
Salary & Fringe	\$ 1,629,370.81	\$ 61,636.41	\$ 119,396.74	\$ 51,724.59	\$ 148,331.30	\$ 2,010,459.85
Building Maintenance	29,181.05	72.93	251.78	8,863.71	563.86	38,933.33
Communication	30,857.38	878.57	3,668.65	878.57	3,162.58	39,445.75
Contract & Consulting	33,908.89	74.52	7,359.73	5,697.26	29,585.96	76,626.36
Depreciation	24,075.88	-	9,412.20	-	-	33,488.08
Direct Client Services	686,482.49	320,232.89	59,443.85	27,934.74	22,143.56	1,116,237.53
Equipment	1,941.94	-	-	-	-	1,941.94
Insurance	25,916.27	464.39	3,520.49	16,973.21	1,273.96	48,148.32
Supplies	259,135.88	4,713.92	1,509.73	812.60	3,202.13	269,374.26
Other	17,313.56	486.94	1,586.57	345.41	3,309.17	23,041.65
Rent/Space	17,233.75	533.02	3,926.01	86.22	1,390.54	23,169.54
Training	34,832.41	4,512.07	4,530.90	758.96	2,246.24	46,880.58
Travel	55,753.90	6,022.79	(349.42)	5,686.10	13,939.91	81,053.28
Utilities	45,227.59	574.47	2,887.05	2,493.02	2,346.05	53,528.18
Vehicle Maintenance & Repairs	12,666.87	-	3,077.85	531.02	-	16,275.74
<b>Total Expenses</b>	<b>\$ 2,903,898.67</b>	<b>\$ 400,202.92</b>	<b>\$ 220,222.13</b>	<b>\$ 122,785.41</b>	<b>\$ 231,495.26</b>	<b>\$ 3,878,604.39</b>
	Supporting Activities					
	Management and General	Fundraising	Total Organization Services			
Expenses						
Salary & Fringe	\$ 235,960.75	\$ 3,344.40	\$ 2,249,765.00			
Building Maintenance	873.49	12.38	39,819.20			
Communication	3,559.14	50.45	43,055.34			
Contract & Consulting	296.11	4.20	76,926.67			
Depreciation	127,905.00	1,812.87	163,205.95			
Direct Client Services	29,389.62	416.55	1,146,043.70			
Equipment	-	-	1,941.94			
Insurance	8,124.81	115.16	56,388.29			
Office Supplies	5,353.37	75.88	274,803.51			
Other	5,639.11	79.93	28,760.69			
Rent/Space	4,297.63	60.91	27,528.08			
Training	650.80	-	47,531.38			
Travel	7,110.53	100.78	88,264.59			
Utilities	2,152.48	30.51	55,711.17			
Vehicle Maintenance & Repairs	4,678.83	66.32	21,020.89			
<b>Total Expenses</b>	<b>\$ 435,991.67</b>	<b>\$ 6,170.34</b>	<b>\$ 4,320,766.40</b>			

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, 2018

## CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 283,529.75
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities	
Depreciation Expense	163,205.95
(Gain) Loss on Sale of Assets	(2,100.00)
(Increase) Decrease in Receivables	(82,102.46)
(Increase) Decrease in Inventory	3,749.06
(Increase) Decrease in Prepaid Expense	(3,113.00)
Increase (Decrease) in Accounts Payable	22,588.34
Increase (Decrease) in Accrued Payroll	3,015.82
Increase (Decrease) in Accrued Payroll Withholdings	19,914.04
Increase (Decrease) in Accrued Annual Leave	3,990.22
Increase (Decrease) in Refundable Grant Advances	208,284.03
Increase (Decrease) in Due to Grantor	-
Increase (Decrease) in Tenant Security Deposits	(288.70)
	<hr/>
Net cash provided by (used in) operating activities	620,673.05

## CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from Sale of Asset	2,100.00
Payments for Capital Assets	(376,810.03)
	<hr/>
Net cash provided by (used in) investing activities	(374,710.03)

## CASH FLOWS FROM FINANCING ACTIVITIES

Principal Payments on Notes Payable	(31,184.85)
Proceeds from Line of Credit	55,000.00
Principal Payments on Line of Credit	(60,000.00)
	<hr/>
Net cash provided by (used in) financing activities	(36,184.85)

Net Increase (Decrease) in Cash and Cash Equivalents 209,778.17Cash, September 30, 2017 

---

140,726.80Cash, September 30, 2018 

---

---

\$ 350,504.97**Supplementary Information**

Cash Paid During the Period for:

Interest Expense 

---

---

\$ 30,918.40

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, 2018

**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 \$350,504.97. 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 \$420,778.52. Of the bank balance, \$252,092.84 was covered by FDIC insurance, \$99,603.47 was covered with securities pledged, and the remaining \$69,082.21 was held in escrow by the Missouri Housing Development Commission and was considered unsecured at year end.

**4. RECEIVABLES, NET**

Receivables at September 30, 2018, consist of amounts due as follows:

Head Start – Federal	\$	45,032.93
Early Head Start-State		25,178.13
Child and Adult Care Food Program		16,927.87
Family Day Care Homes		27,899.86
Emergency Services Grant		27,657.62
LIHEAP Weatherization Grant		12,964.00
Community Services Block Grant		42,434.77
Ameren UE Weatherization		4,036.00
Liberty Weatherization		1,333.00
DOE Weatherization		3,854.21
Employee Advance		<u>225.25</u>
Total Receivables, Net	\$	<u>207,543.64</u>

All receivables at September 30, 2018, are considered collectible. Accordingly, the allowance for uncollectibility is zero.

**5. INVENTORY**

Inventory consists of the following at September 30, 2018:

Weatherization Materials	\$	6,118.27
Weatherization Labor		<u>6,543.95</u>
Total	\$	<u>12,662.22</u>

**6. CAPITAL ASSETS**

Following are the changes in capital assets for the year ended September 30, 2018:

	Balance			Balance
	9/30/2017	Additions	Retirements	9/30/2018
Capital Assets not being depreciated				
Land	\$ 168,727.54	\$ 9,100.00	\$ -	\$ 177,827.54
Total Capital Assets not being depreciated	<u>168,727.54</u>	<u>9,100.00</u>	<u>-</u>	<u>177,827.54</u>
Other Capital Assets				
Buildings and Improvements	4,247,772.36	182,214.77	-	4,429,987.13
Equipment	21,218.02	79,495.26	-	100,713.28
Vehicles	385,350.98	106,000.00	(25,312.00)	466,038.98
Total Other Capital Assets	<u>4,654,341.36</u>	<u>367,710.03</u>	<u>(25,312.00)</u>	<u>4,996,739.39</u>
Accumulated Depreciation	<u>(1,658,341.04)</u>	<u>(163,205.95)</u>	<u>25,312.00</u>	<u>(1,796,234.99)</u>
Net Capital Assets	<u>\$ 3,164,727.86</u>	<u>\$ 213,604.08</u>	<u>\$ -</u>	<u>\$ 3,378,331.94</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 \$69,082.21.

**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, 2018, is \$226,498.48.

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, 2018, is \$54,780.27.

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, 2018, is \$126,726.62.

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, 2018, is \$109,847.27.

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, 2018, is \$64,468.20.

**8. NOTES PAYABLE** (Continued)

The following is a summary of changes in notes payable for the year ended September 30, 2018:

	Principal September 30, 2017	Principal Received (Paid)	Principal September 30, 2018	Interest Paid
<b>Obligations:</b>				
Kirksville Office	\$ 240,723.62	\$ (14,225.14)	\$ 226,498.48	\$ 13,973.90
Loan 7034	0.00	54,780.27	54,780.27	280.27
Wayland HS	131,214.73	(4,488.11)	126,726.62	5,327.89
Memphis HS	116,755.33	(6,908.06)	109,847.27	4,827.94
Glenwood & Edina HS	<u>69,812.01</u>	<u>(5,343.81)</u>	<u>64,468.20</u>	<u>3,200.19</u>
	<u>\$ 558,505.69</u>	<u>\$ (23,815.15)</u>	<u>\$ 582,320.84</u>	<u>\$ 27,610.19</u>

The schedule of maturities of notes payable is as follows:

<u>Year Ending September 30:</u>	<u>Amount</u>
2019	\$ 33,975.28
2020	35,773.24
2021	37,668.94
2022	39,667.79
2023	41,775.61
2024-2028	239,229.09
2029-2033	94,299.21
2034-2038	<u>59,931.68</u>
Total	<u>\$ 582,320.84</u>

**9. LINE OF CREDIT**

The Organization has obtained a line of credit with Bank of Kirksville, Kirksville, Missouri for operating expenses. The line of credit was closed in August 2018. The balance on the note at September 30, 2018 is \$0.00 and interest paid during the fiscal year ended September 30, 2018 was \$3,308.21.

**10. REFUNDABLE GRANT ADVANCES/DUE TO GRANTOR**

Refundable grant advances at September 30, 2018, consist of conditional contributed grant funds received in excess of expenditures in the following programs:

Head Start	\$ 38,012.42
------------	--------------

**11. OPERATING LEASES**

As of September 30, 2018, the Organization has entered into a number of operating leases for various office equipment and space. Total payments for the year ended September 30, 2018 were \$29,113.15. Under the current lease agreements, the future minimum lease rentals are as follows:

2019	\$ 20,809.40
------	--------------

**12. 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.

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, 2018 was \$22,654.84.

**15. 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	\$	11,206.80
Lewis Co REC Donations		18,117.05
Central Office Gift Fund		269.41
Head Start – Donations		3,641.05
Kahoka 2 Duplexes Net Book Value (Restrictions Expire November 21, 2023)		231,429.84

**15. TEMPORARILY RESTRICTED NET ASSETS** (Continued)

Kirksville 2 Single Family Homes Net Book Value (Restrictions Expire September 11, 2027)	\$ 221,753.33
Edina 1 Single Family Homes Net Book Value (Restrictions Expire August 20, 2028)	132,738.19
Kahoka 2 Single Family Homes Net Book Value (Restrictions Expire August 20, 2028)	263,521.25
Memphis 4 Single Family Homes Net Book Value (Restrictions Expire October 26, 2030)	469,444.44
Woodridge 3 Single Family Homes Net Book Value (Restrictions Expire September 12, 2032)	468,563.33
Lancaster Single Family Homes Net Book Value (Restrictions Expire September 2, 2035)	<u>338,295.91</u>
Total Temporarily Restricted Net Assets	<u>\$ 2,158,980.60</u>

**17. 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	\$ 581,230.56
	Professional Volunteers	24,723.88
	Space	265.00
	Travel	29,542.23
	Supplies	<u>76,164.86</u>
	Total Program In-Kind	711,926.53
	Non-GAAP	<u>(581,230.56)</u>
Total In-Kind	<u>\$ 130,695.97</u>	

**18. 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



**18. REAL ESTATE JOINT VENTURES** (Continued)

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.

**19. 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.

**20. 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.

**21. SUBSEQUENT EVENTS**

The Organization evaluated events and transactions occurring subsequent to September 30, 2016, through May 2, 2019, 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, 2018

	Head Start - Federal 2017/2018	Head Start - Federal 2018/2019	Early Head Start - Federal 2017/2018	Early Head Start - Federal 2018/2019	Early Head Start - State 2017/2018	Early Head Start - State 2018/2019	Child Care Food Program	Family Day Care Homes	Child Care
Program Code	501 & 503	801 & 803	510 & 512	810 & 812	211	111	004	005	214
CFDA No.	93.600	93.600	93.600	93.600	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
Revenues and Gains									
Contributions									
Grant Revenue - Federal	\$ 1,917,774.59	\$ 277,835.39	\$ 380,099.21	\$ 60,957.78	\$ -	\$ -	\$ 140,960.84	\$ 385,318.85	\$ -
Grant Revenue - State	-	-	-	-	106,021.17	64,300.95	-	-	14,618.81
Local - Non-Cash	549,681.81	42,007.47	106,477.88	13,759.37	-	-	-	-	-
Local	2,100.00	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Allocation Income	-	-	-	-	-	-	-	-	-
Program Income	-	-	-	-	-	-	-	-	-
Rental Income	-	-	-	-	-	-	-	-	38,735.57
Other Income	-	-	-	-	-	-	-	-	-
Gain (Loss) on Sale of Assets	-	-	-	-	-	-	-	-	-
Total Revenues and Gains	2,469,556.40	319,842.86	486,577.09	74,717.15	106,021.17	64,300.95	140,960.84	385,318.85	53,354.38
Expenses									
Salary & Fringe	1,011,821.75	170,639.59	183,525.88	31,262.26	36,194.84	33,074.72	47,038.43	32,595.79	58,493.67
Salary & Fringe - Noncash	465,796.70	34,276.16	95,902.77	9,978.81	-	-	-	-	-
Building Maintenance	40,387.34	14,337.86	4,043.89	167.40	31.66	211.47	-	72.93	527.27
Communication	20,691.98	4,147.72	4,178.23	751.14	-	140.47	-	878.57	69.27
Contract & Consulting	28,523.51	516.00	3,606.97	51.00	-	105.00	868.67	74.52	163.22
Depreciation	-	-	-	-	-	-	-	-	-
Direct Client Services	37,141.23	8,218.53	99,342.44	19,685.00	71,829.98	23,670.76	88,526.42	338,022.06	-
Equipment	1,941.94	-	-	-	-	-	-	-	-
Indirect Costs	162,903.30	27,472.97	29,547.67	5,033.22	5,827.37	5,325.03	7,573.19	5,247.92	9,417.48
Insurance	24,984.07	-	592.14	-	-	-	-	340.06	-
Supplies	365,538.07	9,103.09	43,340.97	1,856.59	162.76	331.47	211.71	1,520.56	1,117.06
Supplies - Noncash	58,189.76	6,018.37	8,908.19	3,048.54	-	-	-	-	-
Other	9,930.44	4,352.14	1,140.60	625.98	64.00	712.24	-	483.87	3.59
Rent/Space	27,894.60	3,203.50	2,314.69	160.86	148.52	355.58	-	394.02	1,978.07
Rent/Space - Noncash	136.00	94.00	23.00	12.00	-	-	-	-	-
Training	21,378.14	5,568.35	7,318.55	164.00	160.00	82.50	-	-	160.87
Transfers	(11,406.43)	18,954.54	(3,600.01)	-	(8,654.33)	-	(3,363.55)	2,549.37	(20,292.78)
Travel	27,560.56	5,777.05	385.60	543.04	111.14	-	86.60	2,564.71	-
Travel - Noncash	25,559.35	1,618.94	1,643.92	720.02	-	-	-	-	-
Utilities	32,880.92	4,580.35	4,361.59	657.29	145.23	291.71	19.37	574.47	1,716.66
Vehicle Maintenance & Repairs	117,703.17	963.70	-	-	-	-	-	-	-
Total Expenses	2,469,556.40	319,842.86	486,577.09	74,717.15	106,021.17	64,300.95	140,960.84	385,318.85	53,354.38
Increase (Decrease) in Net Assets	-	-	-	-	-	-	-	-	-
NET ASSETS, Beginning of Year	-	-	-	-	-	-	-	-	-
NET ASSETS, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**NORTHEAST MISSOURI COMMUNITY ACTION AGENCY**

Combining Schedule of Activities

For the Year Ended September 30, 2018

	Program Code	Head Start Donations	LIHEAP - Energy Assistance		Liberty Utility Donations	Lewis Co REC Donations	Liberty Energy Assistance	Weatherization Assistance - DOE		Weatherization Assistance - DOE	Weatherization Assistance - LIHEAP	Ameren Weatherization
			019	93.568				024	040			
	CFDA No.							2017/2018	2018/2019			
			Emergency Services	Emergency Services	Emergency Services	Weatherization Services	Weatherization Services	Weatherization Services	Weatherization Services	Weatherization Services	Weatherization Services	Weatherization Services
Revenues and Gains												
Contributions												
Grant Revenue - Federal		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,418.73	\$ 6,897.21	\$ 159,301.00	\$ -	\$ -
Grant Revenue - State		-	-	-	-	-	-	-	-	-	-	18,237.00
Local - Non-Cash		-	-	-	-	-	-	-	-	-	-	-
Local	1,941.03	-	2,356.26	12,000.00	8,272.00	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-	-
Allocation Income		-	-	-	-	-	-	-	-	-	-	-
Program Income		-	-	-	-	-	-	-	-	-	-	-
Rental Income		-	-	-	-	-	-	-	-	-	-	-
Other Income		-	-	-	-	-	-	-	-	-	-	-
Gain (Loss) on Sale of Assets		-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenues and Gains</b>		<b>1,941.03</b>	<b>2,356.26</b>	<b>12,000.00</b>	<b>8,272.00</b>	<b>47,418.73</b>	<b>6,897.21</b>	<b>159,301.00</b>	<b>18,237.00</b>			
Expenses												
Salary & Fringe		-	61,636.41	-	4,338.75	-	9,789.82	2,419.40	93,413.78	-	-	9,434.99
Salary & Fringe - Noncash		-	-	-	-	-	-	-	-	-	-	-
Building Maintenance		-	72.93	-	-	-	129.62	-	122.16	-	-	-
Communication		-	878.57	-	145.56	-	(824.72)	-	4,163.62	-	-	184.19
Contract & Consulting		-	74.52	-	39.00	-	2,336.66	245.00	4,123.07	-	-	616.00
Depreciation		-	-	-	-	-	-	-	-	-	-	-
Direct Client Services	46.07	-	310,549.89	9,683.00	2,472.75	-	14,963.86	953.90	35,250.73	-	-	5,802.61
Equipment		-	-	-	-	-	-	-	-	-	-	-
Indirect Costs		-	9,923.47	-	698.23	-	1,518.69	389.52	15,035.41	-	-	1,519.84
Insurance		-	464.39	-	76.14	-	(1,071.51)	2,366.19	2,058.31	-	-	91.36
Supplies		-	4,713.92	-	61.34	-	331.84	0.37	1,052.18	-	-	64.00
Supplies - Noncash		-	-	-	-	-	-	-	-	-	-	-
Other	0.70	-	486.94	-	146.00	-	579.38	24.19	662.00	-	-	175.00
Rent/Space		-	533.02	-	-	-	(3,474.89)	258.64	7,142.26	-	-	-
Rent/Space - Noncash		-	-	-	-	-	-	-	-	-	-	-
Training		-	4,512.07	-	-	-	1,785.98	-	2,744.92	-	-	-
Transfers		-	-	-	(0.53)	-	19,523.45	-	(13,771.74)	-	-	-
Travel		-	608.79	5,414.00	107.72	-	331.70	-	3,509.14	-	-	106.89
Travel - Noncash		-	-	-	-	-	-	-	-	-	-	-
Utilities		-	574.47	-	73.04	-	845.77	240.00	1,556.55	-	-	171.69
Vehicle Maintenance & Repairs		-	-	-	114.00	-	653.08	-	2,238.61	-	-	72.16
<b>Total Expenses</b>		<b>46.77</b>	<b>395,029.39</b>	<b>9,683.53</b>	<b>8,272.00</b>	<b>47,418.73</b>	<b>6,897.21</b>	<b>159,301.00</b>	<b>18,238.73</b>			
Increase (Decrease) in Net Assets		1,894.26	-	(7,327.27)	6,586.00	-	-	-	(1.73)			
NET ASSETS, Beginning of Year		1,746.79	-	18,534.07	11,531.05	-	-	-	0.70			
NET ASSETS, End of Year		\$ 3,641.05	\$ -	\$ 11,206.80	\$ 18,117.05	\$ -	\$ -	\$ -	\$ (1.03)			

**NORTHEAST MISSOURI COMMUNITY ACTION AGENCY**

Combining Schedule of Activities

For the Year Ended September 30, 2018

	Emergency Services Grant	MOHIP Street Outreach	MOHIP 18556HIPF	MOHIP 18556HIPM	Housing Development	Rental Properties	Community Services Block Grant	Central Office Gift Fund	Agency
Program Code	610	650	660	670	300	340	020	052	010-990
CFDA No.	14.231	N/A	N/A	N/A	N/A	N/A	93.569	N/A	N/A
	Housing	Housing	Housing	Housing	Housing	Housing	Community Services	Mgt & General	Mgt & General
<b>Revenues and Gains</b>									
Contributions									
Grant Revenue - Federal	\$ 34,399.17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 283,674.93	\$ -	\$ -
Grant Revenue - State	-	62.87	696.80	-	-	-	-	-	-
Local - Non-Cash	-	-	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	250.00	795.12	382,086.34
Interest	-	-	-	-	-	353.78	-	-	504.65
Allocation Income	-	-	-	-	-	-	-	-	48,971.39
Program Income	-	-	-	-	-	-	-	-	14,387.44
Rental Income	-	-	-	-	-	79,914.70	-	-	-
Other Income	-	-	-	-	1,488.19	5,350.00	730.00	-	3,290.37
Gain (Loss) on Sale of Assets	-	-	-	-	-	-	-	-	2,100.00
<b>Total Revenues and Gains</b>	<b>34,399.17</b>	<b>62.87</b>	<b>696.80</b>	<b>-</b>	<b>1,488.19</b>	<b>85,618.48</b>	<b>284,654.93</b>	<b>795.12</b>	<b>451,340.19</b>
<b>Expenses</b>									
Salary & Fringe	6,927.33	54.15	-	-	35,150.95	9,592.16	148,331.30	-	6,646.99
Salary & Fringe - Noncash	-	-	-	-	-	-	-	-	-
Building Maintenance	-	-	-	-	72.93	8,790.78	563.86	-	493.96
Communication	-	-	-	-	878.57	-	3,162.58	-	-
Contract & Consulting	-	-	-	-	37.26	5,660.00	29,585.96	-	300.31
Depreciation	-	-	-	-	-	-	-	-	163,205.95
Direct Client Services	26,310.30	-	696.80	-	38.33	889.31	22,143.56	-	29,770.96
Equipment	-	-	-	-	-	-	-	-	-
Indirect Costs	1,115.30	8.72	-	-	5,659.30	1,544.34	23,881.35	-	19.74
Insurance	-	-	-	-	4,364.21	12,609.00	1,273.96	-	1,933.51
Supplies	-	-	-	-	704.40	108.20	3,202.13	-	244.83
Supplies - Noncash	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	345.41	-	3,309.17	147.26	41.25
Rent/Space	-	-	-	-	86.22	-	1,647.79	-	36.75
Rent/Space - Noncash	-	-	-	-	-	-	-	-	-
Training	-	-	-	-	258.96	500.00	2,246.24	-	-
Transfers	-	-	-	-	-	-	17,248.20	-	(51,203.94)
Travel	46.24	-	-	-	2,211.71	3,595.42	25,712.78	-	4,359.27
Travel - Noncash	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	574.47	1,918.55	2,346.05	-	-
Vehicle Maintenance & Repairs	-	-	-	-	-	531.02	-	-	-
<b>Total Expenses</b>	<b>34,399.17</b>	<b>62.87</b>	<b>696.80</b>	<b>-</b>	<b>50,382.72</b>	<b>45,738.78</b>	<b>284,654.93</b>	<b>147.26</b>	<b>160,594.73</b>
Increase (Decrease) in Net Assets	-	-	-	-	(48,894.53)	39,879.70	-	647.86	290,745.46
NET ASSETS, Beginning of Year	-	-	-	-	(90,507.62)	365,914.52	-	(378.45)	2,321,167.36
NET ASSETS, End of Year	\$ -	\$ -	\$ -	\$ -	\$ (139,402.15)	\$ 405,794.22	\$ -	\$ 269.41	\$ 2,611,912.82

**NORTHEAST MISSOURI COMMUNITY ACTION AGENCY**

Combining Schedule of Activities

For the Year Ended September 30, 2018

	Program Code CFDA No.	Indirect Cost Pool	Organization		N/A	Generally Accepted Principle Adjustments	Organization Wide Totals
			Wide	Sub-Totals			
					Housing		
		Mgt & General					
<b>Revenues and Gains</b>							
Contributions							
Grant Revenue - Federal	\$ -	\$ -	\$ 4,089,667.09	\$ -	\$ -	\$ -	\$ 4,089,667.09
Grant Revenue - State	-	-	203,937.60	-	-	-	203,937.60
Local - Non-Cash	-	-	711,926.53	-	(581,230.56)	-	130,695.97
Local	-	-	409,800.75	-	(376,810.03)	-	32,990.72
Interest	99.13	-	957.56	-	-	-	957.56
Allocation Income	319,662.06	-	368,633.45	-	(368,633.45)	-	-
Program Income	-	-	53,123.01	-	-	-	53,123.01
Rental Income	-	-	79,914.70	-	-	-	79,914.70
Other Income	50.94	-	10,909.50	-	-	-	10,909.50
Gain (Loss) on Sale of Assets	-	-	2,100.00	-	-	-	2,100.00
<b>Total Revenues and Gains</b>	<b>319,812.13</b>	<b>-</b>	<b>5,930,970.19</b>	<b>-</b>	<b>(1,326,674.04)</b>	<b>-</b>	<b>4,604,296.15</b>
<b>Expenses</b>							
Salary & Fringe	232,658.16	-	2,225,041.12	-	-	-	2,225,041.12
Salary & Fringe - Noncash	-	-	605,954.44	-	(581,230.56)	-	24,723.88
Building Maintenance	391.91	-	70,417.97	-	(30,598.77)	-	39,819.20
Communication	3,609.59	-	43,055.34	-	-	-	43,055.34
Contract & Consulting	-	-	76,926.67	-	-	-	76,926.67
Depreciation	-	-	163,205.95	-	-	-	163,205.95
Direct Client Services	35.21	-	1,146,043.70	-	-	-	1,146,043.70
Equipment	-	-	1,941.94	-	-	-	1,941.94
Indirect Costs	-	-	319,662.06	-	(319,662.06)	-	-
Insurance	6,306.46	-	56,388.29	-	-	-	56,388.29
Supplies	5,184.42	-	438,849.91	-	(240,211.26)	-	198,638.65
Supplies - Noncash	-	-	76,164.86	-	-	-	76,164.86
Other	5,530.53	-	28,760.69	-	-	-	28,760.69
Rent/Space	4,321.79	-	47,001.42	-	(19,738.34)	-	27,263.08
Rent/Space - Noncash	-	-	265.00	-	-	-	265.00
Training	650.80	-	47,531.38	-	-	-	47,531.38
Transfers	54,017.22	-	-	-	-	-	-
Travel	4,923.05	-	87,955.41	-	(29,233.05)	-	58,722.36
Travel - Noncash	-	-	29,542.23	-	-	-	29,542.23
Utilities	2,182.99	-	55,711.17	-	-	-	55,711.17
Vehicle Maintenance & Repairs	-	-	127,020.89	-	(106,000.00)	-	21,020.89
<b>Total Expenses</b>	<b>319,812.13</b>	<b>-</b>	<b>5,647,440.44</b>	<b>-</b>	<b>(1,326,674.04)</b>	<b>-</b>	<b>4,320,766.40</b>
Increase (Decrease) in Net Assets	-	-	283,529.75	-	-	-	283,529.75
NET ASSETS, Beginning of Year	-	-	2,628,008.42	-	-	-	2,628,008.42
NET ASSETS, End of Year	\$ -	\$ -	\$ 2,911,538.17	\$ -	\$ -	\$ -	\$ 2,911,538.17

**NORTHEAST MISSOURI COMMUNITY ACTION AGENCY**

Kirksville, Missouri

**COMMUNITY SERVICES BLOCK GRANT PROGRAM**

GRANT NO. PG281800013

Program Year Ended September 30, 2018

Schedule of Revenue and Expenses

	<u>Total Grant</u>
Beginning CSBG Residual Receipts	\$ -
Revenue	
Grant Revenue-CSBG	283,674.93
Other Income	980.00
Total Revenue	<u>284,654.93</u>
Expenditures	
Indirect	23,881.35
Personnel Salaries and Wages	148,331.30
Direct Client Benefits	22,143.56
Contracts and Consulting	29,585.96
Travel	25,712.78
Training and Staff Development	2,246.24
Rent/Space	1,647.79
Utilities	2,346.05
Insurance	1,273.96
Office Supplies	3,202.13
Communications	3,162.58
Other - Advertising	3,873.03
Subtotal Operating Expenses	<u>267,406.73</u>
Leveraging - Housing	17,248.20
Leveraging - Weatherization	-
Subtotal Leveraging	<u>17,248.20</u>
Total Expenditures	<u>284,654.93</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, 2018

<b>Revenue</b>			Variable Favorable (Unfavorable)
Grant Revenue - LIHEAP	Budget	Actual	
Special Start-up	\$ -	\$ -	\$ -
Current (initial + amendments)	588,111.00	395,029.39	(193,081.61)
Interest	-	-	-
<b>Total Revenue</b>	<u>588,111.00</u>	<u>395,029.39</u>	<u>(193,081.61)</u>
<b>Expenditures</b>			
<b>Administrative/Program Services</b>			
Personnel	64,643.02	61,636.41	3,006.61
Contracting/Consulting	-	74.52	(74.52)
Travel/Training	2,240.00	5,120.86	(2,880.86)
Rent/Fuel/Utilities	960.00	1,107.49	(147.49)
Insurance	2,000.00	464.39	1,535.61
Equipment	-	-	-
Supplies	5,050.00	4,713.92	336.08
Communication Services	1,800.00	878.57	921.43
Repair & Maintenance	500.00	72.93	427.07
Other-	1,965.45	486.94	1,478.51
Indirect Cost	10,407.53	9,923.47	484.06
<b>Total Administrative/Program Services</b>	<u>89,566.00</u>	<u>84,479.50</u>	<u>5,086.50</u>
<b>ECIP Direct Services</b>			
Winter	386,915.00	222,642.89	164,272.11
Summer	109,130.00	87,907.00	21,223.00
<b>Total ECIP Direct Services</b>	<u>496,045.00</u>	<u>310,549.89</u>	<u>185,495.11</u>
<b>Outreach &amp; Education</b>			
Outreach and Education	2,500.00	-	2,500.00
<b>Total Outreach &amp; Education</b>	<u>2,500.00</u>	<u>-</u>	<u>2,500.00</u>
<b>Total Expenditures</b>	<u>588,111.00</u>	<u>395,029.39</u>	<u>193,081.61</u>
Revenue over (under) Expenditures	-	-	-
Transfer from CSBG	-	-	-
<b>Ending Program Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**NORTHEAST MISSOURI COMMUNITY ACTION AGENCY  
DOE  
Subgrant Number: G-17-EE0007930-15**

**RECONCILIATION OF REVENUES AND EXPENSES**

**FOR THE PERIOD OF July 1, 2017 to June 30, 2018**

**DIVISION OF ENERGY****SUBGRANTEE**

Beginning Fund Balance	0	Beginning Fund Balance	0
<b>Revenue</b>		<b>Revenue</b>	
Grant Income	80,106	Grant Income	80,106
Program Income	0	Program Income	0
Total Revenue	80,106	Total Revenue	80,106
<b><u>Expenditures</u></b>		<b><u>Expenditures</u></b>	
Administration	5,521	Administration	5,521
Insurance	1,576	Insurance	1,576
Financial Audit	0	Financial Audit	0
Leveraging	0	Leveraging	0
T&TA	3,499	T&TA	3,499
Program Operations	69,510	Program Operations	69,510
Total Expenditures	80,106	Total Expenditures	80,106
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-18-EE0007930-2-15**

**RECONCILIATION OF REVENUES AND EXPENSES**

**FOR THE PERIOD OF July 1, 2018 to September 30, 2018**

<b>DIVISION OF ENERGY</b>		<b>SUBGRANTEE</b>	
Beginning Fund Balance	0	Beginning Fund Balance	0
<b>Revenue</b>		<b>Revenue</b>	
Grant Income	4,823	Grant Income	6,897
Program Income	0	Program Income	0
Total Revenue	4,823	Total Revenue	6,897
<b><u>Expenditures</u></b>		<b><u>Expenditures</u></b>	
Administration	190	Administration	190
Insurance	2,289	Insurance	2,289
Financial Audit	0	Financial Audit	0
Leveraging	0	Leveraging	0
T&TA	0	T&TA	0
Program Operations	2,344	Program Operations	4,418
Total Expenditures	4,823	Total Expenditures	6,897
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 September 30, 2018**

**DIVISION OF ENERGY**

Beginning Fund Balance 0

**Revenue**

Grant Income 18,237

Program Income 0

Total Revenue 18,237

**Expenditures**

Administration 1,518

Insurance 0

Financial Audit 0

Leveraging 0

T&TA 0

Program Operations 16,719

Total Expenditures 18,237

Ending Fund Balance 0

**SUBGRANTEE**

Beginning Fund Balance 0

**Revenue**

Grant Income 18,237

Program Income 0

Total Revenue 18,237

**Expenditures**

Administration 1,518

Insurance 0

Financial Audit 0

Leveraging 0

T&TA 0

Program Operations 16,719

Total Expenditures 18,237

Ending Fund Balance 0

Ending Cash on Hand 0

Ending Inventory 0

**NORTHEAST MISSOURI COMMUNITY ACTION AGENCY**  
**Liberty Utilities**  
**Subgrant Number: G16-14-0152-3-15**

**RECONCILIATION OF REVENUES AND EXPENSES**

**FOR THE PERIOD OF November 1, 2017 to September 30, 2018**

**DIVISION OF ENERGY**

Beginning Fund Balance 0

**Revenue**

Grant Income 8,272

Program Income 0

Total Revenue 8,272

**Expenditures**

Administration 698

Insurance 0

Financial Audit 0

Leveraging 0

T&TA 0

Program Operations 7,574

Total Expenditures 8,272

Ending Fund Balance 0

**SUBGRANTEE**

Beginning Fund Balance 0

**Revenue**

Grant Income 8,272

Program Income 0

Total Revenue 8,272

**Expenditures**

Administration 698

Insurance 0

Financial Audit 0

Leveraging 0

T&TA 0

Program Operations 7,574

Total Expenditures 8,272

Ending Fund Balance 0

Ending Cash on Hand 0

Ending Inventory 0

**NORTHEAST MISSOURI COMMUNITY ACTION AGENCY  
LIHEAP  
Subgrant Number: G-18-LIHEAP-18-15**

**RECONCILIATION OF REVENUES AND EXPENSES**

**FOR THE PERIOD OF October 1, 2017 to September 30, 2018**

**DIVISION OF ENERGY**

Beginning Fund Balance 0

**Revenue**

Grant Income 159,301

Program Income 0

Total Revenue 159,301

**Expenditures**

Administration 13,767

Insurance 891

Financial Audit 0

Leveraging 0

T&TA 2,360

Program Operations 142,283

Total Expenditures 159,301

Ending Fund Balance 0

**SUBGRANTEE**

Beginning Fund Balance 0

**Revenue**

Grant Income 159,301

Program Income 0

Total Revenue 159,301

**Expenditures**

Administration 13,767

Insurance 891

Financial Audit 0

Leveraging 0

T&TA 2,360

Program Operations 142,283

Total Expenditures 159,301

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. 07CH7059/05

For the Program Year Ended July 31, 2018

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	\$ 2,580,703.00	\$ 2,580,703.00	\$ -
Grantee's In-Kind Contributions	645,176.00	683,518.12	38,342.12
Donations	-	62,465.77	62,465.77
	<u>3,225,879.00</u>	<u>3,326,686.89</u>	<u>100,807.89</u>
<u>EXPENSES</u>			
Direct Costs			
Personnel	1,155,323.00	1,113,525.22	41,797.78
Fringe Benefits	569,380.00	367,906.62	201,473.38
Travel	11,032.00	8,962.15	2,069.85
Training	-	-	-
Equipment	-	106,000.00	(106,000.00)
Supplies	60,139.00	199,827.37	(139,688.37)
Contractual	128,469.00	172,145.32	(43,676.32)
Facilities/Construction	186,040.00	150,967.62	35,072.38
Other	196,118.00	288,615.52	(92,497.52)
Indirect Costs	274,202.00	235,218.95	38,983.05
	<u>2,580,703.00</u>	<u>2,643,168.77</u>	<u>(62,465.77)</u>
Grantee's In-Kind Expenses			
Personnel, Supplies and Other	645,176.00	683,518.12	(38,342.12)
	<u>3,225,879.00</u>	<u>3,326,686.89</u>	<u>(100,807.89)</u>
REVENUE OVER (UNDER) EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NORTHEAST MISSOURI COMMUNITY ACTION AGENCY**

Kirksville, Missouri

HEAD START PROGRAM

GRANT NO. 07CH7059/05

For the Program Year Ended July 31, 2018

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, 2018	
Adjustments: None	<u>-</u>
Balance of Grant Funds Not Received to Carryover to Program Year Ending July 31, 2019	<u>\$ -</u>

**NORTHEAST MISSOURI COMMUNITY ACTION AGENCY**

Kirksville, Missouri

Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title	Year Ended	Pass-Through Entity Identifying Number	CFDA #	Federal Expenditures
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>				
Direct Programs:				
Head Start	7/31/2018	N/A	93.600	\$ 2,297,873.80
Head Start	7/31/2019	N/A	93.600	338,793.17
			TOTAL 93.600 (M)	<u>2,636,666.97</u>
Passed Through:				
State of Missouri Department of Social Services - Family Support Division Community Services Block Grant	9/30/2018	PG281800013	93.569	283,674.93
Low-Income Home Energy Assistance Program (ECIP)	9/30/2018	ER11017014	93.568	395,029.39
State of Missouri Department of Economic Development Low-Income Home Energy Assistance Program	9/30/2018	G-18-LIHEAP-18-15	93.568	159,301.00
			TOTAL 93.568	<u>554,330.39</u>
Total U.S. Department of Health and Human Services				<u>3,474,672.29</u>
<b><u>U.S. DEPARTMENT OF ENERGY</u></b>				
Passed Through:				
State of Missouri Department of Economic Development Weatherization Assistance for Low-Income Individuals	6/30/2018	G-17-EE0007930-15	81.042	47,418.73
Weatherization Assistance for Low-Income Individuals	6/30/2019	G-18-EE0007930-02-15	81.042	6,897.21
			TOTAL 81.042	<u>54,315.94</u>
Total U.S. Department of Energy				<u>54,315.94</u>
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>				
Passed-through:				
Missouri Housing Development Commission CHDO Forgivable Loan Program - Outstanding Loan Balances Emergency Services Grant	9/30/2018	Various	14.239 (M)	2,878,559.68
	3/31/2019	18-762-E	14.231	<u>34,399.17</u>
Total U.S. Department of Housing and Urban Development				<u>2,912,958.85</u>



**NORTHEAST MISSOURI COMMUNITY ACTION AGENCY**  
 Kirksville, Missouri  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended September 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title	Year Ended	Pass-Through Entity Identifying Number	CFDA #	Federal Expenditures
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>				
Passed Through:				
State of Missouri Department of Health and Human Services	9/30/2018	18CACFP	10.558	\$ 140,960.84
Child and Adult Care Food Program	9/30/2018	ERS46111735	10.558	385,318.85
Sponsoring Organizations of Family Child Care Homes			TOTAL 10.558	526,279.69
Total U.S. Department of Agriculture				526,279.69
Total Expenditures of Federal Awards				\$ 6,968,226.77

**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 09/30/2018 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 AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF CONSOLIDATED 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, 2018, 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 May 2, 2019.

**Internal Control over Financial Reporting**

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Northeast Missouri Community Action Agency's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants

May 2, 2019  
Chanute, Kansas

**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, 2018. 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, 2018.

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

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

May 2, 2019  
Chanute, Kansas

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

Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2018

---

**I. SUMMARY OF AUDITORS' RESULTS**

**Consolidated 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 deficiencies identified?	_____	Yes	_____ <u>X</u> _____	None Reported
Noncompliance 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 deficiencies 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 Uniform Guidance?	_____	Yes	_____ <u>X</u> _____	No
--	-------	-----	----------------------	----

Identification of major programs:

**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

Home Investment Partnership 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	_____ <u>X</u> _____	No
--	-------	-----	----------------------	----

**II. FINANCIAL STATEMENT FINDINGS**

None

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

Schedule of Findings and Questioned Costs  
(Continued)  
For the Year Ended September 30, 2018

---

**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, 2018

---

**Finding 2017-001**– Cash Management

*Recommendation:* While procedures appear to have been put into place, the Organization at year end still has the excess cash on hand. The Organization needs to work with the regional Head Start office to setup repayment terms.

*Action Taken:* We concur with the recommendation. Procedures have been implemented to ensure that excess cash cannot be drawn. The Organization is currently in negotiations with the regional Head Start office to determine repayment of excess cash on hand that will allow the Organization to provide uninterrupted services to our children and families.

*Status:* Management has implemented procedures to ensure controls are working as designed and is considered resolved, however return of excess funds has not happened to-date.