

**EAST MISSOURI ACTION AGENCY, INC.
(PARENT ONLY FINANCIAL STATEMENTS)**

FINANCIAL STATEMENTS

March 31, 2021

SAMPLE COPY

Thurman, Shinn & Company

Certified Public Accountants

315 North Washington
Farmington, MO 63640
Office: 573-760-9400
Fax: 573-760-0101

334 North State Street, Suite A.
Desloge, MO 63604
Office: 573-431-4240
Fax: 573-431-7708

www.ThurmanShinnCo.com

To the Board of Directors of
East Missouri Action Agency, Inc.
Park Hills, MO 63601

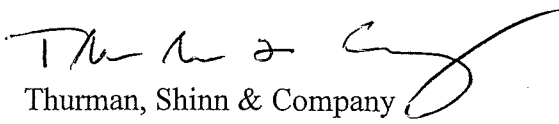
Management is responsible for the accompanying financial statements of East Missouri Action Agency, Inc. (a nonprofit organization), which comprise the statement of financial position-parent only as of March 31, 2021, and the related statements of activities-parent only for the six months then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, conclusion, nor provide any assurance on such information.

Accounting principles generally accepted in the United States of America require that all subsidiaries be included in the financial statements of the parent company. East Missouri Action Agency, Inc. has omitted the activity of its subsidiaries. Management has not determined the effect of this departure on the financial statements.

Management has elected to omit substantially all disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Organization's financial position, changes in net assets, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to East Missouri Action Agency, Inc.



Thurman, Shinn & Company
Farmington, MO

May 11, 2021

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EAST MISSOURI ACTION AGENCY, INC.
STATEMENT OF FINANCIAL POSITION-PARENT ONLY
MARCH 31, 2021
(SEE ACCOUNTANTS' COMPILATION REPORT)

-- ASSETS --

CURRENT ASSETS:	
Operating Cash.....	\$ 481,781
Prepaid Expenses.....	202,920
Accounts Receivable.....	684,988
Grants Receivable.....	1,949,153
Current Portion of Notes Receivable.....	<u>11,452</u>
Total Current Assets.....	<u>3,330,294</u>
RESTRICTED ASSETS:	
Earned Time Off Reserves.....	142,491
Housing Project Reserves.....	<u>607,227</u>
Total Restricted Assets.....	<u>749,718</u>
PROPERTY AND EQUIPMENT:	
Equipment.....	516,507
Buildings.....	2,044,403
Land.....	109,249
Land Improvements.....	85,843
Less: Accumulated Depreciation.....	<u>(1,037,453)</u>
Total Property and Equipment.....	<u>1,718,549</u>
OTHER ASSETS:	
Investment in Cliffview Apartments.....	312,217
Investment in Other Real Estate.....	78,657
Notes Receivable.....	48,543
Less Current Portion of Notes Receivable.....	<u>(11,452)</u>
Total Other Assets.....	<u>427,965</u>
TOTAL ASSETS.....	<u><u>\$ 6,226,526</u></u>

-- LIABILITIES AND NET ASSETS --

CURRENT LIABILITIES:	
Accounts Payable.....	\$ 240,514
Accrued Salaries and Benefits.....	325,028
Accrued Earned Time Off.....	380,194
Security Deposit	15,469
Deferred Revenue.....	1,431,811
Current Maturities of Long-Term Liabilities.....	<u>9,953</u>
Total Current Liabilities.....	<u>2,402,969</u>
LONG-TERM LIABILITIES:	
Notes Payable.....	652,312
Less Current Portion.....	<u>(9,953)</u>
Total Long-Term Liabilities.....	<u>642,359</u>
TOTAL LIABILITIES.....	3,045,328
NET ASSETS:	
Net Assets Without Donor Restrictions.....	1,133,174
Net Assets With Donor Restrictions.....	<u>2,048,024</u>
NET ASSETS.....	<u>3,181,198</u>
TOTAL LIABILITIES AND NET ASSETS.....	<u><u>\$ 6,226,526</u></u>

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EAST MISSOURI ACTION AGENCY, INC.
STATEMENT OF ACTIVITIES-PARENT ONLY
FOR THE SIX MONTHS ENDED MARCH 31, 2021
(SEE ACCOUNTANTS' COMPILATION REPORT)

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	TOTAL
REVENUES:			
Grant Revenue.....	\$ 6,536,221	39,393	6,575,614
In-kind Contributions.....	648,826	-	648,826
Other Income.....	100	2,170	2,270
Fee for Services.....	255,885	2,217	258,102
Contributions.....	17,393	-	17,393
Fundraising.....	582	-	582
Interest Income.....	4,735	238	4,973
Rent Income.....	33,900	148,289	182,189
Release of Restrictions.....	522,480	(522,480)	-
Total Revenues.....	8,020,122	(330,173)	7,689,949
EXPENSES:			
Salaries and Fringe Benefits.....	3,709,186	-	3,709,186
Travel.....	33,611	-	33,611
Training.....	21,825	-	21,825
Maintenance and Repairs.....	76,530	-	76,530
Supplies.....	428,544	-	428,544
Professional Services.....	138,995	-	138,995
Insurance.....	43,786	-	43,786
Depreciation.....	54,455	-	54,455
Rent.....	294,348	-	294,348
Utilities.....	194,549	-	194,549
Covid 19 Expense.....	13,798	-	13,798
Other Expenses.....	44,702	-	44,702
In-kind Expenses.....	648,826	-	648,826
Client support.....	1,797,333	-	1,797,333
Loss on Disposal of Fixed Assets.....	355,276	-	355,276
Interest Expense.....	27,821	-	27,821
Total Expenses.....	7,883,585	-	7,883,585
CHANGE IN NET ASSETS.....	136,537	(330,173)	(193,636)
NET ASSETS, BEGINNING OF PERIOD.....	996,637	2,378,197	3,374,834
NET ASSETS, END OF PERIOD.....	\$ 1,133,174	\$ 2,048,024	\$ 3,181,198

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SUPPLEMENTARY INFORMATION

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<p style="text-align: center;">EAST MISSOURI ACTION AGENCY, INC. SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES-REGULATORY BASIS March 31, 2021 (See Accountants' Compilation Report)</p>							
DEPARTMENT / Program	Program Period	Total Budget	Revenue	Expenditures	Revenue Over (Under) Expenses	% of Budget Remaining	% of Program Period Remaining
COMMUNITY SERVICES							
Community Services Block Grant	10/01/19 - 09/30/21	\$143,419	\$868,324	\$868,324	\$0	-505.4%	25.0%
Community Services Block Grant	10/01/20 - 09/30/22	\$849,143	\$344,677	\$344,677	\$0	59.4%	75.0%
CSBG Cares	10/01/20 - 09/30/22	\$1,177,005	\$180,911	\$180,911	\$0	84.6%	75.0%
ECIP -Admin	10/01/20 - 09/30/21	\$307,141	\$1,087,069	\$1,087,069	\$0	-253.9%	50.0%
ECIP -Utility Assistance	10/01/20 - 09/30/21	\$2,460,717	\$939,518	\$939,518	\$0	61.8%	50.0%
SEMO AAA ACA	10/01/20 - 09/30/21	\$27,000	\$17,291	\$17,291	\$0	36.0%	41.7%
Miscellaneous CS Programs **	Varies	Various Budgets	\$423,848	\$465,210	(\$41,362)	N/A	Varies
COMMUNITY SERVICES TOTAL		\$4,964,425	\$3,861,638	\$3,903,000			
WOMEN'S WELLNESS							
Title X (Federal and Nonfederal)	04/01/20 -03/31/21	\$337,692	\$374,647	\$374,647	\$0	-10.9%	0.0%
Public Medical Screening	10/1/20 - 09/30/21	NO BUDGET	\$0	\$12	(\$12)	N/A	50.0%
Show Me Healthy Women	07/01/20 - 06/30/21	\$4,000	\$1,601	\$1,949	(\$348)	51.3%	25.0%
FAMILY PLANNING TOTAL		\$341,692	\$376,248	\$376,608			
HEAD START							
Federal-Main Grant	01/01/20 - 06/30/21	\$5,217,748	\$4,908,907	\$4,908,907	\$0	5.9%	16.7%
Federal-Main Grant	01/01/21 - 12/31/21	\$5,217,748	\$1,432,752	\$1,432,752	\$0	72.5%	75.0%
Federal-Main Grant- In-Kind	01/01/20 - 06/30/21	\$1,304,437	\$1,274,058	\$1,274,058	\$0	2.3%	16.7%
Federal-Main Grant- In-Kind	01/01/21 - 12/31/21	\$1,304,437	\$332,882	\$332,882	\$0	74.5%	75.0%
Head Start Summer/Covid	01/01/20 - 06/30/21	\$476,314	\$335,547	\$335,547	\$0	29.6%	16.7%
Head Start Cash Donation	01/01/21 - 12/31/21	NO BUDGET	\$1,907	\$685	\$1,222	N/A	75.0%
CACFP	10/01/20 - 09/30/21	NO BUDGET	\$99,286	\$99,286	\$0	N/A	50.0%
HEAD START TOTAL		\$13,520,684	\$8,385,339	\$8,384,117			
HOUSING							
Federal - Section 8 HAP	10/01/20 - 09/30/21	\$8,919,601	\$4,594,326	\$4,532,761	\$61,565	49.2%	50.0%
Federal - Section 8 ADMIN	10/01/20 - 09/30/21	\$1,085,796	\$715,992	\$669,765	\$46,227	38.3%	50.0%
Shelter Plus Care	04/01/20 - 03/31/21	NO BUDGET	\$284,179	\$280,253	\$3,926	N/A	0.0%
HPG	10/01/20 - 09/30/21	\$149,343	\$34,602	\$40,895	(\$6,293)	72.6%	50.0%
Weatherization (DNR)	07/01/20 - 06/30/21	\$346,829	\$115,656	\$115,656	\$0	66.7%	25.0%
AmerenUE Weatherization (DNR) (ELEC)	11/1/19-10/31/20	NO BUDGET	\$27,063	\$27,063	\$0	N/A	58.3%
Spire (DNR)	11/1/19-10/31/20	\$30,000	\$0	\$0	\$0	100.0%	58.3%
Liberty Utilities (DNR)	11/1/19-10/31/20	No Contract	\$0	\$0	\$0	N/A	58.3%
DOE Liheap	10/01/20 - 09/30/21	\$328,952	\$106,602	\$106,602	\$0	67.6%	50.0%
Liheap Cares	10/01/20 - 09/30/21	\$88,186	\$38,954	\$38,954	\$0	55.8%	50.0%
Brettwood Elderly Apartments	10/01/20 - 09/30/21	\$148,564	\$93,096	\$74,881	\$18,215	49.6%	50.0%
MHDC Home Repair-2020	4/1/20-3/31/21	\$500,000	\$302,260	\$280,463	\$21,797	43.9%	0.0%
Cheryl Estates	10/01/20 - 09/30/21	NO BUDGET	\$10,834	\$22,071	(\$11,237)	N/A	50.0%
Cheryl Estates II	10/01/20 - 09/30/21	NO BUDGET	\$8,289	\$11,054	(\$2,765)	N/A	50.0%
Housing Unrestricted	10/01/20 - 09/30/21	NO BUDGET	\$17,540	\$7,260	\$10,280	N/A	50.0%
HOUSING TOTAL		\$11,597,271	\$6,349,393	\$6,207,678			
ADMINISTRATION							
Indirect Cost Pool-Estimated	10/01/20 - 09/30/21	\$830,000	\$498,964	\$496,048	\$2,916	40.2%	50.0%
Agency Funds	10/01/20 - 09/30/21	\$144,200	\$66,397	\$58,224	\$8,173	59.6%	50.0%
Facilities Contract	10/01/20 - 09/30/21	NO BUDGET	\$4,000	\$0	\$4,000	N/A	50.0%
EMAA Housing Management	10/01/20 - 09/30/21	NO BUDGET	\$63,748	\$0	\$63,748	N/A	50.0%
Fundraising	10/01/20 - 09/30/21	NO BUDGET	\$338	\$6	\$332	N/A	50.0%
ADMINISTRATION TOTAL		\$974,200	\$633,447	\$554,278			
GRAND TOTALS		\$31,398,272	\$19,606,065	\$19,425,681		NA	NA

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CMCA
Statement of Revenues and Expenditures
From 5/1/2021 Through 5/31/2021

		Current Period Actual	Current Year Actual	YTD Budget - Original	YTD Budget Variance - Original	Total Budget \$ - Original	Total Budget \$ Variance - Original	Percent Total Budget Remaining - Original
	Revenue							
10	CSBG							
1500	FEDERALGRANTS/CONTRACT REVENUE	0.00	4,277.13	750,111.36	(745,834.23)	1,125,167.00	(1,120,889.87)	(99.62)%
1601	MISC.INCOME-ALL PROGRAMS	2.74	11.37	0.00	11.37	0.00	11.37	0.00%
	Total CSBG	2.74	4,288.50	750,111.36	(745,822.86)	1,125,167.00	(1,120,878.50)	(99.62)%
	Total Revenue	2.74	4,288.50	750,111.36	(745,822.86)	1,125,167.00	(1,120,878.50)	(99.62)%
	Expense							
10	CSBG							
3000	SALARIES	53,351.81	206,682.10	430,102.80	223,420.70	645,154.21	438,472.11	67.96%
3007	CELL PHONE STIPEND	248.75	981.71	2,214.16	1,232.45	3,321.19	2,339.48	70.44%
3099	OVERTIME	0.00	3.78	0.00	(3.78)	0.00	(3.78)	0.00%
3200	STIPEND	0.00	0.00	1,333.36	1,333.36	2,000.00	2,000.00	100.00%
3301	EMPLOYERS FICA	3,141.40	12,165.96	29,586.32	17,420.36	44,379.47	32,213.51	72.59%
3302	EMPLOYERS-MEDICARE	734.70	2,845.50	6,919.76	4,074.26	10,379.59	7,534.09	72.59%
3303	EMPLOYERS SUTA(UNEMPLOYMENT)	34.25	1,103.76	2,988.16	1,884.40	4,482.28	3,378.52	75.38%
3304	WORKER COMP	144.48	1,002.81	2,956.88	1,954.07	4,435.26	3,432.45	77.39%
3600	INSURANCE-EMPLOYER	9,327.75	35,392.43	78,765.92	43,373.49	118,148.90	82,756.47	70.04%
3601	RETIREMENT-AGENCY PORTION	1,403.44	5,372.58	12,870.96	7,498.38	19,306.41	13,933.83	72.17%
4400	COMPUTER COSTS	4,161.45	5,200.72	2,666.64	(2,534.08)	4,000.00	(1,200.72)	(30.02)%
4500	PROFESSIONAL SERVICES	2,985.00	6,538.19	11,333.36	4,795.17	17,000.00	10,461.81	61.54%
5100	TRAVEL IN AREA	308.40	1,180.00	3,000.00	1,820.00	4,500.00	3,320.00	73.78%
5200	TRAVEL OUT OF AREA	0.00	0.00	2,666.64	2,666.64	4,000.00	4,000.00	100.00%
5300	PARTICIPANT TRANSPORTATION	0.00	0.00	333.36	333.36	500.00	500.00	100.00%
6100	RENT	4,411.60	16,296.40	24,113.76	7,817.36	36,170.67	19,874.27	54.95%
6300	UTILITIES	1,047.72	5,314.94	12,368.00	7,053.06	18,552.00	13,237.06	71.35%
6900	OTHER SPACE COSTS	1,724.55	5,008.48	2,333.36	(2,675.12)	3,500.00	(1,508.48)	(43.10)%
7100	OFFICE SUPPLIES	50.06	501.06	3,463.36	2,962.30	5,195.00	4,693.94	90.35%
7200	PROGRAM SUPPLIES	284.91	424.56	1,666.64	1,242.08	2,500.00	2,075.44	83.02%
7401	KITCHEN SUPPLIES	2.50	5.24	0.00	(5.24)	0.00	(5.24)	0.00%
7500	MAINTENANCE/CLEANING SUPPLIES	30.44	475.54	0.00	(475.54)	0.00	(475.54)	0.00%
7600	COPYING	405.37	1,196.78	1,600.00	403.22	2,400.00	1,203.22	50.13%
7800	DUES & SUBSCRIPTIONS	0.00	4,020.04	2,666.64	(1,353.40)	4,000.00	(20.04)	(0.50)%
7900	RECOGNITION	0.00	221.00	0.00	(221.00)	0.00	(221.00)	0.00%
7902	INCENTIVE	(135.00)	465.00	9,333.36	8,868.36	14,000.00	13,535.00	96.68%
8100	EQUIPMENT PURCHASES	0.00	0.00	1,333.36	1,333.36	2,000.00	2,000.00	100.00%
8500	EQUIPMENT REPAIR & MAINTENANCE	25.96	117.36	166.64	49.28	250.00	132.64	53.06%

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CMCA
Statement of Revenues and Expenditures
From 5/1/2021 Through 5/31/2021

		Current Period Actual	Current Year Actual	YTD Budget - Original	YTD Budget Variance - Original	Total Budget \$ - Original	Total Budget \$ Variance - Original	Percent Total Budget Remaining - Original
9100	INSURANCE - BLDG & GEN LIAB	240.77	963.08	7,216.00	6,252.92	10,824.00	9,860.92	91.10%
9102	FIRE/THEFT/BLDG INSURANCE	116.40	465.60	583.36	117.76	875.00	409.40	46.79%
9201	PRINTING	0.00	0.00	666.64	666.64	1,000.00	1,000.00	100.00%
9202	ADVERTISING/RECRUITMENT	112.50	267.85	533.36	265.51	800.00	532.15	66.52%
9400	STAFF TRAINING	277.50	1,152.50	4,000.00	2,847.50	6,000.00	4,847.50	80.79%
9500	REGISTRATION FEES	1,500.00	3,345.00	2,000.00	(1,345.00)	3,000.00	(345.00)	(11.50)%
9604	TELECOMMUNICATIONS	1,499.41	6,360.14	8,698.64	2,338.50	13,048.00	6,687.86	51.26%
9700	POSTAGE	35.92	135.82	333.36	197.54	500.00	364.18	72.84%
9900	INDIRECT COSTS	9,574.12	37,177.09	79,296.72	42,119.63	118,945.02	81,767.93	68.74%
	Total CSBG	97,046.16	362,383.02	750,111.52	387,728.50	1,125,167.00	762,783.98	67.79%
10-COV	CSBG COVID CARES ACT							
3200	STIPEND	(300.00)	(300.00)	0.00	300.00	0.00	300.00	0.00%
	Total CSBG COVID CARES ACT	(300.00)	(300.00)	0.00	300.00	0.00	300.00	0.00%
	Total Expense	96,746.16	362,083.02	750,111.52	388,028.50	1,125,167.00	763,083.98	67.82%
	Revenues Over/(Under) Expenditures	(96,743.42)	(357,794.52)	(0.16)	(357,794.36)	0.00	(357,794.52)	0.00%

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CMCA

Statement of Revenues and Expenditures - BB - Head Start
From 5/1/2021 Through 5/31/2021

		Current Period Actual	Current Year Actual	YTD Budget - Original	YTD Budget Variance - Original	Total Budget \$ - Original	Total Budget \$ Variance - Original	Percent Total Budget Remaining - Original
	Revenue							
22	HEAD START - PROGRAM							
1500	FEDERALGRANTS/CONTRACT REVENUE	259,543.20	259,543.20	0.00	259,543.20	0.00	259,543.20	0.00%
1601	MISC.INCOME-ALL PROGRAMS	44.31	44.31	0.00	44.31	0.00	44.31	0.00%
	Total HEAD START - PROGRAM	259,587.51	259,587.51	0.00	259,587.51	0.00	259,587.51	0.00%
	Total Revenue	259,587.51	259,587.51	0.00	259,587.51	0.00	259,587.51	0.00%
	Expense							
20	HEAD START - T & TA							
3000	SALARIES	1,046.27	1,046.27	715.75	(330.52)	8,589.00	7,542.73	87.82%
3301	EMPLOYERS FICA	60.44	60.44	16.83	(43.61)	202.00	141.56	70.08%
3302	EMPLOYERS-MEDICARE	14.14	14.14	3.92	(10.22)	47.00	32.86	69.91%
3303	EMPLOYERS SUTA(UNEMPLOYMENT)	0.00	0.00	6.33	6.33	76.00	76.00	100.00%
3304	WORKER COMP	12.03	12.03	5.42	(6.61)	65.00	52.97	81.49%
3600	INSURANCE-EMPLOYER	184.04	184.04	125.67	(58.37)	1,508.00	1,323.96	87.80%
3601	RETIREMENT-AGENCY PORTION	22.43	22.43	169.42	146.99	2,033.00	2,010.57	98.90%
4600	CONTRACTUAL	0.00	0.00	9.42	9.42	113.00	113.00	100.00%
5200	TRAVEL OUT OF AREA	0.00	0.00	1,084.33	1,084.33	13,012.00	13,012.00	100.00%
7100	OFFICE SUPPLIES	0.00	0.00	52.33	52.33	628.00	628.00	100.00%
7800	DUES & SUBSCRIPTIONS	489.09	489.09	48.25	(440.84)	579.00	89.91	15.53%
9400	STAFF TRAINING	207.99	207.99	868.08	660.09	10,417.00	10,209.01	98.00%
9500	REGISTRATION FEES	1,050.00	1,050.00	462.33	(587.67)	5,548.00	4,498.00	81.07%
9900	INDIRECT COSTS	187.51	187.51	146.08	(41.43)	1,753.00	1,565.49	89.30%
	Total HEAD START - T & TA	3,273.94	3,273.94	3,714.16	440.22	44,570.00	41,296.06	92.65%
21	HEAD START ADMINISTRATION							
3000	SALARIES	8,040.21	8,040.21	8,371.92	331.71	100,463.00	92,422.79	92.00%
3007	CELL PHONE STIPEND	26.40	26.40	0.00	(26.40)	0.00	(26.40)	0.00%
3301	EMPLOYERS FICA	480.68	480.68	519.08	38.40	6,229.00	5,748.32	92.28%
3302	EMPLOYERS-MEDICARE	112.43	112.43	121.42	8.99	1,457.00	1,344.57	92.28%
3303	EMPLOYERS SUTA(UNEMPLOYMENT)	0.00	0.00	36.25	36.25	435.00	435.00	100.00%
3304	WORKER COMP	6.47	6.47	16.08	9.61	193.00	186.53	96.65%
3600	INSURANCE-EMPLOYER	829.90	829.90	896.25	66.35	10,755.00	9,925.10	92.28%
3601	RETIREMENT-AGENCY PORTION	321.61	321.61	338.67	17.06	4,064.00	3,742.39	92.09%
4400	COMPUTER COSTS	0.00	0.00	33.33	33.33	400.00	400.00	100.00%
5200	TRAVEL OUT OF AREA	0.00	0.00	59.00	59.00	708.00	708.00	100.00%
6100	RENT	221.34	221.34	280.42	59.08	3,365.00	3,143.66	93.42%
6300	UTILITIES	26.21	26.21	281.67	255.46	3,380.00	3,353.79	99.22%

SAMPLE COPY

CMCA

Statement of Revenues and Expenditures - BB - Head Start
From 5/1/2021 Through 5/31/2021

		Current Period Actual	Current Year Actual	YTD Budget - Original	YTD Budget Variance - Original	Total Budget \$ - Original	Total Budget \$ Variance - Original	Percent Total Budget Remaining - Original
6900	OTHER SPACE COSTS	34.22	34.22	88.17	53.95	1,058.00	1,023.78	96.77%
7100	OFFICE SUPPLIES	0.78	0.78	45.08	44.30	541.00	540.22	99.86%
7400	FOOD	0.00	0.00	435.50	435.50	5,226.00	5,226.00	100.00%
7401	KITCHEN SUPPLIES	0.53	0.53	0.00	(0.53)	0.00	(0.53)	0.00%
7500	MAINTENANCE/CLEANING SUPPLIES	0.00	0.00	80.00	80.00	960.00	960.00	100.00%
7600	COPYING	0.47	0.47	58.33	57.86	700.00	699.53	99.93%
7800	DUES & SUBSCRIPTIONS	0.00	0.00	60.25	60.25	723.00	723.00	100.00%
9201	PRINTING	0.00	0.00	4.17	4.17	50.00	50.00	100.00%
9400	STAFF TRAINING	59.40	59.40	0.00	(59.40)	0.00	(59.40)	0.00%
9500	REGISTRATION FEES	0.00	0.00	41.67	41.67	500.00	500.00	100.00%
9604	TELECOMMUNICATIONS	44.37	44.37	212.08	167.71	2,545.00	2,500.63	98.26%
9700	POSTAGE	4.85	4.85	0.00	(4.85)	0.00	(4.85)	0.00%
9900	INDIRECT COSTS	27,178.35	27,178.35	29,710.00	2,531.65	356,520.00	329,341.65	92.38%
	Total HEAD START ADMINISTRATION	37,388.22	37,388.22	41,689.34	4,301.12	500,272.00	462,883.78	92.53%
22	HEAD START - PROGRAM							
3000	SALARIES	142,261.91	142,261.91	150,447.08	8,185.17	1,805,365.00	1,663,103.09	92.12%
3007	CELL PHONE STIPEND	124.94	124.94	0.00	(124.94)	0.00	(124.94)	0.00%
3099	OVERTIME	247.14	247.14	0.00	(247.14)	0.00	(247.14)	0.00%
3301	EMPLOYERS FICA	8,591.90	8,591.90	9,327.67	735.77	111,932.00	103,340.10	92.32%
3302	EMPLOYERS-MEDICARE	2,009.55	2,009.55	2,181.42	171.87	26,177.00	24,167.45	92.32%
3303	EMPLOYERS SUTA(UNEMPLOYMENT)	477.00	477.00	1,452.58	975.58	17,431.00	16,954.00	97.26%
3304	WORKER COMP	723.73	723.73	1,878.25	1,154.52	22,539.00	21,815.27	96.79%
3600	INSURANCE-EMPLOYER	27,020.80	27,020.80	32,638.00	5,617.20	391,656.00	364,635.20	93.10%
3601	RETIREMENT-AGENCY PORTION	2,856.38	2,856.38	3,989.92	1,133.54	47,879.00	45,022.62	94.03%
3702	VOLUNTEER WORK COMP.	0.00	0.00	85.58	85.58	1,027.00	1,027.00	100.00%
4400	COMPUTER COSTS	156.22	156.22	633.33	477.11	7,600.00	7,443.78	97.94%
4501	MEDICAL AND DENTAL SERVICES-6H	0.00	0.00	32.50	32.50	390.00	390.00	100.00%
4600	CONTRACTUAL	0.00	0.00	958.33	958.33	11,500.00	11,500.00	100.00%
5100	TRAVEL IN AREA	513.16	513.16	3,275.67	2,762.51	39,308.00	38,794.84	98.69%
5300	PARTICIPANT TRANSPORTATION	10.44	10.44	1,820.25	1,809.81	21,843.00	21,832.56	99.95%
5303	AGENCY VEHICLE EXPENSE	836.61	836.61	0.00	(836.61)	0.00	(836.61)	0.00%
5400	PARENT ACTIVITIES/INCENTIVES	0.00	0.00	431.67	431.67	5,180.00	5,180.00	100.00%
6100	RENT	6,079.03	6,079.03	7,050.25	971.22	84,603.00	78,523.97	92.81%
6300	UTILITIES	3,736.85	3,736.85	5,351.67	1,614.82	64,220.00	60,483.15	94.18%
6500	MAINTENANCE AND REPAIRS	0.00	0.00	882.17	882.17	10,586.00	10,586.00	100.00%
6501	PLAY GROUND SAFETY	0.00	0.00	4,020.67	4,020.67	48,248.00	48,248.00	100.00%
6801	INCIDENTAL ALTERATIONS	0.00	0.00	2,883.83	2,883.83	34,606.00	34,606.00	100.00%
6900	OTHER SPACE COSTS	11,823.78	11,823.78	4,069.42	(7,754.36)	48,833.00	37,009.22	75.79%

SAMPLE COPY

CMCA
Statement of Revenues and Expenditures - BB - Head Start
From 5/1/2021 Through 5/31/2021

		Current Period Actual	Current Year Actual	YTD Budget - Original	YTD Budget Variance - Original	Total Budget \$ - Original	Total Budget \$ Variance - Original	Percent Total Budget Remaining - Original
7100	OFFICE SUPPLIES	550.73	550.73	856.67	305.94	10,280.00	9,729.27	94.64%
7200	PROGRAM SUPPLIES	2,106.65	2,106.65	1,678.33	(428.32)	20,140.00	18,033.35	89.54%
7202	MEDICAL/DENTAL SUPPLIES	1,574.08	1,574.08	750.00	(824.08)	9,000.00	7,425.92	82.51%
7401	KITCHEN SUPPLIES	170.03	170.03	0.00	(170.03)	0.00	(170.03)	0.00%
7500	MAINTENANCE/CLEANING SUPPLIES	1,828.75	1,828.75	1,519.92	(308.83)	18,239.00	16,410.25	89.97%
7600	COPYING	620.50	620.50	1,108.33	487.83	13,300.00	12,679.50	95.33%
7800	DUES & SUBSCRIPTIONS	612.50	612.50	2,294.75	1,682.25	27,537.00	26,924.50	97.78%
8500	EQUIPMENT REPAIR & MAINTENANCE	159.50	159.50	250.00	90.50	3,000.00	2,840.50	94.68%
9002	DEPRECIATION BUILDING	0.00	0.00	855.25	855.25	10,263.00	10,263.00	100.00%
9100	INSURANCE - BLDG & GEN LIAB	692.21	692.21	1,379.00	686.79	16,548.00	15,855.79	95.82%
9101	CHILD LIABILITY INSURANCEW	0.00	0.00	124.50	124.50	1,494.00	1,494.00	100.00%
9102	FIRE/THEFT/BLDG INSURANCE	484.25	484.25	0.00	(484.25)	0.00	(484.25)	0.00%
9201	PRINTING	0.00	0.00	79.17	79.17	950.00	950.00	100.00%
9202	ADVERTISING/RECRUITMENT	1,858.00	1,858.00	466.67	(1,391.33)	5,600.00	3,742.00	66.82%
9400	STAFF TRAINING	440.40	440.40	83.33	(357.07)	1,000.00	559.60	55.96%
9500	REGISTRATION FEES	2,655.06	2,655.06	0.00	(2,655.06)	0.00	(2,655.06)	0.00%
9604	TELECOMMUNICATIONS	3,084.83	3,084.83	3,121.25	36.42	37,455.00	34,370.17	91.76%
9700	POSTAGE	71.67	71.67	0.00	(71.67)	0.00	(71.67)	0.00%
	Total HEAD START - PROGRAM	<u>224,378.60</u>	<u>224,378.60</u>	<u>247,977.43</u>	<u>23,598.83</u>	<u>2,975,729.00</u>	<u>2,751,350.40</u>	<u>92.46%</u>
	Total Expense	<u>265,040.76</u>	<u>265,040.76</u>	<u>293,380.93</u>	<u>28,340.17</u>	<u>3,520,571.00</u>	<u>3,255,530.24</u>	<u>92.47%</u>
	Revenues Over/(Under) Expenditures	<u>(5,453.25)</u>	<u>(5,453.25)</u>	<u>(293,380.93)</u>	<u>287,927.68</u>	<u>(3,520,571.00)</u>	<u>3,515,117.75</u>	<u>(99.85)%</u>

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**CENTRAL MISSOURI
COMMUNITY ACTION**
Columbia, Missouri

Independent Auditors' Report and
Consolidated Financial Statements with
Supplementary Information

For the Year Ended September 30, 2020

CENTRAL MISSOURI COMMUNITY ACTION

Columbia, Missouri

TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
Independent Auditors' Report	1-2
Consolidated Statement of Financial Position	3
Consolidated Statement of Activities	4
Consolidated Statement of Functional Expenses	5
Consolidated Statement of Cash Flows	6
Notes to the Consolidated Financial Statements	7-18
Supplementary Information:	
Combining Schedule of Activities	19-30
Schedules Required by Funders	
Low Income Housing Energy Assistance	
Program – Grant No. ERS11020001	31
Weatherization Program – Grant No. G-19-EE0007930-03-07	32
Weatherization Program – Grant No. G-20-EE0007930-4-07	33
Weatherization Program–AMEREN UE-Grant No. G19-10-0363-8-07	34
Weatherization Program–AMEREN UE-Grant No. G19-17-0258-4-07	35
Weatherization Program–AMEREN UE-Grant No. G20-14-0258-5-07	36
Weatherization Program–LIHEAP-Grant No. G19-LIHEAP-20-07	37
HUD Financial Data Schedule	38-42
Federal Compliance Section:	
Schedule of Expenditures of Federal Awards	43-44
Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	45-46
Independent Auditors’ Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	47-48
Schedule of Findings and Questioned Costs	49
Summary Schedule of Prior Audit Findings	50

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Central Missouri Community Action
Columbia, Missouri

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Central Missouri Community Action (a nonprofit organization), which comprise the consolidated statement of financial position as of September 30, 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Central Missouri Community Action as of September 30, 2020, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The combining schedule of activities (presented on Pages (19-30) and the HUD Financial Data Schedule (presented on Pages 38-42) is prepared for additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary schedules (presented on pages 31-37) 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 June 18, 2021, on our consideration of Central Missouri Community Action's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Central Missouri Community Action's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Central Missouri Community Action's internal control over financial reporting and compliance.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

June 18, 2021
Chanute, Kansas

CENTRAL MISSOURI COMMUNITY ACTION
Columbia, Missouri
Consolidated Statement of Financial Position
September 30, 2020

ASSETS

Current Assets	
Cash in Bank - Cash and Cash Equivalents	\$ 2,265,171.26
Certificates of Deposit	102,847.28
Receivables, Net	1,600,265.39
Prepaid Expenses	40,494.33
Inventory	143,524.24
Current Portion of Notes Receivable	43,009.88
Total Current Assets	<u>4,195,312.38</u>
Note Receivable	364,996.49
Less: Current Portion	(43,009.88)
Long-Term Notes Receivable	<u>321,986.61</u>
Capital Assets, Net	<u>1,497,145.85</u>
TOTAL ASSETS	<u><u>\$ 6,014,444.84</u></u>

LIABILITIES AND NET ASSETS

Liabilities	
Current Liabilities	
Accounts Payable	\$ 253,357.20
Accrued Payroll	281,521.00
Accrued Annual Leave	409,103.85
Accrued Payroll Withholdings	352,832.38
Refundable Grant Advances	1,617,272.31
Accrued Interest	215.76
Current Portion of Notes Payable	19,299.92
Total Current Liabilities	<u>2,933,602.42</u>
Long-Term Liabilities	
Notes Payable	133,166.39
Less: Current Portion	(19,299.92)
Total Long-Term Liabilities	<u>113,866.47</u>
TOTAL LIABILITIES	<u>3,047,468.89</u>
Net Assets	
Without Donor Restrictions	2,188,624.99
With Donor Restrictions	778,350.96
TOTAL NET ASSETS	<u>2,966,975.95</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 6,014,444.84</u></u>

The accompanying notes are an integral
part of the financial statements.

CENTRAL MISSOURI COMMUNITY ACTION

Columbia, Missouri

Consolidated Statement of Activities

For the Year Ended September 30, 2020

CHANGES IN NET ASSETS

Net Assets without Donor Restrictions	
Revenues and Gains	
Contributions	\$ 15,296,833.60
Interest Income	4,322.40
Other Income	684,878.18
Gain (Loss) on Sale of Assets	500.00
Total Revenues and Gains	<u>15,986,534.18</u>
Expenses	
Program Services	
Early Childhood Development	9,374,563.21
Elderly Services	399,887.56
Weatherization Services	847,865.23
Energy Assistance	1,999,126.25
Housing Services	1,973,646.98
Community Services	1,830,977.06
Supporting Activities	
Management and General	1,371,865.70
Fundraising	35,092.48
Total Expenses	<u>17,833,024.47</u>
Net Assets Released From Restrictions through Satisfaction of Program Restrictions	<u>2,354,724.62</u>
Increase (Decrease) in Net Assets without Donor Restrictions	508,234.33
Net Assets with Donor Restrictions	
Contributions	2,767,962.39
Interest	12.18
Other Income	28,388.66
Net Assets Released From Restrictions Through Satisfaction of Program Restrictions	<u>(2,354,724.62)</u>
Increase (Decrease) in Net Assets with Donor Restrictions	<u>441,638.61</u>
Increase (Decrease) in Net Assets	<u>949,872.94</u>
Net Assets - Beginning of the Year, As Previously Reported	2,038,191.30
Prior Period Adjustment (Note 18)	<u>(21,088.29)</u>
Net Assets - Beginning of the Year, Restated	<u>2,017,103.01</u>
Net Assets - End of the Year	<u><u>\$ 2,966,975.95</u></u>

The accompanying notes are an integral
part of the financial statements.

CENTRAL MISSOURI COMMUNITY ACTION
Columbia, Missouri
Consolidated Statement of Functional Expenses
For the Year Ended September 30, 2020

	Program Services				
	Early Childhood Development	Elderly Services	Weatherization Services	Energy Assistance	Housing Services
Salaries	\$ 4,738,534.51	\$ 87,430.14	\$ 369,223.89	\$ 186,760.71	\$ 121,658.44
Fringe	1,443,950.37	23,690.94	106,115.48	49,647.92	37,085.86
Consultant	116,046.40	30.00	-	-	12,275.00
Travel	81,858.96	10,892.97	(329.30)	74.40	4,220.90
Space Cost	1,335,243.02	5,529.84	16,589.19	21,382.26	30,925.02
Supplies	722,913.25	24,360.79	144,178.80	9,584.77	9,517.14
Equipment	77,238.07	-	27,700.75	-	-
Contractual	53,207.69	-	-	-	1,795.00
Participants	179,377.06	241,773.76	148,159.06	1,717,181.81	1,650,469.83
Depreciation	86,233.58	-	1,960.00	1,622.35	21,394.67
Other	539,960.30	6,179.12	34,267.36	12,872.03	84,305.12
Total Expenses	<u>\$ 9,374,563.21</u>	<u>\$ 399,887.56</u>	<u>\$ 847,865.23</u>	<u>\$ 1,999,126.25</u>	<u>\$ 1,973,646.98</u>
	Program Services		Supporting Activities		
	Community Services	Total Program Services	Management and General	Fundraising	Total Organization Services
Salaries	\$ 989,477.94	\$ 6,493,085.63	\$ 859,183.04	\$ 21,978.00	\$ 7,374,246.67
Fringe	259,260.83	1,919,751.40	172,569.98	4,414.36	2,096,735.74
Consultant	7,057.10	135,408.50	65,115.91	1,665.67	202,190.08
Travel	29,101.87	125,819.80	9,715.94	248.53	135,784.27
Space Cost	172,465.11	1,582,134.44	111,420.66	2,850.15	1,696,405.25
Supplies	117,664.52	1,028,219.27	38,840.36	993.54	1,068,053.17
Equipment	-	104,938.82	-	-	104,938.82
Contractual	-	55,002.69	-	-	55,002.69
Participants	175,609.73	4,112,571.25	5,137.01	131.41	4,117,839.67
Depreciation	-	111,210.60	5,385.17	137.75	116,733.52
Other	80,339.96	757,923.89	104,497.64	2,673.06	865,094.59
Total Expenses	<u>\$ 1,830,977.06</u>	<u>\$ 16,426,066.29</u>	<u>\$ 1,371,865.70</u>	<u>\$ 35,092.48</u>	<u>\$ 17,833,024.47</u>

The accompanying notes are an integral
part of the financial statements.

CENTRAL MISSOURI COMMUNITY ACTION

Columbia, Missouri

**Consolidated Statement of Cash Flows
For the Year Ended September 30, 2020**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ 949,872.94
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities	
Depreciation Expense	116,733.52
(Gain) Loss on Sale of Assets	(500.00)
(Increase) Decrease in Receivables	(171,634.30)
(Increase) Decrease in Prepaid Expense	18,206.92
(Increase) Decrease in Inventory	209,385.36
Increase (Decrease) in Accounts Payable	(280,077.89)
Increase (Decrease) in Accrued Payroll	53,480.92
Increase (Decrease) in Accrued Annual Leave	117,833.85
Increase (Decrease) in Accrued Payroll Withholdings	21,573.26
Increase (Decrease) in Refundable Grant Advances	1,378,760.33
Increase (Decrease) in Accrued Interest	215.76
	<hr/>
Net Cash Provided by (Used in) Operating Activities	2,413,850.67
	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES	
Payments for Purchase of Capital Assets	(731,581.05)
Reinvestment of Interest from Investments	(847.28)
Proceeds from the Collection of Notes Receivable	43,187.02
Cash Received from Sale of Assets	500.00
	<hr/>
Net Cash Provided by (Used in) Investing Activities	(688,741.31)
	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from Issuance of Notes Payable	5,966.29
Principal Payments on Notes Payable	(44,860.17)
	<hr/>
Net Cash Provided by (Used in) Financing Activities	(38,893.88)
	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	1,686,215.48
Cash and Cash Equivalents, Beginning of the Year	578,955.78
	<hr/>
Cash and Cash Equivalents, End of the Year	\$ 2,265,171.26
	<hr/> <hr/>
Supplementary Information:	
Cash Paid for Interest	\$ 5,247.59
	<hr/> <hr/>

The accompanying notes are an integral
part of the financial statements.

CENTRAL MISSOURI COMMUNITY ACTION
Columbia, Missouri

Notes to the Consolidated Financial Statements
September 30, 2020

1. NATURE OF ACTIVITIES

Central Missouri Community Action (the "Organization") is a nonprofit organization established in 1965 which serves the economically and socially disadvantaged persons in Audrain, Boone, Callaway, Cole, Cooper, Howard, Moniteau, Osage counties. The consolidated financial statements include the accounts of Central Missouri Community Action, two affiliated organizations, and a 'disregarded' LLC entity. The affiliated Organizations are Boone County Housing Agency (PHA) and CMCHDC Properties Ltd., each can sue and be sued, and can buy, sell, or lease real property. The 'disregarded' entity is Community Micro Business, LLC.

The Organization provides services to stimulate a better focusing of all available local, state, federal and private resources upon the goal of enabling low income families and individuals to attain the skills, knowledge, motivations, and to secure the opportunities needed for them to become more fully self sufficient. The Organization administers the following major sources of revenue to meet the needs of the area it serves: Head Start Programs, Weatherization Assistance Programs, Low-Income Home Energy Assistance Programs, Community Services Block Grant Programs, Housing Choice Vouchers Program, and others. The affiliated organization, CMCHDC Properties Ltd., is the general partner for the seven limited partnerships established to provide affordable housing for low income individuals. Expenses are broken down by program services. The following is a description of the program services:

Early Childhood Development - Provides high quality comprehensive child and family development services to income and age eligible children and their families, which includes education, health, nutrition, mental health, and parent involvement.

Elderly Services - Coordinates a volunteer program to assist with providing early childhood experiences and education.

Weatherization Services - Weatherizes the homes of low income individuals and families in order to reduce their monthly energy costs.

Energy Assistance - Assist qualified individuals and families by providing limited payments to have electricity and/or gas bills paid and services restored.

Workforce Development - Services designed to prepare low-income workers facing serious barriers to employment for entry and re-entry into the labor force.

Housing Services - Provides home ownership, down payment assistance, and transitional housing for those who are income eligible, including housing rehabilitation and rental assistance.

Community Services - Community services programs strive to reduce poverty and empower low-income families to become self-sufficient.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization's program policy is to prepare its financial statements on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities. Assets are recorded at cost when purchased, or in the case of gifts, at fair value at the date of the gift. Investments are valued at fair value for financial statement presentation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Liquidity

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

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include all highly liquid instruments with a maturity of three months or less when acquired.

Allowance for Doubtful Accounts

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of their grantors to meet their obligations. Receivables are considered impaired if full 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.

Inventory

Inventory consists of office supplies and works in progress and are valued at cost, using the first-in, first-out method (FIFO).

Capital Assets

Capital assets are stated at cost, if purchased, and at fair value at the date of donation, if donated. The Organization's capitalization policy includes items with a useful life of more than one year and an initial value of \$5,000.00 or more. Such items acquired under grants from Federal and state sources are considered to be owned by the Organization while used in the programs for which they are purchased or in programs authorized in the future. However, the funding source has a reversionary interest in the property. Property and equipment purchased or donated to the corporate account are depreciated based on estimated useful lives using the straight-line method as follows:

Equipment	3-7 Years
Vehicles	5 Years
Buildings and Improvements	15-40 Years

Contributions and Unconditional Promises to Give

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets

The Organization's net assets and changes thereto are classified and reported as follows:

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

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

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).

Revenue Recognition

The Organization recognizes revenue when (or as) the Organization satisfies a performance obligation by transferring a promised good or service to a customer. An asset is transferred when (or as) the customer obtains control of that asset. Control of an asset refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. Control includes the ability to prevent other entities from directing the use of, and obtaining the benefits from, an asset. The Organization has no contracts as defined by FASB ASC 606- Revenue from Contracts with Customers.

Non Cash Contributions

Contributed personnel services are recognized and recorded at fair value only to the extent they create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donations. Contributed goods are recognized at fair value on the date received.

Allocated Costs

The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated using various allocation methods.