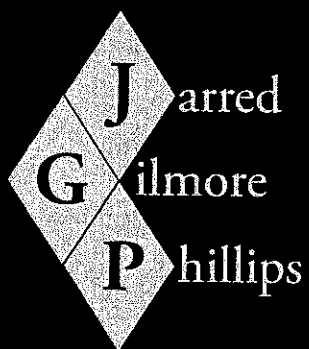


**DELTA AREA ECONOMIC  
OPPORTUNITY CORPORATION**

Portageville, Missouri

Independent Auditors' Report and  
Consolidated Financial Statements with  
Supplemental Information

For the Year Ended December 31, 2012



*Certified Public Accountants*

**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

**Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of Delta Area Economic Opportunity Corporation (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2012, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

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

**Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

**Basis for Qualified Opinion**

The financial statements of Scott City Apartments, LLC and Allgeier Manor 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 13.164%, (0.02%), and 1.65% of the assets, net assets, and revenues, respectively.

**Qualified Opinion**

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, 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, 2012, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters****Supplemental Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The combining schedule of activities (presented on pages 19-23) is prepared for additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplemental schedules (presented on pages 24-34) are presented for purposes of additional analysis as required by grantors and are not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and accordingly, we express no opinion on it.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2013, 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 and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Delta Area Economic Opportunity Corporation's internal control over financial reporting and compliance.



JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants

September 10, 2013  
Chanute, Kansas

**DELTA AREA ECONOMIC OPPORTUNITY CORPORATION**

Portageville, Missouri

**Consolidated Statement of Financial Position**

December 31, 2012

**ASSETS**

Current Assets

Cash in Bank - Cash and Cash Equivalents	\$ 1,527,035.37
Grant and Contracts Receivable, Net	1,477,372.91
Prepaid Expenses	197,661.22
Inventory	66,193.32
Total Current Assets	<u>3,268,262.82</u>

Capital Assets, Net	5,783,879.43
Restricted Cash from USDA Debt Service Reserve	<u>110,357.15</u>

TOTAL ASSETS	<u>\$ 9,162,499.40</u>
--------------	------------------------

**LIABILITIES AND NET ASSETS**

Liabilities

Current Liabilities

Accounts Payable	\$ 462,251.76
Accrued Annual Leave	72,083.09
Accrued Payroll and Withholdings	299,962.11
Refundable Grant Advances	706,210.51
Due to Grantor	2,313.86
Accrued Interest	53,770.33
Current Portion of Long-Term Debt	1,134,994.07
Total Current Liabilities	<u>2,731,585.73</u>

Long-Term Liabilities

Notes Payable	3,471,225.46
Less: Current Portion	<u>(1,134,994.07)</u>
Total Long-Term Liabilities	<u>2,336,231.39</u>

TOTAL LIABILITIES	<u>5,067,817.12</u>
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Net Assets

Unrestricted Net Assets	3,942,778.58
Temporarily Restricted Net Assets	151,903.70
TOTAL NET ASSETS	<u>4,094,682.28</u>

TOTAL LIABILITIES AND NET ASSETS	<u>\$ 9,162,499.40</u>
----------------------------------	------------------------

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, 2012

**CHANGES IN NET ASSETS**

Unrestricted Net Assets	
Revenues and Gains	
Contributions	\$ 17,310,028.37
Program Fee Income	55,207.24
Housing Rent	323,211.11
Reimbursements	47,287.65
Other Income	23,021.48
Interest Income	3,523.85
Gain (Loss) on Sale of Assets	5,735.12
Total Revenues and Gains	<u>17,768,014.82</u>
Expenses	
Program Services	
Early Childhood	10,293,454.63
Community Services	680,665.20
Weatherization Services	785,046.07
Energy Assistance	2,436,567.70
Family Planning	52,438.33
Emergency Services	286,634.45
Housing Services	2,375,673.76
Supporting Activities	
Management and General	1,194,461.45
Fundraising	99,313.41
Total Expenses	<u>18,204,255.00</u>
Net Assets Released From Restrictions through Satisfaction of Program Restrictions	<u>335,149.52</u>
Increase (Decrease) in Unrestricted Net Assets	<u>(101,090.66)</u>
Temporarily Restricted Net Assets	
Contributions	160,726.06
Program Fee Income	7,640.30
Other Income	14,184.81
Net Assets Released From Restrictions Through Satisfaction of Program Restrictions	<u>(335,149.52)</u>
Increase (Decrease) in Temporarily Restricted Net Assets	<u>(152,598.35)</u>
 Increase (Decrease) in Net Assets	 (253,689.01)
 Net Assets - Beginning of the Year	 <u>4,348,371.29</u>
 Net Assets - End of the Year	 <u>\$ 4,094,682.28</u>

The accompanying notes are an integral  
part of the financial statements

## For the Year Ended December 31, 2012

	Program Services										Supporting Activities		Total Organization Services
	Early Childhood	Community Services	Weatherization Services	Energy Assistance	Family Planning	Emergency Services	Housing Services	Program Services	Management and General	Fundraising			
Salaries & Wages	\$ 4,686,379.78	\$ 346,161.88	\$ 109,058.48	\$ 150,983.25	\$ 20,721.69	\$ 136,708.72	\$ 187,867.88	\$ 5,637,881.68	\$ 567,680.21	\$ 38,422.56	\$ 6,243,984.45		
Fringe Benefits	1,792,912.10	156,656.73	51,492.21	59,854.42	7,069.38	52,873.91	84,835.72	2,205,694.47	236,637.66	16,016.46	2,458,348.59		
Administrative Allotment	-	-	-	-	-	36,111.66	25.00	36,136.66	-	-	36,136.66		
Advertising	6,687.91	877.70	1,076.50	-	-	610.43	653.31	9,905.85	2,099.31	142.09	12,147.25		
Board Expense	-	-	-	-	-	18.74	-	18.74	9,863.18	667.57	10,549.49		
Building Acquisition & Renovation	7,693.22	-	-	-	-	-	(18,962.64)	(11,269.42)	(49.01)	-	(11,318.43)		
Client Assistance & Program Costs	1,582,610.22	48,977.58	509,730.55	2,186,569.18	-	7,112.51	1,692,886.26	6,027,886.30	8,752.22	578.84	6,037,217.36		
Computer Software	515.32	275.08	109.40	52.82	-	205.84	442.65	1,601.11	5,328.71	360.67	7,290.49		
Contractual	96,475.74	6,888.40	9,618.75	1,800.33	11,696.00	997.32	103,677.02	231,153.56	25,327.92	1,714.28	258,195.76		
Depreciation Expense	194,993.91	4,140.00	55,554.43	-	3,255.94	-	62,441.25	320,385.53	51,470.93	20,942.29	392,798.75		
Dues & Subscriptions	4,509.00	119.18	-	-	-	548.83	276.32	5,453.33	24,943.82	1,688.28	32,085.43		
Equipment	181,513.02	9,450.50	2,505.82	670.66	233.84	3,600.34	4,346.93	202,321.11	9,265.85	627.15	212,214.11		
Insurance	50,550.61	6,585.35	2,594.80	44.82	-	140.00	19,917.04	79,832.62	40,091.73	2,713.55	122,637.90		
Interest Expense	-	-	344.57	-	-	-	88,747.07	89,091.64	88,175.88	5,981.59	183,249.11		
Materials	-	-	-	-	-	-	4,957.52	4,957.52	(5,658.06)	-	(700.54)		
Postage	9,836.80	958.76	1,014.18	7,034.82	171.73	246.96	1,956.70	21,219.95	9,072.29	614.04	30,906.28		
Printing & Publications	13,288.23	-	-	-	-	274.00	-	13,562.23	677.60	45.86	14,285.69		
Professional Fees	29,513.27	17,121.24	5,981.00	4,540.99	637.19	165.90	22,986.67	80,946.26	16,371.79	1,108.10	98,426.15		
Rent	196,373.62	3,355.70	162.00	926.54	3,628.00	1,770.16	956.70	207,172.72	3,234.03	381.80	210,788.55		
Repairs & Maintenance	195,602.10	5,589.35	2,710.30	2,955.47	282.95	4,472.18	27,689.24	239,301.59	7,875.31	533.03	247,709.93		
Supplies	437,539.81	25,251.52	2,552.09	13,467.33	1,635.37	4,361.47	27,438.73	512,246.32	21,566.75	1,459.71	535,272.78		
Telephone	40,792.42	6,245.62	868.92	3,126.65	940.99	4,178.19	6,008.27	62,161.06	10,473.08	708.85	73,342.99		
Training	92,335.59	4,337.10	804.25	30.00	-	800.00	869.68	99,176.62	6,402.85	433.37	106,012.84		
College Classes	43,777.87	-	-	-	-	-	-	43,777.87	-	-	43,777.87		
Travel	194,394.11	14,425.02	2,954.11	1,323.25	45.00	6,969.78	11,421.69	231,532.96	27,081.00	1,832.94	260,446.90		
Utilities	145,898.81	5,234.05	4,132.91	2,714.27	1,677.53	9,947.35	18,770.95	188,375.87	9,217.90	623.90	198,217.67		
Vehicle Expense	289,031.80	17,570.49	21,762.17	471.04	99.84	6,963.81	8,905.13	344,804.28	(6,801.94)	-	338,002.34		
Bad Debt Expense	-	401.00	-	-	-	-	-	401.00	-	-	401.00		
Miscellaneous Expense	229.37	42.95	18.63	1.86	342.88	7,556.35	16,558.67	24,750.71	25,360.44	1,716.48	51,827.63		
Total Expenses	\$ 10,293,454.63	\$ 680,665.20	\$ 785,046.07	\$ 2,436,567.70	\$ 52,438.33	\$ 286,634.45	\$ 2,375,673.76	\$ 16,910,480.14	\$ 1,194,461.45	\$ 99,313.41	\$ 18,204,255.00		

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, 2012

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets	\$ (253,689.01)
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities	
Depreciation Expense	392,798.75
(Gain) Loss of Sale of Assets	(5,735.12)
(Increase) Decrease in Grant and Contracts Receivable	(81,549.32)
(Increase) Decrease in Prepaid Expense	(18,525.35)
(Increase) Decrease in Inventory	433,198.26
Increase (Decrease) in Accounts Payable	(181,649.45)
Increase (Decrease) in Accrued Annual Leave	10,845.79
Increase (Decrease) in Accrued Payroll Withholdings	14,469.24
Increase (Decrease) in Refundable Grant Advances	(472,951.52)
Increase (Decrease) in Due to Grantor	2,313.86
Increase (Decrease) in Accrued Interest	<u>(3,567.21)</u>
Net Cash Provided by (Used in) Operating Activities	<u>(164,041.08)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Payments for Purchase of Capital Assets	(237,473.73)
Proceeds from the Sale of Capital Assets	5,735.12
Payments to USDA Debt Service Reserve	<u>(17,360.93)</u>
Net Cash Provided by (Used in) Investing Activities	<u>(249,099.54)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds from the Issuance of Long-Term Debt	1,000.00
Principal Payments on Long-Term Debt	<u>(104,599.73)</u>
Net Cash Provided by (Used in) Financing Activities	<u>(103,599.73)</u>

Net Increase (Decrease) in Cash and Cash Equivalents (516,740.35)

Cash and Cash Equivalents, Beginning of the Year 2,043,775.72

Cash and Cash Equivalents, End of the Year \$ 1,527,035.37

**Supplemental Information:**

Cash Paid for Interest \$ 167,221.56

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, 2012

### **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 and Allgeier Manor, a 48 Unit apartment complex located in Aurora, Missouri, which are both 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, 2012.

### **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 \$2,596,300.13, 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, 2012.

Income Taxes

The Organization is exempt from Federal income taxes under IRS Code Section 501(c)3. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). The Organization is no longer subject to examination by tax authorities for years before December 31, 2009.

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 \$1,633,864.02. The bank balance was held by three banks resulting in a concentration of credit risk. The bank balance was \$1,866,606.04. Of the bank balance, \$489,896.42 was covered by FDIC insurance, \$1,376,709.62 was collateralized by pledged securities held under joint custody receipts by a third-party bank in the Organization's name.

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

Grant and contracts receivable at December 31, 2012, consist of amounts due under the following programs, net of allowances for uncollectible amounts:

Community Services Block Grant	\$ 94,600.40
MHDC Home Repair Grant	107,234.16
DOE/Weatherization Grant	16,271.74
DOE/Weatherization Grant – ARRA	659.30
BRAVE – DVSS Federal Grant	3,304.00
BRAVE – DVSS State Grant	26,300.00
BRAVE – SSVF State Grant	6,072.52
HUD-SHP Transitional Housing Grant	22,124.00
HUD-SHP Permanent Housing Grant	21,536.00
MHTF – Operating Grant	40,858.08
MHTF – Rental Assistance Grant	14,517.78
MHTF – Emergency Assistance	10,406.94
USDA/CCFP Grant	90,788.31
Head Start Grant	863,335.98
Early Head Start Subsidy Program	797.40
MIECHV EHS Grant	109,258.30
Other	<u>49,308.00</u>
	<u>\$ 1,477,372.91</u>

All grant and contracts receivable at December 31, 2012, are considered collectible. Accordingly, the allowance for uncollectibility is zero.

**5. INVENTORY**

Inventory consists of the following at December 31, 2012:

Weatherization Materials	\$ 41,892.12
Work in Progress	<u>24,301.20</u>
Total Inventories	<u>\$ 66,193.32</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, 2012:

AGENCY:	Balance 12/31/2011	Additions	Retirements	Balance 12/31/2012
Capital Assets				
Land	\$ 236,705.75	\$ -	\$ -	\$ 236,705.75
Work-In-Progress	210,190.41	-	210,190.41	-
Buildings and Improvements	4,170,105.83	270,975.11	-	4,441,080.94
Equipment	343,187.41	-	-	343,187.41
Vehicles	2,272,083.46	157,782.00	165,046.00	2,264,819.46
Total Capital Assets	7,232,272.86	428,757.11	375,236.41	7,285,793.56
Accumulated Depreciation				
Buildings and Improvements	(529,129.06)	(112,311.58)	-	(641,440.64)
Equipment	(176,624.40)	(32,049.31)	-	(208,673.71)
Vehicles	(1,740,708.05)	(185,996.61)	(165,046.00)	(1,761,658.66)
Total Accumulated Depreciation	(2,446,461.51)	(330,357.50)	(165,046.00)	(2,611,773.01)
Total Net Capital Assets	\$ 4,785,811.35	\$ 98,399.61	\$ 210,190.41	\$ 4,674,020.55

SCOTT CITY:	Balance 12/31/2011	Additions	Retirements	Balance 12/31/2012
Capital Assets				
Land	\$ 23,650.00	\$ -	\$ -	\$ 23,650.00
Buildings and Improvements	215,642.08	5,545.00	-	221,187.08
Equipment	48,337.16	-	-	48,337.16
Total Capital Assets	287,629.24	5,545.00	-	293,174.24
Accumulated Depreciation	(77,827.02)	(16,393.69)	-	(94,220.71)
Total Net Capital Assets	\$ 209,802.22	\$ (10,848.69)	\$ -	\$ 198,953.53

ALLGEIER:	Balance 12/31/2011	Additions	Retirements	Balance 12/31/2012
Capital Assets				
Land	\$ 24,000.00	\$ -	\$ -	\$ 24,000.00
Buildings and Improvements	923,141.62	13,362.03	-	936,503.65
Equipment	100,484.53	-	-	100,484.53
Total Capital Assets	1,047,626.15	13,362.03	-	1,060,988.18
Accumulated Depreciation	(104,035.27)	(46,047.56)	-	(150,082.83)
Total Net Capital Assets	\$ 943,590.88	\$ (32,685.53)	\$ -	\$ 910,905.35

TOTALS:	Balance 12/31/2011	Additions	Retirements	Balance 12/31/2012
Capital Assets				
Land	\$ 284,355.75	\$ -	\$ -	\$ 284,355.75
Work-In-Progress	210,190.41	-	210,190.41	-
Buildings and Improvements	5,308,889.53	289,882.14	-	5,598,771.67
Equipment	492,009.10	-	-	492,009.10
Vehicles	2,272,083.46	157,782.00	165,046.00	2,264,819.46
Total Capital Assets	8,567,528.25	447,664.14	375,236.41	8,639,955.98
Accumulated Depreciation	(2,628,323.80)	(392,798.75)	(165,046.00)	(2,856,076.55)
Total Net Capital Assets	\$ 5,939,204.45	\$ 54,865.39	\$ 210,190.41	\$ 5,783,879.43

**7. REFUNDABLE GRANT ADVANCES**

Refundable grant advances at December 31, 2012, consist of grant funds received in excess of expenditures in the following programs:

Bootheel Home Repair-AHP	\$ 119,877.86
LIHEAP/ECIP Grant	557,017.86
USDA/CACFP Grant	10,300.00
Head Start-USDA	2,807.49
Disaster Relief-MHDC	1,231.88
Shelter Plus Care Grant	14,975.42
	<u>\$ 706,210.51</u>

**8. DUE TO GRANTOR**

Due to grantor at December 31, 2012, consist of amounts payable as follows:

Homelessness Prevention and Rapid Re-Housing Program	<u>\$ 2,313.86</u>
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**9. 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, 2012 is: \$ 9,353.99

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, 2012, is: 242,659.32

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, 2012, is: 277,435.28

9. **NOTES PAYABLE** (Continued)

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, 2012, is: \$ 662,891.99

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, 2012, is: 182,614.40

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, 2012, is: 721,351.73

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, 2012, is: 40,398.85

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, 2012 is: 8,976.88

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, 2012 is: 233,987.87

9. **NOTES PAYABLE** (Continued)

The Organization signed an agreement dated July 22, 2010, with Sterling Bank to assist in the purchase of a multi-family housing unit, Allgeier Manor, which requires one payment of principal in the amount of \$1,043,756.50 due on January 29, 2013 and monthly interest payments at a rate of 6.00%. The note is secured by real property located in Aurora, Missouri. The balance on this note at December 31, 2012 is: \$ 1,036,961.35

The Organization signed an agreement dated March 25, 2011, with USDA Rural Development to assist in the purchase of a single family home, which requires 240 monthly consecutive principal and interest payments at \$63.98 each, including interest at 4.75% through March 25, 2031. The note is secured by real property located 518 Cole Avenue, Sikeston, Missouri. The balance on this note at December 31, 2012 is: 9,315.13

The Organization signed an agreement dated March 25, 2011, with USDA Rural Development to assist in the purchase of a single family home, which requires 240 monthly consecutive principal and interest payments at \$58.16 each, including interest at 4.75% through March 25, 2031. The note is secured by real property located 509 John R Boulevard, Sikeston, Missouri. The balance on this note at December 31, 2012 is: 8,507.56

The Organization signed an agreement dated March 25, 2011, with USDA Rural Development to assist in the purchase of a single family home, which requires 240 monthly consecutive principal and interest payments at \$58.16 each, including interest at 4.75% through March 25, 2031. The note is secured by real property located 503 Cole Avenue, Sikeston, Missouri. The balance on this note at December 31, 2012 is: 8,507.51

The Organization signed an agreement dated March 25, 2011, with USDA Rural Development to assist in the purchase of a single family home, which requires 240 monthly consecutive principal and interest payments at \$55.26 each, including interest at 4.75% through March 25, 2031. The note is secured by real property located 510 Cole Avenue, Sikeston, Missouri. The balance on this note at December 31, 2012 is: 8,082.01

The Organization signed an agreement dated March 25, 2011, with USDA Rural Development to assist in the purchase of a single family home, which requires 240 monthly consecutive principal and interest payments at \$68.18 each, including interest at 4.75% through March 25, 2031. The note is secured by real property located 1344 Shelby Street, Sikeston, Missouri. The balance on this note at December 31, 2012 is: 9,972.69

The Organization signed an agreement dated March 25, 2011, with USDA Rural Development to assist in the purchase of a single family home, which requires 240 monthly consecutive principal and interest payments at \$69.80 each, including interest at 4.75% through March 25, 2031. The note is secured by real property located 1304 McDougal Avenue, Sikeston, Missouri. The balance on this note at December 31, 2012 is: 10,208.90

Total Notes Payable \$ 3,471,225.46



9. **NOTES PAYABLE** (Continued)

The following is a summary of changes in notes payable for the year ended December 31, 2012:

Obligations:	Principal December 31, 2011	Principal Received (Paid)	Principal December 31, 2012	Interest Paid
Malden Building	\$ 17,199.30	\$ (7,845.31)	\$ 9,353.99	\$ 334.49
Sikeston Building	253,135.83	(10,476.51)	242,659.32	12,287.49
Sikeston Renovations	288,632.82	(11,197.54)	277,435.28	12,904.46
Kennett Renovations	688,012.04	(25,120.05)	662,891.99	30,281.95
Dexter Building	189,315.55	(6,701.15)	182,614.40	7,894.85
Caruthersville Building	744,802.13	(23,450.40)	721,351.73	30,975.60
Family Life Center	42,045.27	1,000.00		
		(2,646.42)	40,398.85	1,436.58
Scott City Building	236,081.50	(2,093.63)	233,987.87	4,413.85
Allgeier Manor	1,038,537.67	(1,576.32)	1,036,961.35	63,352.74
Vehicles	20,627.71	(11,650.83)	8,976.88	698.61
518 Cole Avenue	9,632.19	(317.06)	9,315.13	450.70
509 John R Boulevard	8,793.96	(286.40)	8,507.56	411.52
503 Cole Avenue	8,793.96	(286.45)	8,507.51	411.50
510 Cole Avenue	8,354.17	(272.16)	8,082.01	390.96
1344 Shelby Street	10,308.43	(335.74)	9,972.69	482.42
1304 McDougal Avenue	10,552.66	(343.76)	10,208.90	493.84
	<u>\$3,574,825.19</u>	<u>\$ (103,599.73)</u>	<u>\$ 3,471,225.46</u>	<u>\$ 167,221.56</u>

The schedule of maturities of notes payable is as follows:

<u>Year Ending December 31:</u>	<u>Amount</u>
2013	\$ 1,134,994.07
2014	93,125.03
2015	96,012.71
2016	100,426.96
2017	105,064.61
2018-2022	603,723.79
2023-2027	754,100.49
2028-2032	536,331.08
2033-2036	47,446.72
Total	<u>\$ 3,471,225.46</u>

10. **OPERATING LEASES**

As of December 31, 2012, 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, 2012, was \$135,346.67. Under the current lease agreements, the future minimum lease rentals are as follows:

2013	\$ 52,775.00
2014	50,400.00
2015	50,400.00
2016	43,900.00
2017	15,600.00
2018-2022	14,400.00
2023-2027	6,000.00
2028-2031	4,000.00

## **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 FASB ASC 710-10-25-7, 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, 2012 was \$159,229.44.

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	\$ 1,419.50
Municipal Light Donations	2,372.56
Atmos - Share the Warmth	24,370.21
County Donations	15,535.02
Boothill Regional Anti Violence Experiment	107,206.41
UHC - JP Morgan Donations	<u>1,000.00</u>
Total Temporarily Restricted Net Assets	<u>\$ 151,903.70</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	Travel	\$ 60,505.63
07CH0974/47	Supplies	61,924.21
	Space	75,441.88
	Non-professional Volunteers	<u>1,553,041.28</u>
	Total In-Kind	1,750,913.00
	Non-GAAP	<u>(1,553,041.28)</u>
	GAAP In-Kind	<u>\$ 197,871.72</u>

15. **REAL ESTATE JOINT VENTURES**

The Organization is involved in 3 real estate joint ventures and Delta Area Community Development Corporation (DACDC) is 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 .01% in 18 of the properties, .0051% in 12 of the properties, .0049% in one property, 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.

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

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, 2012, through September 10, 2013, 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 Schedule of Activities

For the Year Ended December 31, 2012

Program: Fund: CFDA:	Early Childhood					Community Services					Weatherization		
	Head Start - Federal	Head Start - State	Early Head Start Subsidy	Head Start - USDA	USDA/CCFIP	Head Start County Donations	CSBG	United Way - FEMA	County Donations	Weatherization	DOE	DOE/LHEAP	
	810 93,600	875 93,505	816 N/A	820 10,558	750 10,558	840 N/A	235 93,569	290 97,024	230 N/A	350 81,042	351 93,568		
Revenues and Gains													
Contributions													
Grant Revenue - Federal	\$ 8,703,651.00	\$ 445,412.54	\$ -	\$ 584,392.57	\$ 1,278,469.09	\$ -	\$ 811,034.30	\$ 25,859.61	\$ -	\$ 89,687.74	\$ 51,817.00		
Grant Revenue - State	-	-	14,524.15	-	-	-	-	-	-	-	-	-	-
Local	(429.73)	-	-	-	-	1,783.69	-	-	-	-	-	-	-
Local - Non-Cash	1,750,913.00	-	-	-	-	-	-	-	-	-	-	-	-
Program Fee Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursements	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	(1,240.14)	-	5,709.70	-	-	-	(179.52)	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain (Loss) on Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues and Gains	10,452,894.13	445,412.54	20,233.85	584,392.57	1,278,469.09	1,783.69	810,854.78	25,859.61	-	89,952.24	51,817.00		
Expenditures													
Salaries & Wages	4,292,230.03	195,208.33	-	117,063.39	81,878.03	-	346,013.56	148.32	-	42,076.66	-	-	-
Salaries & Wages Non-Cash	1,553,041.28	-	-	-	-	-	-	-	-	-	-	-	-
Fringe Benefits	1,692,012.68	60,855.22	-	7,488.40	32,555.80	-	156,604.94	51.79	-	18,985.49	-	-	-
Administrative Allotment	-	-	-	-	-	-	-	-	-	-	-	-	-
Advertising	4,454.17	2,233.74	-	-	-	-	812.70	65.00	-	518.68	-	-	-
Board Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Building Acquisition & Renovation	7,693.22	-	-	-	-	-	-	-	-	-	-	-	-
Client Assistance & Program Costs	54,498.81	3,550.97	-	404,222.11	1,119,175.83	1,162.50	23,207.81	25,769.77	-	26,355.44	17,088.22	-	-
Computer Software	482.22	16.41	-	10.94	5.75	-	275.08	-	-	72.80	-	-	-
Contractual	66,530.30	2,771.71	-	26,103.33	1,070.40	-	6,845.03	-	43.37	4,137.76	228.50	-	-
Depreciation Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Dues & Subscriptions	4,349.00	-	-	-	160.00	-	119.18	-	-	-	-	-	-
Equipment	124,548.86	53,311.47	-	2,746.47	906.22	-	9,450.50	-	-	466.75	-	-	-
Indirect Cost	715,849.79	31,150.55	-	14,955.30	13,732.05	-	60,319.64	24.01	-	7,329.49	-	-	-
Insurance	50,317.71	67.23	-	44.82	120.85	-	6,585.35	-	-	797.40	448.20	-	-
Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Materials	-	-	-	-	-	-	-	-	-	-	-	-	-
Postage	7,271.15	40.75	33.35	5.22	2,486.33	-	958.76	-	-	855.53	-	-	-
Printing & Publications	10,638.22	284.01	-	400.00	1,966.00	-	-	-	-	-	-	-	-
Professional Fees	25,240.58	-	-	1,239.42	3,033.27	-	17,117.29	0.50	3.45	238.52	-	-	-
Rent	308,719.97	2,816.30	-	150.48	376.08	-	3,731.78	-	-	1,568.22	-	-	-
Rent Non-Cash	75,441.88	-	-	-	-	-	-	-	-	-	-	-	-
Repairs & Maintenance	201,727.53	3,501.36	-	276.37	596.34	-	5,589.35	-	-	2,248.93	68.61	-	-
Supplies	298,896.89	39,434.52	19,403.10	8,286.21	9,594.88	-	25,251.52	-	-	949.63	-	-	-
Supplies Non-Cash	61,924.21	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	38,865.34	1,123.67	-	344.91	458.50	-	6,245.62	-	-	238.52	-	-	-
Training	62,984.18	28,116.51	-	649.90	585.00	-	4,337.10	-	-	-	-	-	-
College Classes	43,777.87	-	-	-	-	-	-	-	-	-	-	-	-
Transfers To/From	(11,894.43)	-	-	(1,138.79)	7,802.04	-	71,706.55	(237.18)	-	(29,957.05)	-	-	-
Travel	112,520.88	13,903.71	797.40	9.90	-	-	14,425.02	-	-	833.29	-	-	-
Travel Non-Cash	60,505.63	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	142,039.63	2,376.91	-	383.36	1,098.91	-	5,234.05	-	-	4,092.87	-	-	-
Vehicle Expense	448,059.69	4,638.50	-	10.18	1,955.10	-	20,487.57	37.40	-	8,153.31	4,026.42	-	-
Bad Debt Expense	-	-	-	-	-	-	401.00	-	-	-	-	-	-
Miscellaneous Expense	166.84	10.67	-	1.86	50.00	-	42.95	-	-	-	-	-	-
Total Expenditures	10,452,894.13	445,412.54	20,233.85	584,392.57	1,278,469.09	1,162.50	785,762.35	25,859.61	46.82	89,952.24	51,817.00		
Excess Revenues and Gains	-	-	-	-	-	621.19	25,092.43	-	(46.82)	-	-	-	-
Over (Under) Expenditures	-	-	-	-	-	798.31	1,065,785.81	-	-	-	-	-	-
Net Assets, 12/31/2011	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Assets, 12/31/2012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,419.50	\$ 1,090,878.24	\$ -	\$ 15,535.02	\$ -	\$ -	\$ -	\$ -

**DELTA AREA ECONOMIC OPPORTUNITY CORPORATION**

Portageville, Missouri

**Combining Schedule of Activities**

For the Year Ended December 31, 2012

	Weatherization Services					Energy Assistance					Family Planning		
	Program Fund: CFDA:	DOE ARRA 352	Ameren UE 360	Ameren UE II 366	Ameren UE Pilot Project II 236	Atmos Gas Project-Weatherization 325	Ameren Energy Assistance 415	LINCAP - Energy Assistance 425	Atmos-Share The Warmth 450	Municipal Light 451	Family Planning - Show Me Healthy Women 510	Family Planning - Title X 530	
Revenues and Gains													
Contributions													
Grant Revenue - Federal		\$ 601,775.66	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,455,043.54	\$ -	\$ -	\$ 15,339.68	\$ -	\$ 31,608.00
Grant Revenue - State		-	4,728.00	4,479.00	-	4,701.00	2,500.00	-	-	-	-	-	-
Local		697.30	-	-	-	-	-	-	6,494.43	-	-	-	-
Local - Non-Cash		-	-	-	-	-	-	-	-	-	-	-	-
Program Fee Income		-	-	-	-	-	-	-	-	-	-	-	-
Housing Rent		-	-	-	-	-	-	-	-	-	-	-	-
Reimbursements		-	-	-	-	-	-	-	-	-	-	-	-
Other Income		-	-	-	-	-	-	-	120.32	289.83	-	-	-
Interest Income		-	-	-	-	-	-	-	-	-	-	-	-
Gain (Loss) on Sale of Assets		-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues and Gains		602,472.96	4,728.00	4,479.00	-	4,701.00	2,500.00	2,455,043.54	6,614.75	289.83	15,339.68	-	31,608.00
Expenditures													
Salaries & Wages		66,248.38	370.45	362.99	-	-	-	150,983.25	-	-	-	-	19,271.40
Salaries & Wages Non-Cash		-	-	-	-	-	-	-	-	-	-	-	-
Fringe Benefits		32,348.94	78.89	78.89	-	-	-	59,854.42	-	-	-	-	6,492.44
Administrative Allotment		-	-	-	-	-	-	-	-	-	-	-	-
Advertising		-	557.82	-	-	-	-	-	-	-	-	-	-
Board Expense		-	-	-	-	-	-	-	-	-	-	-	-
Building Acquisition & Renovation		-	-	-	-	-	-	-	-	-	-	-	-
Client Assistance & Program Costs		455,522.73	-	-	-	4,218.73	-	2,182,105.15	4,464.03	-	-	-	-
Computer Software		36.60	3,475.23	3,070.20	-	-	-	52.82	-	-	-	-	-
Contractual		5,252.49	-	-	-	-	-	1,621.12	179.21	-	4,710.40	-	4,573.47
Depreciation Expense		-	-	-	-	-	-	-	-	-	-	-	-
Dues & Subscriptions		-	-	-	-	-	-	-	-	-	-	-	-
Equipment		1,932.43	7.60	46.09	-	-	-	670.65	-	-	-	-	-
Indirect Cost		17,819.68	54.57	54.57	-	52.95	-	25,462.42	-	-	-	-	-
Insurance		-	150.26	769.62	-	429.32	-	44.82	-	-	-	-	3,115.18
Interest Expense		344.57	-	-	-	-	-	-	-	-	-	-	-
Materials		-	-	-	-	-	-	-	-	-	-	-	-
Postage		158.65	-	-	-	-	-	7,034.82	-	-	-	-	-
Printing & Publications		-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees		5,612.66	33.18	96.64	-	-	-	-	40.74	0.66	115.52	-	372.47
Rent		108.10	-	-	-	-	-	1,077.02	-	-	-	-	264.00
Rent Non-Cash		-	-	-	-	-	-	-	-	-	-	-	-
Repairs & Maintenance		461.37	-	-	-	-	-	2,955.47	-	-	-	-	-
Supplies		1,533.85	-	-	-	-	2,518.10	10,949.23	-	-	-	-	127.41
Supplies Non-Cash		-	-	-	-	-	-	-	-	-	-	-	1,503.12
Telephone		630.40	-	-	-	-	-	3,126.65	-	-	-	-	-
Training		804.25	-	-	-	-	-	30.00	-	-	-	-	188.87
College Classes		-	-	-	-	-	-	-	-	-	-	-	-
Transfers To/From		-	-	-	-	-	-	-	-	-	-	-	-
Travel		2,120.82	-	-	-	-	(18.10)	-	-	-	10,170.88	-	(37,189.24)
Travel Non-Cash		-	-	-	-	-	-	-	-	-	-	-	-
Utilities		40.04	-	-	-	-	-	1,388.93	-	-	-	-	-
Vehicle Expense		-	-	-	-	-	-	2,714.27	-	-	-	-	-
Bad Debt Expense		11,478.37	-	-	-	-	-	471.04	-	-	-	-	651.23
Miscellaneous Expense		18.63	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures		602,472.96	4,728.00	4,479.00	-	4,701.00	2,500.00	2,455,043.54	4,683.98	0.66	15,339.68	-	(629.65)
Excess Revenues and Gains Over (Under) Expenditures		-	-	-	-	-	-	-	1,930.77	289.17	-	-	32,237.65
Net Assets, 12/31/2011		-	-	-	24.99	-	-	-	22,439.44	2,083.39	-	-	(32,237.65)
Net Assets, 12/31/2012		-	-	-	24.99	-	-	-	24,370.21	2,372.56	-	-	-

**DELTA AREA ECONOMIC OPPORTUNITY CORPORATION**

Portageville, Missouri

Combining Schedule of Activities

For the Year Ended December 31, 2012

	Family Planning			Emergency Services		Housing Services														
	Family Planning - Program Income 540			Boothill Regional Anti Violence Experiment 190	14,231/93,671	Rental Assistance Program 245	10,427	Emergency Shelter Grant/HPRP 710	14,231/14,257	HUD SHP- Transitional Housing 715	14,235	HUD SHP- Permanent Housing 716	14,235	MHTC - Operating 720	N/A	MHTF - Rental Assistance 740	N/A	MHTF - Emergency Assistance 760	Housing Administration 250	Shelter Plus Care 270
Program: Funds: CFDA:																				
Revenues and Gains																				
Contributions																				
Grant Revenue - Federal	\$	-	\$	32,567.09	\$	-	\$	9,937.59	\$	138,437.96	\$	111,638.62	\$	-	\$	-	\$	-	\$	108,187.12
Grant Revenue - State		-		118,473.85		-		14,913.04		-		-		58,897.08		19,370.18		14,091.94		-
Local		1,407.00		-		-	-	625.00		-		-		-		-		-		-
Local - Non-Cash		-		-		-	-	-		-		-		-		-		-		-
Program Fee Income		7,640.30		-		-	-	-		-		-		-		-		-		-
Housing Rent		-		-		-	-	-		-		-		-		-		-		-
Reimbursements		-		-		-	-	-		-		-		-		-		-		-
Other Income		24.86		13,749.80		-	-	150.00		-		-		-		-		-		488.00
Interest Income		-		-		-	-	-		-		-		-		-		-		-
Gain (Loss) on Sale of Assets		-		-		-	-	-		-		-		-		-		-		-
Total Revenues and Gains		9,072.16		164,790.74		-	-	25,625.63		138,437.96		111,638.62		58,897.08		19,370.18		14,091.94		108,675.12
Expenditures																				
Salaries & Wages		1,450.29		136,708.72		-	-	18,892.18		41,317.10		26,857.30		35,613.65		-		-	29,580.84	2,604.61
Salaries & Wages Non-Cash		-		-		-	-	-		-		-		-		-		-	-	-
Fringe Benefits		576.94		52,873.91		-	-	8,988.88		19,774.58		13,641.30		15,053.00		-		-	12,253.27	1,189.96
Administrative Allotment		-		36,111.66		-	-	-		-		-		-		-		-	(9,426.20)	25.00
Advertising		-		610.43		-	-	-		-		-		-		-		-	-	-
Board Expense		-		18.74		-	-	-		-		-		-		-		-	-	-
Building Acquisition & Renovation		-		-		-	-	984.89		-		-		-		-		-	-	-
Client Assistance & Program Costs		-		7,112.51		-	-	(22.27)		68,957.00		63,858.50		-		19,370.18		14,091.94	-	102,307.16
Computer Software		-		205.84		-	-	257.52		81.24		81.24		-		-		-	16.41	6.24
Contractual		2,412.13		997.32		-	-	6,224.83		37.95		53.15		-		-		2,999.69	57.00	57.00
Depreciation Expense		-		-		-	-	-		-		-		-		-		-	-	-
Dues & Subscriptions		-		548.83		-	-	78.11		1.07		1.07		-		-		-	-	1.07
Equipment		233.84		3,600.34		-	-	3,389.38		89.33		82.72		-		-		-	16.26	83.69
Indirect Cost		242.39		24,591.39		-	-	3,391.29		7,337.37		4,868.13		6,079.67		-		5,028.17	455.35	455.35
Insurance		-		140.00		-	-	11.21		11.21		11.21		-		-		-	11.21	11.21
Interest Expense		-		-		-	-	-		-		-		-		-		-	-	-
Materials		-		-		-	-	21.43		-		-		-		-		-	-	-
Postage		171.73		246.96		-	-	298.73		149.92		142.22		63.74		75.57		41.86	528.25	101.35
Printing & Publications		-		274.00		-	-	-		-		-		-		-		-	-	-
Professional Fees		149.20		165.90		-	-	626.07		239.44		238.77		-		-		-	225.00	230.06
Rent		3,364.00		1,770.16		-	-	273.50		37.56		380.76		-		-		-	150.40	380.76
Rent Non-Cash		-		-		-	-	-		-		-		-		-		-	-	-
Repairs & Maintenance		155.54		4,472.18		-	-	3,625.93		270.86		193.13		11.70		-		273.88	229.27	229.27
Supplies		132.25		4,361.47		-	-	7,335.68		1,000.05		291.20		35.70		42.20		187.75	133.23	133.23
Supplies Non-Cash		-		-		-	-	-		-		-		-		-		-	-	-
Telephone		752.12		4,178.19		-	-	2,875.48		226.45		344.93		-		-		139.75	417.82	417.82
Training		-		800.00		-	-	-		-		-		-		-		-	-	-
College Classes		-		-		-	-	-		-		-		-		-		-	-	-
Transfers To/From		6,607.65		-		-	-	(36,980.04)		(7,607.64)		(5,483.02)		-		(214.27)		(131.61)	(43,289.19)	-
Travel		45.00		6,969.78		-	-	758.38		4,527.91		4,470.03		846.22		18.40		504.18	-	-
Travel Non-Cash		-		-		-	-	-		-		-		-		-		-	-	-
Utilities		1,026.30		9,947.35		-	-	3,263.98		138.02		277.23		-		-		504.25	307.74	307.74
Vehicle Expense		99.84		7,574.31		-	-	1,330.00		1,848.07		1,328.28		1,193.40		78.10		29.15	304.50	133.13
Bad Debt Expense		-		-		-	-	-		-		-		-		-		-	-	-
Miscellaneous Expense		-		7,556.35		-	-	0.47		0.47		0.47		-		-		2.79	0.47	0.47
Total Expenditures		17,419.22		311,836.34		-	-	25,625.63		138,437.96		111,638.62		58,897.08		19,370.18		14,091.94		108,675.12
Excess Revenues and Gains		(8,347.06)		(147,045.60)		-	-	-		-		-		-		-		-	-	-
Over (Under) Expenditures		-		-		-	-	-		-		-		-		-		-	-	-
Net Assets, 12/31/2011		8,347.06		254,252.01		-	-	-		-		-		-		-		-	-	-
Net Assets, 12/31/2012		\$	-	\$	107,206.41	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$



**DELTA AREA ECONOMIC OPPORTUNITY CORPORATION**

Portageville, Missouri

Combining Schedule of Activities

For the Year Ended December 31, 2012

	Housing Services										Management	
	MHDC - Home Repair Fund: 285	Boothel Home Repair-Affordable Housing Program 255	Housing Unrestricted Funds 251	Missouri Housing Trust Fund Disaster Relief 370	MHDC - Disaster Relief 705	Housing Management 252	UHC-JP Morgan 910	Caruthersville Project 901	Kennett Project 902	Eagles Landing 920	Agency Funds 120	
Program:	14,239	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
CFDA:												
Revenues and Gains												
Contributions												
Grant Revenue - Federal	754,304.06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Grant Revenue - State	-	269,302.64	-	486,595.97	-	-	-	-	-	-	-	
Local	-	-	-	-	-	-	-	-	-	-	-	
Local - Non-Cash	-	-	-	-	-	-	-	-	-	-	-	
Program Fee Income	-	-	-	-	-	-	-	-	-	-	-	
Housing Rent	-	-	48,585.84	-	-	-	-	-	6,356.90	-	-	168,847.00
Reimbursements	-	-	-	-	-	-	-	-	-	-	-	
Other Income	-	-	-	-	-	-	-	-	-	-	-	
Interest Income	-	-	-	-	-	-	-	-	-	-	-	
Gain (Loss) on Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	
Total Revenues and Gains	754,304.06	269,302.64	48,585.84	486,595.97	-	35,197.21	-	-	6,356.90	35,779.11	5,735.12	407,728.46
Expenditures												
Salaries & Wages	5,872.83	2,324.73	(3.82)	22,976.46	-	1,832.00	-	-	-	-	-	20,076.23
Salaries & Wages Non-Cash	-	-	-	-	-	-	-	-	-	-	-	
Fringe Benefits	2,143.15	798.37	-	9,919.12	-	1,074.09	-	-	-	-	-	46,681.27
Administrative Allotment	7,826.20	1,600.00	-	-	-	-	-	-	-	-	-	
Advertising	-	-	-	370.71	-	-	-	-	-	-	-	
Board Expense	-	-	-	-	-	-	-	-	-	-	-	
Building Acquisition & Renovation	-	-	-	-	-	-	-	-	-	-	-	
Client Assistance & Program Costs	716,989.00	262,298.20	-	445,036.55	-	(19,947.53)	-	-	-	-	-	100.92
Computer Software	-	-	-	-	-	-	-	-	-	-	-	(49.01)
Contractual	9.79	0.89	-	-	-	6,395.00	-	-	-	-	-	9,321.06
Depreciation Expense	-	-	-	-	-	-	-	-	-	-	-	
Dues & Subscriptions	-	-	105.00	-	-	90.00	-	-	-	-	-	1,441.28
Equipment	0.50	36.05	-	-	-	-	-	-	-	-	-	330,357.50
Indirect Cost	961.92	374.77	-	649.00	-	-	-	-	-	-	-	25.00
Insurance	22.41	22.41	-	4,298.42	-	364.31	-	-	-	-	-	3,268.43
Interest Expense	-	-	-	-	-	3,195.38	-	-	-	-	-	26.89
Materials	-	-	-	-	-	1,750.97	-	-	-	-	-	3,252.33
Postage	143.77	-	-	-	-	4,936.09	-	-	-	-	-	94,157.47
Printing & Publications	-	-	-	361.39	-	49.90	-	-	-	-	-	(5,769.24)
Professional Fees	18,980.08	529.72	-	52.41	-	-	-	-	-	-	-	147.06
Rent	68.95	6.28	-	-	-	-	-	-	-	-	-	17.61
Rent Non-Cash	-	-	-	-	-	-	-	-	25.00	25.00	-	2,463.08
Repairs & Maintenance	73.67	13.33	-	-	-	-	-	-	-	-	-	3,144.83
Supplies	20.82	2.01	-	2,271.44	-	5,127.54	-	-	-	-	-	459.77
Supplies Non-Cash	-	-	-	-	-	30.19	-	-	-	-	-	1,896.01
Telephone	34.86	24.95	-	171.52	-	-	-	-	-	-	-	5,816.39
Training	127.50	127.50	-	-	-	-	-	-	-	-	-	0.10
College Classes	-	-	-	-	-	-	-	-	-	-	-	
Transfers To/From	-	-	-	-	-	-	-	-	-	-	-	
Travel	110.74	110.75	10,680.08	-	-	-	-	-	-	-	-	115,304.53
Travel Non-Cash	-	-	56.68	-	-	-	-	-	-	-	-	487.21
Utilities	136.54	52.34	-	-	-	-	-	-	-	-	-	
Vehicle Expense	781.33	980.34	-	488.95	-	253.99	-	-	-	-	-	1,942.15
Bad Debt Expense	-	-	-	-	-	569.59	-	-	-	-	-	(20,834.31)
Miscellaneous Expense	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditures	754,304.06	269,302.64	12,014.83	486,595.97	-	5,723.02	-	-	25.00	35,779.11	6,193.75	5,640.56
Excess Revenues and Gains	-	-	-	-	-	-	-	-	-	-	-	619,375.12
Over (Under) Expenditures	-	-	36,571.01	-	-	29,474.19	-	-	6,331.90	-	-	(211,646.66)
Net Assets, 12/31/2011	-	-	795,336.68	-	-	-	1,000.00	9,941.72	-	-	-	2,271,084.84
Net Assets, 12/31/2012	\$ -	\$ -	\$ 831,907.69	\$ -	\$ -	\$ 29,474.19	\$ 1,000.00	\$ 9,941.72	\$ 6,331.90	\$ -	\$ -	\$ 2,059,438.18

**DELTA AREA ECONOMIC OPPORTUNITY CORPORATION**

Portageville, Missouri

Combining Schedule of Activities

For the Year Ended December 31, 2012

Program: Fund: CFDA:	Management		Housing Services				Generally Accepted Accounting Principle		Elimination Entries	Organization Wide Total
	Indirect Costs 130	N/A	Organization Wide Sub-Total	Scott City Apartments, LLC 256	Allegier Manor, LLC 253	N/A	Adjustments			
Revenues and Gains										
Contributions										
Grant Revenue - Federal	\$	-	\$ 16,249,163.17	\$	-	\$	-	\$	-	\$ 16,249,163.17
Grant Revenue - State		-	1,012,576.85		-		-		-	1,012,576.85
Local		-	179,424.69		-		-	(168,282.00)	-	11,142.69
Local - Non-Cash		-	1,750,913.00		-		-	(1,553,041.28)	-	197,871.72
Program Fee Income		-	62,847.54		-		-	-	-	62,847.54
Housing Rent		-	35,197.21		76,953.90		211,060.00	-	-	323,211.11
Reimbursements		951,703.48	1,210,795.10		-		11,132.00	(1,163,507.45)	-	47,287.65
Other Income		511.90	26,074.29		-		123.10	-	-	37,206.29
Interest Income		-	3,384.29		-		16.46	-	-	3,523.85
Gain (Loss) on Sale of Assets		-	5,735.12		-		-	-	-	5,735.12
Total Revenues and Gains		952,215.38	20,536,111.26		77,077.00		222,208.46	(2,884,830.73)	-	17,950,565.99
Expenditures										
Salaries & Wages		586,026.54	6,243,984.45		-		-	-	-	6,243,984.45
Salaries & Wages Non-Cash		-	1,553,041.28		-		-	(1,553,041.28)	-	-
Fringe Benefits		205,972.85	2,458,348.59		-		-	-	-	2,458,348.59
Administrative Allotment		-	36,136.66		-		-	-	-	36,136.66
Advertising		2,241.40	1,864.65		66.40		216.20	-	-	12,147.25
Board Expense		10,429.83	10,549.49		-		-	-	-	10,549.49
Building Acquisition & Renovation		-	(11,318.43)		-		-	-	-	(11,318.43)
Client Assistance & Program Costs		10.00	6,037,217.36		-		-	-	-	6,037,217.36
Computer Software		5,689.38	7,290.49		-		-	-	-	7,290.49
Contractual		25,600.92	170,297.04		19,256.26		68,642.46	-	-	258,195.76
Depreciation Expense		-	330,357.50		16,393.69		46,047.56	-	-	392,798.75
Dues & Subscriptions		26,607.10	32,085.43		-		-	-	-	32,085.43
Equipment		6,624.57	212,214.11		-		-	-	-	212,214.11
Indirect Cost		3,816.16	951,703.48		-		-	(951,703.48)	-	-
Insurance		39,552.95	109,150.90		2,697.00		10,790.00	-	-	122,637.90
Interest Expense		-	96,253.01		25,946.46		61,049.64	-	-	183,249.11
Materials		111.18	(700.54)		-		-	-	-	(700.54)
Postage		9,539.27	30,906.28		-		-	-	-	30,906.28
Printing & Publications		705.85	14,285.69		-		-	-	-	14,285.69
Professional Fees		15,016.81	97,787.92		97.85		540.38	-	-	98,426.15
Rent		2,877.96	331,257.11		-		-	(195,910.44)	-	135,346.67
Rent Non-Cash		-	75,441.88		-		-	-	-	75,441.88
Repairs & Maintenance		7,948.57	240,340.00		5,914.62		11,955.31	(10,500.00)	-	247,709.93
Supplies		21,130.45	457,302.31		235.32		15,810.94	-	-	473,348.57
Supplies Non-Cash		-	61,924.21		-		-	-	-	61,924.21
Telephone		5,365.54	71,570.48		244.55		1,527.96	-	-	73,342.99
Training		6,836.12	105,398.16		136.03		478.65	-	-	106,012.84
College Classes		-	43,777.87		-		-	-	-	43,777.87
Transfers To /From		(103,692.69)	-		-		-	-	-	-
Travel		28,426.73	200,355.00		-		-	(413.73)	-	199,941.27
Travel Non-Cash		-	60,505.63		-		-	-	-	60,505.63
Utilities		7,899.65	184,380.81		1,764.19		12,072.67	-	-	198,217.67
Vehicle Expense		16,041.88	511,264.14		-		-	(173,261.80)	-	338,002.34
Bad Debt Expense		-	401.00		-		-	-	-	401.00
Miscellaneous Expense		-	35,275.13		4,080.00		12,472.50	-	-	51,827.63
Total Expenditures		21,436.36	20,770,649.09		76,832.37		241,604.27	(2,884,830.73)	-	18,204,255.00
Excess Revenues and Gains Over (Under) Expenditures		-	(234,537.83)		244.63		(19,395.81)	-	-	(253,689.01)
Net Assets, 12/31/2011		-	4,414,438.44		30,885.49		(96,952.64)	-	-	4,348,371.29
Net Assets, 12/31/2012		\$	\$ 4,179,900.61		\$ 31,130.12		\$ (116,348.45)	\$	-	\$ 4,094,682.28

**DELTA AREA ECONOMIC OPPORTUNITY CORPORATION**

Portageville, Missouri

**COMMUNITY SERVICES BLOCK GRANT PROGRAM**

GRANT NO. PG281200006

For the Program Period October 1, 2011 to September 30, 2012

**Schedule of Revenue and Expenses**

	<u>10/01/2011 to</u> <u>12/31/2011</u>	<u>01/01/2012 to</u> <u>09/30/2012</u>	<u>Total</u> <u>Grant</u>
Beginning CSBG Residual Receipts			\$ 1,076,605.02
Revenue			
Grant Revenue-CSBG	\$ 82,573.22	\$ 627,833.36	710,406.58
Contributions	-	-	-
Other Income	179.52	(179.52)	-
Total Revenue	<u>82,752.74</u>	<u>627,653.84</u>	<u>710,406.58</u>
Expenditures			
Personnel	59,886.56	363,692.01	423,578.57
Contract Services	1,624.72	6,177.03	7,801.75
Travel	3,370.80	22,141.60	25,512.40
Payment to/for Participants		16,338.65	16,338.65
Occupancy	7,970.35	20,942.60	28,912.95
Other Expenses	5,368.56	56,453.22	61,821.78
Indirect Cost	9,832.69	43,643.04	53,475.73
Subtotal of Operating Expense	<u>88,053.68</u>	<u>529,388.15</u>	<u>617,441.83</u>
Leveraging - HUD Operational Expense	3,506.27	-	3,506.27
Leveraging - EHS	996.74	-	996.74
Leveraging - RAP	3,910.93	-	3,910.93
Leveraging - CCFP	-	2,699.90	2,699.90
Leveraging - Women's Health	-	21,309.57	21,309.57
Leveraging - Homeless Programs	-	1,716.00	1,716.00
Leveraging - BRAVE	62,370.28	-	62,370.28
Total Expenditures	<u>158,837.90</u>	<u>555,113.62</u>	<u>713,951.52</u>
Revenue over(under) Expense	\$ <u>(76,085.16)</u>	\$ <u>72,540.22</u>	<u>(3,544.94)</u>
Ending CSBG Residuals			<u>\$ 1,073,060.08</u>

**DELTA AREA ECONOMIC OPPORTUNITY CORPORATION**

Portageville, Missouri

HEAD START PROGRAM

GRANT NO. 07CH0974/47

For the Program Year Ended December 31, 2012

## Schedule of Revenue and Expenses Compared with Budget

	BUDGET	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)
<b>REVENUE</b>			
Grant Revenue - Head Start	\$ 8,703,651.00	\$ 8,703,651.00	\$ -
Grantee's In-Kind Contributions	1,750,913.00	1,750,913.00	-
<b>TOTAL REVENUE</b>	<b>10,454,564.00</b>	<b>10,454,564.00</b>	<b>-</b>
<b>EXPENSES</b>			
Direct Costs			
Personnel	4,676,583.00	4,293,482.63	383,100.37
Fringe Benefits	1,801,181.00	1,686,110.68	115,070.32
Travel	32,682.00	45,066.06	(12,384.06)
Equipment	143,440.00	277,904.52	(134,464.52)
Supplies	165,721.00	298,896.89	(133,175.89)
Contractual	60,850.00	66,530.30	(5,680.30)
Other	1,045,861.00	1,319,810.13	(273,949.13)
Indirect Costs	777,333.00	715,849.79	61,483.21
<b>Total Expenses</b>	<b>8,703,651.00</b>	<b>8,703,651.00</b>	<b>-</b>
Grantee's In-Kind Expenses			
Personnel and Supplies	1,750,913.00	1,750,913.00	-
<b>TOTAL EXPENSES</b>	<b>10,454,564.00</b>	<b>10,454,564.00</b>	<b>-</b>
<b>REVENUE OVER (UNDER) EXPENSES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**DELTA AREA ECONOMIC OPPORTUNITY CORPORATION**

Portageville, Missouri

HEAD START PROGRAM

GRANT NO. 07CH0974/47

For the Program Year Ended December 31, 2012

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	\$ -
Adjustments:	
Program income incorrectly reported	-
Balance of Grant Funds Not Received to Carryover to Program Year Ending December 31, 2012	<u>\$ -</u>

**DELTA AREA ECONOMIC OPPORTUNITY CORPORATION  
ATMOS GAS  
Subgrant Number: G12-10-0192-02**

**RECONCILIATION OF REVENUES AND EXPENSES**

**FOR THE PERIOD OF November 1, 2011 to October 31, 2012**

**DIVISION OF ENERGY**

Beginning Fund Balance 0

**Revenue**

Grant Income 4,701

Program Income 0

Total Revenue 4,701

**Expenditures**

Administration 0

Insurance 429

Financial Audit 0

Leveraging 0

T&TA 0

Program Operations 4,272

Total Expenditures 4,701

Ending Fund Balance 0

**SUBGRANTEE**

Beginning Fund Balance 0

**Revenue**

Grant Income 4,701

Program Income 0

Total Revenue 4,701

**Expenditures**

Administration 0

Insurance 429

Financial Audit 0

Leveraging 0

T&TA 0

Program Operations 4,272

Total Expenditures 4,701

Ending Fund Balance 0

Ending Cash on Hand 0

Ending Inventory 0

DELTA AREA ECONOMIC OPPORTUNITY CORPORATION  
DOE LIHEAP  
Subgrant Number: G-12-LIHEAP-13-02

Schedule A

RECONCILIATION OF REVENUES AND EXPENSES  
FOR THE PERIOD OF July 1, 2012 to December 31, 2012

DIVISION OF ENERGY		SUBGRANTEE	
Beginning Fund Balance	0	Beginning Fund Balance	0
<b>Revenue</b>		<b>Revenue</b>	
Grant Income	51,817	Grant Income	51,817
Program Income	0	Program Income	0
Total Revenue	51,817	Total Revenue	51,817
<b>Expenditures</b>		<b>Expenditures</b>	
Administration	3,017	Administration	3,017
Insurance	448	Insurance	448
Financial Audit	147	Financial Audit	147
Leveraging	0	Leveraging	0
T&TA	0	T&TA	0
Program Operations	48,205	Program Operations	48,205
Total Expenditures	51,817	Total Expenditures	51,817
Ending Fund Balance	0	Ending Fund Balance	0
		Ending Cash on Hand	0
		Ending Inventory	0

**DELTA AREA ECONOMIC OPPORTUNITY CORPORATION  
AMEREN UE ELECTRIC  
Subgrant Number: G12-11-0028-02**

**RECONCILIATION OF REVENUES AND EXPENSES**

**FOR THE PERIOD OF November 1, 2012 to October 31, 2012**

**DIVISION OF ENERGY**

Beginning Fund Balance 0

**Revenue**

Grant Income 4,479

Program Income 0

Total Revenue 4,479

**Expenditures**

Administration 510

Insurance 853

Financial Audit 0

Leveraging 0

T&TA 0

Program Operations 3,116

Total Expenditures 4,479

Ending Fund Balance 0

**SUBGRANTEE**

Beginning Fund Balance 0

**Revenue**

Grant Income 4,479

Program Income 0

Total Revenue 4,479

**Expenditures**

Administration 510

Insurance 853

Financial Audit 0

Leveraging 0

T&TA 0

Program Operations 3,116

Total Expenditures 4,479

Ending Fund Balance 0

Ending Cash on Hand 0

Ending Inventory 0



DELTA AREA ECONOMIC OPPORTUNITY CORPORATION  
AMEREN UE GAS  
Subgrant Number: G12-10-0363-02

Schedule A

RECONCILIATION OF REVENUES AND EXPENSES  
FOR THE PERIOD OF November 1, 2012 to October 31, 2012

DIVISION OF ENERGY		SUBGRANTEE	
Beginning Fund Balance	0	Beginning Fund Balance	0
Revenue		Revenue	
Grant Income	4,728	Grant Income	4,728
Program Income	0	Program Income	0
Total Revenue	4,728	Total Revenue	4,728
Expenditures		Expenditures	
Administration	510	Administration	510
Insurance	645	Insurance	645
Financial Audit	0	Financial Audit	0
Leveraging	0	Leveraging	0
T&TA	0	T&TA	0
Program Operations	3,573	Program Operations	3,573
Total Expenditures	4,728	Total Expenditures	4,728
Ending Fund Balance	0	Ending Fund Balance	0
		Ending Cash on Hand	0
		Ending Inventory	0

**DELTA AREA ECONOMIC OPPORTUNITY CORPORATION  
DOE  
Subgrant Number: G-11-EE00195-4-02**

**RECONCILIATION OF REVENUES AND EXPENSES  
FOR THE PERIOD OF July 1, 2012 to December 31, 2012**

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

Beginning Fund Balance	0	Beginning Fund Balance	0
<b>Revenue</b>		<b>Revenue</b>	
Grant Income	73,416	Grant Income	89,688
Program Income	0	Program Income	0
Total Revenue	73,416	Total Revenue	89,688
<b>Expenditures</b>		<b>Expenditures</b>	
Administration	4,380	Administration	4,380
Insurance	1,000	Insurance	1,000
Financial Audit	0	Financial Audit	0
Leveraging	0	Leveraging	0
T&TA	678	T&TA	678
Program Operations	67,358	Program Operations	83,630
Total Expenditures	73,416	Total Expenditures	89,688
Ending Fund Balance	0	Ending Fund Balance	0
		Ending Cash on Hand	0
		Ending Inventory	0

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

DELTA AREA ECONOMIC OPPORTUNITY CORPORATION  
DOE ARRA  
Subgrant Number: G-09-EE00151-02

RECONCILIATION OF REVENUES AND EXPENSES  
FOR THE PERIOD OF April 1, 2009 to December 31, 2012

DIVISION OF ENERGY		SUBGRANTEE	
Beginning Fund Balance	0	Beginning Fund Balance	0
<b>Revenue</b>		<b>Revenue</b>	
Grant Income	5,761,912	Grant Income	5,761,912
Program Income	0	Program Income	0
Total Revenue	5,761,912	Total Revenue	5,761,912
<b>Expenditures</b>		<b>Expenditures</b>	
Administration	229,943	Administration	229,943
Insurance	21,733	Insurance	21,733
Financial Audit	1,898	Financial Audit	1,898
Leveraging	104,383	Leveraging	104,383
T&TA	96,816	T&TA	96,816
Program Operations	5,307,139	Program Operations	5,307,139
Total Expenditures	5,761,912	Total Expenditures	5,761,912
Ending Fund Balance	0	Ending Fund Balance	0
		Ending Cash on Hand	0
		Ending Inventory	0

DELTA AREA ECONOMIC OPPORTUNITY CORPORATION  
EMHI ARRA  
Subgrant Number: G-09-EE0151A-02

RECONCILIATION OF REVENUES AND EXPENSES

FOR THE PERIOD OF June 1, 2010 to December 31, 2012

**DIVISION OF ENERGY**

Beginning Fund Balance 0

**Revenue**

Grant Income 300,000

Program Income 0

Total Revenue 300,000

**Expenditures**

Administration 9,280

Insurance 0

Financial Audit 0

Leveraging 0

T&TA 2,565

Program Operations 288,155

Total Expenditures 300,000

Ending Fund Balance 0

**SUBGRANTEE**

Beginning Fund Balance 0

**Revenue**

Grant Income 300,000

Program Income 0

Total Revenue 300,000

**Expenditures**

Administration 9,280

Insurance 0

Financial Audit 0

Leveraging 0

T&TA 2,565

Program Operations 288,155

Total Expenditures 300,000

Ending Fund Balance 0

Ending Cash on Hand 0

Ending Inventory 0

**DELTA AREA ECONOMIC OPPORTUNITY CORPORATION**

Portageville, Missouri

**LOW INCOME HOUSING ENERGY ASSISTANCE PROGRAM**

CONTRACT NUMBER: ERS11011003

For the Program Period October 1, 2011 to September 30, 2012

**Schedule of Contracted Revenues and Expenses**

Revenue	
Contracted Grant Revenue-LIHEAP	
Special Start-up	\$ -
Current (initial + amendments)	2,565,268.00
Carryover	-
	<hr/>
Total Contracted Grant Revenues	2,565,268.00
Expenditures	
Personnel	290,477.42
Travel/Training	1,997.50
Rent/Fuel/Utilities/Insurance	3,307.30
Equipment	627.88
Supplies	17,740.81
Communication Services	3,358.44
Repair and Maintenance	2,221.95
Other	6,981.63
Total Administrative/ Program Services	<hr/> 326,712.93
ECIP Direct Services	
Winter	1,640,293.00
Summer	546,732.00
Amerigas Settlement	-
Total ECIP Direct Services	<hr/> 2,187,025.00
Outreach & Education	<hr/> 11,132.00
	<hr/>
Total Outreach & Education	11,132.00
Total Expenditures	<hr/> 2,524,869.93
Contracted Revenue over (under) Expenditures	40,398.07
Transfer from CSBG	-
Ending Program Balance	<hr/> <hr/> \$ 40,398.07

# **DELTA AREA ECONOMIC OPPORTUNITY COPORATION**

Portageville, Missouri

## **Schedule of Expenditures of Federal Awards**

For the Year Ended December 31, 2012

Pass - Through

Identifying

Number

Federal Grantor/Pass-Through

Grantor/Program Title

CFDA

#

Federal

Expenditures

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

#### **Direct Programs:**

Emergency Food and Shelter Program - Dunklin County	3/31/2012	N/A	97.024	\$	1,503.77
Emergency Food and Shelter Program - New Madrid County	3/31/2012	N/A	97.024		7,101.84
Emergency Food and Shelter Program - Pemiscot County	3/31/2012	N/A	97.024		8,324.00
Emergency Food and Shelter Program - Scott County	3/31/2012	N/A	97.024		3,345.00
Emergency Food and Shelter Program - Stoddard County	3/31/2012	N/A	97.024		5,585.00
			TOTAL 97.024		25,859.61
Total U.S. Department of Homeland Security					25,859.61

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

#### **Direct Programs:**

##### **Head Start**

##### **Passed Through:**

State of Missouri Department of Social Services - Family Support Division	12/31/2012	N/A	93.600	(M)	8,703,651.00
Low-Income Home Energy Assistance Program (ECIP)	9/30/2012	ERS11011003	93.568		1,961,127.62
Low-Income Home Energy Assistance Program (ECIP)	9/30/2013	ER110130003	93.568		493,915.92
State of Missouri Department of Natural Resources					
Weatherization Assistance for Low-Income Individuals	6/30/2013	G-12-LIHEAP-13-02	93.568		51,817.00
			TOTAL 93.568	(M)	2,506,860.54

#### State of Missouri Department of Social Services - Family Support Division

Community Services Block Grant	9/30/2012	PG281200006	93.569		627,833.36
Community Services Block Grant	9/30/2013	PG281300005	93.569		183,200.94
			TOTAL 93.569	(M)	811,034.30

#### State of Missouri Department of Health and Senior Services

Breast and Cervical Cancer Early Detection Program	6/29/2012	ERS161-12061	93.283		15,339.68
Maternal, Infant, and Early Childhood Home Visiting Program	9/30/2012	CR12050001	93.505		318,048.10
Maternal, Infant, and Early Childhood Home Visiting Program	9/30/2013	CR12050001	93.505		127,364.44
			TOTAL 93.505		445,412.54

#### Missouri Family Health Council, Inc.

Title X Family Planning	3/30/2012	2012 Title X	93.217		31,608.00
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#### State of Missouri Department of Social Services

Family Violence and Prevention Services	6/30/2013	G-1101MOFVPS/G-1201MOFVPS	93.671		13,784.00
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#### Total U.S. Department of Health and Human Services

					12,527,690.06
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# **DELTA AREA ECONOMIC OPPORTUNITY COPORATION**

Portageville, Missouri

## **Schedule of Expenditures of Federal Awards**

For the Year Ended December 31, 2012

Federal Grantor/Pass-Through Grantor/Program Title	Pass - Through Identifying Number	CFDA #	Federal Expenditures
<b><u>U.S. Department of Energy</u></b>			
Passed Through:			
State of Missouri Department of Natural Resources			
Weatherization Assistance for Low-Income Individuals	6/30/2014	81.042	\$ 89,687.74
Weatherization Assistance for Low-Income Individuals - ARRA	3/31/2013	81.042	601,775.66
		TOTAL 81.042 (M)	691,463.40
Total U.S. Department of Energy			691,463.40
<b><u>U.S. Department of Housing and Urban Development</u></b>			
Direct Programs:			
Supportive Housing Program - Transitional Housing			
Supportive Housing Program - Transitional Housing	10/31/2012	14.235	125,332.15
Supportive Housing Program - Permanent Housing	10/31/2013	14.235	13,105.81
Supportive Housing Program - Permanent Housing	10/31/2012	14.235	86,621.00
Supportive Housing Program - Permanent Housing	10/31/2013	14.235	25,017.62
		TOTAL 14.235	250,076.58
Passed Through:			
Missouri Housing Development Corporation			
HOME Repair Opportunity	10/31/2012	14.239	341,401.90
HOME Repair Opportunity	10/31/2013	14.239	412,902.16
		TOTAL 14.239 (M)	754,304.06
State of Missouri Department of Mental Health			
Shelter Plus Program	3/31/2012	14.238	41,667.54
Shelter Plus Program	3/31/2013	14.238	66,519.58
		TOTAL 14.238	108,187.12
State of Missouri Department of Social Services - Family Support Division			
Emergency Shelter Program	3/31/2012	14.231	9,937.59
Dunklin County			
Emergency Shelter Program	8/31/2012	14.231	18,783.09
		TOTAL 14.231	28,720.68
Total U.S. Department of Housing and Urban Development			1,141,288.44

**DELTA AREA ECONOMIC OPPORTUNITY COPORATION**  
Portageville, Missouri  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2012

Federal Grantor/Pass-Through Grantor/Program Title	Pass - Through Identifying Number	CFDA #	Federal Expenditures
<b><u>U.S. Department of Agriculture</u></b>			
Passed Through:			
State of Missouri Department of Health and Senior Services			
Child and Adult Care Food Program - Home Sponsor Program	9/30/2013	10.558	\$ 1,278,469.09
Child and Adult Care Food Program - Center Reimbursement	9/30/2013	10.558	584,392.57
		TOTAL 10.558 (M)	1,862,861.66
Total U.S. Department of Agriculture			1,862,861.66
Total Expenditures of Federal Awards			\$ 16,249,163.17

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

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Delta Area Economic Opportunity Corporation  
Portageville, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Delta Area Economic Opportunity Corporation (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2012, and the related consolidated statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 10, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered Delta Area Economic Opportunity Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Delta Area Economic Opportunity Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and 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 consolidated 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 2012-001.

**Compliance and Other Matters**

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

**Delta Area Economic Opportunity Corporation's Response to Findings**

Delta Area Economic Opportunity Corporation's response to the findings identified in our audit is described in the accompanying corrective action plan. Delta Area Economic Opportunity Corporation's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

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



JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants

September 10, 2013  
Chanute, Kansas

JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants

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

Board of Directors  
Delta Area Economic Opportunity Corporation  
Portageville, Missouri

**Report on Compliance for Each Major Federal Program**

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, 2012. 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.

**Management's Responsibility**

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

**Auditors' Responsibility**

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

**Opinion on Each Major Federal Program**

In our opinion, Delta Area Economic Opportunity Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

**Report on Internal Control Over Compliance**

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

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

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

**Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants

September 10, 2013  
Chanute, Kansas

**DELTA AREA ECONOMIC OPPORTUNITY CORPORATION**

Portageville, Missouri

Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2012

**I. SUMMARY OF AUDITORS' RESULTS**

**Financial Statements:**

The auditors' report expresses an unmodified 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>	None Reported
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>      </u>	Yes	<u>  X  </u>	No
Significant deficiencies identified that are not considered to be a material weaknesses?	<u>      </u>	Yes	<u>  X  </u>	None Reported

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

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

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

Head Start	CFDA 93.600
Low-Income Home Energy Assistance Program	CFDA 93.568
Community Services Block Grant	CFDA 93.569

**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	\$487,474.93
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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, 2012

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**II. FINANCIAL STATEMENT FINDINGS**

**Finding 2012-001 – Recommended Audit Adjustments**

*Criteria:*

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

*Condition:*

As a result of audit procedures performed, material amounts of misstatements were detected.

*Context:*

The Organization's management could have made decisions based upon materially misstated financial statements.

*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.

*Cause:*

Turnover in fiscal staff in recent years resulted in the Organization not having adequate staff that were 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 45 of the current year audit.

**III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None

**DELTA AREA ECONOMIC OPPORTUNITY CORPORATION**  
Portageville, Missouri

Summary Schedule of Prior Audit Findings  
For the Year Ended December 31, 2012

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Period Year Ended / Findings:

**Finding 2011-01 – 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 2012-001.

## Corrective Action Plan

September 10, 2013

Cognizant or Oversight Agency for Audit

Delta Area Economic Opportunity Corporation respectfully submits the following corrective action plan for the year ended December 31, 2012.

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, 2012.

The findings from the September 10, 2013, 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 2012-001 – 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:*

Recent years has seen us with many changes in upper management, including fiscal management and staff. We have secured fiscal management with experience in community action non-profit accounting who are reviewing and implementing controls and procedures to ensure that financial reports are materially correct in the future.

If the Oversight Agency for Audit has questions regarding this plan, please call Joel Evans, President and Chief Executive Officer, at (573) 379-3851 EXT. 219.

Sincerely,

***Delta Area Economic Opportunity Corporation***

Delta Area Economic Opportunity Corporation