

**DELTA AREA ECONOMIC  
OPPORTUNITY CORPORATION**

Portageville, Missouri

Consolidated Financial Statements and  
Independent Auditors' Report with  
Supplemental Information and  
Federal Compliance Section

For the Year Ended December 31, 2010

**Delta Area Economic Opportunity Corporation**  
Portageville, Missouri

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# JARRED, GILMORE & PHILLIPS, PA

Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Delta Area Economic Opportunity Corporation  
Portageville, Missouri

We have audited the accompanying consolidated statement of financial position of Delta Area Economic Opportunity Corporation as of December 31, 2010, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

Except as discussed in the following paragraph, 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The financial statements of Scott City Apartments, LLC, Allgeier Manor, LLC, Moritz Place, LLC, and Lucille Manor, LLC have not been audited, and we were not engaged to audit the wholly owned subsidiaries. These wholly owned subsidiaries are included in the basic financial statements and represent 35.97%, 3.97%, and 2.00% of the assets, net assets, and revenues, respectively.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the wholly owned subsidiaries been audited, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Delta Area Economic Opportunity Corporation as of December 31, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 7, 2011 on our consideration of Delta Area Economic Opportunity Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and is important in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the Combining Schedule of Activities presented on pages 19 to 23 are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules presented on pages 24 to 39 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on it.



JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants

September 7, 2011  
Chanute, Kansas

**Delta Area Economic Opportunity Corporation**

Portageville, Missouri

**Consolidated Statement of Financial Position**

December 31, 2010

**ASSETS**

Current Assets

Cash in Bank - Cash and Cash Equivalents	\$ 921,862.97
Grant and Contracts Receivable, Net	1,031,689.68
Prepaid Expenses	126,590.66
Inventory	1,089,994.33
Total Current Assets	<u>3,170,137.64</u>

Noncurrent Assets

Capital Assets, net	6,027,601.65
Restricted Cash from USDA Debt Service Reserve	77,407.28
Total Noncurrent Assets	<u>6,105,008.93</u>

TOTAL ASSETS	<u><u>\$ 9,275,146.57</u></u>
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**LIABILITIES AND NET ASSETS**

Liabilities

Current Liabilities

Accounts Payable	\$ 685,411.91
Accrued Annual Leave	63,788.01
Accrued Payroll and Withholdings	111,559.64
Refundable Grant Advances	655,420.96
Accrued Interest	62,660.00
Current Portion of Long-Term Debt	1,160,173.65
Total Current Liabilities	<u>2,739,014.17</u>

Long-Term Liabilities

Notes Payable	3,616,556.91
Capital Leases	31,125.06
Less: Current Portion	<u>(1,160,173.65)</u>
Total Long-Term Liabilities	<u>2,487,508.32</u>

TOTAL LIABILITIES	<u>5,226,522.49</u>
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Net Assets

Unrestricted Net Assets	4,000,805.17
Temporarily Restricted Net Assets	<u>47,818.91</u>

TOTAL NET ASSETS	<u>4,048,624.08</u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 9,275,146.57</u></u>
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The accompanying notes are an integral  
part of the financial statements

**Delta Area Economic Opportunity Corporation**

Portageville, Missouri

**Consolidated Statement of Activities**

For the Year Ended December 31, 2010

**CHANGES IN NET ASSETS****Unrestricted Net Assets****Revenues and Gains**

Grant Revenue - Federal	\$ 20,900,977.47
Grant Revenue - State	230,416.68
Program Fee Income	321,704.84
Housing Rent	518,599.30
Contributions	15,819.82
Reimbursements/Other	5,186.06
Other Income	20,301.27
Interest Income	5,716.40
Gain (Loss) on Sale of Assets	201,637.90
In-Kind Donations	187,091.90
Total Revenues and Gains	<u>22,407,451.64</u>

**Other****Net Assets Released From Restrictions**

through Satisfaction of Program Restrictions	<u>49,649.71</u>
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**Total Unrestricted Revenues, Gains and Other**22,457,101.35**Expenses****Program Services**

Early Childhood	9,185,873.06
Community Services	2,200,972.03
Weatherization Services	2,526,349.18
Energy Assistance	2,847,775.05
Family Planning	300,804.43
Housing Services	1,934,260.99

**Supporting Activities**

Management and General	1,265,389.55
Fundraising	<u>73,717.98</u>

**Total Expenses**20,335,142.27**Increase in Unrestricted Net Assets**2,121,959.08**Temporarily Restricted Net Assets**

Fee Income	40,362.94
Contributions	28,012.21

**Net Assets Released From Restrictions**

Through Satisfaction of Program Restrictions	<u>(49,649.71)</u>
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**Increase in Temporarily Restricted Net Assets**18,725.44**Increase in Net Assets**2,140,684.52**Net Assets - Beginning of the Year**1,907,939.56**Net Assets - End of the Year**\$ 4,048,624.08

The accompanying notes are an integral  
part of the financial statements

**Delta Area Economic Opportunity Corporation**

Portageville, Missouri

**Consolidated Statement of Functional Expenses**

For the Year Ended December 31, 2010

	Program Services				Supporting Activities			Total Organization Services
	Early Childhood	Community Services	Weatherization Services	Energy Assistance	Family Planning	Housing Services	Program Services	
							Management and General	Fundraising
Salaries & Wages	\$ 4,343,278.99	\$ 958,274.50	\$ 626,813.62	\$ 271,206.95	\$ 142,459.74	\$ 107,793.76	\$ 523,098.03	\$ 37,564.38
Fringe Benefits	1,466,329.69	357,060.37	290,688.45	86,166.40	52,102.86	30,839.20	93,488.03	6,713.50
Advertising	10,386.24	1,397.80	6,263.17	244.26	-	-	4,163.70	299.00
Board Expense	-	-	-	-	-	-	14,260.22	1,024.05
Client Assistance/Program Costs	1,600,621.88	112,229.14	1,354,874.06	2,429,379.15	16,841.65	1,067,839.07	6,533.92	469.21
Computer Software	13,517.13	747.00	737.34	5.80	-	-	185.67	13.33
Contractual	74,444.67	425,660.66	13,404.33	12,218.75	42,311.85	122,397.55	70,272.94	5,046.40
Depreciation Expense	-	-	-	-	-	92,380.28	259,318.49	-
Dues & Subscriptions	4,868.06	1,191.68	974.69	68.61	250.00	-	15,930.46	1,143.99
In-Kind Expense	187,091.90	-	-	-	-	-	-	-
Insurance	100,729.24	1,305.89	12,326.66	1,563.33	3,274.55	41,125.07	38,894.60	2,793.07
Interest Expense	-	220.63	-	-	-	152,970.26	66,065.82	7,633.20
Materials	1,426.31	575.00	804.85	12.72	-	-	4,325.70	310.63
Postage	18,779.51	941.00	1,170.18	405.32	33.80	260.66	12,561.05	1,205.70
Printing & Publications	1,703.23	3,691.95	-	-	222.50	-	6,427.46	461.57
Professional Fees	28,592.09	15,035.59	1,178.57	2,142.30	388.96	25,938.59	30,385.51	2,182.02
Rent-Building	83,495.04	61,795.34	-	-	9,750.00	395.76	-	-
Repairs & Maintenance	274,463.65	83,588.40	82,578.60	20,584.05	3,320.07	192,340.61	44,184.22	1,157.04
Supplies	317,406.83	43,252.29	24,362.59	8,923.32	13,291.12	17,910.53	30,853.07	2,215.60
Telephone	46,353.09	22,807.60	3,313.56	6,445.11	5,632.43	6,184.14	8,966.45	643.89
Training	123,080.23	15,944.84	27,709.37	55.62	462.50	91.80	6,146.60	441.40
College Classes	56,974.56	-	-	-	-	-	(2,425.80)	-
Travel	110,110.41	69,768.52	25,334.65	2,111.22	8,414.67	5,473.36	14,216.82	1,020.93
Utilities	158,632.99	21,462.55	4,001.87	2,505.64	1,903.90	45,711.66	10,968.19	787.64
Vehicle Expense	163,587.32	4,021.28	49,812.62	3,736.50	143.83	34.39	6,568.39	591.43
Miscellaneous Expense	-	-	-	-	-	24,574.30	0.01	-
<b>Total Expenses</b>	<b>\$ 9,185,873.06</b>	<b>\$ 2,200,972.03</b>	<b>\$ 2,526,349.18</b>	<b>\$ 2,847,775.05</b>	<b>\$ 300,804.43</b>	<b>\$ 1,934,260.99</b>	<b>\$ 1,265,389.55</b>	<b>\$ 73,717.98</b>
								<b>\$ 20,335,142.27</b>

The accompanying notes are an integral part of the financial statements

**Delta Area Economic Opportunity Corporation**  
Portageville, Missouri  
Consolidated Statement of Cash Flows  
For the Year Ended December 31, 2010

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 2,140,684.52
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities	
Depreciation Expense	351,698.77
(Gain) Loss on Sale of Assets	(201,637.90)
(Increase) Decrease in Grant and Contracts Receivable	(213,117.96)
(Increase) Decrease in Prepaid Expense	(56,304.60)
(Increase) Decrease in Inventory	(905,754.57)
Increase (Decrease) in Accounts Payable	119,535.24
Increase (Decrease) in Accrued Annual Leave	29,468.77
Increase (Decrease) in Accrued Payroll Withholdings	(221,403.28)
Increase (Decrease) in Property Taxes Payable	(27,036.69)
Increase (Decrease) in Refundable Grant Advances	(451,166.69)
Increase (Decrease) in Accrued Interest	<u>(4,400.44)</u>
Net Cash Provided by (Used in) Operating Activities	<u>560,565.17</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Payments for Purchase of Capital Assets	(1,837,801.17)
Proceeds from the Sale of Capital Assets	2,383,908.01
Payments to USDA Debt Service Reserve	<u>(17,376.52)</u>
Net Cash Provided by (Used in) Investing Activities	<u>528,730.32</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from the Issuance of Capital Leases	54,338.90
Principal Payments on Long-Term Debt	(2,361,953.00)
Principal Payments on Capital Leases	<u>(28,970.56)</u>
Net Cash Provided by (Used in) Financing Activities	<u>(2,336,584.66)</u>

Net Increase (Decrease) in Cash and Cash Equivalents (1,247,289.17)

Cash and Cash Equivalents, Beginning of the Year 2,169,152.14

Cash and Cash Equivalents, End of the Year \$ 921,862.97

**Supplemental Information:**

Cash Paid for Interest \$ 240,434.13

The accompanying notes are an integral  
part of the financial statements



## **Delta Area Economic Opportunity Corporation**

Portageville, Missouri

Notes to the Consolidated Financial Statements

December 31, 2010

### **1. NATURE OF ACTIVITIES**

Delta Area Economic Opportunity Corporation (the "Organization") is a nonprofit organization which serves the economically and socially disadvantaged persons in Scott, Stoddard, Mississippi, New Madrid, Dunklin, and Pemiscot counties in southeast Missouri. The consolidated financial statements include the accounts of Delta Area Economic Opportunity Corporation and an affiliated organization, Delta Area Community Development Corporation (DACDC). Material intercompany transactions and balances have been eliminated. The consolidated financial statements include the accounts of Scott City Apartments II, a 12 unit apartment complex located in Scott City, Missouri, Allgeier Manor, a 48 Unit apartment complex located in Aurora, Missouri, Lucille Manor, a 48 unit apartment complex located in Moberly, Missouri, and Moritz Place, a 56 unit apartment complex located in Carthage, Missouri, which are all 100% owned affiliated organizations.

The Organization provides services, assistance, and activities to aid those of low income by enlarging employment opportunities, by improving human performance, motivation and productivity, and by bettering the conditions in which people live, learn, and work. The Organization administers the following grants to meet the needs of the area it serves: Head Start Programs, Low-Income Home Energy Assistance Programs, Community Services Block Grant Programs, Supportive Housing Assistance and Counseling, Family Planning, Employment and Training, and others.

DACDC is the general partner for the twenty nine limited partnerships established to provide affordable housing for low income individuals. DACDC did not have any activity for the year ended December 31, 2010.

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### Basis of Accounting

The Organization's program policy is to prepare 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.

#### 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.

#### Inventory

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

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### Allowance for Doubtful Accounts

Grant and contract receivables are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on receivables using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of others to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

### Capital Assets

It is the Organization's policy to capitalize costs 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. The Organization has \$2,898,633.17, net book value, of property in which the funding sources have a reversionary interest. Capital assets purchased or donated are accounted for in the corporate account and are depreciated based on estimated useful lives using the straight-line method as follows:

Buildings	40 Years
Leasehold Improvements	15-20 Years
Equipment	3-10 Years
Vehicles	5 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 transactions 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.

### **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. The Organization had no promises to give at December 31, 2010.

### **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).

### **In-Kind Goods/Services**

The Organization receives donated services as part of its Head Start program. In-kind contributions are shown both as support and expenditures in this program, and is 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.

### **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 Organization's carrying amount of deposits including the USDA restricted cash was \$999,120.25. The bank balance was held by two banks resulting in a concentration of credit risk. The bank balance was \$1,484,093.00. Of the bank balance, \$1,484,093.00 was covered by FDIC insurance under the Temporary Account Guarantee Program.

**4. GRANT AND CONTRACTS RECEIVABLE, NET**

Grant and contracts receivable at December 31, 2010, consist of amounts due under the following programs, net of allowances for uncollectible amounts:

Community Services Block Grant	\$ 61,700.00
Housing Unrestricted – MACO Distributions	6,225.06
MHDC Home Repair Grant	22,000.00
Atmos Gas Utility Funds Grant	16,860.00
DOE/Weatherization Grant	51,390.80
DOE/Weatherization Grant – ARRA	243,949.53
Energize Missouri – ARRA	13,230.00
Ameren UE I Grant	3,346.00
Ameren UE Gas II Grant	12,598.00
Family Planning – Title X	16,846.40
Family Planning – Program Income	5,482.81
Emergency Shelter Grant	53,871.71
HUD-SHP Transitional Housing Grant	14,341.29
HUD-SHP Permanent Housing Grant	10,486.51
USDA/CCFP Grant	101,108.13
Head Start Grant	319,875.26
Early Head Start Grant	74,189.07
Head Start-USDA	<u>4,189.11</u>
	<u>\$ 1,031,689.68</u>

All grant and contracts receivable at December 31, 2010, are considered collectible. Accordingly, the allowance for uncollectibility is zero.

**5. INVENTORY**

Inventory consists of the following at December 31, 2010:

Weatherization Materials	\$ 76,224.87
Work in Progress	<u>1,013,769.46</u>
Total Inventories	<u>\$1,089,994.33</u>

Work in progress consists of expenses applied to houses in the weatherization program that have not yet been billed due to not being complete.

## 6. **CAPITAL ASSETS**

Following are the changes in capital assets for the year ended December 31, 2010:

	Balance 12/31/2009	Additions	Retirements	Balance 12/31/2010
<b>AGENCY:</b>				
Capital assets				
Land	\$ 191,705.75	\$ 45,000.00	\$ -	\$ 236,705.75
Buildings and Improvements	3,133,801.83	1,009,029.00	-	4,142,830.83
Equipment	221,843.45	136,160.91	-	358,004.36
Vehicles	1,642,596.00	629,332.46	144,483.00	2,127,445.46
Vehicles under Capital Lease	144,638.00	-	-	144,638.00
Total Capital Assets	<u>5,334,585.03</u>	<u>1,819,522.37</u>	<u>144,483.00</u>	<u>7,009,624.40</u>
Accumulated Depreciation				
Buildings and Improvements	(322,910.03)	(99,150.89)	-	(422,060.92)
Equipment	(148,576.54)	(19,409.25)	-	(167,985.79)
Vehicles	(1,495,224.85)	(111,830.75)	(144,483.00)	(1,462,572.60)
Vehicles under Capital Lease	(63,744.37)	(28,927.60)	-	(92,671.97)
Total Accumulated Depreciation	<u>(2,030,455.79)</u>	<u>(259,318.49)</u>	<u>(144,483.00)</u>	<u>(2,145,291.28)</u>
Total Net Capital Assets	<u>\$ 3,304,129.24</u>	<u>\$ 1,560,203.88</u>	<u>\$ -</u>	<u>\$ 4,864,333.12</u>
<b>SCOTT CITY:</b>				
Capital assets				
Land	\$ 23,650.00	\$ -	\$ -	\$ 23,650.00
Buildings and Improvements	179,312.08	-	-	179,312.08
Equipment	48,337.16	-	-	48,337.16
Total Capital Assets	<u>251,299.24</u>	<u>-</u>	<u>-</u>	<u>251,299.24</u>
Accumulated Depreciation	<u>(58,027.12)</u>	<u>(9,067.86)</u>	<u>-</u>	<u>(67,094.98)</u>
Total Net Capital Assets	<u>\$ 193,272.12</u>	<u>\$ (9,067.86)</u>	<u>\$ -</u>	<u>\$ 184,204.26</u>
<b>ALLGEIER:</b>				
Capital assets				
Land	\$ 24,000.00	\$ -	\$ -	\$ 24,000.00
Buildings and Improvements	914,946.25	-	-	914,946.25
Equipment	97,882.19	2,602.34	-	100,484.53
Total Capital Assets	<u>1,036,828.44</u>	<u>2,602.34</u>	<u>-</u>	<u>1,039,430.78</u>
Accumulated Depreciation	<u>(17,656.17)</u>	<u>(42,710.34)</u>	<u>-</u>	<u>(60,366.51)</u>
Total Net Capital Assets	<u>\$ 1,019,172.27</u>	<u>\$ (40,108.00)</u>	<u>\$ -</u>	<u>\$ 979,064.27</u>

## 6. **CAPITAL ASSETS** (Continued)

	Balance 12/31/2009	Additions	Retirements	Balance 12/31/2010
MORITZ:				
Capital assets				
Land	\$ 104,000.00	\$ -	\$ 104,000.00	\$ -
Buildings and Improvements	983,080.25	-	983,080.25	-
Equipment	115,730.27	6,033.63	121,763.90	-
Total Capital Assets	1,202,810.52	6,033.63	1,208,844.15	-
Accumulated Depreciation	(19,677.11)	(16,159.87)	(35,836.98)	-
Total Net Capital Assets	<u>\$ 1,183,133.41</u>	<u>\$ (10,126.24)</u>	<u>\$ 1,173,007.17</u>	<u>\$ -</u>

	Balance 12/31/2009	Additions	Retirements	Balance 12/31/2010
LUCILLE:				
Capital assets				
Land	\$ 84,000.00	\$ -	\$ 84,000.00	\$ -
Buildings and Improvements	853,044.25	-	853,044.25	-
Equipment	100,095.17	9,642.83	109,738.00	-
Total Capital Assets	1,037,139.42	9,642.83	1,046,782.25	-
Accumulated Depreciation	(13,077.10)	(24,442.21)	(37,519.31)	-
Total Net Capital Assets	<u>\$ 1,024,062.32</u>	<u>\$ (14,799.38)</u>	<u>\$ 1,009,262.94</u>	<u>\$ -</u>

	Balance 12/31/2009	Additions	Retirements	Balance 12/31/2010
TOTALS:				
Capital assets				
Land	\$ 427,355.75	\$ 45,000.00	\$ 188,000.00	\$ 284,355.75
Buildings and Improvements	6,064,184.66	1,009,029.00	1,836,124.50	5,237,089.16
Equipment	583,888.24	154,439.71	231,501.90	506,826.05
Vehicles	1,642,596.00	629,332.46	144,483.00	2,127,445.46
Vehicles under Capital Lease	144,638.00	-	-	144,638.00
Total Capital Assets	8,862,662.65	1,837,801.17	2,400,109.40	8,300,354.42
Accumulated Depreciation	(2,138,893.29)	(351,698.77)	(217,839.29)	(2,272,752.77)
Total Net Capital Assets	<u>\$ 6,723,769.36</u>	<u>\$ 1,486,102.40</u>	<u>\$ 2,182,270.11</u>	<u>\$ 6,027,601.65</u>

## 7. **REFUNDABLE GRANT ADVANCES**

Refundable grant advances at December 31, 2010, consist of grant funds received in excess of expenditures in the following programs:

Rental Assistance Program	\$ 2,376.79
FEMA Grant	2,173.02
Show Me Healthy Women Grant	4,345.53
LIHEAP/ECIP Grant	631,777.94
USDA/CACFP Grant	10,300.00
Shelter Plus Care Grant	4,447.68
	<u>\$ 655,420.96</u>

## 8. NOTES PAYABLE

The Organization has the following notes payable which are secured by real estate mortgages.

The Organization signed an agreement dated May 27, 2004, with First State Bank and Trust Company, Inc. to assist in the building of the family planning center in Malden, Missouri, which requires 120 monthly consecutive principal and interest payments at \$681.65 each, beginning June 27, 2004, including interest at 4.750% through May 27, 2014. The note is secured by real property located in Malden, Missouri. The balance on this note at December 31, 2010 is: \$ 25,470.60

The Organization signed an agreement dated July 15, 2004, with USDA Rural Development to assist in the renovation of a commercial building to house the Sikeston Head Start, which requires 25 annual principal and interest payments at \$22,764.00 each, beginning July 15, 2005, including interest at 4.75% through July 15, 2030. The note is secured by real property located in Sikeston, Missouri and includes a Federal interest on the property. The balance on this note at December 31, 2010, is: 263,062.05

The Organization signed an agreement dated July 15, 2004, with USDA Rural Development to assist in the purchase of a commercial building to house the Sikeston Head Start, which requires 25 annual principal and interest payments at \$24,102.00 each, beginning July 15, 2005, including interest at 4.375% through July 15, 2030. The note is secured by real property located in Sikeston, Missouri and includes a Federal interest on the property. The balance on this note at December 31, 2010, is: 299,282.49

The Organization signed an agreement dated June 16, 2005, with USDA Rural Development to assist in the renovation of the Head Start building in Kennett, Missouri, which requires 25 annual principal and interest payments at \$55,402.00 each, beginning June 16, 2006, including interest at 4.25% through June 16, 2031. The note is secured by real property located in Kennett, Missouri and includes a Federal interest on the property. The balance on this note at December 31, 2010, is: 712,390.88

The Organization signed an agreement dated January 5, 2006, with USDA Rural Development to assist in the purchase of a commercial building to be used to house the Dexter Head Start center, which requires 25 annual principal and interest payments at \$14,596.00 each, beginning January 5, 2007, including interest at 4.125% through January 5, 2032. The note is secured by real property located in Dexter, Missouri. The balance on this note at December 31, 2010, is: 195,621.10

The Organization signed an agreement dated February 25, 2008, with USDA Rural Development to assist in the purchase of a commercial building to be used to house the Caruthersville Head Start center, which requires 25 annual principal and interest payments at \$54,426.00 each, beginning February 26, 2010, including interest at 4.125% through February 26, 2033. The note is secured by real property located in Dexter, Missouri. The balance on this note at December 31, 2010, is: 767,485.83

## 8. **NOTES PAYABLE** (Continued)

The Organization signed an agreement dated May 6, 2010, with USDA Rural Development to assist in the purchase of a commercial building to be used to house the Family Life Center, which requires 15 annual principal and interest payments at \$4,083.00 each, beginning May 6, 2011, including interest at 4.125% through May 2025. The note is secured by real property located in Malden, Missouri. The balance on this note at December 31, 2010, is:

\$ 44,000.00

The Organization signed an agreement dated October 30, 2008, with First State Bank and Trust Company, Inc. to assist in the purchase of five vehicles, which requires 60 monthly consecutive principal and interest payments at \$1,029.12 each, beginning November 30, 2008, including interest at 4.500% through October 31, 2013. The note is secured by real property located in Malden, Missouri. The balance on this note at December 31, 2010 is:

32,764.48

The Organization signed an agreement dated September 24, 1984, with USDA Rural Development to assist in the purchase of a multi-family housing unit, which requires 600 monthly consecutive principal and interest payments at \$2,503.00 each, including interest at 11.875% through August 1, 2034. The note is secured by real property located in Webster Groves Missouri. The balance on this note at December 31, 2010 is:

237,941.81

The Organization signed an agreement dated July 29, 2010, with Sterling Bank to assist in the purchase of a multi-family housing unit, Allgeier Manor, which requires one payment of principal and interest in the amount of \$1,091,595.17, due on July 29, 2011, including interest at 6.00%. The note is secured by real property located in Aurora, Missouri. The balance on this note at December 31, 2010 is:

1,038,537.67

Total Notes Payable \$ 3,616,556.91

The following is a summary of changes in notes payable for the year ended December 31, 2010:

	Principal December 31, 2009	Principal Received (Paid)	Principal December 31, 2010	Interest Paid
<b>Obligations:</b>				
Malden Building	\$ 32,264.48	\$ (6,793.88)	\$ 25,470.60	\$ 1,385.92
Sikeston Building	273,374.40	(10,312.35)	263,062.05	12,451.65
Sikeston Renovations	310,364.07	(11,081.58)	299,282.49	13,020.42
Kennett Renovations	736,821.15	(24,430.27)	712,390.88	30,971.73
Dexter Building	202,384.96	(6,763.86)	195,621.10	7,832.14
Caruthersville Building	795,608.31	10,338.90		
		(38,461.38)	767,485.83	15,964.62
Family Life Center	0.00	44,000.00	44,000.00	0.00
Scott City Building	239,594.79	(1,652.98)	237,941.81	27,462.94
Lucille Manor	1,043,354.50	(1,043,354.50)	0.00	41,734.16
Moritz Place	1,203,297.67	(1,203,297.67)	0.00	25,970.51
Allgeier Manor	1,043,756.50	(5,218.83)	1,038,537.67	57,407.13
Vehicles	43,350.78	(10,586.30)	32,764.48	1,763.14
	<u>\$ 5,924,171.61</u>	<u>\$(2,307,614.70)</u>	<u>\$ 3,616,556.91</u>	<u>\$ 235,964.36</u>



**8. NOTES PAYABLE** (Continued)

The schedule of maturities of notes payable is as follows:

<u>Year Ending December 31:</u>	<u>Amount</u>
2011	\$ 1,129,048.59
2012	101,195.66
2013	103,771.30
2014	92,809.59
2015	93,869.02
2016-2020	538,577.95
2021-2025	678,210.94
2026-2030	674,627.80
2031-2035	<u>204,446.06</u>
Total	<u>\$ 3,616,556.91</u>

**9. CAPITAL LEASE OBLIGATIONS**

The Organization has entered into a capital lease agreement in order to finance the purchase of a Head Start bus. Payments are made of \$16,108.00 annually, including interest at approximately 7.00%. Final maturity for the lease is in 2011. Future minimum lease payments are as follows:

<u>Year Ended December 31,</u>	<u>Totals</u>
2011	<u>\$ 16,108.00</u>
	16,108.00
Less imputed interest	<u>(1,053.71)</u>
Net Present Value of Minimum Lease Payments	15,054.29
Less: Current Maturities	<u>(15,054.29)</u>
Long-Term Capital Lease Obligations	<u>\$ 0.00</u>

The Organization has entered into a capital lease agreement in order to finance the purchase of a Head Start bus. Payments are made of \$17,332.32 annually, including interest at approximately 7.85%. Final maturity for the lease is in 2011. Future minimum lease payments are as follows:

<u>Year Ended December 31,</u>	<u>Totals</u>
2011	<u>\$ 17,332.32</u>
	17,332.31
Less imputed interest	<u>(1,261.54)</u>
Net Present Value of Minimum Lease Payments	16,070.77
Less: Current Maturities	<u>(16,070.77)</u>
Long-Term Capital Lease Obligations	<u>\$ 0.00</u>

## **10. OPERATING LEASES**

As of December 31, 2010, the Organization has entered into a number of operating leases for various office equipment, classroom and office space. Total payments for the year ended December 31, 2010, was \$155,406.38. Under the current lease agreements, the future minimum lease rentals are as follows:

2011	\$ 25,220.00
2012	14,400.00
2013	14,800.00
2014	15,600.00
2015	15,600.00
2016-2020	30,000.00
2021-2025	6,000.00
2026-2030	6,000.00
2031	1,680.00

## **11. COMPENSATED ABSENCES**

### Vacation Pay

All regular, full-time and part-time employees are eligible for paid time off benefits based upon the employee's anniversary date. Vacation time is accrued or earned based upon the employee's length of service and on the time actually worked. Unused vacation time may be carried over to the next year up to a maximum of 37.5 hours unless specifically approved by the executive director in advance. Vacation time is earned at a rate of one hour for every sixteen hours worked for employees with zero to five years of service, and at a rate of one hour for every fourteen hours worked for employees with over five years of service.

### Sick Leave

All regular, full-time and part-time employees earn paid sick leave annually. All employees accrue sick leave at a rate of one hour for every sixteen hours worked up to a maximum of 600 hours. Unused time earned for sick leave is lost if the employee is terminated for any reason.

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 the rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated and is material to the financial statements.

In accordance with the above criteria, the Organization has accrued a liability for vacation pay which has been earned, but not taken, by Organization employees. The Organization has not accrued a liability for sick leave earned, but not taken, by Organization employees, in accordance with guidance provided by FAS 43, as the amounts cannot be reasonably estimated at this time.

**12. EMPLOYEE BENEFIT PLANS**

The Organization has a 403(B) plan available for its employees. An employee is eligible after one complete full year of service. The Organization will contribute a portion equal to 2% of an employee's gross wage after one year of service. The Organization will also match a percent contributed by the employee up to 5%. Total contributions made by the Organization into the plan on behalf of the employees for the year ended December 31, 2010 was \$146,901.35.

**13. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets consist of donations and other revenues restricted by purpose and are tracked through the use of program codes in the accounting software. Amounts presented below are the balances by program.

Head Start Non-Federal Donations	\$ 354.79
Municipal Light Donations	1,854.46
Family Planning Donations	35,735.83
County Donations	8,873.83
UHC – JP Morgan Donations	<u>1,000.00</u>
Total Temporarily Restricted Net Assets	<u>\$ 47,818.91</u>

**14. IN-KIND CONTRIBUTIONS**

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

Head Start	Mileage	\$ 25,082.36
	Supplies	71,609.33
	Space	90,400.21
	Non-professional Volunteers	<u>1,137,621.72</u>
	Total In-Kind	1,324,713.62
	Non-GAAP	<u>(1,137,621.72)</u>
	GAAP In-Kind	<u>\$ 187,091.90</u>

**15. REAL ESTATE JOINT VENTURES**

The Organization and Delta Area Community Development Corporation (DACDC) are involved in 29 real estate joint ventures. All joint ventures are for affordable housing development projects in their service area. The Organization and DACDC ownership interest is 1.0% in 15 of the properties, .5% in 13 of the properties, and 5% in one property. 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 Delta Area 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 Delta Area Community Development Corporation (a related entity) have an ownership interest in these real estate joint ventures, the financial nature of these interests are de minimis and are, therefore, not reported in the financial statements.

**16. CONTINGENT LIABILITIES**

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

**17. CONCENTRATION OF RISK**

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

**18. SUBSEQUENT EVENTS**

The Organization evaluated events and transactions occurring subsequent to December 31, 2010 through September 7, 2011, 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.

## **SUPPLEMENTAL INFORMATION**

**Delta Area Economic Opportunity Corporation**  
Portageville, Missouri  
Combining Statement of Activities  
For the Year Ended December 31, 2010

Community Services												
Program: Fund: CFDA:	Early Childhood					Community Services						
	Head Start - Federal 810 93,600	Head Start - Federal ARRA 811 93,708	Early Head Start - Federal 815 93,600	Head Start - USDA 820 10,558	USDA/CCFP 750 10,558	Head Start County Donations 840 N/A	CSBG ARRA 234 93,710	CSBG 235 93,569	United Way - FEMA 290 97,024			
Revenues												
Grant Revenue - Federal	\$ 7,344,600.13	\$ 112,974.36	\$ 438,853.86	\$ 1,684,373.62	\$ 569,626.88	\$ 1,261,708.72	\$ -	\$ 1,379,913.00	\$ 986,803.00	\$ 57,523.98		
Grant Revenue - State	-	-	-	-	-	-	-	-	-	-		
Program Fee Income	-	-	-	-	-	-	-	-	-	-		
Housing Rent	-	-	-	-	-	-	-	-	-	-		
Contributions	-	-	-	-	-	-	1,188.00	-	5,925.54	-		
Reimbursements	-	-	-	-	-	-	-	-	44,373.58	-		
Other Income	-	-	-	-	-	-	-	-	6,376.00	-		
Interest Income	-	-	-	-	-	-	-	-	-	-		
Gain (Loss) on Sale of Assets	5,955.52	-	-	-	-	-	-	-	-	-		
In-Kind Revenue	1,324,713.62	-	-	3,990.36	-	-	-	-	-	-		
Total Revenues	8,675,269.27	112,974.36	438,853.86	1,688,363.98	569,626.88	1,261,708.72	1,188.00	1,379,913.00	1,043,478.12	57,523.98		
Expenditures												
Salaries & Wages	3,862,885.34	-	63,947.86	241,813.49	100,564.33	74,067.97	-	292,568.95	665,705.55	-		
Fringe Benefits	1,325,294.13	-	29,827.21	70,636.19	18,183.93	22,388.23	-	110,824.75	246,235.62	-		
Administrative Allotment	-	-	-	-	-	-	-	-	(24,900.93)	-		
Advertising	6,032.41	-	-	3,803.09	550.74	-	-	1,367.80	30.00	-		
Board Expense	-	-	-	-	-	-	-	-	-	-		
Building Acquisition	-	-	-	45,000.00	-	-	-	-	-	-		
Client Assistance/Program Costs	71,636.05	-	95.41	107.99	396,339.64	1,132,442.79	-	38,097.18	8,865.73	57,009.84		
Computer Software	13,517.13	-	-	-	-	-	-	-	747.00	-		
Contractual	42,264.83	-	-	964,246.40	30,551.96	1,410.48	-	420,262.39	5,398.27	-		
Depreciation Expense	-	-	-	-	-	-	-	-	-	-		
Dues & Subscriptions	4,868.06	-	-	-	-	-	-	924.10	267.58	-		
Indirect Cost	622,076.34	-	12,386.81	37,553.95	14,254.80	11,751.68	-	40,216.11	113,668.57	-		
In-Kind Expense	1,324,713.62	-	-	3,990.36	-	-	-	-	-	-		
Insurance	96,362.24	-	-	4,367.00	-	-	-	183.00	1,122.89	-		
Interest Expense	-	-	-	-	-	-	-	220.63	-	-		
Interagency Expense	-	-	-	-	-	-	-	-	-	-		
Materials	-	-	-	1,426.31	-	-	-	575.00	-	-		
Postage	19,170.34	-	2,352.93	-	-	2,336.87	-	1,313.28	526.51	-		
Printing & Publications	-	-	-	-	22.23	1,681.00	-	3,142.28	549.67	-		
Professional Fees	16,579.12	-	156.61	10,325.34	426.85	1,103.35	0.82	14,403.83	533.57	64.14		
Rent	273,438.36	-	-	-	-	294.84	-	52,080.02	10,159.56	-		
Repairs & Maintenance	217,995.82	-	67,365.34	82,628.56	449.00	2,284.93	-	61,204.30	28,084.10	-		
Supplies	220,697.96	-	34,643.40	52,916.46	7,527.72	886.52	734.77	40,532.00	11,496.53	-		
Telephone	44,646.35	-	-	20.68	374.98	1,311.08	-	12,569.49	10,238.11	-		
Training	39,282.23	-	26,858.84	56,621.16	153.00	165.00	-	8,076.46	7,868.38	-		
College Classes	17,243.11	-	39,721.45	10.00	-	-	-	-	-	-		
Transfers To/From	-	(23,408.64)	-	-	-	2,530.77	-	66,441.83	(15,759.45)	450.00		
Travel	85,731.50	-	-	18,655.88	227.70	5,495.33	-	55,916.77	13,851.75	-		
Utilities	156,011.25	-	-	1,063.86	-	1,557.88	-	15,528.49	5,934.06	-		
Vehicle Expense	214,823.08	-	161,498.00	93,177.26	-	-	-	18,601.58	2,303.70	-		
Miscellaneous Expense	-	-	-	-	-	-	-	-	-	-		
Total Expenditures	8,675,269.27	112,974.36	438,853.86	1,688,363.98	569,626.88	1,261,708.72	735.59	1,255,050.24	1,092,926.77	57,523.98		
Total Revenues Over	-	-	-	-	-	-	-	-	-	-		
(Under) Expenditures	-	-	-	-	-	-	-	-	-	-		
Net Assets, 12/31/2009	-	-	-	-	-	-	452.41	124,862.76	(49,448.65)	-		
Net Assets, 12/31/2010	-	-	-	-	-	-	(97.62)	(124,862.76)	729,538.68	-		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		

**Delta Area Economic Opportunity Corporation**  
Portageville, Missouri  
Combining Statement of Activities  
For the Year Ended December 31, 2010

Program: Fund: CFDA:	Community Services			Weatherization Services									
	United Way - ARRA FEMA	County Donations	DOE	DOE ARRA	DOE ARRA EMHI	Ameren UE	Ameren UE II	Atmos Gas Project- Weatherization	LiHEAP - Energy Assistance	Atmos-Share The Warmth			
	295 97.114	230 N/A	350 81.042	352 81.042	353 81.042	360 N/A	366 N/A	325 N/A	425 93.568	450 N/A			
Revenues													
Grant Revenue - Federal	\$ 1,556.52	\$ -	\$ 335,138.80	\$ 2,278,707.80	\$ 98,019.00	\$ -	\$ -	\$ -	\$ 2,810,731.66	\$ -			
Grant Revenue - State	-	-	-	-	-	29,131.00	95,951.00	85,399.00	-	-			
Program Fee Income	-	-	-	-	-	-	-	-	-	-			
Housing Rent	-	-	-	-	-	-	-	-	-	-			
Contributions	-	8,725.25	-	-	-	-	-	-	-	-			
Reimbursements	-	-	-	-	-	-	-	-	14.30	648.17			
Other Income	-	-	-	-	-	-	-	-	-	3,427.73			
Interest Income	-	-	-	-	-	-	-	-	-	-			
Gain (Loss) on Sale of Assets	-	-	1,865.00	-	-	-	-	-	-	-			
In-Kind Revenue	-	-	-	-	-	-	-	-	-	-			
Total Revenues	1,556.52	8,725.25	337,003.80	2,278,707.80	98,019.00	29,131.00	95,951.00	85,399.00	2,810,745.96	4,075.90			
Expenditures													
Salaries & Wages	-	-	79,592.64	499,388.13	13,886.38	7,829.30	26,117.17	23,656.25	247,550.70	-			
Fringe Benefits	-	-	34,243.39	235,811.24	7,119.52	2,605.93	10,908.37	9,467.34	76,699.06	-			
Administrative Allotment	-	-	-	-	-	-	-	-	-	-			
Advertising	-	-	799.40	5,026.85	6.13	90.30	340.49	244.26	-	-			
Board Expense	-	-	-	-	-	-	-	-	-	-			
Building Acquisition	-	-	-	-	-	-	-	-	-	-			
Client Assistance/Program Costs	1,174.52	7,081.87	160,575.01	1,092,659.98	41,137.57	14,712.87	45,788.63	41,123.99	2,386,802.39	1,452.77			
Computer Software	-	-	67.64	652.90	10.40	1.35	5.05	5.80	-	-			
Contractual	-	-	3,727.94	8,794.93	302.17	126.88	452.41	390.05	11,828.70	-			
Depreciation Expense	-	-	-	-	-	-	-	-	-	-			
Dues & Subscriptions	-	-	16.12	873.64	1.94	26.48	56.51	68.61	-	-			
Indirect Cost	-	-	13,685.12	74,812.21	2,534.45	1,239.50	4,439.02	3,969.99	39,405.81	-			
In-Kind Expense	-	-	-	-	-	-	-	-	-	-			
Insurance	-	-	4,318.02	5,259.30	-	537.90	2,211.44	1,015.00	548.33	-			
Interest Expense	-	-	-	-	-	-	-	-	-	-			
Interagency Expense	-	-	-	-	-	-	-	-	-	-			
Materials	-	-	637.44	150.48	-	6.86	10.07	12.72	-	-			
Postage	-	-	684.54	1,567.45	38.38	11.51	77.60	57.53	6,365.39	-			
Printing & Publications	-	-	-	-	-	-	-	-	-	-			
Professional Fees	25.50	8.55	492.21	616.94	19.21	15.79	34.42	45.32	2,094.56	2.42			
Rent	-	-	1,162.70	93.11	-	0.55	8.48	3.56	611.28	-			
Repairs & Maintenance	-	-	8,846.72	86,754.26	311.50	485.10	1,594.65	1,524.83	19,059.22	-			
Supplies	-	1,173.76	5,346.93	16,660.66	355.73	490.30	1,508.97	1,133.78	7,789.54	-			
Telephone	-	-	876.05	2,257.05	73.11	24.09	83.26	68.66	6,376.45	-			
Training	-	-	3,427.11	24,215.27	-	24.49	42.50	55.62	-	-			
College Classes	-	-	-	-	-	-	-	-	-	-			
Transfers To/From	356.50	-	(1,701.93)	960.34	(3,000.64)	0.94	1.34	(793.52)	(719.00)	2,620.71			
Travel	-	-	2,883.78	21,769.47	23.91	224.61	432.88	452.29	1,658.93	-			
Utilities	-	-	2,790.46	1,119.68	33.51	9.62	48.60	38.36	2,467.28	-			
Vehicle Expense	-	-	14,532.51	199,263.91	35,165.73	666.63	1,789.14	2,858.56	2,207.32	-			
Miscellaneous Expense	-	-	-	-	-	-	-	-	-	-			
Total Expenditures	1,556.52	8,264.18	337,003.80	2,278,707.80	98,019.00	29,131.00	95,951.00	85,399.00	2,810,745.96	4,075.90			
Total Revenues Over (Under) Expenditures	-	461.07	-	-	-	-	-	-	-	-			
Net Assets, 12/31/2009	-	8,412.76	-	-	-	-	-	-	-	-			
Net Assets, 12/31/2010	\$ -	\$ 8,873.83	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			

**Delta Area Economic Opportunity Corporation**  
Portageville, Missouri

Combining Statement of Activities  
For the Year Ended December 31, 2010

	Weatherization		Family Planning		CSBG - Missouri Housing Trust Fund		Housing Services				
	Municipal Light	Family Planning - Show Me Healthy Women	Family Planning - Title X	Family Planning - Program Income		Rental Assistance Program	Emergency Shelter Grant	HUD SHP- Transitional Housing	Housing Administration	Shelter Plus Care	
<b>Program:</b>		510	530	540	237	245	710	715	250	270	
<b>Fund:</b>	451	93.283	93.217	N/A	N/A	10,427	14,231	14,235	10,446	14,238	
<b>CFDA:</b>	N/A										
<b>Revenues</b>											
Grant Revenue - Federal	\$ -	\$ 26,495.22	\$ 250,994.15	\$ -	\$ -	\$ 40,738.78	\$ 216,436.65	\$ 87,302.60	\$ 6,272.78	\$ 87,557.32	
Grant Revenue - State	-	-	-	-	9,596.78	-	-	-	-	-	-
Program Fee Income	-	-	-	40,362.94	-	-	-	-	-	-	-
Housing Rent	-	-	-	-	-	-	2,558.00	-	-	-	-
Contributions	1,854.46	-	-	16,244.50	-	-	57.00	-	-	-	-
Reimbursements	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-	-	-	-
Gain (Loss) on Sale of Assets	-	-	-	-	-	-	-	-	-	-	-
In-Kind Revenue	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>1,854.46</b>	<b>26,495.22</b>	<b>250,994.15</b>	<b>56,607.44</b>	<b>9,596.78</b>	<b>40,738.78</b>	<b>219,051.65</b>	<b>87,302.60</b>	<b>6,272.78</b>	<b>87,557.32</b>	
<b>Expenditures</b>											
Salaries & Wages	-	-	139,020.09	3,439.65	-	-	22,033.97	13,705.74	60,644.07	-	-
Fringe Benefits	-	-	47,212.78	4,890.08	-	-	5,865.11	3,251.29	18,730.99	-	-
Administrative Allotment	-	-	-	-	1,555.64	3,913.94	-	7,988.11	(72,457.10)	5,880.00	-
Advertising	-	-	-	-	-	-	-	-	-	-	-
Board Expense	-	-	-	-	-	-	-	-	-	-	-
Building Acquisition	-	-	-	-	-	-	-	-	-	-	-
Client Assistance/Program Costs	-	16,893.14	-	(51.49)	3,562.24	36,064.00	134,378.64	56,260.40	-	81,414.00	-
Computer Software	-	-	-	-	-	-	-	-	-	-	-
Contractual	-	2,009.78	33,466.37	6,835.70	-	731.00	1,874.97	-	749.34	25.00	-
Depreciation Expense	-	-	-	-	-	-	-	-	-	-	-
Dues & Subscriptions	-	-	-	250.00	-	-	-	-	-	-	-
Indirect Cost	-	-	22,627.30	996.33	-	-	3,958.85	-	9,746.34	-	-
In-Kind Expense	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	354.00	2,920.55	-	-	2,971.17	-	580.74	-	-
Interest Expense	-	-	-	-	-	-	-	-	-	-	-
Interagency Expense	-	-	-	-	-	-	26,554.59	7,086.55	-	133.73	-
Materials	-	-	-	-	-	-	-	-	-	-	-
Postage	-	-	-	69.37	-	-	260.50	-	761.06	-	-
Printing & Publications	-	-	-	222.50	-	-	-	-	-	-	-
Professional Fees	-	65.41	202.62	120.93	-	29.84	73.84	124.89	2,297.09	104.59	-
Rent	-	-	-	21,750.00	-	-	366.00	-	229.44	-	-
Repairs & Maintenance	-	-	-	3,320.07	139.99	-	43,321.49	-	172.37	-	-
Supplies	-	103.35	2,370.51	10,817.26	-	-	382.79	132.00	802.68	-	-
Telephone	-	-	375.60	5,256.83	-	-	3,159.82	5.10	1,194.94	-	-
Training	-	-	(76.50)	539.00	-	-	-	-	91.80	-	-
College Classes	-	-	-	-	-	-	-	-	-	-	-
Transfers To/From	-	7,423.54	3,693.15	(31,179.19)	4,338.91	-	(34,311.39)	(2,213.74)	(21,579.11)	-	-
Travel	-	-	1,748.23	6,666.44	-	-	1,171.03	962.26	2,240.81	-	-
Utilities	-	-	-	1,903.90	-	-	6,801.24	-	600.71	-	-
Vehicle Expense	-	-	-	558.08	-	-	189.03	-	1,466.61	-	-
Miscellaneous Expense	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>26,495.22</b>	<b>250,994.15</b>	<b>39,326.01</b>	<b>9,596.78</b>	<b>40,738.78</b>	<b>219,051.65</b>	<b>87,302.60</b>	<b>6,272.78</b>	<b>87,557.32</b>	
<b>Total Revenues Over (Under) Expenditures</b>	<b>1,854.46</b>	<b>-</b>	<b>-</b>	<b>17,281.43</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Net Assets, 12/31/2009</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,454.40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Net Assets, 12/31/2010</b>	<b>\$ 1,854.46</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 35,735.83</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	



**Delta Area Economic Opportunity Corporation**  
Portageville, Missouri

Combining Statement of Activities  
For the Year Ended December 31, 2010

	Housing Services					Management and General					Housing Services	
	MHDC - Home Repair	HUD SHP- Permanent Housing	HUD SHP- Unrestricted Funds	UHC-JP Morgan	Caruthersville Project	Eagles Landing	Agency Funds	Indirect Costs	Organization Wide Sub-Total	Scott City Apartments, LLC		
Program:	285	716	251	910	901	920	120	130		251		
Fund:	14.239	14.235	N/A	N/A	N/A	N/A	N/A	N/A		N/A		
CFDA:	14.239	14.235	N/A	N/A	N/A	N/A	N/A	N/A		N/A		
<b>Revenues</b>												
Grant Revenue - Federal	\$ 730,941.62	\$ 68,502.70	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$20,875,773.15	\$ 25,204.32		
Grant Revenue - State	-	-	-	-	10,338.90	-	-	-	230,416.68	-		
Program Fee Income	-	-	280,964.56	-	-	40,740.28	-	-	362,067.78	-		
Housing Rent	-	-	-	-	-	-	-	-	2,558.00	50,003.00		
Contributions	-	-	-	-	-	-	1,775,522.37	-	1,809,517.12	-		
Reimbursements	-	-	-	-	-	-	266,109.67	1,029,323.18	1,340,468.90	-		
Other Income	-	-	7,860.04	-	-	-	(2,539.21)	-	15,124.56	-		
Interest Income	-	-	-	-	6.86	-	5,631.31	-	5,638.17	65.30		
Gain (Loss) on Sale of Assets	-	-	507,283.73	-	-	-	-	-	515,104.25	-		
In-Kind Revenue	-	-	-	-	-	-	-	-	1,328,703.98	-		
Total Revenues	730,941.62	68,502.70	796,108.33	-	10,345.76	40,740.28	2,044,724.14	1,029,323.18	26,485,372.59	75,272.62		
<b>Expenditures</b>												
Salaries & Wages	-	11,229.42	180.56	-	-	-	21,710.77	538,951.64	7,010,489.97	-		
Fringe Benefits	-	2,989.68	2.13	-	-	-	(51.00)	100,252.53	2,383,388.50	-		
Administrative Allotment	72,457.10	5,563.24	-	-	-	-	-	-	-	-		
Advertising	-	-	-	-	-	-	-	4,462.70	22,754.17	-		
Board Expense	-	-	-	-	-	-	-	15,284.27	15,284.27	-		
Building Acquisition	-	-	-	-	-	-	-	-	45,000.00	-		
Client Assistance/Program Costs	670,048.00	45,152.08	40,959.71	-	-	-	(4,187.54)	11,190.67	6,588,788.08	-		
Computer Software	-	-	-	-	-	-	-	199.00	15,206.27	-		
Contractual	-	-	-	-	-	45.00	2,579.20	72,740.14	1,610,813.91	12,386.32		
Depreciation Expense	-	-	-	-	-	-	259,318.49	-	259,318.49	9,067.86		
Dues & Subscriptions	-	-	-	-	-	-	5,195.00	11,879.45	24,427.49	-		
Indirect Cost	-	-	-	-	-	-	-	-	1,029,323.18	-		
In-Kind Expense	-	-	-	-	-	-	-	-	1,328,703.98	-		
Insurance	-	-	-	-	-	1,909.00	27,470.70	14,216.97	166,348.25	2,679.00		
Interest Expense	-	-	-	-	-	-	73,450.89	248.13	73,919.65	27,858.46		
Interagency Expense	-	10,598.76	-	-	-	-	-	-	44,373.63	-		
Materials	-	-	-	-	-	-	3,860.41	775.92	7,455.21	-		
Postage	-	-	-	-	-	-	8,000.00	9,995.51	53,588.77	-		
Printing & Publications	-	-	-	-	-	-	403.86	6,485.17	12,506.71	-		
Professional Fees	22,869.58	91.95	346.81	-	-	-	28,554.84	4,012.69	105,843.63	-		
Rent	-	-	-	-	-	-	-	2,109.48	362,307.38	-		
Repairs & Maintenance	-	-	0.03	-	-	17,604.96	34,794.02	10,547.24	688,488.50	10,561.81		
Supplies	-	-	-	-	-	-	4,039.21	29,029.46	451,572.29	730.73		
Telephone	-	3.46	0.03	-	-	-	-	9,610.34	98,525.48	393.88		
Training	-	-	-	-	-	-	-	6,588.00	173,932.36	-		
College Classes	-	-	-	-	-	-	-	(2,425.80)	54,548.76	-		
Transfers To/From	(34,433.06)	(8,225.15)	60,545.64	-	6,465.94	-	(138,013.71)	159,508.92	236,450.58	-		
Travel	-	1,099.26	-	-	-	-	-	15,237.75	207,664.73	-		
Utilities	-	-	-	-	-	-	1,887.82	9,868.01	894,311.46	-		
Vehicle Expense	-	-	-	-	-	-	3,604.17	5,223.15	-	-		
Miscellaneous Expense	-	-	-	-	-	-	0.01	-	0.01	-		
Total Expenditures	730,941.62	68,502.70	102,034.91	-	6,465.94	19,558.96	332,617.14	1,035,991.34	23,965,335.71	66,513.05		
Total Revenues Over (Under) Expenditures	-	-	694,073.42	-	3,879.82	21,181.32	1,712,107.00	(6,668.16)	2,520,036.88	8,759.57		
Net Assets, 12/31/2009	-	-	43,604.06	1,000.00	6,061.90	(21,181.32)	913,330.95	-	1,574,261.05	15,000.75		
Net Assets, 12/31/2010	\$ -	\$ -	\$ 737,677.48	\$ 1,000.00	\$ 9,941.72	\$ -	\$ 2,625,437.95	\$ (6,668.16)	\$ 4,094,297.93	\$ 23,760.32		

**Delta Area Economic Opportunity Corporation**  
Portageville, Missouri

Combining Statement of Activities  
For the Year Ended December 31, 2010

Program: Fund: CFDA:	Housing Services					Elimination Entries	Organization Wide Total
	Allegier Manor, LLC	Moritz Place, LLC	Lucille Manor, LLC				
	251	251	251				
	N/A	N/A	N/A				
Revenues	\$	\$	\$	\$	\$		\$
Grant Revenue - Federal	-	-	-	-	-	-	\$ 20,900,977.47
Grant Revenue - State	-	-	-	-	-	-	230,416.68
Program Fee Income	-	-	-	-	-	-	362,067.78
Housing Rent	205,718.00	83,326.34	176,993.96				518,599.30
Contributions	-	-	-	-	(1,765,685.09)		43,832.03
Reimbursements	-	-	-	-	(1,335,282.84)		5,186.06
Other Income	2,538.48	2,064.14	574.09				20,301.27
Interest Income	10.55	2.38					5,716.40
Gain (Loss) on Sale of Assets	-	(294,164.31)	(19,302.04)				201,637.90
In-Kind Revenue	-	-	-		(1,141,612.08)		187,091.90
Total Revenues	208,267.03	(208,771.45)	158,266.01		(4,242,580.01)		22,475,826.79
Expenditures							
Salaries & Wages	-	-	-		-		7,010,489.97
Fringe Benefits	-	-	-		-		2,383,388.50
Administrative Allotment	-	-	-		-		-
Advertising	-	-	-		-		22,754.17
Board Expense	-	-	-		-		15,284.27
Building Acquisition	-	-	-		(45,000.00)		-
Client Assistance/Program Costs	-	-	-		-		6,588,788.08
Computer Software	-	-	-		-		15,206.27
Contractual	50,956.02	18,530.14	37,099.76		(964,029.00)		765,757.15
Depreciation Expense	42,710.34	16,159.87	24,442.21				351,698.77
Dues & Subscriptions	-	-	-		-		24,427.49
Indirect Cost	-	-	-		(1,029,323.18)		-
In-Kind Expense	-	-	-		(1,141,612.08)		187,091.90
Insurance	9,739.16	12,532.00	10,714.00		-		202,012.41
Interest Expense	57,407.13	25,970.51	41,734.16		-		226,889.91
Interagency Expense	-	-	-		(44,373.63)		-
Materials	-	-	-		-		7,455.21
Postage	-	-	-		(18,231.55)		35,357.22
Printing & Publications	-	-	-		-		12,506.71
Professional Fees	-	-	-		-		105,843.63
Rent	-	-	-		(206,871.24)		155,436.14
Repairs & Maintenance	56,184.74	19,258.45	45,096.77		(117,373.63)		702,216.64
Supplies	4,600.69	3,852.92	7,408.72		(9,950.00)		458,215.35
Telephone	1,184.43	242.48			-		100,346.27
Training	-	-	-		-		173,932.36
College Classes	-	-	-		-		54,548.76
Transfers To/From	-	-	-		-		-
Travel	-	-	-		-		-
Utilities	13,639.85	8,542.68	13,292.19		-		236,450.58
Vehicle Expense	-	-	-		(665,815.70)		245,974.44
Miscellaneous Expense	24,574.30	-	-		-		228,495.76
Total Expenditures	260,996.66	105,089.05	179,787.81		(4,242,580.01)		24,574.31
Total Revenues Over (Under) Expenditures	(52,729.63)	(313,860.50)	(21,521.80)		-		20,335,142.27
Net Assets, 12/31/2009	(16,704.54)	313,860.50	21,521.80		-		2,140,684.52
Net Assets, 12/31/2010	\$ (69,434.17)	\$ -	\$ -		\$ -		\$ 4,048,624.08

**Delta Area Economic Opportunity Corporation**  
Portageville, Missouri  
COMMUNITY SERVICES BLOCK GRANT PROGRAM  
GRANT NO. CSBG 04

For the Program Period October 1, 2009 to September 30, 2010  
Schedule of Revenue and Expenses Compared with Budget

	10/01/2009 to 12/31/2009	01/01/2010 to 09/30/2010	Total Grant
Beginning CSBG Residual Receipts			\$ 710,194.76
Revenue			
Grant Revenue-CSBG	\$ -	\$ 801,703.00	801,703.00
Contributions	326.19	2,016.54	2,342.73
Other Income	-	764.00	764.00
Administrative Allotment	25,956.04	29,609.68	55,565.72
Total Revenue	26,282.23	834,093.22	860,375.45
Expenditures			
Personnel	-	544,750.13	544,750.13
Contract Services	-	135.19	135.19
Travel	-	-	-
Payment to/for Participants	-	-	-
Occupancy	-	18.50	18.50
Operating Expenses	-	-	-
Administrative Expenses	-	68,360.97	68,360.97
Subtotal of Operating Expense	-	613,264.79	613,264.79
Leveraging - HUD Operational Exp	7,255.53	(16,098.38)	(8,842.85)
Leveraging - FEMA	-	130.67	130.67
Leveraging - FEMA ARRA	-	486.49	486.49
Leveraging - ATMOS Share the Warmth	-	3,591.25	3,591.25
Leveraging - Family Planning	-	4,858.71	4,858.71
Leveraging - Emergency Shelter Grant	-	(5,565.36)	(5,565.36)
Leveraging - Head Start	-	8,937.02	8,937.02
Total Expenditures	7,255.53	609,605.19	616,860.72
Revenue over(under) Expense	\$ 19,026.70	\$ 224,488.03	243,514.73
Ending CSBG Residuals			\$ 953,709.49

Strategy	Contract Amount	Units Provided	Revenue by Strategy
Community Coordination/Resource Development			
MAPS (Miss Co)	\$ 43,404	4 units/\$10,851	\$ 43,404
MAPS (New Madrid Co)	43,404.00	4 units/\$10,851	43,404
Step up to Leadership (New Madrid Co)	38,584.00	4 units/\$9,646	38,584
Step up to Leadership (Pem Co)	38,584.00	4 units/\$9,646	38,584
Step up to Leadership (Scott Co)	38,584.00	4 units/\$9,646	38,584
Step up to Leadership (Miss Co)	38,584.00	4 units/\$9,646	38,584
Green Collar Jobs	48,238.00	4 units/\$12,060	48,240
Higher Ground	50,000	5 units/\$10,000	50,000
Through the Eyes of Poverty	43,404	4 units/\$10,851	43,404
Family Development			
A#2 Supp			
Intake Assesment Referral		3861 units/\$27	104,247
Resource Distribution		825 units/\$24	19,800
Family Support		2106 units/\$27	56,862
Life Skills		1137units/\$24	27,288
Back to School Fair		8780 units/\$24	210,720
Less Hanging Units			(2)
			\$ 801,703

**Delta Area Economic Opportunity Corporation**

Portageville, Missouri

HEAD START PROGRAM

GRANT NO. 07CH0974/45

For the Program Year Ended December 31, 2010

## Schedule of Revenue and Expenses Compared with Budget

	BUDGET	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)
<b>REVENUE</b>			
Grant Revenue - Head Start	\$ 7,411,628.00	\$ 7,344,600.13	\$ (67,027.87)
Grantee's In-Kind Contributions	1,336,075.00	1,324,713.62	(11,361.38)
Program Income	-	5,955.52	5,955.52
<b>TOTAL REVENUE</b>	<b>8,747,703.00</b>	<b>8,675,269.27</b>	<b>(72,433.73)</b>
<b>EXPENSES</b>			
Direct Costs			
Personnel	4,105,733.00	3,862,885.34	242,847.66
Fringe Benefits	1,508,356.00	1,321,084.13	187,271.87
Travel	56,226.00	85,731.50	(29,505.50)
Equipment	16,600.00	108,785.59	(92,185.59)
Supplies	70,320.45	220,697.96	(150,377.51)
Contractual	40,000.00	42,264.83	(2,264.83)
Other	899,972.00	1,087,029.96	(187,057.96)
Indirect Costs	714,420.55	622,076.34	92,344.21
<b>Total Federal Expenses</b>	<b>7,411,628.00</b>	<b>7,350,555.65</b>	<b>61,072.35</b>
Grantee's In-Kind Expenses			
Personnel and Supplies	1,336,075.00	1,324,713.62	11,361.38
<b>TOTAL EXPENSES</b>	<b>8,747,703.00</b>	<b>8,675,269.27</b>	<b>72,433.73</b>
<b>REVENUE OVER (UNDER) EXPENSE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Delta Area Economic Opportunity Corporation**

Portageville, Missouri

HEAD START PROGRAM

GRANT NO. 07CH0974/45

For the Program Year Ended December 31, 2010

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	\$ 61,072.35
Adjustments:	
Program income incorrectly reported	<u>5,955.52</u>
Balance of Grant Funds Not Received to Carryover to Program Year Ending December 31, 2011	<u><u>\$ 67,027.87</u></u>

**Delta Area Economic Opportunity Corporation****Grant No. G-09-16-2600-02****RECONCILIATION OF REVENUES AND EXPENSES****FOR THE PERIOD OF July 1, 2009 to December 31, 2010**

<b><u>ENERGY CENTER</u></b>		<b><u>SUBGRANTEE</u></b>	
Beginning Fund Balance	0	Beginning Fund Balance	0
<b>Revenue</b>		<b>Revenue</b>	
Grant Income	574,320	Grant Income	572,427
Carry Over Funds	0	Carry Over Funds	0
Program Income	0	Program Income	1,865
<b>Total Revenue</b>	<b>574,320</b>	<b>Total Revenue</b>	<b>574,292</b>
<b>Expenditures</b>		<b>Expenditures</b>	
Administration	26,147	Administration	26,147
Program Operations	506,514	Program Operations	506,475
Insurance	10,343	Insurance	10,343
Financial Audit	0	Financial Audit	0
Other	13,004	Other	13,015
TTA	18,312	TTA	18,312
<b>Total Expenditures</b>	<b>574,320</b>	<b>Total Expenditures</b>	<b>574,292</b>
<b>Ending Fund Balance</b>	<b>0</b>	<b>Ending Fund Balance</b>	<b>0</b>

**Delta Area Economic Opportunity Corporation****Grant No. G-09-16-2600-02**

**BEGINNING AGENCY FUND BALANCE**  
**(CARRY-OVER) (As of July 1)** \$ 0

**GRANT REVENUE**  
**(Funds received July 1 through December 31)** \$ 574,320

**PROGRAM INCOME** \$ 1,865

**LESS EXPENDITURES**  
**(July 1 through June 30)** \$ 574,320

**AGENCY ENDING FUND BALANCE** \$ 1,865

**Ending Cash on Hand** \$ 1,865

**Ending Inventory** \$ 0

**Delta Area Economic Opportunity Corporation****Grant No. G-09-16-ARRA-36****RECONCILIATION OF REVENUES AND EXPENSES****FOR THE PERIOD OF June 1, 2010 to December 31, 2010**

<b><u>ENERGY CENTER</u></b>		<b><u>SUBGRANTEE</u></b>	
Beginning Fund Balance	0	Beginning Fund Balance	0
<b>Revenue</b>		<b>Revenue</b>	
Grant Income	13,230	Grant Income	98,019
Carry Over Funds	0	Carry Over Funds	0
Program Income	0	Program Income	0
<b>Total Revenue</b>	<b>13,230</b>	<b>Total Revenue</b>	<b>98,019</b>
<b>Expenditures</b>		<b>Expenditures</b>	
Administration	525	Administration	2,554
Program Operations	12,705	Program Operations	95,465
Insurance	0	Insurance	0
Financial Audit	0	Financial Audit	0
Other	0	Other	0
TTA	0	TTA	0
<b>Total Expenditures</b>	<b>13,230</b>	<b>Total Expenditures</b>	<b>98,019</b>
<b>Ending Fund Balance</b>	<b>0</b>	<b>Ending Fund Balance</b>	<b>0</b>



**Delta Area Economic Opportunity Corporation****Grant No. G-09-16- ARRA-36**

**BEGINNING AGENCY FUND BALANCE**  
**(CARRY-OVER) (As of June 1)** \$ 0

**GRANT REVENUE**  
**(Funds received June 1 through December 31)** \$ 13,230

**PROGRAM INCOME** \$ 0

**LESS EXPENDITURES**  
**(June 1 through March 31)** \$ 98,019

**AGENCY ENDING FUND BALANCE** \$ -84,789

**Ending Cash on Hand** \$ -84,789

**Ending Inventory** \$ 0

**Delta Area Economic Opportunity Corporation****Grant No. G-09-16-ARRA-02****RECONCILIATION OF REVENUES AND EXPENSES****FOR THE PERIOD OF April 1, 2009 to December 31, 2010**

<b><u>ENERGY CENTER</u></b>		<b><u>SUBGRANTEE</u></b>	
Beginning Fund Balance	0	Beginning Fund Balance	0
<b>Revenue</b>		<b>Revenue</b>	
Grant Income	2,712,539	Grant Income	2,673,995
Carry Over Funds	0	Carry Over Funds	0
Program Income	0	Program Income	0
<b>Total Revenue</b>	<b>2,712,539</b>	<b>Total Revenue</b>	<b>2,673,995</b>
<b>Expenditures</b>		<b>Expenditures</b>	
Administration	107,884	Administration	101,216
Program Operations	2,502,942	Program Operations	2,471,066
Insurance	4,859	Insurance	4,859
Financial Audit	0	Financial Audit	0
Other	35,229	Other	35,229
TTA	61,625	TTA	61,625
<b>Total Expenditures</b>	<b>2,712,539</b>	<b>Total Expenditures</b>	<b>2,673,995</b>
<b>Ending Fund Balance</b>	<b>0</b>	<b>Ending Fund Balance</b>	<b>0</b>

**Delta Area Economic Opportunity Corporation****Grant No. G-09-16-ARRA-02**

**BEGINNING AGENCY FUND BALANCE**  
**(CARRY-OVER) (As of April 1)** \$ 0

**GRANT REVENUE**  
**(Funds received April 1 through December 31)** \$ 2,712,539

**PROGRAM INCOME** \$ 0

**LESS EXPENDITURES**  
**(April 1 through March 31)** \$ 2,673,995

**AGENCY ENDING FUND BALANCE** \$ 38,544

**Ending Cash on Hand** \$ 38,544

**Ending Inventory** \$ 0

**Delta Area Economic Opportunity Corporation****Grant No. G-09-16-AMGAS-02****RECONCILIATION OF REVENUES AND EXPENSES****FOR THE PERIOD OF November 1, 2009 to October 31, 2010**

<b><u>ENERGY CENTER</u></b>		<b><u>SUBGRANTEE</u></b>	
Beginning Fund Balance	0	Beginning Fund Balance	0
<b>Revenue</b>		<b>Revenue</b>	
Grant Income	25,785	Grant Income	25,785
Carry Over Funds	0	Carry Over Funds	0
Program Income	0	Program Income	0
<b>Total Revenue</b>	<b>25,785</b>	<b>Total Revenue</b>	<b>25,785</b>
<b>Expenditures</b>		<b>Expenditures</b>	
Administration	1,289	Administration	1,289
Program Operations	23,996	Program Operations	23,996
Insurance	500	Insurance	500
Financial Audit	0	Financial Audit	0
Other	0	Other	0
<b>Total Expenditures</b>	<b>25,785</b>	<b>Total Expenditures</b>	<b>25,785</b>
<b>Ending Fund Balance</b>	<b>0</b>	<b>Ending Fund Balance</b>	<b>0</b>

**Delta Area Economic Opportunity Corporation****Grant No. G-09-16-AMGAS-02**

**BEGINNING AGENCY FUND BALANCE**  
**(CARRY-OVER) (As of November 1)** \$ 0

**GRANT REVENUE**  
**(Funds received November 1 through October 31)** \$ 25,785

**PROGRAM INCOME** \$ 0

**LESS EXPENDITURES**  
**(November 1 through October 31)** \$ 25,785

**AGENCY ENDING FUND BALANCE** \$ 0

**Ending Cash on Hand** \$ 0

**Ending Inventory** \$ 0

**Delta Area Economic Opportunity Corporation****Grant No. G-09-16-AMUE2-02****RECONCILIATION OF REVENUES AND EXPENSES****FOR THE PERIOD OF November 1, 2009 to October 31, 2010**

<b><u>ENERGY CENTER</u></b>		<b><u>SUBGRANTEE</u></b>	
Beginning Fund Balance	0	Beginning Fund Balance	0
<b>Revenue</b>		<b>Revenue</b>	
Grant Income	83,736	Grant Income	83,736
Carry Over Funds	0	Carry Over Funds	0
Program Income	0	Program Income	0
<b>Total Revenue</b>	<b>83,736</b>	<b>Total Revenue</b>	<b>83,736</b>
<b>Expenditures</b>		<b>Expenditures</b>	
Administration	4,187	Administration	4,187
Program Operations	77,549	Program Operations	77,549
Insurance	2,000	Insurance	2,000
Financial Audit	0	Financial Audit	0
Other	0	Other	0
<b>Total Expenditures</b>	<b>83,736</b>	<b>Total Expenditures</b>	<b>83,736</b>
<b>Ending Fund Balance</b>	<b>0</b>	<b>Ending Fund Balance</b>	<b>0</b>

**Delta Area Economic Opportunity Corporation****Grant No. G-09-16-AMUE2-02**

**BEGINNING AGENCY FUND BALANCE**  
**(CARRY-OVER) (As of November 1)** \$ 0

**GRANT REVENUE**  
**(Funds received November 1 through October 31)** \$ 83,736

**PROGRAM INCOME** \$ 0

**LESS EXPENDITURES**  
**(November 1 through October 31)** \$ 83,736

**AGENCY ENDING FUND BALANCE** \$ 0

**Ending Cash on Hand** \$ 0

**Ending Inventory** \$ 0

**Delta Area Economic Opportunity Corporation****Grant No. G-09-16-ATMOS-02****RECONCILIATION OF REVENUES AND EXPENSES****FOR THE PERIOD OF November 1, 2009 to October 31, 2010**

<b><u>ENERGY CENTER</u></b>		<b><u>SUBGRANTEE</u></b>	
Beginning Fund Balance	0	Beginning Fund Balance	0
<b>Revenue</b>		<b>Revenue</b>	
Grant Income	70,629	Grant Income	70,629
Carry Over Funds	0	Carry Over Funds	0
Program Income	0	Program Income	0
<b>Total Revenue</b>	<b>70,629</b>	<b>Total Revenue</b>	<b>70,629</b>
<b>Expenditures</b>		<b>Expenditures</b>	
Administration	3,531	Administration	3,531
Program Operations	65,098	Program Operations	60,098
Insurance	2,000	Insurance	2,000
Financial Audit	0	Financial Audit	0
Other	0	Other	0
<b>Total Expenditures</b>	<b>70,629</b>	<b>Total Expenditures</b>	<b>70,629</b>
<b>Ending Fund Balance</b>	<b>0</b>	<b>Ending Fund Balance</b>	<b>0</b>



**Delta Area Economic Opportunity Corporation****Grant No. G-09-16-ATMOS-02**

<b>BEGINNING AGENCY FUND BALANCE</b> <b>(CARRY-OVER) (As of November 1)</b>	<b>\$</b>	<b>0</b>
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<b>GRANT REVENUE</b> <b>(Funds received November 1 through October 31)</b>	<b>\$</b>	<b>70,629</b>
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<b>PROGRAM INCOME</b>	<b>\$</b>	<b>0</b>
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<b>LESS EXPENDITURES</b> <b>(November 1 through October 31)</b>	<b>\$</b>	<b>70,629</b>
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<b>AGENCY ENDING FUND BALANCE</b>	<b>\$</b>	<b>0</b>
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<b>Ending Cash on Hand</b>	<b>\$</b>	<b>0</b>
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<b>Ending Inventory</b>	<b>\$</b>	<b>0</b>
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**Delta Area Economic Opportunity Corporation**  
Portageville, Missouri  
Low Income Home Energy Assistance Program  
Schedule of Revenue and Expenses  
For the Program Period October 1, 2009 - September 30, 2010

	Budget Amount	Total Grant
<b>Revenue</b>		
<b>Grant Revenue - LIHEAP</b>		
Special Start-up	\$ 408,000.00	\$ 408,000.00
Current (initial + amendments)	2,140,841.35	2,121,496.21
Interest	-	-
Other	-	-
<b>Total Revenue</b>	<b>2,548,841.35</b>	<b>2,529,496.21</b>
<b>Expenditures</b>		
<b>Administrative/Program Services</b>		
Personnel	333,084.88	300,132.04
Travel/Training	3,950.73	4,094.48
Rent/Fuel/Utilities	7,316.40	4,282.41
Equipment	17,175.57	23,463.52
Supplies	9,133.72	11,478.20
Communication Services	7,664.44	7,943.94
Repair & Maintenance	5,800.43	457.61
Other	42,857.83	57,488.21
<b>Total Administrative/Program Services</b>	<b>426,984.00</b>	<b>409,340.41</b>
<b>ECIP Direct Services</b>		
Winter	1,652,278.00	1,652,278.00
Summer	449,179.35	447,695.00
<b>Total ECIP Direct Services</b>	<b>2,101,457.35</b>	<b>2,099,973.00</b>
<b>Outreach &amp; Education</b>		
Weatherization Kits	20,400.00	17,391.90
Education Seminar		1,400.00
Weatherization Kits	-	1,390.90
<b>Total Outreach &amp; Education</b>	<b>20,400.00</b>	<b>20,182.80</b>
<b>Total Expenditures</b>	<b>2,548,841.35</b>	<b>2,529,496.21</b>
Revenue over (under) Expenditures	-	-
<b>Ending Program Balance</b>	<b>\$ -</b>	<b>\$ -</b>

## **FEDERAL COMPLIANCE SECTION**

**Delta Area Economic Opportunity Corporation**  
Portageville, Missouri  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2010

Federal Grantor/Pass-Through  
Grantor/Program Title

Pass - Through  
Identifying  
Number

CFDA  
#

Federal  
Expenditures

**U.S. Department of Homeland Security**

Direct Programs:

Emergency Food and Shelter Program Cluster				
Emergency Food and Shelter Program - Dunklin County	11/30/2010	N/A	97.024	\$ 4,750.00
Emergency Food and Shelter Program - Mississippi County	12/31/2010	N/A	97.024	7,492.00
Emergency Food and Shelter Program - New Madrid County	9/30/2010	N/A	97.024	11,289.00
Emergency Food and Shelter Program - Pemiscot County	12/31/2010	N/A	97.024	14,242.00
Emergency Food and Shelter Program - Scott County	12/31/2010	N/A	97.024	11,827.00
Emergency Food and Shelter Program - Stoddard County	11/30/2010	N/A	97.024	7,923.98
			TOTAL 97.024	57,523.98
Emergency Food and Shelter Program - ARRA	9/30/2010	N/A	97.114	1,556.52
			Total Emergency Food and Shelter Program Cluster	59,080.50
				59,080.50

Total U.S. Department of Homeland Security

**U.S. Department of Health and Human Services**

Direct Programs:

Head Start Cluster				
Head Start - Carryover Funds	12/31/2009	N/A	93.600	112,974.36
Head Start	12/31/2010	N/A	93.600	7,344,600.13
			TOTAL 93.600	7,457,574.49
Early Head Start - ARRA	9/29/2010	N/A	93.709	981,800.27
Early Head Start - ARRA	9/29/2011	N/A	93.709	702,573.35
			TOTAL 93.709	1,684,373.62
Head Start - ARRA	9/30/2010	N/A	93.708	438,853.86
			Total Head Start Cluster (M)	9,580,801.97
State of Missouri Department of Social Services - Family Support Division				
Low-Income Home Energy Assistance Program (EICP)	9/30/2010	FFY10 LIHEAP	93.568	2,119,208.75
Low-Income Home Energy Assistance Program (EICP)	9/30/2011	FFY11 LIHEAP	93.568	691,522.91
			TOTAL 93.568 (M)	2,810,731.66
State of Missouri Department of Social Services - Family Support Division				
CSBG Cluster				
Community Services Block Grant	9/30/2010	CSBG-03	93.569	801,703.00
Community Services Block Grant	9/30/2011	CSBG-03	93.569	185,100.00
			TOTAL 93.569	986,803.00
Community Services Block Grant-ARRA	9/30/2010	CSBG-03	93.710	1,255,050.24
			Total Community Services Block Grant Cluster (M)	2,241,853.24

**Delta Area Economic Opportunity Corporation**  
Portageville, Missouri  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2010

Federal Grantor/Pass-Through  
Grantor/Program Title

Pass - Through  
Identifying  
Number

CFDA  
#

Federal  
Expenditures

**U.S. Department of Health and Human Services (Continued)**

State of Missouri Department of Health and Senior Services Breast and Cervical Cancer Early Detection Program	6/29/2010	ERS161-09054	93.283	\$	19,706.00
Breast and Cervical Cancer Early Detection Program	6/29/2011	DP000820-03	93.283		6,789.22
			TOTAL 93.283		26,495.22
Missouri Family Health Council, Inc. Title X Family Planning	3/30/2010	2010 Title X	93.217		71,435.46
Title X Family Planning	3/30/2011	2011 Title X	93.217		179,558.69
			TOTAL 93.217		250,994.15
Total U.S. Department of Health and Human Services					14,910,876.24

**U.S. Department of Energy**

Pass-through Programs					
State of Missouri Department of Natural Resources					
Weatherization Assistance for Low-Income Individuals	6/30/2011	G-09-16-2600-02	81.042		335,138.80
Weatherization Assistance for Low-Income Individuals - ARRA	3/31/2012	G-09-16-ARRA-02	81.042		2,229,807.93
Weatherization Assistance for Low-Income Individuals - ARRA	3/31/2012	G-09-16-ARRA-36	81.042		98,019.00
			TOTAL 81.042 (M)		2,662,965.73
Total U.S. Department of Energy					2,662,965.73

**U.S. Department of Housing and Urban Development**

Direct Programs:					
Supportive Housing Program - Transitional Housing	10/31/2010	MO36B301019	14.235		74,957.87
Supportive Housing Program - Transitional Housing	10/31/2011	MO0082B7E060801	14.235		12,344.73
Supportive Housing Program - Permanent Housing	10/31/2010	MO36B301018	14.235		58,817.28
Supportive Housing Program - Permanent Housing	10/31/2011	MO0081B7E060801	14.235		9,685.42
			TOTAL 14.235		155,805.30
Passed Through:					
Missouri Housing Development Corporation					
HOME Repair Opportunity	10/31/2010	M-08-SG-29-0100	14.239	(M)	730,941.62
State of Missouri Department of Mental Health					
Shelter Plus Program	3/31/2010	ER0197-MO36C706016	14.238		17,192.00
Shelter Plus Program	3/31/2011	ER0197-MO0080C7P060801	14.238		70,365.32
			TOTAL 14.238		87,557.32

**Delta Area Economic Opportunity Corporation**  
Portageville, Missouri  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2010

Federal Grantor/Pass-Through  
Grantor/Program Title

Pass - Through  
Identifying  
Number

CFDA  
#

Federal  
Expenditures

**U.S. Department of Housing and Urban Development (Continued)**

State of Missouri Department of Social Services - Family Support Division

Emergency Shelter Program

3/31/2010

ERO-1640957

14.231

\$ 35,553.40

Emergency Shelter Program

3/31/2011

ERO-164035

14.231

180,883.25

TOTAL 14.231

216,436.65

Total U.S. Department of Housing and Urban Development

1,190,740.89

**U.S. Department of Agriculture**

Direct Programs:

Rural Renting Assistance Payments

6/30/2010

N/A

10.427

30,004.44

Rural Renting Assistance Payments

6/30/2011

N/A

10.427

10,734.34

TOTAL 10.427

40,738.78

Passed-through:

Passed through the Housing Assistance Council

Rural Community Development Initiative

12/31/2010

HAC 2010

10.446

6,272.78

State of Missouri Department of Health and Senior Services

Child and Adult Care Food Program - Home Sponsor Program

9/30/2010

ERS46-09-1736

10.558

962,944.56

Child and Adult Care Food Program - Home Sponsor Program

9/30/2011

ERS46-10-1736

10.558

298,755.31

Child and Adult Care Food Program - Center Reimbursement

9/30/2010

ERS46-09-0024

10.558

424,917.45

Child and Adult Care Food Program - Center Reimbursement

9/30/2011

ERS46-10-0024

10.558

144,709.43

TOTAL 10.558 (M)

1,831,326.75

Total U.S. Department of Agriculture

1,878,338.31

Total Expenditures of Federal Awards

\$ 20,702,001.67

**NOTE A -- BASIS OF PRESENTATION**

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

(M) = Major Program

**JARRED, GILMORE & PHILLIPS, PA**

Certified Public Accountants

**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  
Delta Area Economic Opportunity Corporation  
Portageville, Missouri

We have audited the financial statements of Delta Area Economic Opportunity Corporation (a nonprofit organization) as of and for the year ended December 31, 2010, and have issued our report thereon dated September 7, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Delta Area Economic Opportunity Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Delta Area Economic Opportunity Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. See finding 2010-01.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Delta Area Economic Opportunity Corporation's financial statements are free of 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.

Delta Area Economic Opportunity Corporation's response to the findings identified in our audit is described in the accompanying corrective action plan. We did not audit Delta Area Economic Opportunity Corporation's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, Board of Directors, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Jarred, Gilmore & Phillips, PA".

JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants

September 7, 2011  
Chanute, Kansas



**JARRED, GILMORE & PHILLIPS, PA**

Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL  
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Directors  
Delta Area Economic Opportunity Corporation  
Portageville, Missouri

Compliance

We have audited Delta Area Economic Opportunity Corporation's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of Delta Area Economic Opportunity Corporation's major federal programs for the year ended December 31, 2010. Delta Area Economic Opportunity Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Delta Area Economic Opportunity Corporation's management. Our responsibility is to express an opinion on Delta Area Economic Opportunity Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Delta Area Economic Opportunity Corporation'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. Our audit does not provide a legal determination of Delta Area Economic Opportunity Corporation's compliance with those requirements.

As described in items 2010-02, 2010-03, and 2010-04 in the accompanying schedule of findings and questioned costs, Delta Area Economic Opportunity Corporation did not comply with requirements regarding minimum program requirements that are applicable to its U.S. Department of Housing and Urban Development, HOME Repair Opportunity, U.S. Department of Health and Human Services, Early Head Start, and U.S. Department of Energy, Weatherization Assistance for Low Income Individuals. Compliance with such requirements is necessary, in our opinion, for Delta Area Economic Opportunity Corporation to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, Delta Area Economic Opportunity Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010.

### Internal Control over Compliance

Management of Delta Area Economic Opportunity Corporation is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Delta Area Economic Opportunity Corporation's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Delta Area Economic Opportunity Corporation's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2010-02, 2010-03, and 2010-04 to be material weaknesses.

Delta Area Economic Opportunity Corporation's responses to the findings identified in our audit are described in the accompanying corrective action plan. We did not audit Delta Area Economic Opportunity Corporation's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, Board of Directors, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants

September 7, 2011  
Chanute, Kansas

**DELTA AREA ECONOMIC OPPORTUNITY CORPORATION**

Portageville, Missouri

Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2010

**I. SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements:**

The auditors' report expresses a qualified opinion on the consolidated financial statements of Delta Area Economic Opportunity Corporation.

**Internal Control over Financial Reporting:**

Material weakness(es) identified?	<u>  X  </u>	Yes	<u>      </u>	No
Significant deficiencies identified that are not considered to be a material weaknesses?	<u>      </u>	Yes	<u>  X  </u>	No
Noncompliance or other matters required to be reported under <i>Government Auditing Standards</i>	<u>      </u>	Yes	<u>  X  </u>	No

**Federal Awards:**

Internal control over major programs:

Material weakness(es) identified?	<u>  X  </u>	Yes	<u>      </u>	No
Significant deficiencies identified that are not considered to be a material weaknesses?	<u>      </u>	Yes	<u>  X  </u>	No

The auditors' report on compliance for the major federal award programs for Delta Area Economic Opportunity Corporation expresses a qualified opinion.

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?

<u>  X  </u>	Yes	<u>      </u>	No
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Identification of major programs:

**U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES**

Head Start Cluster	
Head Start	CFDA 93.600
Head Start – ARRA	CFDA 93.708
Early Head Start – ARRA	CFDA 93.709
Low-Income Home Energy Assistance Program	CFDA 93.568
Community Services Block Grant Cluster	
Community Services Block Grant	CFDA 93.569
Community Services Block Grant – ARRA	CFDA 93.710

**U.S. DEPARTMENT OF ENERGY**

Weatherization Assistance for Low-Income Individuals	CFDA 81.042
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**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

HOME Repair Opportunity	CFDA 14.239
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**U.S. DEPARTMENT OF AGRICULTURE**

Child and Adult Care Food Program	CFDA 10.558
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The threshold for distinguishing Types A and B programs was \$621,060.05.

Auditee qualified as a low risk auditee?	<u>      </u>	Yes	<u>  X  </u>	No
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**DELTA AREA ECONOMIC OPPORTUNITY CORPORATION**

Portageville, Missouri

Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2010

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**II. FINDINGS – FINANCIAL STATEMENT AUDIT**

**Finding 2010-01 – Improper Classification of Transactions**

*Criteria:*

Internal controls should be in place that provide reasonable assurance that financial systems generate records for proper accountability for all funds and other assets of the Organization.

*Condition:*

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

*Context:*

The Organization could have been required to pay for expenses out of local funds that had not been properly charged to reimbursable grant programs.

*Effect:*

The deficiencies in the design and operation of the internal controls in this area could adversely affect the recording, processing, summarization, and reporting of financial data if expenses are not properly recorded in the general ledger when the expense is incurred.

*Cause:*

The Organization did not have adequate staff properly trained in the area of financial statement preparation and review.

*Recommendation:*

Additional training for staff is needed in the area of financial statement preparation and use of the general ledger software.

*Views of responsible officials and planned corrective action:*

See the Corrective Action Plan on page 53-54 of the current year audit.

**DELTA AREA ECONOMIC OPPORTUNITY CORPORATION**

Portageville, Missouri

Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2010

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**III. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

**Finding: 2010-02** – Home Repair Client Files

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

HOME Repair Opportunity – CFDA 14.239

Compliance Requirement: Activities Allowable and Unallowable

*Criteria:*

Each grantee to maintain complete and accurate accounts and other records for the program in accordance with program requirements, in a manner that permits a speedy and effective audit to support amounts paid for home repair.

*Condition:*

During our testing, it was noted that the Organization had not maintained records that included proper documentation to support that homeowners had received all information regarding their homes testing positive for lead.

*Effect:*

The Organization did not meet program file requirements as the HOME repair files did not contain the required documentation. As a result, funds could be determined to be questioned and have to be returned to the grantor with the use of local funds.

*Cause:*

Staff disregard for internal controls in place that should have been used to ensure all required documentation was on file.

*Recommendation:*

Current policies and procedures should be followed in all situations and checklists provided should be completed to ensure all documentation is retained. We recommend the Organization establish a review process, such as sampling a portion of each population of client files, to ensure all proper documentation is on file and up to date.

*Views of responsible officials and planned corrective action:*

See the Corrective Action Plan on page 53-54 of the current year audit.

**DELTA AREA ECONOMIC OPPORTUNITY CORPORATION**

Portageville, Missouri

Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2010

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**III. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT  
(Continued)**

**Finding: 2010-03 – Head Start Construction Approval**

**U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES**

Head Start ARRA – CFDA 93.709

Compliance Requirement: Activities Allowable and Unallowable

*Criteria:*

With specific ACF prior approval only, funds may be used for capital expenditures (including paying the cost of amortizing the principal, and paying interest on, loans) such as construction of new facilities, purchase of new or existing facilities, major renovations on existing facilities, and purchase of vehicles used for programs conducted at the Head Start facilities (42 USC 9839(f) and (g)).

*Condition:*

During our testing, it was noted that the Organization did not receive specific prior approval for all construction costs associated with the building of a new early head start center.

*Effect:*

The Organization over spent approved amounts by \$114,529.00. As a result funds could be determined to be questioned and have to be returned to the grantor with the use of local funds.

*Cause:*

Construction change orders, architect fees and the purchase of land were not taken into consideration when specific prior approval was requested from the regional head start office.

*Recommendation:*

The Organization should contact their regional head start office and ask for specific approval of all costs associated with the construction of the early head start facility.

*Views of responsible officials and planned corrective action:*

See the Corrective Action Plan on page 53-54 of the current year audit.

**DELTA AREA ECONOMIC OPPORTUNITY CORPORATION**

Portageville, Missouri

Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2010

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**III. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT  
(Continued)**

**Finding: 2010-04 – DOE Contractor Bidding**

**U.S. DEPARTMENT OF ENERGY**

Weatherization Assistance for Low-Income Persons – CFDA 81.042

Compliance Requirement: Activities Allowable and Unallowable

*Criteria:*

2 CFR Part 230 Cost Principles for Non-Profit Organizations establishes principles for determining costs of grants, contracts and other agreements with non-profit organizations. The principles are designed to provide that the Federal Government bear its fair share of costs except where restricted or prohibited by law.

*Condition:*

During a monitoring by the State of Missouri grantor it was noted the Organization was using bid averaging to award contracts under the weatherization contract. After advertising for weatherization contracts, in an effort to completed the number of houses required under the American Recovery and Reinvestment Act, since there was no way one contractor could complete all the required number of homes, the Organization took the five bidders and averaged their bids, then awarded construction weatherization contracts accordingly.

*Effect:*

The averaging of bids allowed one contractor to receive more than originally bid. As a result, funds could be determined to be questioned and have to be returned to the grantor with the use of local funds.

*Cause:*

Organization management did not realize this was a benefit to one contractor and allowed this to happen.

*Recommendation:*

The Organization should create policies and procedures that allow for training Federal regulations prior to the acceptance of a grant.

*Views of responsible officials and planned corrective action:*

See the Corrective Action Plan on page 53-54 of the current year audit.

**DELTA AREA ECONOMIC OPPORTUNITY CORPORATION**

Portageville, Missouri

Summary Schedule of Prior Audit Findings  
For the Year Ended December 31, 2010

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Period Year Ended/Findings:

**Finding 2009-01 – Bank Reconciliations**

*Condition:* Bank statements were not reconciled timely to the general ledger. Not reconciling the bank accounts on a monthly basis could result in errors or other problems occurring that might not be recognized and resolved on a timely basis. Management and the Board of Directors may be relying on inaccurate financial reports in making decisions that affect the Organization.

*Status:* The Organization has contracted out the reconciliation process that ensures bank reconciliation's are completed in a timely manner on a monthly basis.

**Finding 2009-02 – Improper Classification of Transactions**

*Condition:* Transactions were improperly classified and/or not recorded at all. Revenues and expenses were not charged to the correct programs, resulting in a material amount of recommended audit adjustments.

*Status:* This is a repeat finding, see finding 2010-01.

**Finding 2009-03 – Weatherization Client Files**

*Condition:* During our testing, it was noted that the Organization had not maintained records that included proper documentation of heating system information, support for ownership of the property, and files contained incomplete initial inspections and incomplete final inspections.

*Status:* The Organization has implemented policies and procedures to ensure that client files are being reviewed and the proper documentation noted above is being kept in the client files.



## **Corrective Action Plan**

September 7, 2011

Cognizant or Oversight Agency for Audit

Delta Area Economic Opportunity Corporation respectfully submits the following corrective action plan for the year ended December 31, 2010.

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

Audit period: Year ended December 31, 2010.

The findings from the September 7, 2011 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule of findings and questioned costs.

### **Finding 2010-01 – Improper Classification of Transactions**

#### *Recommendation:*

Additional training for staff is needed in the area of financial statement preparation and use of the general ledger software.

#### *Action Taken:*

We concur with the recommendation and acknowledge that a lack of sufficient fiscal personnel with the skills and training to adequately perform the fiscal tasks necessary to ensure the proper classification of transactions and other necessary fiscal tasks has been a chronic problem. The chronic nature of the problem has been due in part to the lack of experienced personnel in the local workforce recruitment area and further compounded by the staff turnover that increases with shortages of a skilled applicant pool.

While improvements have been made this past year as a result of staff training, problems with errors and timeliness continue to occur. It is possible that attempts to improve internal controls may have created more cumbersome processes that have not accomplished the intended objectives.

DAEOC has recently taken aggressive steps to acquire more experienced fiscal management personnel. A fiscal director with a solid background in the grants and contracts operated by DAEOC and experienced with the accounting software used by DAEOC will be on board October 1, 2011. An assistant fiscal director with several years of experience working with public funds will also be on board October 1, 2011, filling a position that has been vacant for most of the past year.

DAEOC believes these individuals, working with existing core fiscal staff and recommendations of consultants who have reviewed DAEOC's fiscal operations, will be able to quickly identify problems with processes and to identify improvements that need to be made to strengthen internal controls.

## **Corrective Action Plan**

### **Finding: 2010-02 – Home Repair Client Files**

#### *Recommendation:*

Current policies and procedures should be followed in all situations and checklists provided should be completed to ensure all documentation is retained. We recommend the Organization establish a review process, such as sampling a portion of each population of client files, to ensure all proper documentation is on file and up to date.

#### *Action Taken:*

We concur with the recommendation. All thirty two files for the Home Repair program have been reviewed and only the two found in the audit sample selection had a missing homeowner acknowledgement regarding lead testing. While the files contained a notation that the form had been mailed to the homeowner, no follow up had been made to ensure return of the signed form nor had the checklist been reviewed that would have flagged the missing item.

The department head has been tasked with developing and implementing a review process to randomly check for program compliance for all contracts.

### **Finding: 2010-03 – Head Start Construction Approval**

#### *Recommendation:*

The Organization should contact their regional head start office and ask for specific approval of all costs associated with the construction of the early head start facility.

#### *Action Taken:*

We concur with the recommendation. While staff responsible for the project discussed changes with Regional HHS staff prior to the implementing the changes and prepared and submitted supporting documentation in compliance with 1309 performance standards as requested by HHS staff, DAEOC staff were unaware that a revised FAA was needed and failed to follow up with HHS to ensure one was issued. We have contacted regional office to assist in the resolution of the issue.

### **Finding: 2010-04 – DOE Contractor Bidding**

#### *Recommendation:*

The Organization should create policies and procedures that allow for training Federal regulations prior to the acceptance of a grant.

#### *Action Taken:*

We concur with the recommendation. Staff responsible for Federal compliance have been trained in the area of allowable costs and once pointed out, the Organization ceased letting jobs to the contractors under the existing bid process and rebid for all future work. The Organization worked with the State of Missouri to design a new bid process and the State has approved the current bid process being used.

If the Oversight Agency for Audit has questions regarding this plan, please call Adelia J. Barham, Executive Director, at (573) 379-3851 EXT. 219.

Sincerely,

*Delta Area Economic Opportunity Corporation*

Delta Area Economic Opportunity Corporation