



Empowering People, Enriching Communities

FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION
WITH
INDEPENDENT AUDITORS' REPORT
YEAR ENDED SEPTEMBER 30, 2019

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Ozarks Area Community Action Corporation
Springfield, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Ozarks Area Community Action Corporation (a nonprofit organization), which comprise the statement of financial position as of September 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ozarks Area Community Action Corporation as of September 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 18 - 44 is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2020 on our consideration of Ozarks Area Community Action 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Ozarks Area Community Action Corporation's internal control over financial reporting and compliance.

R/M/C, CPA's

Springfield, Missouri
March 10, 2020

OZARKS AREA COMMUNITY ACTION CORPORATION

STATEMENT OF FINANCIAL POSITION

SEPTEMBER 30, 2019

ASSETS

| | | |
|--------------------------------|--|---------------------|
| Current assets: | | |
| Cash | | \$ 3,977,132 |
| Grant funds receivable | | 1,376,004 |
| Other accounts receivable, net | | 33,544 |
| Other assets | | 5,104 |
| Inventory | | <u>41,657</u> |
| Total current assets | | 5,433,441 |
| Property and equipment, net | | <u>2,699,398</u> |
| | | <u>\$ 8,132,839</u> |

LIABILITIES AND NET ASSETS

| | | |
|------------------------------------|---------------|---------------------|
| Current liabilities: | | |
| Accounts payable | | \$ 1,141,968 |
| Payroll taxes and benefits payable | | 39,924 |
| Accrued annual leave | | 244,017 |
| Other liabilities | | 23,724 |
| Current portion notes payable | | 7,433 |
| Deferred grant revenue | | <u>2,009,401</u> |
| Total current liabilities | | 3,466,467 |
| Long-term notes payable | | <u>107,992</u> |
| Total liabilities | | 3,574,459 |
| Net assets: | | |
| Without donor restrictions | \$ 4,518,193 | |
| With donor restrictions | <u>40,187</u> | <u>4,558,380</u> |
| | | <u>\$ 8,132,839</u> |

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

OZARKS AREA COMMUNITY ACTION CORPORATION

STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2019

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Totals</u> |
|---------------------------------------|---------------------------------------|------------------------------------|---------------------|
| Revenues: | | | |
| Federal grants | \$ 23,408,110 | \$ - | \$ 23,408,110 |
| Other grants | 603,688 | - | 603,688 |
| Fee income | 1,167,985 | - | 1,167,985 |
| Interest income | 110,704 | - | 110,704 |
| In-kind | 256,256 | - | 256,256 |
| Donations | 265,853 | 4,261 | 270,114 |
| Other income | <u>332,270</u> | <u>-</u> | <u>332,270</u> |
| Total revenues | 26,144,866 | 4,261 | 26,149,127 |
| Net assets released from restrictions | <u>7,807</u> | <u>(7,807)</u> | <u>-</u> |
| | <u>26,152,673</u> | <u>(3,546)</u> | <u>26,149,127</u> |
| Expenditures: | | | |
| Program services: | | | |
| Head Start | 12,953,015 | - | 12,953,015 |
| LIHEAP | 3,080,881 | - | 3,080,881 |
| Housing Assistance | 2,749,339 | - | 2,749,339 |
| CSBG | 1,702,242 | - | 1,702,242 |
| Weatherization | 1,516,034 | - | 1,516,034 |
| Family Planning | 723,494 | - | 723,494 |
| Foster Grandparents | 347,933 | - | 347,933 |
| Other assistance programs | <u>1,604,029</u> | <u>-</u> | <u>1,604,029</u> |
| | <u>24,676,967</u> | <u>-</u> | <u>24,676,967</u> |
| Supporting services: | | | |
| Management and general expense | 881,902 | - | 881,902 |
| Fundraising expenses | <u>211,045</u> | <u>-</u> | <u>211,045</u> |
| | <u>1,092,947</u> | <u>-</u> | <u>1,092,947</u> |
| Total expenditures | <u>25,769,914</u> | <u>-</u> | <u>25,769,914</u> |
| Changes in net assets | 382,759 | (3,546) | 379,213 |
| Net assets, beginning of year | <u>4,135,434</u> | <u>43,733</u> | <u>4,179,167</u> |
| Net assets, end of year | <u>\$ 4,518,193</u> | <u>\$ 40,187</u> | <u>\$ 4,558,380</u> |

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

STATEMENT OF FUNCTIONAL EXPENSES

OZARKS AREA COMMUNITY ACTION CORPORATION

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2019

| | <u>Head Start</u> | <u>LIHEAP</u> | <u>Housing</u> | <u>CSBG</u> |
|--------------------------------|-----------------------|---------------------|---------------------|---------------------|
| Salaries and related costs | \$ 9,113,727 | \$ 506,567 | \$ 219,458 | \$ 1,385,257 |
| Contract services | 206,727 | 10,085 | 12,361 | (2,462) |
| Travel | 214,930 | 124 | 2,810 | 29,273 |
| Payments to / for participants | 9,085 | 2,489,181 | 2,190,375 | 4,701 |
| Occupancy | 1,437,408 | 27,259 | 14,619 | 197,092 |
| Operating expenses | 1,480,686 | 46,402 | 26,497 | 80,465 |
| In-kind | - | - | - | - |
| Portable voucher payment | - | - | 279,842 | - |
| Depreciation | <u>490,452</u> | <u>1,263</u> | <u>3,377</u> | <u>7,916</u> |
| | <u>\$12,953,015</u> | <u>\$ 3,080,881</u> | <u>\$ 2,749,339</u> | <u>\$ 1,702,242</u> |

| <u>Weather- ization</u> | <u>Family Planning</u> | <u>Foster Grandparents</u> | <u>Other Assistance Programs</u> | <u>Management and General</u> | <u>Fundraising</u> | <u>Total</u> |
|-----------------------------|----------------------------|--------------------------------|--|---------------------------------------|--------------------|---------------------|
| \$ 898,124 | \$ 322,989 | \$ 75,766 | \$ 143,447 | \$ 504,225 | \$ 179,045 | \$13,348,605 |
| 99,731 | 113,709 | 210 | 51,456 | 60,764 | - | 552,581 |
| 35,031 | 2,283 | 969 | 1,771 | 4,807 | 268 | 292,266 |
| - | 23,697 | 212,340 | 1,049,147 | - | 7,289 | 5,985,815 |
| 47,412 | 25,002 | 6,495 | 59,134 | 114,293 | - | 1,928,714 |
| 431,865 | 20,561 | 11,150 | 274,988 | 185,066 | 24,443 | 2,582,123 |
| - | 215,253 | 41,003 | - | - | - | 256,256 |
| - | - | - | - | - | - | 279,842 |
| <u>3,871</u> | <u>-</u> | <u>-</u> | <u>24,086</u> | <u>12,747</u> | <u>-</u> | <u>543,712</u> |
| <u>\$ 1,516,034</u> | <u>\$ 723,494</u> | <u>\$ 347,933</u> | <u>\$ 1,604,029</u> | <u>\$ 881,902</u> | <u>\$ 211,045</u> | <u>\$25,769,914</u> |

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

OZARKS AREA COMMUNITY ACTION CORPORATION

STATEMENT OF CASH FLOWS

YEAR ENDED SEPTEMBER 30, 2019

| | |
|---|---------------------|
| Cash flows from operating activities: | |
| Change in net assets | \$ 379,213 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | |
| Depreciation | 543,712 |
| Gain on disposal of property and equipment | (38,968) |
| (Increase) decrease in assets: | |
| Grant funds receivable | 12,406 |
| Other accounts receivable | 7,220 |
| Inventory | 108,331 |
| Other assets | 61 |
| Increase (decrease) in liabilities: | |
| Accounts payable | (170,473) |
| Payroll taxes and benefits payable | (34,077) |
| Deferred grant revenue | 732,160 |
| Accrued annual leave | 13,720 |
| Other liabilities | <u>(644)</u> |
| Net cash provided by operating activities | <u>1,552,661</u> |
| Cash flows from investing activities: | |
| Purchase of property and equipment | (914,424) |
| Proceeds from sale of property and equipment | <u>38,968</u> |
| Net cash used in investing activities | <u>(875,456)</u> |
| Cash flows from financing activities: | |
| Payments on long-term debt | <u>(8,807)</u> |
| Net increase in cash | 668,398 |
| Cash, beginning of year | <u>3,308,734</u> |
| Cash, end of year | <u>\$ 3,977,132</u> |
| Supplemental disclosure of cash flow information: | |
| Cash paid during the year for: | |
| Interest | <u>\$ 3,922</u> |

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

OZARKS AREA COMMUNITY ACTION CORPORATION

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

1. Summary of significant accounting policies

Nature of activities

Ozarks Area Community Action Corporation (OACAC) is a not-for-profit corporation established in 1965 for the purpose of alleviating the causes and conditions of poverty in a ten county area of Southwest Missouri. Administrative offices of OACAC are located in Springfield, Missouri. OACAC provides various programs operated through federal, state and other grants, including the following:

Head Start
LIHEAP
Housing Assistance
Community Services Block Grant
Weatherization
Family Planning
Foster Grandparents

Over the period of their existence, OACAC has served low-income individuals in the following counties:

| | | |
|--------|-----------|---------|
| Barry | Christian | Taney |
| Polk | Lawrence | Greene |
| Dade | Stone | Webster |
| Dallas | | |

Basis of accounting

Revenues and expenditures are recognized on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned. Expenditures under the accrual basis of accounting are recorded when the liability is incurred.

New accounting pronouncement

On August 18, 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The Agency has adjusted the presentation of its financial statements accordingly. The new standards change the following aspects of the Agency's financial statements:

- The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions.
- The unrestricted net asset class has been renamed net assets without donor restrictions.

1. Summary of significant accounting policies (continued)

New accounting pronouncement (continued)

- The financial statements include a new disclosure about liquidity and availability of resources (Note 2).

The changes have the following effect on net assets at September 30, 2018:

| <u>Net Asset Class</u> | <u>As Originally Presented</u> | <u>After Adoption of ASU 2016-14</u> |
|---------------------------------------|--------------------------------|--------------------------------------|
| Unrestricted net assets | \$ 4,135,434 | \$ - |
| Temporarily restricted net assets | 43,733 | - |
| Permanently restricted net assets | - | - |
| Net assets without donor restrictions | - | 4,135,434 |
| Net assets with donor restrictions | <u>-</u> | <u>43,733</u> |
| Total net assets | <u>\$ 4,179,167</u> | <u>\$ 4,179,167</u> |

Financial statement presentation

For financial reporting purposes, accounting principles generally accepted in the United States of America requires that resources be classified for reporting purposes based on the existence or absence of donor-imposed restrictions. Descriptions of the two net asset categories and the types of transactions affecting each category follow:

- Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions. Items that affect this net asset category principally consist of unrestricted contributions, grants, and other income.
- With Donor Restrictions – Net assets subject to donor-imposed restrictions that will be met by actions of the Agency. Expirations of restrictions on net assets with donor restrictions are reported as net assets released from restrictions. At September 30, 2019, OACAC had net assets with restrictions of \$2,741 from donations to a mental health fund for Head Start children, \$13,108 for energy services, \$6,930 from donations to the Head Start I CAN program, \$15,000 for Agency donations, and \$2,408 remaining on donations to the neighborhood centers.

The Agency has adopted a policy of recording those donations whose restriction is met in the same accounting period as unrestricted support.

1. Summary of significant accounting policies (continued)

Combining statements

Accounting information of the various agency and grant programs has been combined into the formal financial statements, including the statement of financial position, as well as the statement of activities, as listed in the table of contents. Details of the financial statements by program are included in the supplementary information. A description of each category is as follows:

State and other – This schedule accounts for all funds over which the board of directors of OACAC has discretionary control, as well as state grants and contracts. Some funds grouped in this schedule did receive minimal federal grants in the current year.

Federal – This schedule accounts for all funds received from federal grantor sources. Amounts received in this particular fund must be spent in accordance with budgets approved by the funding sources. This schedule is further divided between major programs and nonmajor programs. Some funds in this schedule also received state grants in the current year.

Fiscal Agent – Dallas County PHA - OACAC is fiscal agent for the Dallas County PHA. As such, the assets, liabilities, revenues and expenditures for the period October 1, 2018 through September 30, 2019 are included in a separate column of OACAC's combining financial statements. However, due to statutory requirements for a separate single audit of PHA funds, the financial information of the Dallas County PHA is included for financial statement purposes only.

Income taxes

Ozarks Area Community Action Corporation is a nonprofit organization exempt from income taxes under Internal Revenue Code Section 501(c)(3) and a similar section of state law. However, the Organization is subject to federal income tax on any unrelated business taxable income.

The Organization adopted the provisions of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* (FASB ASC 740-10), effective January 1, 2009. Under the interpretation, the Organization would record a liability for uncertain tax positions when it is probable that a tax position would not be upheld under examination and the amount can be reasonably estimated. The Organization, with advice from their CPA as needed, continually evaluates expiring statutes of limitations, changes in tax law and new authoritative rulings in determining if there are unreasonable tax positions subject to the provisions of FASB Interpretation No. 48 when preparing their annual 990. At September 30, 2019, the Organization has determined that there were no unreasonable tax positions whereby a liability would need to be recorded.

The federal 990's of the Organization for 2019, 2018, and 2017 are subject to examination by the respective taxing authorities, generally for three years after they were filed.

1. Summary of significant accounting policies (continued)

Inventory

Inventory as listed in the financial statements consists of weatherization materials held by the Weatherization program and pharmaceutical supplies held by the Family Planning program. Materials and supplies in these two programs are valued at cost.

Compensated absences

Sick and annual leave are accumulated on a monthly basis according to agency policies. Sick leave cannot be taken as cash upon termination; therefore the Agency records no liability for amounts that could be used under agency sick leave policies.

Annual leave in the amount of 200 hours can be carried over to the following year, with 160 total hours payable upon termination of employment or upon relocation to another OACAC program. Liability for unpaid annual leave has been accrued as an agency liability.

Indirect costs

OACAC maintains an indirect cost rate with the Department of Health and Human Services. Administrative costs are allocated to the various programs based upon that rate.

Cash and cash equivalents

For purposes of the statement of cash flows, OACAC considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

Estimates

Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of certain estimates. Actual results may vary from these estimates.

Donated services and materials

Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance nonfinancial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated. For the year ended September 30, 2019, \$256,256 of in-kind contributions related to the Family Planning and Foster Grandparents programs were reflected in the financial statements. Other services with an estimated fair value of \$3,312,747, which have not been included in the financial statements because they do not meet the criteria for recognition under accounting principles generally accepted in the United States of America, were contributed by parents and others to the Head Start Program.

1. Summary of significant accounting policies (continued)

Donated services and materials (continued)

OACAC also receives donated services in the form of volunteer hours at the various neighborhood centers, as well as other programs of the Agency. The valuation of volunteer hours is indeterminable; therefore no entries were made to the financial statements.

The neighborhood centers receive donated materials to be sold or given away through the neighborhood center thrift shops. These donated items are not recorded in the financial statements of the Agency due to the difficulty in placing an appropriate value on these materials.

Other accounts receivable

Other accounts receivable consist of amounts due from other organizations for services performed within the year ended September 30, 2019. OACAC's policy on other accounts receivable is that fees are due from clients when services are rendered; however, unsecured credit is occasionally extended to clients.

Grant funds receivable

Grant funds receivable consists of amounts due on grants and contracts from federal, state and other funding and pass-through agencies. The grants and contracts are generally paid on an expense reimbursement or units of service basis. The receivable is due upon the Agency's submission of a request for reimbursement. Funding agencies generally pay within 30 days.

2. Liquidity and availability

The Agency's activities are funded primarily through federal grants. These amounts are available to meet general expenditures of the Agency. As part of its liquidity management, the Agency has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due.

The Agency's financial assets as of September 30, 2019 are reflected below. The financial assets are reduced by amounts that are not available for general use due to donor-imposed restrictions within one year of the statement of financial position date.

| | |
|---|---------------------|
| Financial assets at year-end | \$ 5,386,680 |
| Less those unavailable for general expenditures within one year due to: | |
| Donor-imposed restrictions: | |
| Restricted by donors with purpose restrictions | <u>(40,187)</u> |
| Financial assets available to meet cash needs for general/program expenditures within one year | <u>\$ 5,346,493</u> |

3. Property and equipment

Property and equipment are stated at cost and are depreciated over their estimated useful lives. Depreciation is calculated on the straight-line method. Depreciation expense for the year ended September 30, 2019 was \$543,712.

Summary of property and equipment at September 30, 2019 is as follows:

| | |
|-----------------------------------|---------------------|
| Land | \$ 6,000 |
| Leasehold improvements | 1,261,784 |
| Buildings | 470,655 |
| Vehicles, furniture and equipment | <u>4,681,818</u> |
| | 6,420,257 |
| Less accumulated depreciation | <u>(3,720,859)</u> |
| | <u>\$ 2,699,398</u> |

OACAC's policy is to capitalize all fixed assets costing more than \$5,000.

The Federal Head Start property and equipment was acquired with funds received from the Department of Health and Human Services (HHS). Under terms of the grant agreement, the property and equipment may revert to HHS if it is no longer used in the Agency's Head Start program. Additionally, proceeds from the sale of Head Start property and equipment is to be deposited and used in the Head Start program.

4. Notes payable

At September 30, 2019, notes payable of OACAC consists of the following individual items, as outlined below:

City of Springfield, Missouri, originated October 14, 1998, in the amount of \$55,544. Of that total, \$26,272 is payable with monthly payments of \$173 at 5% interest over 240 months, with the first payment due May 1, 1999. The balance is deferred 240 months at 0% interest, payable in full. Upon transfer, sale or refinancing, the entire principal of the loan and all accrued interest becomes immediately due and payable. This loan is collateralized by property located at 819 E. Garfield, Springfield, Missouri. \$ 28,112

City of Springfield, Missouri, originated November 22, 2010, in the amount of \$42,270. Of that total, \$16,135 is payable with monthly payments of \$128 at 5% interest over 180 months, with the first payment due December 1, 2010. The balance is deferred 180 months at 0% interest, payable in full. Upon transfer, sale or refinancing, the entire principal of the loan and all accrued interest becomes immediately due and payable. This loan is collateralized by property located at 604 N. Weaver, Springfield, Missouri. 34,363

Total forward \$ 62,475

4. Notes payable (continued)

| | |
|---|-------------------|
| Total forward | \$ 62,475 |
| Guaranty Bank, originated November 17, 2016, in the amount of \$35,000 with 120 monthly payments of \$355 each, with interest at 4%. This loan is collateralized by property located at 940 W. Harrison, Springfield, Missouri. | 26,475 |
| Guaranty Bank, originated November 17, 2016, in the amount of \$35,000 with 120 monthly payments of \$355 each, with interest at 4%. This loan is collateralized by property located at 630 S. Missouri, Springfield, Missouri. | <u>26,475</u> |
| | 115,425 |
| Less current portion | <u>(7,433)</u> |
| | <u>\$ 107,992</u> |

Maturities of the long-term debt as outlined above are as follows:

| | |
|--|-------------------|
| <u>Year ending</u> <u>September 30,</u> | |
| 2020 | \$ 7,433 |
| 2021 | 37,020 |
| 2022 | 8,076 |
| 2023 | 8,419 |
| 2024 | 6,030 |
| Thereafter | <u>48,447</u> |
| | <u>\$ 115,425</u> |

Total interest expense for the year on the above debt was \$3,922.

OACAC leases the property under the above notes payable to tenants under operating leases with terms of twelve months. Cost of the rental property is \$413,896 and accumulated depreciation at September 30, 2019 is \$352,704. Rental income from the property during the year ended September 30, 2019 was \$34,525 and is included under the caption "fee income" in the accompanying statement of activities.

5. Deferred grant revenue

Deferred revenue amounts listed on the statement of financial position represent grant or other funds, which are available for use in future periods, but remain as yet unearned by the Agency. Revenue recognition will occur as qualifying expenditures are made.

6. Operating leases

OACAC has entered into operating leases with various individuals and organizations to provide locations for Head Start classrooms, Administrative offices, and Neighborhood Center offices. All lease agreements are negotiated at arm's length and in accordance with OACAC's conflict of interest policy. The long-term operating leases have various terms.

The minimum lease payments under these leases are as follows:

| <u>Year ending</u> <u>September 30,</u> | |
|--|---------------------|
| 2020 | \$ 1,281,159 |
| 2021 | 648,475 |
| 2022 | 512,015 |
| 2023 | 343,702 |
| 2024 | 128,798 |
| Thereafter | <u>346,770</u> |
| | <u>\$ 3,260,919</u> |

The total amount of rent expense under these operating lease for the year ended September 30, 2019 was \$1,329,159.

7. Concentration of credit risk

OACAC maintained balances in excess of \$250,000 at Guaranty Bank at September 30, 2019. FDIC insurance covers the first \$250,000 in deposits at Guaranty Bank. The balance in excess of the FDIC coverage is swept into the Demand Deposit Marketplace program where OACAC receives full FDIC coverage on all deposits.

8. Grant contingencies

OACAC receives a large portion of its funding through various federal and state grants for specific purposes that are subject to audit by grantor agencies. Compliance audits conducted by those agencies in the future could lead to disallowed costs relating to the current period; however OACAC expects such amounts, if any, to be immaterial. In addition, budget cuts at the federal and state government level could lead to reduced funding for the programs OACAC provides.

9. Retirement plan

OACAC has adopted a defined contribution retirement plan in accordance with Internal Revenue Code Sec. 403(b). The plan includes all permanent employees with at least two years of service. If the employee elects to participate in the tax sheltered annuity portion of this retirement, an additional matching contribution is made by OACAC. The maximum additional contribution by OACAC is 3%. Total amount paid into the retirement plan by the Agency for the year ended September 30, 2019 was \$120,972.

10. Subsequent events

The Organization has evaluated subsequent events through March 10, 2020, the date which the financial statements were available to be issued. There were no significant events noted that did not exist at the date of the consolidated statement of financial position but arose subsequent to that date.

SUPPLEMENTARY INFORMATION

COMBINING STATEMENTS

OZARKS AREA COMMUNITY ACTION CORPORATION

COMBINING STATEMENT OF FINANCIAL POSITION

SEPTEMBER 30, 2019

| | Federal | State and Other | Dallas County PHA | Eliminations | Totals |
|--|---------------------|---------------------|-------------------------|-----------------------|---------------------|
| <u>ASSETS</u> | | | | | |
| Current assets: | | | | | |
| Cash | \$ 108,676 | \$ 3,245,697 | \$ 622,759 | \$ - | \$ 3,977,132 |
| Grant funds receivable | 1,300,351 | 75,653 | - | - | 1,376,004 |
| Other accounts receivable, net | 13,495 | 16,462 | 3,587 | - | 33,544 |
| Due from other funds | 1,989,065 | 50,871 | - | (2,039,936) | - |
| Other assets | 1,650 | 3,454 | - | - | 5,104 |
| Inventory | 41,657 | - | - | - | 41,657 |
| | <u>3,454,894</u> | <u>3,392,137</u> | <u>626,346</u> | <u>(2,039,936)</u> | <u>5,433,441</u> |
| Total current assets | | | | | |
| Property and equipment, net | <u>2,563,413</u> | <u>119,099</u> | <u>16,886</u> | <u>-</u> | <u>2,699,398</u> |
| | <u>\$ 6,018,307</u> | <u>\$ 3,511,236</u> | <u>\$ 643,232</u> | <u>\$ (2,039,936)</u> | <u>\$ 8,132,839</u> |
| <u>LIABILITIES AND NET ASSETS</u> | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | \$ 1,004,822 | \$ 98,890 | \$ 38,256 | \$ - | \$ 1,141,968 |
| Payroll taxes and benefits payable | - | 39,924 | - | - | 39,924 |
| Accrued annual leave | - | 235,216 | 8,801 | - | 244,017 |
| Other liabilities | 22,214 | 1,510 | - | - | 23,724 |
| Due to other funds | 412,556 | 1,576,962 | 50,418 | (2,039,936) | - |
| Current portion notes payable | - | 7,433 | - | - | 7,433 |
| Deferred grant revenue | 1,953,610 | 54,952 | 839 | - | 2,009,401 |
| | <u>3,393,202</u> | <u>2,014,887</u> | <u>98,314</u> | <u>(2,039,936)</u> | <u>3,466,467</u> |
| Total current liabilities | | | | | |
| Long-term notes payable, less current portion | <u>-</u> | <u>107,992</u> | <u>-</u> | <u>-</u> | <u>107,992</u> |
| Total liabilities | <u>3,393,202</u> | <u>2,122,879</u> | <u>98,314</u> | <u>(2,039,936)</u> | <u>3,574,459</u> |
| Net assets: | | | | | |
| Without donor restrictions | 2,618,175 | 1,355,100 | 544,918 | - | 4,518,193 |
| With donor restrictions | <u>6,930</u> | <u>33,257</u> | <u>-</u> | <u>-</u> | <u>40,187</u> |
| Total net assets | <u>2,625,105</u> | <u>1,388,357</u> | <u>544,918</u> | <u>-</u> | <u>4,558,380</u> |
| | <u>\$ 6,018,307</u> | <u>\$ 3,511,236</u> | <u>\$ 643,232</u> | <u>\$ (2,039,936)</u> | <u>\$ 8,132,839</u> |

OZARKS AREA COMMUNITY ACTION CORPORATION

COMBINING STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2019

| | <u>Federal</u> | <u>State and Other</u> | <u>Dallas County PHA</u> | <u>Totals</u> |
|-----------------------------------|---------------------|----------------------------|----------------------------------|---------------------|
| Revenues: | | | | |
| Federal grants | \$ 20,830,139 | \$ - | \$ 2,577,971 | \$ 23,408,110 |
| Other grants | 160,180 | 443,508 | - | 603,688 |
| Fee income | 821,766 | 65,208 | 281,011 | 1,167,985 |
| Interest income | 3,295 | 97,618 | 9,791 | 110,704 |
| In-kind | 256,256 | - | - | 256,256 |
| Donations | 49,782 | 219,933 | 399 | 270,114 |
| Other income | <u>82,358</u> | <u>248,242</u> | <u>1,670</u> | <u>332,270</u> |
| | <u>22,203,776</u> | <u>1,074,509</u> | <u>2,870,842</u> | <u>26,149,127</u> |
| Expenditures: | | | | |
| Salaries and related costs | 12,323,344 | 122,533 | 219,458 | 12,665,335 |
| Contract services | 428,470 | 50,986 | 12,361 | 491,817 |
| Travel | 282,788 | 1,593 | 2,810 | 287,191 |
| Payments to/for participants | 3,053,530 | 734,621 | 2,190,375 | 5,978,526 |
| Occupancy | 1,741,823 | 57,979 | 14,619 | 1,814,421 |
| Operating expenses | 2,154,307 | 191,810 | 26,497 | 2,372,614 |
| Administrative and indirect costs | 1,064,268 | 9,978 | 18,701 | 1,092,947 |
| In-kind | 256,256 | - | - | 256,256 |
| Portable voucher payments | - | - | 279,842 | 279,842 |
| Depreciation | <u>503,502</u> | <u>24,086</u> | <u>3,377</u> | <u>530,965</u> |
| | <u>21,808,288</u> | <u>1,193,586</u> | <u>2,768,040</u> | <u>25,769,914</u> |
| Change in net assets | 395,488 | (119,077) | 102,802 | 379,213 |
| Net assets, beginning of year | <u>2,229,617</u> | <u>1,507,434</u> | <u>442,116</u> | <u>4,179,167</u> |
| Net assets, end of year | <u>\$ 2,625,105</u> | <u>\$ 1,388,357</u> | <u>\$ 544,918</u> | <u>\$ 4,558,380</u> |

FEDERAL

OZARKS AREA COMMUNITY ACTION CORPORATION

COMBINING STATEMENT OF FINANCIAL POSITION
FEDERAL PROGRAMS

SEPTEMBER 30, 2019

| | <u>Head Start</u> | <u>CSBG</u> | <u>Non-Major</u> | <u>Totals</u> |
|-----------------------------------|---------------------|-------------------|---------------------|---------------------|
| <u>ASSETS</u> | | | | |
| Current assets: | | | | |
| Cash | \$ 475 | \$ - | \$ 108,201 | \$ 108,676 |
| Grant funds receivable | 930,371 | 150,491 | 219,489 | 1,300,351 |
| Other accounts receivable, net | 204 | - | 13,291 | 13,495 |
| Due from other funds | - | - | 1,989,065 | 1,989,065 |
| Other assets | - | - | 1,650 | 1,650 |
| Inventory | - | - | 41,657 | 41,657 |
| | <u>931,050</u> | <u>150,491</u> | <u>2,373,353</u> | <u>3,454,894</u> |
| Total current assets | | | | |
| Property and equipment, net | <u>2,543,658</u> | <u>14,512</u> | <u>5,243</u> | <u>2,563,413</u> |
| | <u>\$ 3,474,708</u> | <u>\$ 165,003</u> | <u>\$ 2,378,596</u> | <u>\$ 6,018,307</u> |
| <u>LIABILITIES AND NET ASSETS</u> | | | | |
| Current liabilities: | | | | |
| Accounts payable | \$ 755,426 | \$ - | \$ 249,396 | \$ 1,004,822 |
| Other liabilities | - | - | 22,214 | 22,214 |
| Due to other funds | 175,625 | 153,034 | 83,897 | 412,556 |
| Deferred grant revenue | - | - | 1,953,610 | 1,953,610 |
| | <u>931,051</u> | <u>153,034</u> | <u>2,309,117</u> | <u>3,393,202</u> |
| Total current liabilities | | | | |
| Net assets: | | | | |
| Without donor restrictions | 2,543,657 | 11,969 | 62,549 | 2,618,175 |
| With donor restrictions | - | - | 6,930 | 6,930 |
| | <u>2,543,657</u> | <u>11,969</u> | <u>69,479</u> | <u>2,625,105</u> |
| | <u>\$ 3,474,708</u> | <u>\$ 165,003</u> | <u>\$ 2,378,596</u> | <u>\$ 6,018,307</u> |

COMBINING STATEMENT OF FINANCIAL POSITION
FEDERAL NON-MAJOR PROGRAMS

OZARKS AREA COMMUNITY ACTION CORPORATION

COMBINING STATEMENT OF FINANCIAL POSITION
FEDERAL NON-MAJOR PROGRAMS

SEPTEMBER 30, 2019

| | <u>USDA</u> | <u>Weather- ization</u> | <u>LIHEAP</u> | <u>Foster Grandparents</u> |
|-----------------------------------|------------------|-----------------------------|---------------------|--------------------------------|
| <u>ASSETS</u> | | | | |
| Current assets: | | | | |
| Cash | \$ - | \$ 1,273 | \$ - | \$ 31,787 |
| Grant funds receivable | 74,712 | 103,523 | - | 12,105 |
| Other accounts receivable, net | - | 12,994 | - | 297 |
| Due from other funds | - | 49,905 | 1,825,701 | 2,839 |
| Other assets | - | 1,650 | - | - |
| Inventory | - | 33,807 | - | - |
| | <u>74,712</u> | <u>203,152</u> | <u>1,825,701</u> | <u>47,028</u> |
| Total current assets | | | | |
| Property and equipment, net | <u>-</u> | <u>2,717</u> | <u>2,526</u> | <u>-</u> |
| | <u>\$ 74,712</u> | <u>\$ 205,869</u> | <u>\$ 1,828,227</u> | <u>\$ 47,028</u> |
| <u>LIABILITIES AND NET ASSETS</u> | | | | |
| Current liabilities: | | | | |
| Accounts payable | \$ 74,712 | \$ 62,252 | \$ 72,178 | \$ 18,836 |
| Other liabilities | - | - | - | - |
| Due to other funds | - | - | - | - |
| Deferred grant revenue | - | 162,627 | 1,753,523 | - |
| | <u>74,712</u> | <u>224,879</u> | <u>1,825,701</u> | <u>18,836</u> |
| Total current liabilities | | | | |
| Net assets: | | | | |
| Without donor restrictions | - | (19,010) | 2,526 | 28,192 |
| With donor restrictions | - | - | - | - |
| | <u>-</u> | <u>(19,010)</u> | <u>2,526</u> | <u>28,192</u> |
| Total net assets | | | | |
| | <u>\$ 74,712</u> | <u>\$ 205,869</u> | <u>\$ 1,828,227</u> | <u>\$ 47,028</u> |

| <u>Family Planning</u> | <u>Shelter Plus Care – DMH</u> | <u>Emergency Food and Shelter</u> | <u>Head Start I Can</u> | <u>Head Start Eat Smart</u> | <u>Totals</u> |
|------------------------|--------------------------------|-----------------------------------|-------------------------|-----------------------------|---------------------|
| \$ 99,408 | \$ (32,601) | \$ - | \$ 7,533 | \$ 801 | \$ 108,201 |
| 29,149 | - | - | - | - | 219,489 |
| - | - | - | - | - | 13,291 |
| - | 72,860 | 37,760 | - | - | 1,989,065 |
| - | - | - | - | - | 1,650 |
| <u>7,850</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>41,657</u> |
| 136,407 | 40,259 | 37,760 | 7,533 | 801 | 2,373,353 |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,243</u> |
| <u>\$ 136,407</u> | <u>\$ 40,259</u> | <u>\$ 37,760</u> | <u>\$ 7,533</u> | <u>\$ 801</u> | <u>\$ 2,378,596</u> |
| \$ 19,753 | \$ 1,365 | \$ 300 | \$ - | \$ - | \$ 249,396 |
| - | 22,214 | - | - | - | 22,214 |
| 83,897 | - | - | - | - | 83,897 |
| <u>-</u> | <u>-</u> | <u>37,460</u> | <u>-</u> | <u>-</u> | <u>1,953,610</u> |
| <u>103,650</u> | <u>23,579</u> | <u>37,760</u> | <u>-</u> | <u>-</u> | <u>2,309,117</u> |
| 32,757 | 16,680 | - | 603 | 801 | 62,549 |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>6,930</u> | <u>-</u> | <u>6,930</u> |
| <u>32,757</u> | <u>16,680</u> | <u>-</u> | <u>7,533</u> | <u>801</u> | <u>69,479</u> |
| <u>\$ 136,407</u> | <u>\$ 40,259</u> | <u>\$ 37,760</u> | <u>\$ 7,533</u> | <u>\$ 801</u> | <u>\$ 2,378,596</u> |

OZARKS AREA COMMUNITY ACTION CORPORATION

COMBINING STATEMENT OF ACTIVITIES – FEDERAL

YEAR ENDED SEPTEMBER 30, 2019

| | <u>Major Programs</u> | <u>Non-major Programs</u> | <u>Totals</u> |
|-----------------------------------|---------------------------|-------------------------------|-------------------------|
| Revenues: | | | |
| Federal grants | \$ 14,626,280 | \$ 6,203,859 | \$ 20,830,139 |
| Other grants | 6,903 | 153,277 | 160,180 |
| Fee income | 653,087 | 168,679 | 821,766 |
| Interest income | - | 3,295 | 3,295 |
| In-kind | - | 256,256 | 256,256 |
| Donations | 137 | 49,645 | 49,782 |
| Other income | <u>39,349</u> | <u>43,009</u> | <u>82,358</u> |
| Total revenues | <u>15,325,756</u> | <u>6,878,020</u> | <u>22,203,776</u> |
| Expenditures: | | | |
| Salaries and related costs | 10,498,984 | 1,824,360 | 12,323,344 |
| Contract services | 204,265 | 224,205 | 428,470 |
| Travel | 244,203 | 38,585 | 282,788 |
| Payments to/for participants | 13,786 | 3,039,744 | 3,053,530 |
| Occupancy | 1,634,500 | 107,323 | 1,741,823 |
| Operating expenses | 940,645 | 1,213,662 | 2,154,307 |
| Administrative and indirect costs | 906,904 | 157,364 | 1,064,268 |
| In-kind | - | 256,256 | 256,256 |
| Depreciation | <u>498,368</u> | <u>5,134</u> | <u>503,502</u> |
| Total expenditures | <u>14,941,655</u> | <u>6,866,633</u> | <u>21,808,288</u> |
| Changes in net assets | 384,101 | 11,387 | 395,488 |
| Net assets, beginning of year | <u>2,171,525</u> | <u>58,092</u> | <u>2,229,617</u> |
| Net assets, end of year | <u>\$ 2,555,626</u> | <u>\$ 69,479</u> | <u>\$ 2,625,105</u> |

OZARKS AREA COMMUNITY ACTION CORPORATION

COMBINING STATEMENT OF ACTIVITIES
FEDERAL MAJOR PROGRAMS

YEAR ENDED SEPTEMBER 30, 2019

| | <u>Head Start</u> | <u>CSBG</u> | <u>Total</u> |
|-----------------------------------|---------------------|------------------|---------------------|
| Revenues: | | | |
| Federal grants | \$ 12,819,324 | \$ 1,806,956 | \$ 14,626,280 |
| Other grants | - | 6,903 | 6,903 |
| Fee income | 653,087 | - | 653,087 |
| Donations | 40 | 97 | 137 |
| Other income | <u>39,349</u> | <u>-</u> | <u>39,349</u> |
| Total revenues | <u>13,511,800</u> | <u>1,813,956</u> | <u>15,325,756</u> |
| Expenditures: | | | |
| Salaries and related costs | 9,113,727 | 1,385,257 | 10,498,984 |
| Contract services | 206,727 | (2,462) | 204,265 |
| Travel | 214,930 | 29,273 | 244,203 |
| Payments to/for participants | 9,085 | 4,701 | 13,786 |
| Occupancy | 1,437,408 | 197,092 | 1,634,500 |
| Operating expenses | 860,180 | 80,465 | 940,645 |
| Administrative and indirect costs | 787,212 | 119,692 | 906,904 |
| Depreciation | <u>490,452</u> | <u>7,916</u> | <u>498,368</u> |
| Total expenditures | <u>13,119,721</u> | <u>1,821,934</u> | <u>14,941,655</u> |
| Changes in net assets | 392,079 | (7,978) | 384,101 |
| Net assets, beginning of year | <u>2,151,578</u> | <u>19,947</u> | <u>2,171,525</u> |
| Net assets, end of year | <u>\$ 2,543,657</u> | <u>\$ 11,969</u> | <u>\$ 2,555,626</u> |

COMBINING STATEMENT OF ACTIVITIES
FEDERAL NON-MAJOR PROGRAMS

OZARKS AREA COMMUNITY ACTION CORPORATION

COMBINING STATEMENT OF ACTIVITIES
FEDERAL NON-MAJOR PROGRAMS

YEAR ENDED SEPTEMBER 30, 2019

| | <u>USDA</u> | <u>Weather- ization</u> | <u>LIHEAP</u> | <u>Foster Grandparents</u> | <u>Family Planning</u> |
|-----------------------------------|----------------|-----------------------------|------------------|--------------------------------|----------------------------|
| Revenues: | | | | | |
| Federal grants | \$ 620,506 | \$ 1,340,578 | \$ 3,123,375 | \$ 273,174 | \$ 418,942 |
| Other grants | - | 129,304 | - | 23,973 | - |
| Fee income | - | 106,749 | - | - | 61,930 |
| Interest income | - | 30 | - | 933 | 1,907 |
| In-kind | - | - | - | 41,003 | 215,253 |
| Donations | - | - | - | 15,049 | 34,596 |
| Other income | - | - | - | - | 43,009 |
| | <u>620,506</u> | <u>1,576,661</u> | <u>3,123,375</u> | <u>354,132</u> | <u>775,637</u> |
| Expenditures: | | | | | |
| Salaries and related costs | - | 898,124 | 506,567 | 75,766 | 322,989 |
| Contract services | - | 99,731 | 10,085 | 210 | 113,709 |
| Travel | - | 35,031 | 124 | 969 | 2,283 |
| Payments to/for participants | - | - | 2,489,181 | 212,340 | 23,697 |
| Occupancy | - | 47,412 | 27,259 | 6,495 | 25,002 |
| Operating expenses | 620,506 | 431,865 | 46,402 | 11,150 | 20,561 |
| Administrative and indirect costs | - | 77,580 | 43,757 | 6,545 | 27,900 |
| In-kind | - | - | - | 41,003 | 215,253 |
| Depreciation | - | 3,871 | 1,263 | - | - |
| | <u>620,506</u> | <u>1,593,614</u> | <u>3,124,638</u> | <u>354,478</u> | <u>751,394</u> |
| Changes in net assets | - | (16,953) | (1,263) | (346) | 24,243 |
| Net assets, beginning of year | <u>-</u> | <u>(2,057)</u> | <u>3,789</u> | <u>28,538</u> | <u>8,514</u> |
| Net asset, end of year | <u>\$ -</u> | <u>\$ (19,010)</u> | <u>\$ 2,526</u> | <u>\$ 28,192</u> | <u>\$ 32,757</u> |

| <u>Shelter Plus Care – DMH</u> | <u>Emergency Food & Shelter</u> | <u>MHDC Home Repair (HERO)</u> | <u>Head Start I Can</u> | <u>Head Start Eat Smart</u> | <u>Totals</u> |
|------------------------------------|---|--|-----------------------------|---------------------------------|------------------|
| \$ 276,367 | \$ 74,635 | \$ 76,282 | \$ - | \$ - | \$ 6,203,859 |
| - | - | - | - | - | 153,277 |
| - | - | - | - | - | 168,679 |
| 425 | - | - | - | - | 3,295 |
| - | - | - | - | - | 256,256 |
| - | - | - | - | - | 49,645 |
| - | - | - | - | - | 43,009 |
| <u>276,792</u> | <u>74,635</u> | <u>76,282</u> | <u>-</u> | <u>-</u> | <u>6,878,020</u> |
| 17,293 | - | 3,621 | - | - | 1,824,360 |
| 470 | - | - | - | - | 224,205 |
| 178 | - | - | - | - | 38,585 |
| 239,891 | 74,635 | - | - | - | 3,039,744 |
| 1,155 | - | - | - | - | 107,323 |
| 10,517 | - | 72,661 | - | - | 1,213,662 |
| 1,582 | - | - | - | - | 157,364 |
| - | - | - | - | - | 256,256 |
| - | - | - | - | - | 5,134 |
| <u>271,086</u> | <u>74,635</u> | <u>76,282</u> | <u>-</u> | <u>-</u> | <u>6,866,633</u> |
| 5,706 | - | - | - | - | 11,387 |
| <u>10,974</u> | <u>-</u> | <u>-</u> | <u>7,533</u> | <u>801</u> | <u>58,092</u> |
| <u>\$ 16,680</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 7,533</u> | <u>\$ 801</u> | <u>\$ 69,479</u> |

STATE AND OTHER

COMBINING STATEMENT OF FINANCIAL POSITION
STATE AND OTHER

OZARKS AREA COMMUNITY ACTION CORPORATION

COMBINING STATEMENT OF FINANCIAL POSITION
STATE AND OTHER

SEPTEMBER 30, 2019

| | Head Start Center Funds | Agency Weatherization Program | Neighborhood Centers | Agency Funds |
|---|-------------------------------|-------------------------------------|-------------------------|---------------------|
| <u>ASSETS</u> | | | | |
| Current assets: | | | | |
| Cash | \$ 307,949 | \$ 55,958 | \$ 199,026 | \$ 2,508,533 |
| Grant funds receivable | - | - | - | - |
| Other accounts receivable, net | - | 9,200 | - | 7,181 |
| Due from other funds | - | 33,921 | - | - |
| Other assets | - | - | - | 3,454 |
| | <u>307,949</u> | <u>99,079</u> | <u>199,026</u> | <u>2,519,168</u> |
| Total current assets | | | | |
| Property and equipment, net | <u>23,840</u> | <u>61,191</u> | <u>-</u> | <u>34,068</u> |
| | <u>\$ 331,789</u> | <u>\$ 160,270</u> | <u>\$ 199,026</u> | <u>\$ 2,553,236</u> |
| <u>LIABILITIES AND NET ASSETS</u> | | | | |
| Current liabilities: | | | | |
| Accounts payable | \$ 534 | \$ 4,539 | \$ - | \$ 91,887 |
| Payroll taxes and benefits payable | - | - | - | 39,924 |
| Accrued annual leave | - | - | - | 235,216 |
| Other liabilities | - | - | - | - |
| Due to other funds | 89,682 | - | - | 1,408,558 |
| Current portion notes payable | - | 7,433 | - | - |
| Deferred grant revenue | - | 54,871 | - | - |
| | <u>90,216</u> | <u>66,843</u> | <u>-</u> | <u>1,775,585</u> |
| Total current liabilities | | | | |
| Long-term notes payable, less current portion | <u>-</u> | <u>107,992</u> | <u>-</u> | <u>-</u> |
| | <u>90,216</u> | <u>174,835</u> | <u>-</u> | <u>1,775,585</u> |
| Net assets: | | | | |
| Without donor restrictions | 238,832 | (14,565) | 196,618 | 749,543 |
| With donor restrictions | <u>2,741</u> | <u>-</u> | <u>2,408</u> | <u>28,108</u> |
| | <u>241,573</u> | <u>(14,565)</u> | <u>199,026</u> | <u>777,651</u> |
| Total net assets | | | | |
| | <u>\$ 331,789</u> | <u>\$ 160,270</u> | <u>\$ 199,026</u> | <u>\$ 2,553,236</u> |

| <u>DMH – RAP</u> | <u>Project Share</u> | <u>Senior Citizens Tax Fund</u> | <u>SkillUP</u> | <u>AHAP Taney County</u> | <u>MHDC Disaster Relief</u> | <u>Total</u> |
|------------------|----------------------|---------------------------------|------------------|--------------------------|-----------------------------|---------------------|
| \$ 18,155 | \$ 29,776 | \$ 22,965 | \$ - | \$ 103,335 | \$ - | \$ 3,245,697 |
| - | - | - | 75,653 | - | - | 75,653 |
| - | - | - | - | - | 81 | 16,462 |
| 4,867 | 94 | - | - | 11,989 | - | 50,871 |
| - | - | - | - | - | - | 3,454 |
| 23,022 | 29,870 | 22,965 | 75,653 | 115,324 | 81 | 3,392,137 |
| - | - | - | - | - | - | 119,099 |
| <u>\$ 23,022</u> | <u>\$ 29,870</u> | <u>\$ 22,965</u> | <u>\$ 75,653</u> | <u>\$ 115,324</u> | <u>\$ 81</u> | <u>\$ 3,511,236</u> |

| | | | | | | |
|------------------|------------------|------------------|------------------|-------------------|--------------|---------------------|
| \$ 1,840 | \$ - | \$ - | \$ - | \$ - | \$ 90 | \$ 98,890 |
| - | - | - | - | - | - | 39,924 |
| - | - | - | - | - | - | 235,216 |
| 1,510 | - | - | - | - | - | 1,510 |
| - | - | - | 75,653 | - | 3,069 | 1,576,962 |
| - | - | - | - | - | - | 7,433 |
| - | - | - | - | - | 81 | 54,952 |
| 3,350 | - | - | 75,653 | - | 3,240 | 2,014,887 |
| - | - | - | - | - | - | 107,992 |
| 3,350 | - | - | 75,653 | - | 3,240 | 2,122,879 |
| 19,672 | 29,870 | 22,965 | - | 115,324 | (3,159) | 1,355,100 |
| - | - | - | - | - | - | 33,257 |
| 19,672 | 29,870 | 22,965 | - | 115,324 | (3,159) | 1,388,357 |
| <u>\$ 23,022</u> | <u>\$ 29,870</u> | <u>\$ 22,965</u> | <u>\$ 75,653</u> | <u>\$ 115,324</u> | <u>\$ 81</u> | <u>\$ 3,511,236</u> |

COMBINING STATEMENT OF ACTIVITIES
STATE AND OTHER

OZARKS AREA COMMUNITY ACTION CORPORATION

COMBINING STATEMENT OF ACTIVITIES
STATE AND OTHER

YEAR ENDED SEPTEMBER 30, 2019

| | Head Start Center Funds | Agency Weatherization Program | Neighborhood Centers | Agency Funds | DMH – RAP |
|-----------------------------------|-------------------------------|-------------------------------------|-------------------------|-------------------|------------------|
| Revenues: | | | | | |
| Other grants | \$ - | \$ 9,414 | \$ 12,654 | \$ 2,300 | \$ - |
| Fee income | - | 32,600 | - | 4,260 | 24,348 |
| Interest income | 7,895 | 1,383 | 146 | 82,782 | 40 |
| Donations | 14,613 | - | 61,357 | 44,947 | - |
| Other income | <u>912</u> | <u>34,525</u> | <u>204,531</u> | <u>8,274</u> | <u>-</u> |
| | <u>23,420</u> | <u>77,922</u> | <u>278,688</u> | <u>142,563</u> | <u>24,388</u> |
| Expenditures: | | | | | |
| Salaries and related costs | - | 18,247 | 60,039 | 24,860 | 1,170 |
| Contract services | 11,015 | 39,939 | - | - | 32 |
| Travel | 500 | 226 | 36 | 293 | 13 |
| Payments to/for participants | 539 | - | 74,441 | 8,231 | 22,231 |
| Occupancy | - | 16,303 | 41,676 | - | - |
| Operating expenses | 9,230 | 36,257 | 117,599 | 26,287 | 247 |
| Administrative and indirect costs | - | 1,990 | 5,186 | 1,123 | 105 |
| Depreciation | <u>3,658</u> | <u>15,188</u> | <u>-</u> | <u>5,240</u> | <u>-</u> |
| | <u>24,942</u> | <u>128,150</u> | <u>298,977</u> | <u>66,034</u> | <u>23,798</u> |
| Changes in net assets | (1,522) | (50,228) | (20,289) | 76,529 | 590 |
| Net assets, beginning of year | <u>243,095</u> | <u>35,663</u> | <u>219,315</u> | <u>701,122</u> | <u>19,082</u> |
| Net assets, end of year | <u>\$ 241,573</u> | <u>\$ (14,565)</u> | <u>\$ 199,026</u> | <u>\$ 777,651</u> | <u>\$ 19,672</u> |

| <u>Project Share</u> | <u>Senior Citizens Tax Fund</u> | <u>AHAP Taney County</u> | <u>SkillUP</u> | <u>MHDC State Disaster Grant</u> | <u>Total</u> |
|----------------------|---------------------------------|--------------------------|----------------|----------------------------------|---------------------|
| \$ - | \$ 116,701 | \$ - | \$ 301,564 | \$ 875 | \$ 443,508 |
| - | - | 4,000 | - | - | 65,208 |
| 1,269 | - | 4,103 | - | - | 97,618 |
| 99,016 | - | - | - | - | 219,933 |
| - | - | - | - | - | 248,242 |
| <u>100,285</u> | <u>116,701</u> | <u>8,103</u> | <u>301,564</u> | <u>875</u> | <u>1,074,509</u> |
| - | 3,252 | - | 14,965 | - | 122,533 |
| - | - | - | - | - | 50,986 |
| - | 153 | - | 372 | - | 1,593 |
| 101,481 | 116,305 | 124,527 | 284,934 | 1,932 | 734,621 |
| - | - | - | - | - | 57,979 |
| - | 88 | - | - | 2,102 | 191,810 |
| - | 281 | - | 1,293 | - | 9,978 |
| - | - | - | - | - | 24,086 |
| <u>101,481</u> | <u>120,079</u> | <u>124,527</u> | <u>301,564</u> | <u>4,034</u> | <u>1,193,586</u> |
| (1,196) | (3,378) | (116,424) | - | (3,159) | (119,077) |
| <u>31,066</u> | <u>26,343</u> | <u>231,748</u> | <u>-</u> | <u>-</u> | <u>1,507,434</u> |
| <u>\$ 29,870</u> | <u>\$ 22,965</u> | <u>\$ 115,324</u> | <u>\$ -</u> | <u>\$ (3,159)</u> | <u>\$ 1,388,357</u> |

PROGRAM SCHEDULES

OZARKS AREA COMMUNITY ACTION CORPORATION

SUPPLEMENTAL CSBG PROGRAM SCHEDULE

YEAR ENDED SEPTEMBER 30, 2019

| | | |
|-------------------------------|----------------|------------------|
| Revenues: | | |
| Federal grants | | \$ 1,806,956 |
| Expenditures: | | |
| Salaries and related costs | \$ 1,385,257 | |
| Travel | 29,273 | |
| Payments to/for participants | (1,328) | |
| Occupancy | 197,092 | |
| Operating expense | 76,970 | |
| Administrative expense | <u>119,692</u> | <u>1,806,956</u> |
| Change in net assets | | - |
| Net assets, beginning of year | | <u>-</u> |
| Net assets, end of year | | <u>\$ -</u> |

OZARKS AREA COMMUNITY ACTION CORPORATION
 LOW INCOME HOME ENERGY ASSISTANCE PROGRAM
 GRANT NUMBER ER11017016-001

SUPPLEMENTAL SCHEDULE OF REVENUE AND EXPENSES

PROGRAM PERIOD OCTOBER 1, 2018 TO SEPTEMBER 30, 2019

Revenue:

Grant revenue – LIHEAP:

| | |
|--------------------------------|--------------|
| Current (initial + amendments) | \$ 2,839,885 |
| Prior year refunds | <u>2,321</u> |

| | |
|---------------|-----------|
| Total revenue | 2,842,206 |
|---------------|-----------|

Expenditures:

Administrative/program services:

| | |
|-------------------------|---------------|
| Personnel | \$ 475,882 |
| Travel / training | 124 |
| Rent / fuel / utilities | 23,032 |
| Supplies | 39,305 |
| Communication services | 2,424 |
| Repairs and maintenance | 4,280 |
| Other | <u>54,316</u> |

| | |
|---------------------------------------|----------------|
| Total administrative/program services | <u>599,363</u> |
|---------------------------------------|----------------|

ECIP direct services:

| | |
|--------|----------------|
| Winter | 1,567,942 |
| Summer | <u>674,901</u> |

| | | |
|----------------------------|------------------|------------------|
| Total ECIP direct services | <u>2,242,843</u> | <u>2,842,206</u> |
|----------------------------|------------------|------------------|

| | |
|------------------------|--------------------|
| Ending program balance | <u><u>\$ -</u></u> |
|------------------------|--------------------|

OZARKS AREA COMMUNITY ACTION CORPORATION
LOW INCOME HOME ENERGY ASSISTANCE PROGRAM
GRANT NUMBER ER11017016-004

SUPPLEMENTAL SCHEDULE OF REVENUE AND EXPENSES

PROGRAM PERIOD OCTOBER 1, 2018 TO SEPTEMBER 30, 2019

Revenue:

Grant revenue – LIHEAP:

Current (initial + amendments) \$ 281,169

Expenditures:

Administrative/program services:

Personnel \$ 30,685

Supplies 1,495

Other 2,651

Total administrative/program services 34,831

ECIP direct services:

Winter 246,338

Summer -

Total ECIP direct services 246,338 281,169

Ending program balance \$ -

OZARKS AREA COMMUNITY ACTION CORPORATION

SUPPLEMENTAL FAMILY PLANNING SCHEDULE

YEAR ENDED SEPTEMBER 30, 2019

Missouri Department of Health
Comprehensive Family Planning Services

Based on our testing of expenditures, we include the following assurances:

1. We note no funds expended for the purpose of performing, assisting or encouraging abortion.
2. We note no funds expended, directly or indirectly, to subsidize abortion services or administrative expenses.

OZARKS AREA COMMUNITY ACTION CORPORATION
 WEATHERIZATION PROGRAM – DOE GRANT ONLY INTERIM REPORT
 SUBGRANT NUMBER G-18-EE0007930-2-17

RECONCILIATION OF REVENUES AND EXPENSES

FOR THE PERIOD JULY 1, 2018 TO JUNE 30, 2019

ENERGY CENTER

SUBGRANTEE

| | | | |
|------------------------|--------------------|------------------------|--------------------|
| Beginning fund balance | \$ _____ - | Beginning fund balance | \$ _____ - |
| Revenue: | | Revenue: | |
| Grant income | 534,826 | Grant income | 534,826 |
| Carry over funds | - | Carry over funds | - |
| Program income | <u> -</u> | Program income | <u> -</u> |
| Total revenue | <u>534,826</u> | Total revenue | <u>534,826</u> |
| Expenditures: | | Expenditures: | |
| Administration | 24,063 | Administration | 24,063 |
| Program operations | 452,012 | Program operations | 452,012 |
| Insurance | 4,686 | Insurance | 4,686 |
| T&TA | 25,409 | T&TA | 25,409 |
| Other | <u>28,656</u> | Other | <u>28,656</u> |
| Total expenditures | <u>534,826</u> | Total expenditures | <u>534,826</u> |
| Ending fund balance | <u>\$ _____ -</u> | Ending fund balance | <u>\$ _____ -</u> |

OZARKS AREA COMMUNITY ACTION CORPORATION
WEATHERIZATION PROGRAM – DOE GRANT ONLY INTERIM REPORT
SUBGRANT NUMBER G-18-EE0007930-2-17

SCHEDULE B

FOR THE PERIOD JULY 1, 2018 TO JUNE 30, 2019

| | |
|-------------------------------|--------------------------|
| Beginning agency fund balance | \$ _____ - |
| Grant revenue | 534,826 |
| Program income | - |
| Less expenditures | <u>534,826</u> |
| Agency ending fund balance | <u><u>\$ _____ -</u></u> |
| Ending cash on hand | <u><u>\$ _____ -</u></u> |
| Ending inventory | <u><u>\$ _____ -</u></u> |

OZARKS AREA COMMUNITY ACTION CORPORATION
 WEATHERIZATION PROGRAM – DOE GRANT ONLY INTERIM REPORT
 SUBGRANT NUMBER G-19-EE0007930-3-17

RECONCILIATION OF REVENUES AND EXPENSES

FOR THE PERIOD JULY 1, 2019 TO SEPTEMBER 30, 2019

ENERGY CENTER

SUBGRANTEE

| | | | |
|------------------------|--------------------|------------------------|--------------------|
| Beginning fund balance | \$ _____ - | Beginning fund balance | \$ _____ - |
| Revenue: | | Revenue: | |
| Grant income | 162,315 | Grant income | 162,315 |
| Carry over funds | - | Carry over funds | - |
| Program income | <u> -</u> | Program income | <u> -</u> |
| Total revenue | <u>162,315</u> | Total revenue | <u>162,315</u> |
| Expenditures: | | Expenditures: | |
| Administration | 9,905 | Administration | 9,905 |
| Program operations | 138,343 | Program operations | 138,343 |
| Insurance | 4,797 | Insurance | 4,797 |
| T&TA | 4,690 | T&TA | 4,690 |
| Other | <u>4,580</u> | Other | <u>4,580</u> |
| Total expenditures | <u>162,315</u> | Total expenditures | <u>162,315</u> |
| Ending fund balance | <u>\$ _____ -</u> | Ending fund balance | <u>\$ _____ -</u> |

OZARKS AREA COMMUNITY ACTION CORPORATION
WEATHERIZATION PROGRAM – DOE GRANT ONLY INTERIM REPORT
SUBGRANT NUMBER G-19-EE0007930-3-17

SCHEDULE B

FOR THE PERIOD JULY 1, 2019 TO SEPTEMBER 30, 2019

| | |
|-------------------------------|--------------------------|
| Beginning agency fund balance | \$ _____ - |
| Grant revenue | 162,315 |
| Program income | - |
| Less expenditures | <u>162,315</u> |
| Agency ending fund balance | <u><u>\$ _____ -</u></u> |
| Ending cash on hand | <u><u>\$ _____ -</u></u> |
| Ending inventory | <u><u>\$ _____ -</u></u> |

OZARKS AREA COMMUNITY ACTION CORPORATION
 WEATHERIZATION PROGRAM – DOE GRANT ONLY INTERIM REPORT
 SUBGRANT NUMBER G-19-LIHEAP-19-17

RECONCILIATION OF REVENUES AND EXPENSES

FOR THE PERIOD OCTOBER 1, 2018 THROUGH SEPTEMBER 30, 2019

| <u>ENERGY CENTER</u> | | <u>SUBGRANTEE</u> | |
|------------------------|-------------------|------------------------|-------------------|
| Beginning fund balance | \$ _____ - | Beginning fund balance | \$ _____ - |
| Revenue: | | Revenue: | |
| Grant income | 740,159 | Grant income | 740,159 |
| Carry over funds | - | Carry over funds | - |
| Program income | _____ - | Program income | _____ - |
| Total revenue | <u>740,159</u> | Total revenue | <u>740,159</u> |
| Expenditures: | | Expenditures: | |
| Administration | 37,007 | Administration | 37,007 |
| Program operations | 689,065 | Program operations | 689,065 |
| Insurance | 5,508 | Insurance | 5,508 |
| T&TA | 8,579 | T&TA | 8,579 |
| Other | _____ - | Other | _____ - |
| Total expenditures | <u>740,159</u> | Total expenditures | <u>740,159</u> |
| Ending fund balance | <u>\$ _____ -</u> | Ending fund balance | <u>\$ _____ -</u> |

OZARKS AREA COMMUNITY ACTION CORPORATION
WEATHERIZATION PROGRAM – DOE GRANT ONLY INTERIM REPORT
SUBGRANT NUMBER G-19-LIHEAP-19-17

SCHEDULE B

FOR THE PERIOD OCTOBER 1, 2018 THROUGH SEPTEMBER 30, 2019

| | |
|-------------------------------|----------------|
| Beginning agency fund balance | \$ _____ - |
| Grant revenue | 740,159 |
| Program income | - |
| Less expenditures | <u>740,159</u> |
| Agency ending fund balance | \$ _____ - |
| Ending cash on hand | \$ _____ - |
| Ending inventory | \$ _____ - |

OZARKS AREA COMMUNITY ACTION CORPORATION
HEAD START

RECONCILIATION OF PROGRAM YEARS

SEPTEMBER 30, 2019

| | Grant # 07CH010221-04-00 | | | Grant #07CH010221- 05-00 | 2019 Fiscal Year |
|--|--------------------------|----------------------|-------------------|--------------------------------|---------------------|
| | 9-1-18 / 9-30-18 | 10-1-18 / 8-31-19 | Grant Total | 9-1-19 / 9-30-19 | Total |
| Revenues: | | | | | |
| Head Start grant | \$ 940,935 | \$ 11,756,270 | \$ 12,697,205 | \$ 1,063,053 | \$ 12,819,323 |
| USDA program | 72,627 | 545,794 | 618,421 | 74,712 | 620,506 |
| Fee income | 40,616 | 552,698 | 593,314 | 38,517 | 591,215 |
| Other income | 33,585 | 100,171 | 133,756 | 1,090 | 101,261 |
| In-kind | - | 3,312,747 | 3,312,747 | - | 3,312,747 |
| | <u>1,087,763</u> | <u>16,267,680</u> | <u>17,355,443</u> | <u>1,177,372</u> | <u>17,445,052</u> |
| Expenditures: | | | | | |
| Training and Technical Assistance (CAN #5-G074121) | | | | | |
| Salaries | 12,860 | 104,326 | 117,186 | 4,276 | 108,602 |
| Fringe | 1,516 | 14,192 | 15,708 | 498 | 14,690 |
| Travel | 804 | 5,734 | 6,538 | 431 | 6,165 |
| Supplies | - | 31 | 31 | - | 31 |
| Contractual | - | - | - | - | - |
| Other | - | - | - | - | - |
| | <u>15,180</u> | <u>124,283</u> | <u>139,463</u> | <u>5,205</u> | <u>129,488</u> |
| Indirect costs | <u>1,379</u> | <u>10,238</u> | <u>11,617</u> | <u>442</u> | <u>10,680</u> |
| | <u>16,559</u> | <u>134,521</u> | <u>151,080</u> | <u>5,647</u> | <u>140,168</u> |
| Training and Technical Assistance (CAN #G-074120) | | | | | |
| Salaries | 4,772 | 66,695 | 71,467 | 4,676 | 71,371 |
| Fringe | 717 | 9,057 | 9,774 | 624 | 9,681 |
| Travel | 3,363 | 17,858 | 21,221 | 2,655 | 20,513 |
| Supplies | 41 | 541 | 582 | - | 541 |
| Contractual | - | - | - | - | - |
| Other | - | - | - | - | - |
| | <u>8,893</u> | <u>94,151</u> | <u>103,044</u> | <u>7,955</u> | <u>102,106</u> |
| Indirect costs | <u>488</u> | <u>6,543</u> | <u>7,031</u> | <u>458</u> | <u>7,001</u> |
| | <u>9,381</u> | <u>100,694</u> | <u>110,075</u> | <u>8,413</u> | <u>109,107</u> |

OZARKS AREA COMMUNITY ACTION CORPORATION
HEAD START

RECONCILIATION OF PROGRAM YEARS
(CONTINUED)

SEPTEMBER 30, 2019

| | Grant # 07CH010221-04-00 | | | Grant #07CH010221- 05-00 | 2019 Fiscal Year Total |
|---|--------------------------|----------------------|----------------|--------------------------------|------------------------------|
| | 9-1-18 / 9-30-18 | 10-1-18 / 8-31-19 | Grant Total | 9-1-19 / 9-30-19 | |
| Full Year Head Start – Part Day and Handicapped (CAN #G-074122) | | | | | |
| Salaries | \$ 438,714 | \$ 4,463,099 | \$ 4,901,813 | \$ 483,147 | \$ 4,946,246 |
| Fringe | 111,170 | 1,278,924 | 1,390,094 | 121,598 | 1,400,522 |
| Travel | 9,243 | 126,305 | 135,548 | 11,425 | 137,730 |
| Equipment | - | 287,419 | 287,419 | - | 287,419 |
| Supplies | 34,135 | 221,249 | 255,384 | 5,797 | 227,046 |
| Contractual | 2,757 | 60,857 | 63,614 | 5,304 | 66,161 |
| Other | 93,035 | 1,408,895 | 1,501,930 | 129,791 | 1,538,686 |
| | 689,054 | 7,846,748 | 8,535,802 | 757,062 | 8,603,810 |
| Indirect costs | 48,885 | 495,987 | 544,872 | 52,224 | 548,211 |
| | 737,939 | 8,342,735 | 9,080,674 | 809,286 | 9,152,021 |
| Early Head Start (CAN #G-074125) | | | | | |
| Salaries | 144,938 | 1,808,095 | 1,953,033 | 160,259 | 1,968,354 |
| Fringe | 42,195 | 550,027 | 592,222 | 44,235 | 594,262 |
| Travel | 3,251 | 47,808 | 51,059 | 2,713 | 50,521 |
| Equipment | - | 111,072 | 111,072 | - | 111,072 |
| Supplies | 8,561 | 45,675 | 54,236 | 3,309 | 48,984 |
| Contractual | 7,557 | 127,305 | 134,862 | 12,861 | 140,166 |
| Other | 28,212 | 429,971 | 458,183 | 38,107 | 468,078 |
| | 234,714 | 3,119,953 | 3,354,667 | 261,484 | 3,381,437 |
| Indirect costs | 16,544 | 203,692 | 220,236 | 17,629 | 221,321 |
| | 251,258 | 3,323,645 | 3,574,903 | 279,113 | 3,602,758 |

OZARKS AREA COMMUNITY ACTION CORPORATION
HEAD START

RECONCILIATION OF PROGRAM YEARS
(CONTINUED)

SEPTEMBER 30, 2019

| | Grant # 07CH010221-04-00 | | | Grant #07CH010221- 05-00 | 2019 Fiscal Year Total |
|----------------------------------|--------------------------|----------------------|----------------|--------------------------------|------------------------------|
| | 9-1-18 / 9-30-18 | 10-1-18 / 8-31-19 | Grant Total | 9-1-19 / 9-30-19 | |
| Duration (CAN #9-074127) | | | | | |
| Salaries | \$ - | \$ - | \$ - | \$ - | \$ - |
| Fringe | - | - | - | - | - |
| Travel | - | - | - | - | - |
| Equipment | - | 423,935 | 423,935 | - | 423,935 |
| Supplies | - | 21,841 | 21,841 | - | 21,841 |
| Contractual | - | 400 | 400 | - | 400 |
| Other | - | 61,368 | 61,368 | 201 | 61,569 |
| | | 507,544 | 507,544 | 201 | 507,745 |
| Indirect costs | - | - | - | - | - |
| | - | 507,544 | 507,544 | 201 | 507,745 |
| In-kind expense (see note below) | - | 3,312,747 | 3,312,747 | - | 3,312,747 |
| USDA | 72,626 | 545,794 | 618,420 | 74,712 | 620,506 |
| Total program expenditures | 1,087,763 | 16,267,680 | 17,355,443 | 1,177,372 | 17,445,052 |
| Change in net assets | \$ - | \$ - | \$ - | \$ - | \$ - |

DIFFERENCES COMPARED TO OVERALL STATEMENTS

1. This in-kind represents the amount reported internally that is required by the funding source, and does not match financial statements in accordance with accounting principles generally accepted in the United States of America.
2. Depreciation is not included in total program expenditures as it is not considered a program expenditure by the funding source.

OZARKS AREA COMMUNITY ACTION CORPORATION
FAMILY PLANNING

RECONCILIATION OF PROGRAM YEARS

SEPTEMBER 30, 2019

| | October 1, 2018 - March 30, 2019 | | April 1, 2019 - September 30, 2019 | | Totals |
|--------------------------------|-------------------------------------|----------------|---------------------------------------|------------------|----------------------|
| | Federal | Match | Federal | Match | (Memorandum Only) |
| Revenues: | | | | | |
| Federal grants | \$ 210,106 | \$ - | \$ 208,837 | \$ - | \$ 418,943 |
| Other grants | - | - | - | 3,617 | 3,617 |
| Fee income | - | 34,599 | - | 27,331 | 61,930 |
| Interest income | - | 1,172 | - | 735 | 1,907 |
| In-kind | - | 97,576 | - | 117,677 | 215,253 |
| Other income | - | 28,282 | - | 45,706 | 73,988 |
| | <u>210,106</u> | <u>161,629</u> | <u>208,837</u> | <u>195,066</u> | <u>775,638</u> |
| Expenditures: | | | | | |
| Salaries | 145,752 | 13,697 | 149,351 | 14,188 | 322,988 |
| Contract services | 51,192 | 13,567 | 48,950 | - | 113,709 |
| Travel | - | 1,422 | - | 861 | 2,283 |
| Occupancy | - | 12,316 | - | 12,686 | 25,002 |
| Operating expenses | 13,162 | 8,927 | 10,536 | 11,635 | 44,260 |
| Administrative expenses | - | 18,072 | - | 9,828 | 27,900 |
| In-kind | - | 97,576 | - | 117,677 | 215,253 |
| | <u>210,106</u> | <u>165,577</u> | <u>208,837</u> | <u>166,875</u> | <u>751,395</u> |
| Change in net assets | - | (3,948) | - | 28,191 | 24,243 |
| Net assets, beginning of year | - | - | - | 8,514 | 8,514 |
| Reclassification of net assets | - | 3,948 | - | (3,948) | - |
| Net assets, end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 32,757</u> | <u>\$ 32,757</u> |

OZARKS AREA COMMUNITY ACTION CORPORATION
FOSTER GRANDPARENTS

RECONCILIATION OF PROGRAM YEARS

SEPTEMBER 30, 2019

| | October 1, 2018 - March 31, 2019 | | April 1, 2019 - September 30, 2019 | | Totals (Memorandum Only) |
|--------------------------------|-------------------------------------|---------------|---------------------------------------|------------------|--------------------------------|
| | Federal | Match | Federal | Match | |
| | Revenues: | | | | |
| Federal grants | \$ 143,511 | \$ - | \$ 129,664 | \$ - | \$ 273,175 |
| Other grants | - | 7,230 | - | 14,637 | 21,867 |
| Interest income | - | 540 | - | 393 | 933 |
| In-kind | - | 9,989 | - | 31,015 | 41,004 |
| Donations | - | 17,106 | - | 49 | 17,155 |
| | <u>143,511</u> | <u>34,865</u> | <u>129,664</u> | <u>46,094</u> | <u>354,134</u> |
| Expenditures: | | | | | |
| Salaries | 31,530 | 7,696 | 36,529 | - | 75,765 |
| Contract services | 210 | - | - | - | 210 |
| Travel | 597 | - | 372 | (300) | 669 |
| Payments to/for participants | 97,166 | 30,050 | 84,877 | 250 | 212,343 |
| Occupancy | 3,189 | - | 3,306 | - | 6,495 |
| Operating expenses | 7,795 | 1,940 | 1,714 | - | 11,449 |
| Administrative expenses | 3,024 | 738 | 2,856 | (73) | 6,545 |
| In-kind | - | 9,989 | - | 31,015 | 41,004 |
| | <u>143,511</u> | <u>50,413</u> | <u>129,664</u> | <u>30,892</u> | <u>354,480</u> |
| Change in net assets | - | (15,548) | - | 15,202 | (346) |
| Net assets, beginning of year | - | - | - | 28,538 | 28,538 |
| Reclassification of net assets | - | 15,548 | - | (15,548) | - |
| Net assets, end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 28,192</u> | <u>\$ 28,192</u> |

COMPLIANCE AND INTERNAL CONTROLS

OZARKS AREA COMMUNITY ACTION CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2019

| | Grant Award Number | Federal CFDA Number | Expenditures |
|---|-----------------------|---------------------------|--------------|
| <u>U.S. Department of Health and Human Services:</u> | | | |
| Head Start Cluster: | | | |
| Direct program: | | | |
| Head Start Program | 07CH010221-04-00 | 93.600 | \$ 9,356,764 |
| Early Head Start Program | 07CH010221-05-00 | 93.600 | 3,462,560 |
| Total Head Start Cluster | | | 12,819,324 |
| Passed through Missouri Department of Social Services: | | | |
| Community Services Block Grant | PG281800014 | 93.569 | 1,806,956 |
| SkillUP | None | 93.588 | 301,564 |
| Low-Income Housing Energy Assistance | ER11017016 | 93.568 | 2,842,206 |
| Passed through Missouri Family Health Council: | | | |
| Family Planning | FPHPA006455 | 93.217 | 418,942 |
| Passed through Missouri Department of Economic Development: | | | |
| Weatherization Assistance for Low-Income Persons | G-19-LIHEAP-19-17 | 93.568 | 740,159 |
| Total Department of Health and Human Services | | | 18,929,151 |
| <u>U.S. Department of Agriculture:</u> | | | |
| Passed through Missouri Department of Health: | | | |
| Child and Adult Care Food Program | ERS46110057 | 10.558 | 620,506 |
| Passed through Ozarks Food Harvest: | | | |
| Emergency Food Assistance Program | None | 10.569 | 46,632 |
| Total Department of Agriculture | | | 667,138 |
| <u>U.S. Department of Energy:</u> | | | |
| Weatherization Cluster: | | | |
| Passed through Missouri Department of Economic Development: | | | |
| Weatherization Assistance for Low-Income Persons | G-18-EE0007930-2-17 | | |
| Weatherization Assistance for Low-Income Persons | G-19-EE0007930-3-17 | 81.042 | 575,161 |
| Total Department of Energy | | | 575,161 |

OZARKS AREA COMMUNITY ACTION CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)

YEAR ENDED SEPTEMBER 30, 2019

| | <u>Grant Award Number</u> | <u>Federal CFDA Number</u> | <u>Expenditures</u> |
|--|---------------------------------------|------------------------------------|----------------------|
| <u>U.S. Department of Housing and Urban Development:</u> | | | |
| Passed through Department of Mental Health: | | | |
| Shelter Plus Care | MO 0083L7P061710/ MO 0026L7P001710 | 14.238 | \$ 276,367 |
| Passed through Missouri Housing Development Commission: | | | |
| Home Investment Partnership Act (HERO) | 2019-HERO Home Repair | 14.239 | 76,282 |
| Passed through the City of Springfield, Missouri: | | | |
| Community Development Block Grant | 2019-0576 | 14.219 | <u>24,438</u> |
| Total Department of Housing and Urban Development | | | <u>377,087</u> |
| <u>U.S. Department of Homeland Security:</u> | | | |
| Direct Program: | | | |
| Emergency Food and Shelter | None | 97.024 | <u>74,635</u> |
| <u>Corporation for National and Community Service:</u> | | | |
| Direct Program: | | | |
| Foster Grandparents Program | 2019-OPE1-P71-OPO- 22415-4101 | 94.011 | <u>273,174</u> |
| | | | <u>\$ 20,896,346</u> |

See the accompanying notes to schedule of expenditures of federal awards.

OZARKS AREA COMMUNITY ACTION CORPORATION

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2019

Basis of presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Ozarks Area Community Action Corporation and is presented on the modified accrual basis of accounting. The modification to the accrual basis of accounting is that property and equipment are recorded as expenditures in the year purchased according to grant requirements. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Dallas County Public Housing Authority

The financial statements of Ozarks Area Community Action Corporation include the operations of the Dallas County Public Housing Authority, which received \$2,577,971 in federal awards that have not been included in the accompanying schedule for the year ended September 30, 2019. The federal expenditures of the Dallas County Public Housing Authority are not included due to the fact that Ozarks Area Community Action Corporation acted only as the fiscal agent for this organization. The Dallas County Public Housing Authority is required by statute to have a separate single audit on its fiscal year of June 30. A separate single audit for year ended June 30, 2019 has been completed and reported separately and is not included within the accompanying schedule.

Indirect Cost Rate

OACAC maintains an indirect cost rate with the Department of Health and Human Services and is not eligible to use the 10 percent de minimus indirect cost rate.

ROBERTS, MCKENZIE, MANGAN & CUMMINGS

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

Board of Directors
Ozarks Area Community Action Corporation
Springfield, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Ozarks Area Community Action Corporation (a nonprofit organization), which comprise the statement of financial position as of September 30, 2019, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 10, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

R/M/C, CPA's

Springfield, Missouri
March 10, 2020

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE

Board of Directors
Ozarks Area Community Action Corporation
Springfield, Missouri

Report on Compliance for Each Major Federal Program

We have audited Ozarks Area Community Action Corporation's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Ozarks Area Community Action Corporation's major federal programs for the year ended September 30, 2019. Ozarks Area Community Action Corporation's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Ozarks Area Community Action Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 2, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Ozarks Area Community Action Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Ozarks Area Community Action Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, Ozarks Area Community Action Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2019.

Report on Internal Control Over Compliance

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

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

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

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

R/M/C, CPA's

Springfield, Missouri
March 10, 2020

OZARKS AREA COMMUNITY ACTION CORPORATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAMS

YEAR ENDED SEPTEMBER 30, 2019

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
 Yes No
- Significant deficiencies identified that are not considered to be material weaknesses?
 Yes None reported
- Noncompliance material to financial statements noted?
 Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?
 Yes No
- Significant deficiencies identified that are not considered to be material weakness(es)?
 Yes None reported

Type of auditor’s report issued on compliance for major programs: Unmodified.

Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)?

Yes No

OZARKS AREA COMMUNITY ACTION CORPORATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAMS
(CONTINUED)

YEAR ENDED SEPTEMBER 30, 2019

Identification of major programs:

CFDA Number(s)

| | |
|--------|--------------------------------|
| 93.569 | Community Services Block Grant |
| 93.600 | Head Start Cluster |

Dollar threshold used to distinguish between type A and B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes ___ No

Section II – Financial Statement Findings

There were no findings or significant deficiencies for the year ended September 30, 2019.

Section III – Federal Award Findings and Questioned Costs

There were no findings or significant deficiencies for the year ended September 30, 2019.

OZARKS AREA COMMUNITY ACTION CORPORATION
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2019

There were no findings for the year ended September 30, 2018.