

**DELTA AREA ECONOMIC
OPPORTUNITY CORPORATION**

Portageville, Missouri

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

For the Year Ended December 31, 2011

Delta Area Economic Opportunity Corporation
Portageville, 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
Supplemental Information:	
Combining Schedule of Activities	19-23
Schedule of Grant Revenue and Expenses	
Community Services Block Grant Program – Grant No. CSBG 04	24
Head Start Program - Grant No. 07CH0974/46	25
Reconciliation of Final Financial Report to Audited Financial Statements	
Head Start Program – Grant No. 07CH0974/46	26
Reconciliation of Revenues and Expense – G-11-7-0002-4-02.....	27-28
Reconciliation of Revenues and Expense – G-11-7-0003-4-02	29-30
Reconciliation of Revenues and Expense – G-11-6-0387-4-02.....	31-32
Reconciliation of Revenues and Expense – G-09-EE00195-02	33-34
Reconciliation of Revenues and Expense – G-09-EE00151-02	35-36
Reconciliation of Revenues and Expense – G-09-EE00151A-02	37-38
Low Income Home Energy Assistance Program	39
Federal Compliance Section:	
Schedule of Expenditures of Federal Awards	40-42
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>	43-44
Independent Auditor’s Report on Compliance That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with <i>OMB Circular A-133</i>	45-46
Schedule of Findings and Questioned Costs	47-48
Summary Schedule of Prior Audit Findings	49
Corrective Action Plan	50

JARRED, GILMORE & PHILLIPS, PA

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Board of Directors
Delta Area Economic Opportunity Corporation
Portageville, Missouri

We have audited the accompanying consolidated statement of financial position of Delta Area Economic Opportunity Corporation (a nonprofit organization) as of December 31, 2011, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The financial statements of Scott City Apartments, LLC 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 12.04%, (1.55%), and 1.25% of the assets, net assets, and revenues, respectively.

In our opinion, for the effects of such adjustments, if any, as might have been determined to be necessary had the wholly owned subsidiaries been audited, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Delta Area Economic Opportunity Corporation as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 24, 2012, on our consideration 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* and should be considered in assessing the results of our audit.

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

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



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

August 24, 2012
Chanute, Kansas

Delta Area Economic Opportunity Corporation

Portageville, Missouri

Consolidated Statement of Financial Position

December 31, 2011

ASSETS

Current Assets

Cash in Bank - Cash and Cash Equivalents	\$ 2,043,775.72
Grant and Contracts Receivable, Net	1,395,823.59
Prepaid Expenses	179,135.87
Inventory	499,391.58
Total Current Assets	<u>4,118,126.76</u>

Noncurrent Assets

Capital Assets, net	5,939,204.45
Restricted Cash from USDA Debt Service Reserve	92,996.22
Total Noncurrent Assets	<u>6,032,200.67</u>

TOTAL ASSETS \$ 10,150,327.43

LIABILITIES AND NET ASSETS

Liabilities

Current Liabilities

Accounts Payable	\$ 643,901.21
Accrued Annual Leave	61,237.30
Accrued Payroll and Withholdings	285,492.87
Refundable Grant Advances	1,179,162.03
Accrued Interest	57,337.54
Current Portion of Long-Term Debt	1,142,218.96
Total Current Liabilities	<u>3,369,349.91</u>

Long-Term Liabilities

Notes Payable	3,574,825.19
Less: Current Portion	<u>(1,142,218.96)</u>
Total Long-Term Liabilities	<u>2,432,606.23</u>

TOTAL LIABILITIES 5,801,956.14

Net Assets

Unrestricted Net Assets	4,043,844.25
Temporarily Restricted Net Assets	304,527.04
TOTAL NET ASSETS	<u>4,348,371.29</u>

TOTAL LIABILITIES AND NET ASSETS \$ 10,150,327.43

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, 2011

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

Grant Revenue - Federal	\$ 17,592,075.09
Grant Revenue - State	455,463.83
Program Fee Income	104,660.80
Housing Rent	260,010.41
Contributions	52,097.61
Reimbursements	62,668.78
Other Income	55,783.75
Interest Income	1,797.30
In-Kind Donations	78,329.97
Total Revenues and Gains	<u>18,662,887.54</u>

Other

Net Assets Released From Restrictions through Satisfaction of Program Restrictions	<u>162,373.97</u>
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Total Unrestricted Revenues, Gains and Other	<u>18,825,261.51</u>
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Expenses

Program Services	
Early Childhood	9,816,542.93
Community Services	701,754.01
Weatherization Services	2,858,276.15
Energy Assistance	1,983,989.49
Family Planning	245,586.88
Emergency Services	122,531.78
Housing Services	1,761,585.21
Supporting Activities	
Management and General	1,209,163.82
Fundraising	81,468.23

Total Expenses	<u>18,780,898.50</u>
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Increase in Unrestricted Net Assets	<u>44,363.01</u>
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Temporarily Restricted Net Assets

Grant Revenue - State	38,654.31
Fee Income	67,725.01
Contributions	21,358.36
Reimbursements	345.26
Other Income	289,675.23

Net Assets Released From Restrictions

Through Satisfaction of Program Restrictions	<u>(162,373.97)</u>
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Increase in Temporarily Restricted Net Assets	<u>216,729.89</u>
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Increase in Net Assets	<u>299,747.21</u>
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Net Assets - Beginning of the Year	<u>4,048,624.08</u>
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Net Assets - End of the Year	<u>\$ 4,348,371.29</u>
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The accompanying notes are an integral
part of the financial statements

Delta Area Economic Opportunity Corporation
Portageville, Missouri
Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2011

	Program Services						Supporting Activities				
	Early Childhood	Community Services	Weatherization Services	Energy Assistance	Family Planning	Emergency Services	Housing Services	Total Program Services	Management and General	Fundraising	Total Organization Services
Salaries & Wages	\$ 4,427,301.66	\$ 363,599.96	\$ 462,120.47	\$ 222,214.24	\$ 113,640.45	\$ 73,351.61	\$ 273,097.70	\$ 5,935,326.09	\$ 521,080.09	\$ 37,419.47	\$ 6,493,825.65
Fringe Benefits	1,589,589.12	149,851.28	222,030.76	82,072.60	43,379.18	24,726.99	115,930.56	2,227,580.49	198,947.82	14,286.71	2,440,815.02
Advertising	5,817.07	361.00	3,745.56	-	1,449.25	-	-	11,372.88	2,802.43	201.25	14,376.56
Board Expense	-	-	-	-	-	11.36	-	11.36	13,281.84	953.79	14,246.99
Building Acquisition & Renovation	5,533.29	1,541.72	-	2,774.51	-	-	23,305.38	33,154.90	758.53	54.47	33,967.90
Client Assistance & Program Costs	1,604,046.05	15,065.04	2,003,282.17	1,643,295.04	470.72	6,286.23	975,706.67	6,248,151.92	12,674.79	910.19	6,261,736.90
Computer Software	-	-	-	-	-	280.06	495.00	775.06	4,946.77	355.23	6,077.06
Contractual	95,391.57	19,419.16	11,006.88	4,283.03	50,796.92	524.10	102,226.31	283,647.97	29,419.07	2,112.62	315,179.66
Depreciation Expense	190,599.56	4,140.00	55,554.41	-	-	-	54,400.80	304,694.77	74,688.21	-	379,382.98
Dues & Subscriptions	5,123.10	850.16	-	-	-	25.00	-	5,998.26	10,650.80	764.85	17,413.91
Equipment	147,395.34	3,993.38	1,218.63	59.20	265.09	449.00	3,267.15	156,647.79	18,431.74	1,323.61	176,403.14
Insurance	52,832.36	20,166.93	3,106.71	191.44	-	-	18,327.32	94,624.76	7,422.07	532.99	102,579.82
Interest Expense	-	-	-	-	-	-	69,291.77	69,291.77	89,363.77	6,417.33	165,072.87
Materials	35.50	39.44	-	-	-	-	38.74	113.68	19,000.26	1,364.43	20,478.37
Postage	15,608.91	2,550.10	1,125.75	6,107.35	430.80	190.54	1,690.86	27,704.31	3,680.23	264.28	31,648.82
Printing & Publications	8,874.60	240.95	39.95	-	95.20	-	-	9,250.70	5,495.10	394.61	15,140.41
Professional Fees	40,384.16	4,030.90	4,497.82	4,428.27	525.61	-	22,080.36	75,947.12	74,542.53	5,353.00	155,842.65
Rent	141,251.04	28,052.37	-	-	7,758.33	-	384.30	177,446.04	-	-	177,446.04
Repairs & Maintenance	200,125.93	10,868.12	581.00	2,884.72	4,085.94	1,431.99	15,840.85	235,818.55	7,877.63	565.70	244,261.88
Supplies	559,156.00	15,896.36	1,753.58	4,089.32	12,127.80	1,209.00	27,779.32	622,011.38	40,175.98	2,885.09	665,072.45
Telephone	42,825.22	15,840.98	3,130.95	7,779.27	5,196.65	2,651.42	10,117.57	87,542.06	8,488.74	609.59	96,640.39
Training	89,011.11	2,097.92	26,896.80	-	275.00	157.80	2,862.51	121,301.14	5,898.03	423.55	127,622.72
College Classes	24,923.60	147.00	-	-	-	-	-	25,070.60	-	-	25,070.60
Travel	143,646.56	15,799.34	15,709.19	915.30	2,254.86	4,711.76	10,537.97	193,574.98	12,520.11	899.09	206,994.18
Utilities	166,197.81	21,609.82	1,612.88	2,559.51	2,504.09	5,502.43	20,210.32	220,196.86	8,680.89	623.39	229,501.14
Vehicle Expense	260,763.42	5,542.08	40,862.64	310.69	202.66	1,022.49	827.59	309,531.57	15,288.63	1,097.90	325,918.10
Miscellaneous Expense	109.95	50.00	-	25.00	128.33	-	13,166.16	13,479.44	23,047.76	1,655.09	38,182.29
Total Expenses	\$ 9,816,542.93	\$ 701,754.01	\$2,858,276.15	\$1,983,989.49	\$ 245,586.88	\$ 122,531.78	\$ 1,761,585.21	\$ 17,490,266.45	\$ 1,209,163.82	\$ 81,468.23	\$ 18,780,898.50

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, 2011

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 299,747.21
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities	
Depreciation Expense	379,382.98
(Increase) Decrease in Grant and Contracts Receivable	(364,133.91)
(Increase) Decrease in Prepaid Expense	(52,545.21)
(Increase) Decrease in Inventory	590,602.75
Increase (Decrease) in Accounts Payable	(41,510.70)
Increase (Decrease) in Accrued Annual Leave	(2,550.71)
Increase (Decrease) in Accrued Payroll Withholdings	173,933.23
Increase (Decrease) in Refundable Grant Advances	523,741.07
Increase (Decrease) in Accrued Interest	<u>(5,322.46)</u>

Net Cash Provided by (Used in) Operating Activities	<u>1,501,344.25</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Payments for Purchase of Capital Assets	(290,985.78)
Payments to USDA Debt Service Reserve	<u>(15,588.94)</u>

Net Cash Provided by (Used in) Investing Activities	<u>(306,574.72)</u>
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CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from Line of Credit	350,000.00
Principle Payments on Line of Credit	(350,000.00)
Proceeds from the Issuance of Long-Term Debt	57,800.00
Principal Payments on Long-Term Debt	(99,531.72)
Principal Payments on Capital Leases	<u>(31,125.06)</u>

Net Cash Provided by (Used in) Financing Activities	<u>(72,856.78)</u>
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Net Increase (Decrease) in Cash and Cash Equivalents	1,121,912.75
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Cash and Cash Equivalents, Beginning of the Year	<u>921,862.97</u>
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Cash and Cash Equivalents, End of the Year	<u><u>\$ 2,043,775.72</u></u>
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Supplemental Information:

Cash Paid for Interest	<u><u>\$ 178,144.04</u></u>
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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, 2011

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, 2011.

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 \$2,682,706.47, 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, 2011.

Income Taxes

The Organization is exempt from Federal income taxes under IRS Code Section 501(c)3. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

In-Kind Goods/Services

The Organization receives donated services as part of its Head Start program. In-kind contributions are shown both as support and expenditures in this program, and is recorded at the fair value of the goods or services at the time of donation. Amounts included are only those allowable under generally accepted accounting principles.

Allocated Costs

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

3. CONCENTRATION OF CREDIT RISK

At year-end, the Organization's carrying amount of deposits including the USDA restricted cash was \$2,136,621.94. The bank balance was held by three banks resulting in a concentration of credit risk. The bank balance was \$2,273,189.82. Of the bank balance, \$583,935.42 was covered by FDIC insurance, \$1,683,384.84 was collateralized by pledged securities held under joint custody receipts by a third-party bank in the Organization's name, and the balance of \$5,869.56 was unsecured at December 31, 2011.

4. GRANT AND CONTRACTS RECEIVABLE, NET

Grant and contracts receivable at December 31, 2011, consist of amounts due under the following programs, net of allowances for uncollectible amounts:

Community Services Block Grant	\$ 30,267.95
MHDC Home Repair Grant	80,960.70
Atmos Gas Utility Funds Grant	51.21
DOE/Weatherization Grant – ARRA	97,702.34
MO Housing Trust Fund	5,085.94
BRAVE – SSVF Grant	42,806.14
Family Planning = Show me Healthy Women	5,126.61
Family Planning – Title X	21,072.00
Family Planning – Program Income	2,179.78
Emergency Shelter Grant	16,006.70
ESG/HPRP Grant	90,764.35
HUD-SHP Transitional Housing Grant	26,205.77
HUD-SHP Permanent Housing Grant	30,036.00
USDA/CCFP Grant	91,108.25
Head Start Grant	855,228.15
Early Head Start Subsidy Program	<u>1,221.70</u>
	<u>\$ 1,395,823.59</u>

All grant and contracts receivable at December 31, 2011, are considered collectible. Accordingly, the allowance for uncollectibility is zero.

5. INVENTORY

Inventory consists of the following at December 31, 2011:

Weatherization Materials	\$ 44,867.19
Work in Progress	<u>454,524.39</u>
Total Inventories	<u>\$ 499,391.58</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, 2011:

	Balance 12/31/2010	Additions	Retirements	Balance 12/31/2011
AGENCY:				
Capital Assets				
Land	\$ 236,705.75	\$ -	\$ -	\$ 236,705.75
Work-In-Progress	-	210,190.41	-	210,190.41
Buildings and Improvements	4,142,830.83	27,275.00	-	4,170,105.83
Equipment	358,004.36	8,995.00	23,811.95	343,187.41
Vehicles	2,127,445.46	-	(144,638.00)	2,272,083.46
Vehicles under Capital Lease	144,638.00	-	144,638.00	-
Total Capital Assets	7,009,624.40	246,460.41	23,811.95	7,232,272.86
Accumulated Depreciation				
Buildings and Improvements	(422,060.92)	(107,068.14)	-	(529,129.06)
Equipment	(167,985.79)	(32,450.56)	(23,811.95)	(176,624.40)
Vehicles	(1,462,572.60)	(185,463.48)	92,671.97	(1,740,708.05)
Vehicles under Capital Lease	(92,671.97)	-	(92,671.97)	-
Total Accumulated Depreciation	(2,145,291.28)	(324,982.18)	(23,811.95)	(2,446,461.51)
Total Net Capital Assets	\$ 4,864,333.12	\$ (78,521.77)	\$ -	\$ 4,785,811.35
SCOTT CITY:				
Capital Assets				
Land	\$ 23,650.00	\$ -	\$ -	\$ 23,650.00
Buildings and Improvements	179,312.08	36,330.00	-	215,642.08
Equipment	48,337.16	-	-	48,337.16
Total Capital Assets	251,299.24	36,330.00	-	287,629.24
Accumulated Depreciation	(67,094.98)	(10,732.04)	-	(77,827.02)
Total Net Capital Assets	\$ 184,204.26	\$ 25,597.96	\$ -	\$ 209,802.22
ALLGEIER:				
Capital Assets				
Land	\$ 24,000.00	\$ -	\$ -	\$ 24,000.00
Buildings and Improvements	914,946.25	8,195.37	-	923,141.62
Equipment	100,484.53	-	-	100,484.53
Total Capital Assets	1,039,430.78	8,195.37	-	1,047,626.15
Accumulated Depreciation	(60,366.51)	(43,668.76)	-	(104,035.27)
Total Net Capital Assets	\$ 979,064.27	\$ (35,473.39)	\$ -	\$ 943,590.88
TOTALS:				
Capital Assets				
Land	\$ 284,355.75	\$ -	\$ -	\$ 284,355.75
Work-In-Progress	-	210,190.41	-	210,190.41
Buildings and Improvements	5,237,089.16	71,800.37	-	5,308,889.53
Equipment	506,826.05	8,995.00	23,811.95	492,009.10
Vehicles	2,127,445.46	-	(144,638.00)	2,272,083.46
Vehicles under Capital Lease	144,638.00	-	144,638.00	-
Total Capital Assets	8,300,354.42	290,985.78	23,811.95	8,567,528.25
Accumulated Depreciation	(2,272,752.77)	(379,382.98)	(23,811.95)	(2,628,323.80)
Total Net Capital Assets	\$ 6,027,601.65	\$ (88,397.20)	\$ -	\$ 5,939,204.45

7. REFUNDABLE GRANT ADVANCES

Refundable grant advances at December 31, 2011, consist of grant funds received in excess of expenditures in the following programs:

Bootheel Home Repair-AHP	\$ 29,180.50
ESG/HPRP – New Madrid	9,994.02
United Way FEMA Grant	8,745.36
Weatherization Payroll	167,546.67
LIHEAP/ECIP Grant	918,152.40
USDA/CACFP Grant	10,300.00
Head Start-USDA	19,438.20
Disaster Relief-MHDC	1,900.34
Shelter Plus Care Grant	13,904.54
	<u>\$ 1,179,162.03</u>

8. NOTES PAYABLE

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

The Organization signed an agreement dated May 27, 2004, with First State Bank and Trust Company, Inc. to assist in the building of the family planning center in Malden, Missouri, which requires 120 monthly consecutive principal and interest payments at \$681.65 each, beginning June 27, 2004, including interest at 4.750% through May 27, 2014. The note is secured by real property located in Malden, Missouri. The balance on this note at December 31, 2011 is: \$ 17,199.30

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, 2011, is: 253,135.83

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, 2011, is: 288,632.82

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, 2011, is: 688,012.04

8. NOTES PAYABLE (Continued)

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, 2011, is: \$ 189,315.55

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, 2011, is: 744,802.13

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, 2011, is: 42,045.27

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, 2011 is: 20,627.71

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, 2011 is: 236,081.50

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, 2011 is: 1,038,537.67

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, 2011 is: 9,632.19

8. **NOTES PAYABLE** (Continued)

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, 2011 is: \$ 8,793.96

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, 2011 is: 8,793.96

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, 2011 is: 8,354.17

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, 2011 is: 10,308.43

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, 2011 is: 10,552.66

Total Notes Payable \$ 3,574,825.19

The following is a summary of changes in notes payable for the year ended December 31, 2011:

	Principal December 31, 2010	Principal Received (Paid)	Principal December 31, 2011	Interest Paid
Obligations:				
Malden Building	\$ 25,470.60	\$ (8,271.30)	\$ 17,199.30	\$ 512.21
Sikeston Building	263,062.05	(9,926.22)	253,135.83	12,837.78
Sikeston Renovations	299,282.49	(10,649.67)	288,632.82	13,452.33
Kennett Renovations	712,390.88	(24,378.84)	688,012.04	31,023.16
Dexter Building	195,621.10	(6,305.55)	189,315.55	8,290.45
Caruthersville Building	767,485.83	(22,683.70)	744,802.13	31,742.30
Family Life Center	44,000.00	(1,954.73)	42,045.27	2,128.27
Scott City Building	237,941.81	(1,860.31)	236,081.50	4,647.17
Allgeier Manor	1,038,537.67	0.00	1,038,537.67	62,625.96
Vehicles	32,764.48	(12,136.77)	20,627.71	212.67

8. NOTES PAYABLE (Continued)

<u>Obligations:</u>	Principal December 31, 2010	Principal Received (Paid)	Principal December 31, 2011	Interest Paid
518 Cole Avenue	\$ 0.00	\$ 9,900.00		
		(267.81)	\$ 9,632.19	\$ 347.83
509 John R Boulevard	0.00	9,000.00		
		(206.04)	8,793.96	317.40
503 Cole Avenue	0.00	9,000.00		
		(206.04)	8,793.96	317.40
510 Cole Avenue	0.00	8,550.00		
		(195.83)	8,354.17	301.51
1344 Shelby Street	0.00	10,550.00		
		(241.57)	10,308.43	372.05
1304 McDougal Avenue	0.00	10,800.00		
		(247.34)	10,552.66	380.86
	<u>\$3,616,556.91</u>	<u>\$ (41,731.72)</u>	<u>\$ 3,574,825.19</u>	<u>\$ 169,509.35</u>

The schedule of maturities of notes payable is as follows:

<u>Year Ending December 31:</u>	<u>Amount</u>
2012	\$ 1,142,218.96
2013	105,037.36
2014	93,352.80
2015	96,244.99
2016	99,871.96
2017-2021	575,246.61
2022-2026	720,334.54
2027-2031	605,627.37
2032-2036	<u>136,890.60</u>
Total	<u>\$ 3,574,825.19</u>

9. OPERATING LEASES

As of December 31, 2011, 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, 2011, was \$155,406.38. Under the current lease agreements, the future minimum lease rentals are as follows:

2012	\$ 80,800.00
2013	49,600.00
2014	50,400.00
2015	50,400.00
2016	48,700.00
2017-2021	39,600.00
2022-2026	6,000.00
2027-2031	6,000.00

10. 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 ASE 710-10-50, as the amounts cannot be reasonably estimated at this time.

11. 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, 2011 was \$193,021.42.

12. 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	\$ 798.31
Municipal Light Donations	2,083.39
Ameren UE Pilot Project II	24.99
Atmos - Share the Warmth	22,439.44
Family Planning Donations	8,347.06
County Donations	15,581.84
Boothill Regional Anti Violence Experiment	254,252.01
UHC – JP Morgan Donations	<u>1,000.00</u>
Total Temporarily Restricted Net Assets	<u>\$ 304,527.04</u>

13. 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 07CH0974/46	Travel	\$ 4,242.30
	Supplies	23,478.89
	Space	49,411.00
	Non-professional Volunteers	<u>850,744.81</u>
	Total In-Kind	927,877.00
	Non-GAAP	<u>(850,744.81)</u>
	GAAP In-Kind	<u>\$ 77,132.19</u>
Early Head Start 07SA0974/02	Travel	\$ 21.15
	Supplies	1,176.63
	Non-professional Volunteers	<u>33,993.86</u>
	Total In-Kind	35,191.64
	Non-GAAP	<u>(33,993.86)</u>
	GAAP In-Kind	<u>\$ 1,197.78</u>

14. 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.

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.

15. 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.

16. 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.

17. SUBSEQUENT EVENTS

The Organization evaluated events and transactions occurring subsequent to December 31, 2011, through August 24, 2012, 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, 2011

	Early Childhood						Community Services				Weatherization	
	Head Start - Federal 810 93,600	Head Start - Start 810 93,600	Early Head Start ARRA - Federal 815 93,709	Head Start - USDA 820 10,558	USDA/CCFP 750 10,558	Head Start County Donations 840 N/A	CSBG 235 93,569	United Way - FEMA 290 97,024	County Donations 230 N/A	Weatherization 350 81,042	DOE 350 81,042	
Program:												
Fund:												
CFDA:												
Revenues												
Grant Revenue - Federal	\$ 7,703,412.74	\$ 24,755.63	\$ 914,680.25	\$ 551,760.54	\$ 1,270,205.04	\$ -	\$ 1,207,100.22	\$ 223.16	\$ -	\$ -	\$ 65,330.20	
Grant Revenue - State	147.63	-	-	-	-	-	-	-	-	-	-	
Program Fee Income	-	-	-	-	-	-	-	-	-	-	-	
Housing Rent	-	-	-	-	-	-	-	-	-	-	-	
Contributions	-	-	-	-	-	1,150.72	310.00	-	-	8,242.71	-	
Reimbursements	-	-	-	-	-	-	-	-	-	-	-	
Other Income	17,344.32	-	-	-	8.85	-	31,571.74	-	-	-	-	
Interest Income	-	-	-	-	-	-	-	-	-	-	-	
In-Kind Revenue	927,877.00	-	35,191.64	-	-	-	-	-	-	-	-	
Total Revenues	8,648,781.69	24,755.63	949,871.89	551,760.54	1,270,213.89	1,150.72	1,238,981.96	223.16	8,242.71	65,330.20		
Expenditures												
Salaries & Wages	3,846,880.38	-	398,347.59	106,244.27	75,829.42	-	363,599.96	-	-	-	10,825.72	
Salaries & Wages Non-Cash	850,744.81	-	33,993.86	-	-	-	-	-	-	-	-	
Fringe Benefits	1,395,206.75	-	154,059.37	15,411.74	24,911.26	-	149,851.28	-	-	-	5,641.32	
Administrative Allotment	-	-	-	-	-	-	(27,142.37)	-	-	-	-	
Advertising	3,721.10	-	1,668.44	427.53	-	-	361.00	-	-	-	-	
Board Expense	-	-	-	-	-	-	-	-	-	-	-	
Building Acquisition & Renovation	5,533.29	-	-	-	-	-	1,541.72	-	-	-	-	
Client Assistance & Program Costs	73,257.82	-	5,855.97	385,495.41	1,138,758.89	677.96	13,948.52	82.66	1,033.86	42,986.00	-	
Computer Software	-	-	-	-	1,516.68	-	-	-	-	-	-	
Contractual	73,612.17	-	1,373.84	18,888.88	-	-	18,932.05	-	487.11	-	-	
Depreciation Expense	-	-	-	-	-	-	-	-	-	-	-	
Dues & Subscriptions	5,123.10	-	-	-	-	-	850.16	-	-	-	-	
Equipment	61,154.30	24,755.63	69,571.82	304.89	603.70	-	3,993.38	-	-	119.07	-	
Indirect Cost	628,218.98	-	66,266.16	14,598.72	12,088.88	-	61,132.15	-	-	1,975.87	-	
Insurance	48,287.36	-	4,545.00	-	-	-	20,166.93	-	-	500.00	-	
Interest Expense	-	-	-	-	-	-	-	-	-	-	-	
Materials	35.50	-	-	-	-	-	39.44	-	-	-	-	
Postage	9,078.18	-	3,978.43	62.18	2,460.88	29.24	2,550.10	-	-	23.29	-	
Printing & Publications	5,359.60	-	1,515.00	188.00	1,812.00	-	240.95	-	-	-	-	
Professional Fees	33,620.81	-	4,997.86	896.13	869.36	-	3,926.67	90.50	13.73	530.18	-	
Rent	282,044.23	-	-	-	348.36	-	28,577.25	-	-	755.86	-	
Rent Non-Cash	49,411.00	-	-	-	-	-	-	-	-	-	-	
Repairs & Maintenance	185,431.90	-	25,847.75	-	346.28	-	10,868.12	-	-	-	-	
Supplies	432,577.22	-	94,571.18	5,988.59	1,363.49	-	15,896.36	-	-	43.47	-	
Supplies Non-Cash	23,478.89	-	1,176.63	-	-	-	-	-	-	-	-	
Telephone	39,263.59	-	2,069.70	394.59	1,097.34	-	15,840.98	-	-	168.39	-	
Training	50,914.80	-	37,739.31	192.00	165.00	-	2,097.92	-	-	-	-	
College Classes	24,923.60	-	-	-	-	-	147.00	-	-	-	-	
Transfers To/From	1,115.75	-	(4,641.65)	2,529.16	-	-	115,111.12	-	-	(589.81)	-	
Travel	104,386.40	-	28,040.47	138.45	6,817.79	-	15,799.34	-	-	1,972.47	-	
Travel Non-Cash	4,242.30	-	21.15	-	-	-	-	-	-	-	-	
Utilities	156,500.77	-	8,472.48	-	1,224.56	-	21,609.82	-	-	-	-	
Vehicle Expense	254,547.14	-	10,401.53	-	-	-	13,346.33	-	-	378.37	-	
Miscellaneous Expense	109.95	-	-	-	-	-	-	50.00	-	-	-	
Total Expenditures	8,648,781.69	24,755.63	949,871.89	551,760.54	1,270,213.89	707.20	853,286.18	223.16	1,534.70	65,330.20		
Total Revenues Over	-	-	-	-	-	443.52	385,695.78	-	6,708.01	-	-	
(Under) Expenditures	-	-	-	-	-	354.79	680,090.03	-	8,873.83	-	-	
Net Assets, 12/31/2010	-	-	-	-	-	798.31	\$ 1,065,785.81	-	\$ 15,581.84	\$ -	-	
Net Assets, 12/31/2011	-	-	-	-	-	-	-	-	-	-	-	

Delta Area Economic Opportunity Corporation
Portageville, Missouri
Combining Schedule of Activities
For the Year Ended December 31, 2011

Weatherization Services											Energy Assistance			
Program: Fund: CFDA:	DOE ARRA	DOE ARRA EMHI	Ameren UE	Ameren UE II	Ameren UE Pilot Project II	Atmos Gas Project- Weatherization	Weatherization Leased Employees	LiHEAP - Energy Assistance	Atmos-Share The Warmth	Municipal Light				
	352 81,042	353 81,042	360 N/A	366 N/A	236 N/A	325 N/A	345 N/A	425 93,568	450 N/A	451 N/A				
Revenues														
Grant Revenue - Federal	\$ 2,486,141.81	\$ 201,981.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,002,846.54	\$ -	\$ -				
Grant Revenue - State	-	-	14,770.00	43,024.00	-	40,855.21	-	-	-	-				
Program Fee Income	2,250.00	-	-	-	-	-	22,108.23	-	-	-				
Housing Rent	-	-	-	-	-	-	-	-	-	-				
Contributions	-	-	-	-	-	-	-	-	-	-				
Reimbursements	10,240.00	-	-	-	-	-	-	271.00	6,910.22	175.65				
Other Income	-	-	-	-	126.15	-	-	-	33,667.52	345.26				
Interest Income	-	-	-	-	-	-	-	-	-	-				
In-Kind Revenue	-	-	-	-	-	-	-	-	-	-				
Total Revenues	2,498,631.81	201,981.00	14,770.00	43,024.00	126.15	40,855.21	22,108.23	2,003,117.54	40,577.74	520.91				
Expenditures														
Salaries & Wages	382,029.12	38,974.27	2,937.31	6,615.45	-	6,457.06	14,281.54	222,214.24	-	-				
Salaries & Wages Non-Cash	-	-	-	-	-	-	-	-	-	-				
Fringe Benefits	185,209.85	17,860.47	1,532.43	3,594.14	-	3,206.46	4,986.09	82,072.60	-	-				
Administrative Allotment	-	-	-	-	-	-	-	-	-	-				
Advertising	3,680.42	13.22	-	40.29	-	11.63	-	-	-	-				
Board Expense	-	-	-	-	-	-	-	-	-	-				
Building Acquisition & Renovation	-	-	-	-	-	-	-	2,774.51	-	-				
Client Assistance & Program Costs	1,760,449.92	131,460.55	9,017.46	31,064.93	-	28,303.31	-	1,626,378.64	16,624.42	291.98				
Computer Software	-	-	-	-	-	-	-	-	-	-				
Contractual	9,732.41	810.08	50.37	122.65	101.16	190.21	-	2,775.56	1,507.47	-				
Depreciation Expense	-	-	-	-	-	-	-	-	-	-				
Dues & Subscriptions	-	-	-	-	-	-	-	-	-	-				
Equipment	1,084.69	56.23	0.24	(0.35)	-	(41.25)	-	59.20	-	-				
Indirect Cost	67,946.96	6,817.14	536.25	1,225.00	-	1,155.32	2,312.12	36,514.42	-	-				
Insurance	1,126.71	-	495.00	-	-	985.00	-	191.44	-	-				
Interest Expense	-	-	-	-	-	-	-	-	-	-				
Materials	-	-	-	-	-	-	-	-	-	-				
Postage	944.05	98.47	9.76	21.92	-	28.26	-	6,107.35	-	-				
Printing & Publications	39.27	-	-	0.68	-	-	-	-	-	-				
Professional Fees	3,633.08	154.20	45.83	0.18	-	134.35	-	4,421.86	6.41	-				
Rent	591.32	116.58	4.38	10.04	-	10.92	-	722.16	-	-				
Rent Non-Cash	-	-	-	-	-	-	-	-	-	-				
Repairs & Maintenance	565.32	11.18	0.51	2.47	-	1.52	-	2,884.72	-	-				
Supplies	1,352.32	324.87	20.76	51.58	-	(39.42)	-	4,089.32	-	-				
Supplies Non-Cash	-	-	-	-	-	-	-	-	-	-				
Telephone	2,654.88	172.37	25.11	54.66	-	55.54	-	7,779.27	-	-				
Training	26,896.80	-	-	-	-	-	-	-	-	-				
College Classes	-	-	-	-	-	-	-	-	-	-				
Transfers To/From	-	-	-	-	-	-	-	-	-	-				
Travel	10,619.68	2,585.12	0.73	0.96	-	1.75	528.48	915.30	-	-				
Travel Non-Cash	-	-	-	-	-	-	-	-	-	-				
Utilities	1,563.91	19.74	0.76	3.99	-	24.48	-	2,559.51	-	-				
Vehicle Expense	38,511.10	2,506.51	93.10	215.41	-	370.07	-	632.44	-	-				
Miscellaneous Expense	-	-	-	-	-	-	-	25.00	-	-				
Total Expenditures	2,498,631.81	201,981.00	14,770.00	43,024.00	101.16	40,855.21	22,108.23	2,003,117.54	18,138.30	291.98				
Total Revenues Over (Under) Expenditures	-	-	-	-	24.99	-	-	-	22,439.44	228.93				
Net Assets, 12/31/2010	-	-	-	-	-	-	-	-	-	-				
Net Assets, 12/31/2011	-	-	-	-	24.99	\$ -	\$ -	\$ -	\$ 22,439.44	\$ 2,083.39				

Delta Area Economic Opportunity Corporation

Portageville, Missouri

Combining Schedule of Activities

For the Year Ended December 31, 2011

	Family Planning			Emergency Services				Housing Services					
	Family Planning - Show Me Healthy Women	Family Planning - Title X	Family Planning - Program Income	Boothill Regional		Rental Assistance Program	Emergency Shelter Grant/HPRP	HUD SHP- Transitional Housing	HUD SHP- Permanent Housing	Housing Administration	Shelter Plus Care		
				Anti Violence Experiment	190								
Program:	510	530	540			245	710	715	716	250	270		
Fund:	93,283	93,217	N/A	N/A	N/A	10,427	14,231/14,257	14,235	14,235	10,446	14,238		
CFDA:													
Revenues													
Grant Revenue - Federal	\$ 51,427.80	\$ 133,576.32	\$ -	\$ -	-	\$ 9,048.97	\$ 212,270.68	\$ 102,806.82	\$ 102,425.03	\$ -	\$ -	\$ 102,418.14	
Grant Revenue - State	-	-	-	38,654.31	-	-	65,063.42	3,785.92	3,871.55	-	-	-	
Program Fee Income	-	-	34,151.67	33,573.34	-	-	-	-	-	-	-	-	
Housing Rent	-	-	-	-	-	-	1,155.00	-	-	-	-	-	
Contributions	-	-	4,879.06	-	-	-	-	-	-	-	-	-	
Reimbursements	-	-	-	-	-	-	-	-	-	-	-	-	
Other Income	-	-	-	-	-	-	225.00	-	-	-	-	-	
Interest Income	-	-	-	255,881.56	-	-	-	-	-	-	-	-	
In-Kind Revenue	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenues	51,427.80	133,576.32	39,030.73	328,109.21		9,048.97	278,714.10	106,592.74	106,296.58	-	-	102,418.14	
Expenditures													
Salaries & Wages	-	98,342.77	15,297.68	73,351.61	-	-	162,251.03	34,081.69	28,550.06	42,290.03	-	-	
Salaries & Wages Non-Cash	-	-	-	-	-	-	-	-	-	-	-	-	
Fringe Benefits	-	38,227.42	5,151.76	24,726.99	-	-	72,769.28	14,143.17	12,530.16	14,273.12	-	-	
Administrative Allotment	-	-	-	-	-	1,165.34	12,955.32	3,912.17	3,052.54	(51,556.20)	6,057.00	-	
Advertising	-	-	1,449.25	-	-	-	-	-	-	-	-	-	
Board Expense	-	-	-	11.36	-	-	-	-	-	-	-	-	
Building Acquisition & Renovation	-	-	-	-	-	-	19,841.32	-	-	-	-	-	
Client Assistance & Program Costs	-	-	470.72	6,286.23	-	11,754.00	122,471.63	52,988.12	57,973.66	-	96,164.00	-	
Computer Software	-	-	-	280.06	-	-	-	-	-	495.00	-	-	
Contractual	16,637.31	32,377.59	1,782.02	524.10	-	-	1,732.87	-	-	13,288.22	-	-	
Depreciation Expense	-	-	-	-	-	-	-	-	-	-	-	-	
Dues & Subscriptions	-	-	-	25.00	-	-	-	-	-	-	-	-	
Equipment	-	-	265.09	449.00	-	-	2,560.00	-	-	24.80	-	-	
Indirect Cost	-	16,388.42	2,449.58	11,762.95	-	-	28,202.44	5,786.98	4,929.63	6,787.58	-	-	
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	
Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-	
Materials	-	-	-	-	-	-	38.74	-	-	-	-	-	
Postage	-	58.84	371.96	190.54	-	-	882.87	-	-	715.92	-	-	
Printing & Publications	-	-	95.20	-	-	-	-	-	-	-	-	-	
Professional Fees	-	-	525.61	-	-	40.56	344.61	140.83	111.46	1,160.34	137.75	-	
Rent	-	-	19,758.33	-	-	-	384.30	-	-	235.92	-	-	
Rent Non-Cash	-	-	-	-	-	-	-	-	-	-	-	-	
Repairs & Maintenance	-	72.00	4,013.94	1,431.99	-	-	7,142.80	-	-	266.28	-	-	
Supplies	-	8,005.22	4,122.58	1,209.00	-	-	8,597.44	510.71	-	704.66	59.39	-	
Supplies Non-Cash	-	-	-	-	-	-	-	-	-	-	-	-	
Telephone	-	286.34	4,910.31	2,651.42	-	-	6,354.44	270.00	120.00	995.43	-	-	
Training	-	-	275.00	157.80	-	-	-	-	-	199.00	-	-	
College Classes	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers To/From	34,790.49	(28,792.39)	660.54	(62,370.28)	-	(3,910.93)	(178,385.86)	(7,652.49)	(3,690.73)	(31,647.64)	-	-	
Travel	-	847.76	1,407.10	4,711.76	-	-	4,845.63	2,411.56	2,719.80	559.42	-	-	
Travel Non-Cash	-	-	-	-	-	-	-	-	-	-	-	-	
Utilities	-	-	2,504.09	5,502.43	-	-	4,348.25	-	-	784.42	-	-	
Vehicle Expense	-	-	780.41	2,955.24	-	-	1,350.29	-	-	423.70	-	-	
Miscellaneous Expense	-	-	128.33	-	-	-	26.70	-	-	-	-	-	
Total Expenditures	51,427.80	165,813.97	66,419.50	73,857.20		9,048.97	278,714.10	106,592.74	106,296.58	-	-	102,418.14	
Total Revenues Over	-	(32,237.65)	(27,388.77)	254,252.01		-	-	-	-	-	-	-	
(Under) Expenditures	-	-	35,735.83	-		-	-	-	-	-	-	-	
Net Assets, 12/31/2010	-	-	-	-		-	-	-	-	-	-	-	
Net Assets, 12/31/2011	\$ -	(32,237.65)	\$ 8,347.06	\$ 254,252.01		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

Delta Area Economic Opportunity Corporation
Portageville, Missouri
Combining Schedule of Activities
For the Year Ended December 31, 2011

Program: Fund: CFDA:	Housing Services										Management	
	Housing Services										Management	
	MHDC - Home Repair 285 14,239	Bootheel Home Repair-Affordable Housing Program 255 N/A	Housing Unrestricted Funds 251 N/A	Missouri Housing Trust Fund Disaster Relief 370 N/A	MHDC - Disaster Relief 705 N/A	Housing Management 252 N/A	UHC-JP Morgan 910 N/A	Caruthersville Project 901 N/A	Eagles Landing 920 N/A	Agency Funds 120 N/A		
Revenues												
Grant Revenue - Federal	\$ 449,664.20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Grant Revenue - State	-	235,819.50	24,941.00	5,085.94	18,099.66	-	-	-	-	-		
Program Fee Income	-	-	80,302.57	-	-	-	-	-	-	-		
Housing Rent	-	-	-	-	-	-	-	-	-	-		
Contributions	-	-	-	-	150.00	-	-	-	-	-		
Reimbursements	-	-	-	-	-	-	-	-	-	-		
Other Income	-	-	-	-	-	-	-	-	-	-		
Interest Income	-	-	-	-	-	-	-	-	-	-		
In-Kind Revenue	-	-	-	-	-	-	-	-	-	-		
Total Revenues	449,664.20	235,819.50	105,243.57	5,085.94	18,249.66	-	-	-	-	-		
Expenditures												
Salaries & Wages	-	-	2,492.50	3,432.39	-	-	-	-	-	-		
Salaries & Wages Non-Cash	-	-	-	-	-	-	-	-	-	-		
Fringe Benefits	-	-	1,152.36	1,062.47	-	-	-	-	-	-		
Administrative Allotment	38,956.20	12,600.00	-	-	-	-	-	-	-	-		
Advertising	-	-	-	-	-	-	-	-	-	-		
Board Expense	-	-	-	-	-	-	-	-	-	-		
Building Acquisition & Renovation	-	-	3,464.06	-	-	-	-	-	-	-		
Client Assistance & Program Costs	392,378.00	223,219.50	739.66	-	18,018.10	-	-	-	-	-		
Computer Software	-	-	-	-	-	-	-	-	-	-		
Contractual	-	-	62.57	-	-	-	-	-	-	-		
Depreciation Expense	-	-	-	-	-	-	-	-	-	-		
Dues & Subscriptions	-	-	-	-	-	-	-	-	-	-		
Equipment	-	-	4.26	-	-	-	-	-	-	-		
Indirect Cost	-	-	437.14	539.38	-	-	-	-	-	-		
Insurance	-	-	-	-	-	-	-	-	-	-		
Interest Expense	-	-	-	-	-	2,037.05	-	-	3,204.60	3,643.08		
Materials	-	-	-	-	-	-	-	-	-	95,781.10		
Postage	-	-	-	-	-	8.92	-	-	-	20,201.09		
Printing & Publications	-	-	31.45	51.70	-	-	-	-	-	-		
Professional Fees	18,330.00	-	1,539.81	-	-	-	-	-	75.00	14,528.77		
Rent	-	-	9.34	-	-	-	-	-	-	-		
Rent Non-Cash	-	-	-	-	-	-	-	-	-	-		
Repairs & Maintenance	-	-	0.37	-	-	-	-	-	-	907.84		
Supplies	-	-	25.83	-	221.56	-	-	-	-	2,371.08		
Supplies Non-Cash	-	-	-	-	-	-	-	-	-	-		
Telephone	-	-	12.92	-	-	-	-	-	-	100.00		
Training	-	-	-	-	-	-	-	-	-	-		
College Classes	-	-	-	-	-	-	-	-	-	-		
Transfers To/From	-	-	37,564.52	-	-	(2,047.47)	-	-	(3,279.60)	145,526.39		
Travel	-	-	1.56	-	-	-	-	-	-	36.90		
Travel Non-Cash	-	-	-	-	-	-	-	-	-	-		
Utilities	-	-	0.59	-	-	-	-	-	-	1,054.37		
Vehicle Expense	-	-	45.43	-	-	-	-	-	-	11,834.37		
Miscellaneous Expense	-	-	-	-	10.00	-	-	-	-	15,987.51		
Total Expenditures	449,664.20	235,819.50	47,584.37	5,085.94	18,249.66	-	-	-	-	679,212.91		
Total Revenues Over (Under) Expenditures	-	-	57,659.20	-	-	-	-	-	-	(354,353.11)		
Net Assets, 12/31/2010	-	-	737,677.48	-	-	-	1,000.00	9,941.72	-	2,625,437.95		
Net Assets, 12/31/2011	\$ -	\$ -	\$ 795,336.68	\$ -	\$ -	\$ -	\$ 1,000.00	\$ 9,941.72	\$ -	\$ 2,271,084.84		

Delta Area Economic Opportunity Corporation
Portageville, Missouri
Combining Schedule of Activities
For the Year Ended December 31, 2011

	Management		Housing Services					Elimination Entries	Organization Wide Total	
	Program: Fund: CFDA:	Indirect Costs 130 N/A	Organization Wide Sub-Total		Scott City Apartments, LLC		Allgeier Manor, LLC			
			256 N/A	253 N/A	256 N/A	253 N/A				
Revenues										
Grant Revenue - Federal	\$	-	\$17,592,075.09	\$	-	\$	-	-	\$17,592,075.09	
Grant Revenue - State		-	494,118.14		-		-	-	494,118.14	
Program Fee Income		-	172,385.81		-		-	-	172,385.81	
Housing Rent		-	-		50,536.42		209,473.99	-	260,010.41	
Contributions		-	93,950.97		-		-	(20,495.00)	73,455.97	
Reimbursements		1,006,838.46	1,266,865.48		-		-	(1,203,851.44)	63,014.04	
Other Income		-	341,904.06		-		3,554.92	-	345,458.98	
Interest Income		-	1,632.51		148.40		16.39	-	1,797.30	
In-Kind Revenue		-	963,068.64		-		-	(884,738.67)	78,329.97	
Total Revenues		1,006,838.46	20,926,000.70		50,684.82		213,045.30	(2,109,085.11)	19,080,645.71	
Expenditures										
Salaries & Wages		546,596.49	6,493,825.65		-		-	-	6,493,825.65	
Salaries & Wages Non-Cash		-	884,738.67		-		-	(884,738.67)	-	
Fringe Benefits		192,648.91	2,440,815.02		-		-	-	2,440,815.02	
Administrative Allotment		-	-		-		-	-	-	
Advertising		3,003.68	14,376.56		-		-	-	14,376.56	
Board Expense		14,235.63	14,246.99		-		-	-	14,246.99	
Building Acquisition & Renovation		813.00	33,967.90		-		-	-	33,967.90	
Client Assistance & Program Costs		7,205.47	6,261,736.90		-		-	-	6,261,736.90	
Computer Software		5,302.00	6,077.06		-		-	-	6,077.06	
Contractual		30,520.31	228,037.01		17,578.08		69,564.57	-	315,179.66	
Depreciation Expense		-	324,982.18		10,732.04		43,668.76	-	379,382.98	
Dues & Subscriptions		11,177.73	17,413.91		-		-	-	17,413.91	
Equipment		17,614.62	184,720.05		678.09		-	(8,995.00)	176,403.14	
Indirect Cost		-	978,072.07		-		-	(978,072.07)	-	
Insurance		4,311.98	87,457.10		2,688.00		12,434.72	-	102,579.82	
Interest Expense		-	97,818.15		4,628.76		62,625.96	-	165,072.87	
Materials		163.60	20,478.37		-		-	-	20,478.37	
Postage		3,944.51	31,648.82		-		-	-	31,648.82	
Printing & Publications		5,889.71	15,140.41		-		-	-	15,140.41	
Professional Fees		65,366.76	155,642.65		-		200.00	-	155,842.65	
Rent		2,491.92	336,060.91		-		-	(208,025.87)	128,035.04	
Rent Non-Cash		-	49,411.00		-		-	-	49,411.00	
Repairs & Maintenance		7,535.49	247,330.48		2,883.73		5,547.67	(11,500.00)	244,261.88	
Supplies		40,689.99	622,757.20		427.40		17,232.33	-	640,416.93	
Supplies Non-Cash		-	24,655.52		-		-	-	24,655.52	
Telephone		8,998.33	94,275.61		980.61		1,384.17	-	96,640.39	
Training		6,321.58	124,959.21		201.31		2,462.20	-	127,622.72	
College Classes		-	25,070.60		-		-	-	25,070.60	
Transfers To/From		(10,289.12)	-		-		-	-	-	
Travel		13,382.30	202,730.73		-		-	-	202,730.73	
Travel Non-Cash		-	4,263.45		-		-	-	4,263.45	
Utilities		8,249.91	214,424.08		2,761.63		12,315.43	-	229,501.14	
Vehicle Expense		5,280.16	343,671.60		-		-	(17,753.50)	325,918.10	
Miscellaneous Expense		8,715.34	25,054.33		-		13,127.96	-	38,182.29	
Total Expenditures		1,000,170.30	20,605,860.19		43,559.65		240,563.77	(2,109,085.11)	18,780,898.50	
Total Revenues Over (Under) Expenditures										
		6,668.16	320,140.51		7,125.17		(27,518.47)	-	299,747.21	
Net Assets, 12/31/2010		(6,668.16)	4,094,297.93		23,760.32		(69,434.17)	-	4,048,624.08	
Net Assets, 12/31/2011	\$	-	\$ 4,414,438.44	\$	30,885.49	\$	(96,952.64)	\$	\$ 4,348,371.29	

Delta Area Economic Opportunity Corporation

Portageville, Missouri

COMMUNITY SERVICES BLOCK GRANT PROGRAM

GRANT NO. CSBG 04

For the Program Period October 1, 2010 to September 30, 2011

Schedule of Revenue and Expenses Compared with Budget

	10/01/2010 to 12/31/2010	01/01/2011 to 09/30/2011	Total Grant
Beginning CSBG Residual Receipts			\$ 953,709.49
Revenue			
Grant Revenue-CSBG	\$ 185,100.00	\$ 1,124,527.00	1,309,627.00
Contributions	3,909.00	150.00	4,059.00
Other Income	5,612.00	33,029.79	38,641.79
Total Revenue	194,621.00	1,157,706.79	1,352,327.79
Expenditures			
Personnel	361,265.54	448,855.76	810,121.30
Contract Services	5,263.08	21,685.51	26,948.59
Travel	16,155.45	26,376.77	42,532.22
Payment to/for Participants	2,861.64	-	2,861.64
Occupancy	26,311.73	52,685.83	78,997.56
Other Expenses	10,580.46	116,724.33	127,304.79
Indirect Cost	45,307.60	51,299.46	96,607.06
Subtotal of Operating Expense	467,745.50	717,627.66	1,185,373.16
Leveraging - HUD Operational Exp	812.18	16,191.22	17,003.40
Leveraging - MHTF	-	33,715.15	33,715.15
Leveraging - Family Planning	-	(6,658.64)	(6,658.64)
Leveraging - Emergency Shelter Grant	-	(0.81)	(0.81)
Total Expenditures	468,557.68	760,874.58	1,229,432.26
Revenue over(under) Expense	\$ (273,936.68)	\$ 396,832.21	122,895.53
Ending CSBG Residuals			\$ 1,076,605.02

Strategy	Contract Amount	Units Provided	Revenue by Strategy
Community Coordination/Resource Development			
Higher Ground	\$ 50,000.00	4 units / \$12,500	\$ 50,000
CEC - Stoddard	16,000.00	4 units/\$4,000	16,000
CEC - Scott	16,000.00	4 units/\$4,000	16,000
CEC - Mississippi	16,000.00	4 units/\$4,000	16,000
CEC - New Madrid	16,000.00	4 units/\$4,000	16,000
CEC - Pemiscot/Dunklin	16,000.00	4 units/\$4,000	16,000
Volunteer / Mentor Dev.	80,000.00	4 units/\$20,000	80,000
Community Service Train.	80,000.00	4 units/\$20,000	80,000
Employment Readiness	80,000.00	4 units/\$20,000	80,000
Step Up To Leadership - Pemiscot	36,000.00	4 units/\$9,000	36,000
Step Up To Leadership - Dunklin	36,000.00	4 units/\$9,000	36,000
Family Development			
A#2 Supp			
Intake Assesment Referral		11875 units/\$28	332,500
Resource Distribution		1436 units/\$25	35,900
Family Support		3891 units/\$28	108,948
Targeted Coaching		2214 units/\$14	30,996
Life Skills		2137 units/\$25	53,425
Making the Grade		1581 units/\$50	79,050
Tax Preparation		773 units/\$50	38,650
Back to School Fair		6942 units/\$35	242,970
Less Potential Limitation			(54,812)
			\$ 1,309,627

Delta Area Economic Opportunity Corporation

Portageville, Missouri

HEAD START PROGRAM

GRANT NO. 07CH0974/46

For the Program Year Ended December 31, 2011

Schedule of Revenue and Expenses Compared with Budget

	BUDGET	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)
REVENUE			
Grant Revenue - Head Start	\$ 8,033,639.00	\$ 7,703,412.94	\$ (330,226.06)
Grantee's In-Kind Contributions	927,877.00	927,877.00	-
Program Income	-	17,491.95	17,491.95
TOTAL REVENUE	8,961,516.00	8,648,781.89	(312,734.11)
EXPENSES			
Direct Costs			
Personnel	4,343,426.00	3,846,880.38	496,545.62
Fringe Benefits	1,710,519.00	1,395,206.75	315,312.25
Travel	20,205.00	104,386.40	(84,181.40)
Equipment	33,440.00	85,909.93	(52,469.93)
Supplies	161,033.00	447,015.00	(285,982.00)
Contractual	65,076.00	107,232.98	(42,156.98)
Other	974,234.00	1,106,054.47	(131,820.47)
Indirect Costs	725,706.00	628,218.98	97,487.02
Total Expenses	8,033,639.00	7,720,904.89	312,734.11
Grantee's In-Kind Expenses			
Personnel and Supplies	927,877.00	927,877.00	-
TOTAL EXPENSES	8,961,516.00	8,648,781.89	312,734.11
REVENUE OVER (UNDER) EXPENSES	\$ -	\$ -	\$ -

Delta Area Economic Opportunity Corporation

Portageville, Missouri

HEAD START PROGRAM

GRANT NO. 07CH0974/46

For the Program Year Ended December 31, 2011

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	\$ 330,226.00
Adjustments:	
Program income incorrectly reported	<u>-</u>
Balance of Grant Funds Not Received to Carryover to Program Year Ending December 31, 2012	<u><u>\$ 330,226.00</u></u>

Delta Area Economic Opportunity Corporation**Grant No. G-11-7-0002-4-02****RECONCILIATION OF REVENUES AND EXPENSES****FOR THE PERIOD OF November 1, 2010 to October 31, 2011**

<u>ENERGY CENTER</u>		<u>SUBGRANTEE</u>	
Beginning Fund Balance	0	Beginning Fund Balance	0
Revenue		Revenue	
Grant Income	55,622	Grant Income	55,622
Carry Over Funds	0	Carry Over Funds	0
Program Income	0	Program Income	0
Total Revenue	55,622	Total Revenue	55,622
Expenditures		Expenditures	
Administration	1,698	Administration	1,698
Program Operations	53,912	Program Operations	53,912
Insurance	12	Insurance	12
T&TA	0	T&TA	0
Leveraging	0	Leveraging	0
Financial Audit	0	Financial Audit	0
Total Expenditures	55,622	Total Expenditures	55,622
Ending Fund Balance	0	Ending Fund Balance	0

Delta Area Economic Opportunity Corporation**Grant No. G-11-7-0002-4-02****BEGINNING AGENCY FUND BALANCE**

(CARRY-OVER)	(As of November 1)	\$	0
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GRANT REVENUE

(Funds received November 1 through October 31)	\$	55,622
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PROGRAM INCOME	\$	0
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LESS EXPENDITURES

(November 1 through October 31)	\$	55,622
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AGENCY ENDING FUND BALANCE	\$	0
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Ending Cash on Hand	\$	0
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Ending Inventory	\$	0
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Delta Area Economic Opportunity Corporation**Grant No. G-11-7-0003-4-02****RECONCILIATION OF REVENUES AND EXPENSES****FOR THE PERIOD OF November 1, 2010 to October 31, 2011**

<u>ENERGY CENTER</u>		<u>SUBGRANTEE</u>	
Beginning Fund Balance	0	Beginning Fund Balance	0
Revenue		Revenue	
Grant Income	18,116	Grant Income	18,116
Carry Over Funds	0	Carry Over Funds	0
Program Income	0	Program Income	0
Total Revenue	18,116	Total Revenue	18,116
Expenditures		Expenditures	
Administration	611	Administration	611
Program Operations	17,500	Program Operations	17,500
Insurance	5	Insurance	5
T&TA	0	T&TA	0
Leveraging	0	Leveraging	0
Financial Audit	0	Financial Audit	0
Total Expenditures	18,116	Total Expenditures	18,116
Ending Fund Balance	0	Ending Fund Balance	0

Delta Area Economic Opportunity Corporation**Grant No. G-11-7-0003-4-02****BEGINNING AGENCY FUND BALANCE**

(CARRY-OVER)	(As of November 1)	\$	0
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GRANT REVENUE

(Funds received November 1 through October 31)	\$	18,116
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PROGRAM INCOME	\$	0
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LESS EXPENDITURES

(November 1 through October 31)	\$	18,116
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AGENCY ENDING FUND BALANCE	\$	0
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Ending Cash on Hand	\$	0
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Ending Inventory	\$	0
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Delta Area Economic Opportunity Corporation

Grant No. G-11-6-0387-4-02

RECONCILIATION OF REVENUES AND EXPENSES

FOR THE PERIOD OF November 01, 2010 to October 31, 2011

<u>ENERGY CENTER</u>		<u>SUBGRANTEE</u>	
Beginning Fund Balance	0	Beginning Fund Balance	0
Revenue		Revenue	
Grant Income	57,664	Grant Income	57,664
Carry Over Funds	0	Carry Over Funds	0
Program Income	0	Program Income	0
Total Revenue	57,664	Total Revenue	57,664
Expenditures		Expenditures	
Administration	1,900	Administration	1,900
Program Operations	54,764	Program Operations	54,764
Insurance	1,000	Insurance	1,000
T&TA	0	T&TA	0
Leveraging	0	Leveraging	0
Financial Audit	0	Financial Audit	0
Total Expenditures	57,664	Total Expenditures	57,664
Ending Fund Balance	0	Ending Fund Balance	0

Delta Area Economic Opportunity Corporation

Grant No. G-11-6-0387-4-02

BEGINNING AGENCY FUND BALANCE

(CARRY-OVER)	(As of November 1)	\$	0
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GRANT REVENUE

(Funds received November 1 through October 31)	\$	57,664
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PROGRAM INCOME	\$	0
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LESS EXPENDITURES

(November 1 through October 31)	\$	57,664
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AGENCY ENDING FUND BALANCE	\$	0
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Ending Cash on Hand	\$	0
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Ending Inventory	\$	0
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Delta Area Economic Opportunity Corporation**Grant No. G-09-EE00195-02****RECONCILIATION OF REVENUES AND EXPENSES****FOR THE PERIOD OF July 1, 2009 to June 30, 2011****ENERGY CENTER****SUBGRANTEE**

Beginning Fund Balance	0	Beginning Fund Balance	0
Revenue		Revenue	
Grant Income	637,757	Grant Income	637,757
Carry Over Funds	0	Carry Over Funds	0
Program Income	0	Program Income	0
Total Revenue	637,757	Total Revenue	637,757
Expenditures		Expenditures	
Administration	27,562	Administration	27,562
Program Operations	563,277	Program Operations	563,277
Insurance	10,343	Insurance	10,343
T&TA	22,500	T&TA	22,500
Leveraging	14,075	Leveraging	14,075
Financial Audit	0	Financial Audit	0
Total Expenditures	637,757	Total Expenditures	637,757
Ending Fund Balance	0	Ending Fund Balance	0

Delta Area Economic Opportunity Corporation**Grant No. G-09-EE00195-02****BEGINNING AGENCY FUND BALANCE**

(CARRY-OVER)	(As of July 1)	\$	0
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GRANT REVENUE

(Funds received July 1 through June 30)	\$	637,757
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PROGRAM INCOME	\$	0
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LESS EXPENDITURES

(July 1 through June 30)	\$	637,757
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AGENCY ENDING FUND BALANCE	\$	0
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Ending Cash on Hand	\$	0
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Ending Inventory	\$	0
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Delta Area Economic Opportunity Corporation**Grant No. G-09-EE00151-02****RECONCILIATION OF REVENUES AND EXPENSES****FOR THE PERIOD OF April 01, 2009 to December 31, 2011**

<u>ENERGY CENTER</u>		<u>SUBGRANTEE</u>	
Beginning Fund Balance	0	Beginning Fund Balance	0
Revenue		Revenue	
Grant Income	5,159,182	Grant Income	5,160,136
Carry Over Funds	0	Carry Over Funds	0
Program Income	0	Program Income	0
Total Revenue	5,159,182	Total Revenue	5,160,136
Expenditures		Expenditures	
Administration	211,032	Administration	211,032
Program Operations	4,765,743	Program Operations	4,764,089
Insurance	5,985	Insurance	5,985
T&TA	95,387	T&TA	95,140
Leveraging	79,137	Leveraging	81,992
Financial Audit	1,898	Financial Audit	1,898
Total Expenditures	5,159,182	Total Expenditures	5,160,136
Ending Fund Balance	0	Ending Fund Balance	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**Grant No. G-09-EE00151-02****BEGINNING AGENCY FUND BALANCE**

(CARRY-OVER)	(As of April 1)	\$	0
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GRANT REVENUE

(Funds received April 1 through December 31)	\$	5,159,182
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PROGRAM INCOME	\$	0
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LESS EXPENDITURES

(April 1 through December 31)	\$	5,159,182
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AGENCY ENDING FUND BALANCE	\$	0
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Ending Cash on Hand	\$	0
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Ending Inventory	\$	0
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Delta Area Economic Opportunity Corporation**Grant No. G-09-EE00151A-02****RECONCILIATION OF REVENUES AND EXPENSES****FOR THE PERIOD OF June 1, 2010 to December 31, 2011****ENERGY CENTER****SUBGRANTEE**

Beginning Fund Balance	0	Beginning Fund Balance	0
Revenue		Revenue	
Grant Income	300,000	Grant Income	300,000
Carry Over Funds	0	Carry Over Funds	0
Program Income	0	Program Income	0
Total Revenue	300,000	Total Revenue	300,000
Expenditures		Expenditures	
Administration	9,280	Administration	9,280
Program Operations	288,155	Program Operations	288,155
Insurance	0	Insurance	0
T&TA	2,565	T&TA	2,565
Leveraging	0	Leveraging	0
Financial Audit	0	Financial Audit	0
Total Expenditures	300,000	Total Expenditures	300,000
Ending Fund Balance	0	Ending Fund Balance	0

Delta Area Economic Opportunity Corporation

Grant No. G-09-EE00151A-02

BEGINNING AGENCY FUND BALANCE

(CARRY-OVER)	(As of June 1)	\$	0
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GRANT REVENUE

(Funds received June 1 through December 31)	\$	300,000
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PROGRAM INCOME	\$	0
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LESS EXPENDITURES

(June 1 through December 31)	\$	300,000
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AGENCY ENDING FUND BALANCE	\$	0
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Ending Cash on Hand	\$	0
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Ending Inventory	\$	0
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Delta Area Economic Opportunity Corporation
Portageville, Missouri
Low Income Home Energy Assistance Program
Schedule of Revenue and Expenses
For the Program Period October 1, 2010 - September 30, 2011

	Budget Amount	Total Grant
Revenue		
Grant Revenue - LIHEAP		
Special Start-up	\$ 317,625.00	\$ 317,625.00
Current (initial + amendments)	1,813,722.28	1,813,722.28
Interest	-	-
Other	-	-
Total Revenue	<u>2,131,347.28</u>	<u>2,131,347.28</u>
Expenditures		
Administrative/Program Services		
Personnel	289,561.00	264,618.41
Travel/Training	2,000.00	2,486.67
Rent/Fuel/Utilities	6,400.00	5,877.34
Equipment	2,000.00	-
Supplies	5,000.00	6,185.22
Communication Services	5,000.00	7,611.21
Repair & Maintenance	1,400.00	2,837.49
Other	24,700.00	37,984.88
Total Administrative/Program Services	<u>336,061.00</u>	<u>327,601.22</u>
ECIP Direct Services		
Winter	1,279,988.14	1,279,268.00
Summer	503,198.14	501,059.00
Total ECIP Direct Services	<u>1,783,186.28</u>	<u>1,780,327.00</u>
Outreach & Education		
Weatherization Kits	12,100.00	7,583.75
Education Seminar	-	1,487.50
Weatherization Kits	-	-
Total Outreach & Education	<u>12,100.00</u>	<u>9,071.25</u>
Total Expenditures	<u>2,131,347.28</u>	<u>2,116,999.47</u>
Revenue over (under) Expenditures	-	14,347.81
Ending Program Balance	<u>\$ -</u>	<u>\$ 14,347.81</u>

FEDERAL COMPLIANCE SECTION

Delta Area Economic Opportunity Corporation
Portageville, Missouri
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2011

Federal Grantor/Pass-Through Grantor/Program Title		Pass - Through Identifying Number	CFDA #	Federal Expenditures
<u>U.S. Department of Homeland Security</u>				
Direct Programs:				
Emergency Food and Shelter Program - New Madrid County		12/31/2011	N/A	\$ 223.16
Total U.S. Department of Homeland Security			97.024	<u>223.16</u>
<u>U.S. Department of Health and Human Services</u>				
Direct Programs:				
Head Start Cluster				
Head Start		12/31/2011	N/A	7,703,412.74
Passed Through:				
National Center for Physical Development and Outdoor Play				
Head Start Body Start Play Space		12/31/2011	CE33	4,802.85
Head Start Body Start Play Space		12/31/2011	D032	4,954.18
Head Start Body Start Play Space		12/31/2011	DE44	4,999.00
Head Start Body Start Play Space		12/31/2011	C049	4,999.60
Head Start Body Start Play Space		12/31/2011	D198	5,000.00
			TOTAL 93.600	<u>7,728,168.37</u>
Early Head Start - ARRA		9/30/2011	N/A	<u>914,680.25</u>
			Total Head Start Cluster (M)	<u>8,642,848.62</u>
Passed Through:				
State of Missouri Department of Social Services - Family Support Division				
Low-Income Home Energy Assistance Program (ECIP)		9/30/2011	FFY11 LIHEAP	1,439,104.23
Low-Income Home Energy Assistance Program (ECIP)		9/30/2012	FFY12 LIHEAP	563,742.31
			TOTAL 93.568 (M)	<u>2,002,846.54</u>
State of Missouri Department of Social Services - Family Support Division				
Community Services Block Grant		9/30/2011	CSBG-03	1,124,527.00
Community Services Block Grant		9/30/2012	CSBG-03	82,573.22
			TOTAL 93.569 (M)	<u>1,207,100.22</u>
State of Missouri Department of Health and Senior Services				
Breast and Cervical Cancer Early Detection Program		6/29/2011	ERS161-09054	40,210.78
Breast and Cervical Cancer Early Detection Program		6/29/2012	ERS161-12061	11,217.02
			TOTAL 93.283	<u>51,427.80</u>
Missouri Family Health Council, Inc.				
Title X Family Planning		3/30/2011	2011 Title X	42,836.31
Title X Family Planning		9/30/2011	2012 Title X	63,216.00
Title X Family Planning		3/30/2012	2012 Title X	27,524.01
			TOTAL 93.217	<u>133,576.32</u>
Total U.S. Department of Health and Human Services				<u>12,037,799.50</u>

Delta Area Economic Opportunity Corporation
Portageville, Missouri
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Pass - Through Identifying Number	CFDA #	Federal Expenditures
<u>U.S. Department of Energy</u>			
Passed Through:			
State of Missouri Department of Natural Resources			
Weatherization Assistance for Low-Income Individuals	6/30/2011	G-09-16-2600-02	81.042 \$ 65,330.20
Weatherization Assistance for Low-Income Individuals - ARRA	3/31/2012	G-09-16-ARRA-02	81.042 2,486,141.81
Weatherization Assistance for Low-Income Individuals - ARRA	3/31/2012	G-09-16-ARRA-36	81.042 201,981.00
		TOTAL 81.042 (M)	2,753,453.01
Total U.S. Department of Energy			2,753,453.01
<u>U.S. Department of Housing and Urban Development</u>			
Direct Programs:			
Supportive Housing Program - Transitional Housing	10/31/2011	N/A	14.235 78,419.97
Supportive Housing Program - Transitional Housing	10/31/2012	N/A	14.235 24,386.85
Supportive Housing Program - Permanent Housing	10/31/2011	N/A	14.235 72,389.03
Supportive Housing Program - Permanent Housing	10/31/2012	N/A	14.235 30,036.00
		TOTAL 14.235	205,231.85
Passed Through:			
Missouri Housing Development Corporation			
HOME Repair Opportunity	10/31/2011	M-10-SG-29-0100	14.239 449,664.20
State of Missouri Department of Mental Health			
Shelter Plus Program	3/31/2011	SCB0-MO0080C7E060802	14.238 38,210.68
Shelter Plus Program	3/31/2012	SCB1-MO0080C7E061003	14.238 64,207.46
		TOTAL 14.238	102,418.14
State of Missouri Department of Social Services - Family Support Division			
Homelessness Prevention and Rapid	9/30/2011	ER16410041A	14.257 44,311.81
Re-Housing Program - Scott - ARRA			
Homelessness Prevention and Rapid	9/30/2011	ER16410031A	14.257 29,233.25
Re-Housing Program - New Madrid - ARRA			
Homelessness Prevention and Rapid	9/30/2011	ER161029A	14.257 25,091.15
Re-Housing Program - Mississippi - ARRA			
Homelessness Prevention and Rapid	9/30/2011	ER161029A	14.257 58,284.13
Re-Housing Program - Stoddard - ARRA			
Homelessness Prevention and Rapid	9/30/2011	ER16410032A	14.257 33,585.15
Re-Housing Program - Pemiscott - ARRA			190,505.49
		Total 14.257	

Delta Area Economic Opportunity Corporation
Portageville, Missouri
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Pass - Through Identifying Number	CFDA #	Federal Expenditures
<u>U.S. Department of Housing and Urban Development (Continued)</u>			
State of Missouri Department of Social Services - Family Support Division	3/31/2011	14.231	\$ 12,457.36
Emergency Shelter Program	3/31/2012	14.231	9,307.83
Emergency Shelter Program		TOTAL 14.231	21,765.19
Total U.S. Department of Housing and Urban Development			969,584.87
<u>U.S. Department of Agriculture</u>			
Direct Programs:			
Rural Renting Assistance Payments	4/30/2011	10.427	9,048.97
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	1,270,205.04
Child and Adult Care Food Program - Center Reimbursement	9/30/2011	10.558	420,483.16
Child and Adult Care Food Program - Center Reimbursement	9/30/2012	10.558	131,277.38
Total U.S. Department of Agriculture		TOTAL 10.558 (M)	1,821,965.58
			1,831,014.55
Total Expenditures of Federal Awards			\$ 17,592,075.09

NOTE A -- BASIS OF PRESENTATION

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

(M) = Major Program

JARRED, GILMORE & PHILLIPS, PA

Certified Public Accountants

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

Board of Directors
Delta Area Economic Opportunity Corporation
Portageville, Missouri

We have audited the financial statements of Delta Area Economic Opportunity Corporation (a nonprofit organization) as of and for the year ended December 31, 2011, and have issued our report thereon dated August 24, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness. See finding 2011-01.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Delta Area Economic Opportunity Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

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

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

August 24, 2012
Chanute, Kansas

JARRED, GILMORE & PHILLIPS, PA

Certified Public Accountants

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

Board of Directors
Delta Area Economic Opportunity Corporation
Portageville, Missouri

Compliance

We have audited Delta Area Economic Opportunity Corporation's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of Delta Area Economic Opportunity Corporation's major federal programs for the year ended December 31, 2011. Delta Area Economic Opportunity Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Delta Area Economic Opportunity Corporation's management. Our responsibility is to express an opinion on Delta Area Economic Opportunity Corporation's compliance based on our audit.

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

In our opinion, Delta Area Economic Opportunity Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

Internal Control Over Compliance

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

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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

A handwritten signature in black ink that reads "Jarred, Gilmore & Phillips, PA". The signature is written in a cursive, flowing style.

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

August 24, 2012
Chanute, Kansas

DELTA AREA ECONOMIC OPPORTUNITY CORPORATION

Portageville, Missouri

Schedule of Findings and Questioned Costs For the Year Ended December 31, 2011

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

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

Internal Control over Financial Reporting:

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

Federal Awards:

Internal control over major programs:

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

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

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

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

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Head Start Cluster

Head Start

CFDA 93.600

Early Head Start – ARRA

CFDA 93.709

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

U.S. DEPARTMENT OF AGRICULTURE

Child and Adult Care Food Program

CFDA 10.558

The threshold for distinguishing Types A and B programs was \$527,762.25.

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, 2011

II. FINDINGS – FINANCIAL STATEMENT AUDIT

Finding 2011-01 – Improper Classification of Transactions

Criteria:

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

Condition:

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

Context:

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

Effect:

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

Cause:

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

Recommendation:

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

Views of responsible officials and planned corrective action:

See the Corrective Action Plan on page 50 of the current year audit.

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

None

DELTA AREA ECONOMIC OPPORTUNITY CORPORATION

Portageville, Missouri

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2011

Period Year Ended/Findings:

Finding 2010-01 – 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 2011-01.

Finding 2010-02 – Home Repair Client Files

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

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

Finding 2010-03 – Head Start Construction Approval

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

Status: The Organization has implemented policies and procedures and additional training for staff to ensure that approval for projects has been received before construction can proceed.

Finding 2010-04 – DOE Contractor Bidding

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

Status: The Organization ceased letting jobs to the contractors under the existing bid process and rebid for all future work and the State of Missouri approved the new bid process.

Corrective Action Plan

August 24, 2012

Cognizant or Oversight Agency for Audit

Delta Area Economic Opportunity Corporation respectfully submits the following corrective action plan for the year ended December 31, 2011.

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, 2011.

The findings from the August 24, 2012, 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 2011-01 – Improper Classification of Transactions

Recommendation:

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

Action Taken:

We concur with the recommendation and during the fiscal year have retained the services of a new Chief Financial Officer that has extensive experience in community action accounting, our MIP software, internal controls, and financial statement preparation. Since her arrival, a review of fiscal processes has identified several instruments that can be used to increase the efficiency of fiscal staff and decrease the opportunity for making errors in recording transactions.

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

Sincerely,

Delta Area Economic Opportunity Corporation

Delta Area Economic Opportunity Corporation