

***Economic Opportunity Agency of
Washington County, Inc.***
Springdale, Arkansas

***REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION***

For the Year Ended October 31, 2014

SAUNDERS & ASSOCIATES, PLLC

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ECONOMIC OPPORTUNITY AGENCY OF WASHINGTON COUNTY, INC.
Springdale, Arkansas

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October 31, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Economic Opportunity Agency of Washington County, Inc.

We have audited the accompanying financial statements of Economic Opportunity Agency of Washington County, Inc. (a nonprofit organization), which comprise the statement of financial position as of October 31, 2014, 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 *Governmental 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 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 Economic Opportunity Agency of Washington County, Inc. as of October 31, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

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, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. In addition, the accompanying supplemental information, as listed in the preceding table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required By Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2015 on our consideration of Economic Opportunity Agency of Washington County, Inc.'s internal control over financial reporting and on our tests of 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 Economic Opportunity Agency of Washington County, Inc.'s internal control over financial reporting and compliance.

Saunders & Associates, PLLC

SAUNDERS & ASSOCIATES, PLLC
Certified Public Accountants
Ada, Oklahoma

March 23, 2015

FINANCIAL STATEMENTS

ECONOMIC OPPORTUNITY AGENCY OF WASHINGTON COUNTY, INC.
Springdale, Arkansas

STATEMENT OF FINANCIAL POSITION

October 31, 2014

	Unrestricted	Temporarily Restricted	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 347,919	\$ (78,236)	\$ 269,683
Investments	150,632	0	150,632
Accounts receivable			
Grants/contracts	0	507,453	507,453
Other	35,050	19,479	54,529
Interfund receivables	290,012	0	290,012
Inventory	0	15,753	15,753
Prepaid expenses	3,000	0	3,000
Total Current Assets	826,613	464,449	1,291,062
Non-current Assets:			
Fixed assets	5,920,586	0	5,920,586
Accumulated depreciation	(1,410,199)	0	(1,410,199)
Total Noncurrent Assets	4,510,387	0	4,510,387
Total Assets	\$ 5,337,000	\$ 464,449	\$ 5,801,449
LIABILITIES AND NET ASSETS			
Current Liabilities:			
Accounts payable	\$ 15,755	\$ 185,364	\$ 201,119
Accrued liabilities	75,239	4,883	80,122
Accrued wages	0	106,610	106,610
Match payable	0	19,659	19,659
Deferred revenue	0	30,725	30,725
Interfund payables	290,012	0	290,012
Long-term debt-current portion	39,315	0	39,315
Total Current Liabilities	420,321	347,241	767,562
Other Liabilities:			
Long-term debt-noncurrent portion	149,588	0	149,588
Total Liabilities	569,909	347,241	917,150
Net Assets	4,767,091	117,208	4,884,299
TOTAL LIABILITIES AND NET ASSETS	\$ 5,337,000	\$ 464,449	\$ 5,801,449

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

ECONOMIC OPPORTUNITY AGENCY OF WASHINGTON COUNTY, INC.
Springdale, Arkansas

STATEMENT OF ACTIVITIES

For the Year Ended October 31, 2014

	Unrestricted	Temporarily Restricted	Total
Revenue			
Federal/state grants	\$ 0	\$ 5,621,209	\$ 5,621,209
United Way	18,162	90,856	109,018
Interest	198	0	198
Non-federal contributions/revenues	216,531	3,246	219,777
Other revenue	311,297	13,127	324,424
In-kind contributions	29,025	1,464,425	1,493,450
Net assets released from restriction:			
Satisfaction of program restrictions	7,192,863	(7,192,863)	0
Total Revenue	7,768,076	0	7,768,076
Expenses			
Program Services:			
Social services	646,256	0	646,256
Headstart	4,397,495	0	4,397,495
Children's services	1,559,145	0	1,559,145
Home energy assistance	852,630	0	852,630
Personal development and education	284,988	0	284,988
Supporting Services:			
Management and general	15,303	0	15,303
Total Expenses	7,755,817	0	7,755,817
Increase (decrease) in net assets before other gains and losses	12,259	0	12,259
Other Gains and Losses			
Acquisition/disposition of assets	116,575	0	116,575
Unrealized gains/(losses)	6,742	0	6,742
Interfund transfers	823,527	(823,527)	0
Depreciation	(294,768)	0	(294,768)
Total Other Gains and Losses	652,076	(823,527)	(171,451)
Increase/(decrease) in net assets	664,335	(823,527)	(159,192)
Net Assets, October 31, 2013	4,102,756	940,735	5,043,491
NET ASSETS, OCTOBER 31, 2014	\$ 4,767,091	\$ 117,208	\$ 4,884,299

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

ECONOMIC OPPORTUNITY AGENCY OF WASHINGTON COUNTY, INC.
Springdale, Arkansas

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended October 31, 2014

	<u>Social Services</u>	<u>Headstart</u>	<u>Children's Services</u>	<u>Home Energy Assistance</u>
<u>EXPENSES:</u>				
Salaries	\$ 269,011	\$ 1,746,012	\$ 585,856	\$ 44,257
Payroll taxes	25,267	208,133	65,768	4,864
Employee benefits	36,847	267,837	76,767	5,237
Worker's compensation insurance	1,367	8,701	2,576	294
Professional services	24,479	12,838	1,918	0
Accounting and administration	1,974	45,795	13,924	9,485
Fundraising	0	0	27,204	0
Office expense	11,399	46,636	11,583	12,677
Equipment	1,599	161,243	18,996	0
Advertising/promotion	0	3,163	0	0
Repairs & maintenance	0	183,675	16,306	0
Insurance	1,872	19,566	19,648	406
Office space/rent	16,664	94,023	5,748	3,069
Utilities	0	40,881	39,825	0
Travel	12,451	49,393	11,848	1,328
Dues and subscriptions	7,940	3,093	0	0
Program costs/supplies	205,587	174,244	36,476	770,752
Staff development/training	0	166,479	4,027	0
Food costs/commodities	1,713	281,366	39,728	261
Interest	0	0	0	0
Match expense	0	0	0	0
In-kind	28,086	884,417	580,947	0
Miscellaneous	0	0	0	0
TOTAL EXPENSES	<u>\$ 646,256</u>	<u>\$ 4,397,495</u>	<u>\$ 1,559,145</u>	<u>\$ 852,630</u>

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

ECONOMIC OPPORTUNITY AGENCY OF WASHINGTON COUNTY, INC.
Springdale, Arkansas

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended October 31, 2014

	Personal Development and Education	Management and General	Total
<u>EXPENSES:</u>			
Salaries	\$ 149,366	\$ 0	\$ 2,794,502
Payroll taxes	19,577	0	323,609
Employee benefits	16,872	0	403,560
Worker's compensation insurance	889	0	13,827
Professional services	0	0	39,235
Accounting and administration	4,026	0	75,204
Fundraising	0	77	27,281
Office expense	7,967	3,186	93,448
Equipment	0	0	181,838
Advertising/promotion	0	0	3,163
Repairs & maintenance	0	0	199,981
Insurance	1,076	0	42,568
Office space/rent	3,768	255	123,527
Utilities	0	0	80,706
Travel	2,914	0	77,934
Dues and subscriptions	0	0	11,033
Program costs/supplies	34,085	1,925	1,223,069
Staff development/training	0	0	170,506
Food costs/commodities	0	55	323,123
Interest	0	9,805	9,805
Match expense	44,448	0	44,448
In-kind	0	0	1,493,450
Miscellaneous	0	0	0
TOTAL EXPENSES	<u>\$ 284,988</u>	<u>\$ 15,303</u>	<u>\$ 7,755,817</u>

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

ECONOMIC OPPORTUNITY AGENCY OF WASHINGTON COUNTY, INC.
Springdale, Arkansas

STATEMENT OF CASH FLOWS

For the Year Ended October 31, 2014

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash provided (used) by operating activities:

Increase (decrease) in net assets	\$	(159,192)
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Adjustments to reconcile change in net assets to net cash provided by operating activities:

Depreciation	\$	294,768
(Increase) decrease in receivables		75,151
(Increase) decrease in inventory		12,136
(Increase) decrease in prepaid expenses		31,994
Increase (decrease) in accounts payable		116,934
Increase (decrease) in accrued liabilities		(217,842)
Increase (decrease) in accrued wages		(93,517)
Increase (decrease) in match payable		(48,056)
Increase (decrease) in deferred revenue		30,725
		202,293

Net cash provided (used) by operating activities		43,101
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CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of investments		(6,873)
Acquisition of fixed assets		(138,256)
Disposition of fixed assets, net		21,681

Net cash provided (used) by investing activities		(123,448)
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CASH FLOWS FROM FINANCING ACTIVITIES

Reduction of debt principal		(37,751)
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Net cash provided (used) by financing activities		(37,751)
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Net increase (decrease) in cash		(118,098)
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Cash and cash equivalents, October 31, 2013		387,781
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CASH AND CASH EQUIVALENTS, OCTOBER 31, 2014	\$	269,683
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Supplemental Disclosures:

Interest income	\$	198
Interest expense	\$	9,805
Capitalized interest	\$	0

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

ECONOMIC OPPORTUNITY AGENCY OF WASHINGTON, COUNTY, INC.
Springdale, Arkansas

NOTES TO FINANCIAL STATEMENTS

For the Year Ended October 31, 2014

NATURE OF ORGANIZATION

Economic Opportunity Agency of Washington County, Inc. (the Organization) is a community action agency whose purpose is to make improvements in the lives of low-income individuals and families and communities in which they live, with the goal for clients of self-sufficient living. The Organization was authorized as part of the Economic Opportunity Act of 1965.

The Organization's principal activities consist of carrying out programs under grants from the U.S. Department of Health and Human Services, U.S. Department of Agriculture, U.S. Department of Housing and Urban Development, and Corporation for National and Community Service. The acceptance of these grants requires compliance with grant conditions, including the furnishing of certain cash or noncash contributions from non-federal sources.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The financial statements of the Organization have been prepared on the accrual basis of accounting whereby revenues are recognized as earned and expenses are recognized as obligations are incurred. Non-federal contributions consist of cash and in-kind contributions and are recorded as received.

Functional Allocation of Expenses – The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated (based on estimates) among the program and supporting services benefited.

Cash Flows – For purposes of the statement of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents

Financial Statement Presentation – The Organization follows FASB ASC 958 (formerly SFAS No. 117), *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958, the Organization is required to report information related to its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. For the year ended October 31, 2014, the Organization did not have permanently restricted net assets.

Inventories – Inventory consists of food items to be distributed as part of the Emergency Food Assistance Program, which have been designated as commodities. Cost is based on information provided by the U.S.D.A. using the first-in, first-out method.

ECONOMIC OPPORTUNITY AGENCY OF WASHINGTON, COUNTY, INC.
Springdale, Arkansas

NOTES TO FINANCIAL STATEMENTS

For the Year Ended October 31, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property and Equipment – Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Depreciation is computed using the straight-line method over the following estimated useful lives.

Buildings and Land	20-40 years
Furniture, Equipment and Vehicles	5-15 years

Depreciation expense for the year ended October 31, 2014 equaled \$294,768.

It is the Organization's policy to capitalize all asset purchases greater than \$1,000 while expensing all asset purchases under \$1,000.

In-Kind Contributions – Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. Total in-kind contributions received equaled \$1,493,450. Of this amount, \$884,417 was received by the Head Start Program.

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. This will affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Fair Value Measurement – FASB guidance on fair value measurements defines fair values, establishes a framework for measuring fair value and expands disclosure of fair value measurements. The guidance applies to all assets and liabilities that are measured and reported on a fair value basis. The carrying amounts of financial instruments, including cash and cash equivalents, accounts receivable accounts payable and accrued liabilities, approximate fair value due to the short maturity of these instruments.

NOTE 2: CASH DEPOSITS

At October 31, 2014, the Organization had deposits in one local bank. Cash held by the Organization may at times exceed the Federal Deposit Insurance Corporation (FDIC) coverage limit. Management believes the Organization is not exposed to any significant credit risk related to cash.

ECONOMIC OPPORTUNITY AGENCY OF WASHINGTON, COUNTY, INC.
Springdale, Arkansas

NOTES TO FINANCIAL STATEMENTS

For the Year Ended October 31, 2014

NOTE 3: FEDERAL INCOME TAX

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar section of Arkansas Statutes. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code.

Additionally, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A).

Generally accepted accounting principles require tax effects from an uncertain tax position to be recognized in the financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax positions may be challenged. If an uncertain tax position meets the more-likely-than-not threshold, the largest amount of tax benefit that is greater than 50% likely to be recognized upon ultimate settlement with the taxing authority is recorded. The Organization's primary tax positions relate to its status as a not-for-profit entity exempt from income taxes and classification of activities related to its exempt purpose. Management has evaluated the tax positions reflected in the Organization's tax filings and does not believe that any material uncertain tax positions exist.

Federal and state income tax statutes dictate that tax returns filed in any of the previous three reporting periods remain open to examination. Currently, the Organization has no open examinations with the Internal Revenue Service.

NOTE 4: INVESTMENTS

Investments consist of funds held by Arvest Asset Management and donor designated endowment funds at two local foundations.

At October 31, 2014:

	<u>Cost</u>	<u>Fair Market Value</u>
Money Market CLA	\$ 3,072	\$ 3,072
Beneficial Interest in Future Earnings of Donor Designated Funds:		
Fayetteville Community Foundation	N/A	84,633
Northwest Arkansas Community Foundation	<u>N/A</u>	<u>69,927</u>
Total	<u>\$ 3,072</u>	<u>\$ 150,632</u>

ECONOMIC OPPORTUNITY AGENCY OF WASHINGTON, COUNTY, INC.
Springdale, Arkansas

NOTES TO FINANCIAL STATEMENTS

For the Year Ended October 31, 2014

NOTE 5: FAIR VALUE MEASUREMENT

Guidance provided by the FASB defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring a fair value, a fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy are described below:

Level 1 – Quoted prices in active market for identical assets or liabilities as the reporting date.

Level 2 – Pricing inputs other than quoted prices included in Level 1, which are either directly observable or that can be derived or supported from observable data as of the reporting date.

Level 3 – Pricing inputs include those that are significant to the fair value of the financial asset or financial liability and are generally less observable from objective sources. These inputs may be used with internally developed techniques that result in management’s best estimate of fair value.

The asset’s or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The valuation methods used may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodologies used at October 31, 2014.

Funds managed by Arvest Asset Management, the Fayetteville Community Foundation, and the Northwest Arkansas Community Foundation are valued at the closing price reported on the active or observable market on which the individual securities are traded.

Fair Value Disclosures – The following table represents the Organization’s investments that are measured at fair value on a recurring basis at October 31, 2014:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money Market CLA	\$ 3,072	\$ 0	\$ 0	\$ 3,072
Beneficial Interest in Future Earnings of Donor Designated Funds:				
Fayetteville Community Foundation	84,633	0	0	84,633
Northwest Arkansas Community Foundation	<u>62,927</u>	<u>0</u>	<u>0</u>	<u>62,927</u>
Total	<u>\$ 150,632</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 150,632</u>

ECONOMIC OPPORTUNITY AGENCY OF WASHINGTON, COUNTY, INC.
Springdale, Arkansas

NOTES TO FINANCIAL STATEMENTS

For the Year Ended October 31, 2014

NOTE 6: LONG-TERM DEBT

Long-term debt of the Organization consists of:

	<u>2014</u>
Medical Services of NWA, payable in monthly installments of \$3,000 and bears interest of 4.83%. The note is secured by real property and is due to mature July 1, 2019	\$ 150,143
Arvest Bank payable in monthly installments of \$963 and bears interest of 5.87%. The note is secured by real property and is due to mature August 1, 2017.	<u>38,760</u>
Total Debt	188,903
Less Current Portion	<u>(39,315)</u>
Long-Term Debt	<u>\$ 149,588</u>

Debt is scheduled to be repaid as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 39,315	\$ 8,241	\$ 47,556
2016	41,251	6,305	47,556
2017	50,800	4,204	55,004
2018	33,966	2,034	36,000
2019	23,571	429	24,000
Thereafter	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$ 188,903</u>	<u>\$ 21,213</u>	<u>\$ 210,116</u>

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Activity of property, plant and equipment consists of the following:

	<u>11/01/13</u>	<u>Additions</u>	<u>Retirements</u>	<u>10/31/14</u>
Buildings and Land	\$ 5,130,042	\$ 0	\$ 0	\$ 5,130,042
Foundation	<u>754,607</u>	<u>138,256</u>	<u>102,319</u>	<u>790,544</u>
Total	<u>\$ 5,884,649</u>	<u>\$ 138,256</u>	<u>\$ 102,319</u>	<u>\$ 5,920,586</u>

ECONOMIC OPPORTUNITY AGENCY OF WASHINGTON, COUNTY, INC.
Springdale, Arkansas

NOTES TO FINANCIAL STATEMENTS

For the Year Ended October 31, 2014

NOTE 8: PENSION PLAN

The Organization is enrolled in a qualified 401(k) retirement plan. All full-time employees having completed one year of service are eligible to participate in the plan. The Organization contributes 6% of eligible participants' compensation each year. Vesting occurs as follows:

<u>Years of Service</u>	<u>Employer Portion of Accrued Benefits</u>
0-1	0%
2	20%
3	40%
4	60%
5	80%
6	100%

The Organization's contributions to this plan for the year ended October 31, 2014 totaled \$113,497.

NOTE 9: COMPENSATED ABSENCES

The Organization recognizes its obligation related to employees' rights to receive compensation for future absences attributable to employees' services already rendered. These rights are accumulated and accounted for in the general fund. Due to restrictions on funds by grantors, it is believed that the allocation of such amounts to the various funds would result in insignificant amounts to individual funds. The Organization's liability for compensated absences at October 31, 2014 was \$85,162, and is included in accrued liabilities on the statement of financial position. The Organization maintains a cash reserve for this amount.

NOTE 10: CONCENTRATIONS

The Organization received approximately 72% of its revenues from federal, state and local sources during the year ended October 31, 2014. It is reasonably possible that in the near term these programs could cease, which would cause a severe impact on the Organization and its ability to continue its operations. The Organization does not expect in any way that the support from these governmental agencies will be lost in the near term. At October 31, 2014, the Organization had accounts receivable from federal, state, and local sources in the amount of \$507,453.

NOTE 11: CONTINGENCIES

Monitoring by the Arkansas Department of Workforce Services of the Organization's Individual Development Accounts Program resulted in questioned costs that may have to be repaid to the grantor. Management is of the opinion that any costs required to be repaid would not be material to the financial statements.

ECONOMIC OPPORTUNITY AGENCY OF WASHINGTON, COUNTY, INC.
Springdale, Arkansas

NOTES TO FINANCIAL STATEMENTS

For the Year Ended October 31, 2014

NOTE 12: SUBSEQUENT EVENTS

The Organization has evaluated events and transactions for subsequent events that would impact the financial statements for the year ended October 31, 2014 through March 23, 2015, which is the date the financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in the financial statements.

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INDEPENDENT AUDITOR'S 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*

To the Board of Directors
Economic Opportunity Agency of Washington County, Inc.

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 Economic Opportunity Agency of Washington County, Inc. (a non-profit organization), which comprise the statement of financial position as of October 31, 2014, and the related statements 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 23, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Economic Opportunity Agency of Washington County, Inc.'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 Economic Opportunity Agency of Washington County, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Economic Opportunity Agency of Washington County, Inc.'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 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 Economic Opportunity Agency of Washington County, Inc.'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. 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 Economic Opportunity Agency of Washington County, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Economic Opportunity Agency of Washington County, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Saunders & Associates, PLLC

SAUNDERS & ASSOCIATES, PLLC
Certified Public Accountants
Ada, Oklahoma

March 23, 2015

Saunders & Associates, PLLC

Certified Public Accountants

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

To the Board of Directors
Economic Opportunity Agency of Washington County, Inc.

Report on Compliance for Each Major Program

We have audited Economic Opportunity Agency of Washington County, Inc.'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 Economic Opportunity Agency of Washington County, Inc.'s major federal programs for the year ended October 31, 2014. Economic Opportunity Agency of Washington County, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Economic Opportunity Agency of Washington County, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Economic Opportunity Agency of Washington County, Inc.'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 Economic Opportunity Agency of Washington County, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Economic Opportunity Agency of Washington County, Inc. 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 October 31, 2014.

Report on Internal Control Over Compliance

Management of Economic Opportunity Agency of Washington County, Inc. 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 Economic Opportunity Agency of Washington County, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with *OMB Circular A-133*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Economic Opportunity Agency of Washington County, Inc.'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 *OMB Circular A-133*. Accordingly, this report is not suitable for any other purpose.



SAUNDERS & ASSOCIATES, PLLC
Certified Public Accountants
Ada, Oklahoma

March 23, 2015

SUPPLEMENTAL INFORMATION

ECONOMIC OPPORTUNITY AGENCY OF WASHINGTON COUNTY, INC.
Springdale, Arkansas

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended October 31, 2014

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>CFDA No.</u>	<u>Revenue</u>	<u>Expenditures</u>
<u>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Direct:			
Headstart - 06CH5298/47	93.600	\$ 1,941,444	\$ 1,941,444
Headstart - 06CH7158/01	93.600	1,330,570	1,330,570
 <u>Passed Through the Arkansas Department of Health and Human Services:</u>			
Community Services Block Grant	93.569	309,521	308,370
Home Energy Assistance Program	93.568	27,195	25,884
Home Energy Assistance Program	93.568	3,455	5,916
Home Energy Assistance Program	93.568	849,175	846,714
Child Care and Development Block Grant	93.575	36,336	36,336
Child Care and Development Block Grant	93.575	13,329	13,329
 <u>Passed Through the Arkansas Department of Workforce Services</u>			
TANF - Individual Dev. Acct. Program	93.558	88,616	88,500
 <u>Passed through Arkansas Insurance Department</u>			
In-Person Assistor Guide Program	93.519	<u>150,529</u>	<u>150,529</u>
Total Dept. of Health and Human Services		<u>4,750,170</u>	<u>4,747,592</u>
 <u>U. S. DEPARTMENT OF AGRICULTURE</u>			
<u>Passed Through Arkansas Department of Human Services:</u>			
Emergency Food Assistance-Admin	10.568	13,681	13,681
Emergency Food Assistance-Commodities	10.568	175,481	187,617
Child Care Food Program	10.558	<u>276,220</u>	<u>276,220</u>
Total U. S. Department of Agriculture		<u>465,382</u>	<u>477,518</u>
 <u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>			
Retired Senior Volunteer Program	94.002	<u>70,529</u>	<u>70,529</u>
Total Corporation for National & Community Service		<u>70,529</u>	<u>70,529</u>
TOTAL FEDERAL AWARDS		\$ <u>5,286,081</u>	\$ <u>5,295,639</u>

ECONOMIC OPPORTUNITY AGENCY OF WASHINGTON COUNTY, INC.
Springdale, Arkansas

SCHEDULE OF EXPENDITURES OF STATE AWARDS

For the Year Ended October 31, 2014

<u>PROGRAM GRANTOR/PROGRAM TITLE</u>	<u>Revenue</u>	<u>Expenditures</u>
<u>ARKANSAS DEPARTMENT OF</u> <u>HUMAN SERVICES</u>		
Retired Senior Volunteer Program	\$ <u>7,932</u>	\$ <u>7,932</u>
Total Arkansas Department of Health & Human Services	<u>7,932</u>	<u>7,932</u>
<u>ARKANSAS DEPARTMENT OF EDUCATION</u>		
Arkansas Better Chance	315,195	315,195
Better Beginnings	<u>12,000</u>	<u>4,492</u>
Total Arkansas Department of Education	<u>327,195</u>	<u>319,687</u>
TOTAL STATE ASSISTANCE	\$ <u>335,127</u>	\$ <u>327,619</u>

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

ECONOMIC OPPORTUNITY AGENCY OF WASHINGTON COUNTY, INC.
Springdale, Arkansas

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended October 31, 2014

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Economic Opportunity Agency of Washington County, Inc. 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*.

NOTE 2: CONTINGENT LIABILITIES

The organization participates in a number of federally assisted programs. These programs are audited in accordance with *Government Auditing Standards* and the *Single Audit Act Amendments of 1996*, if applicable, in accordance with the required levels of Federal Financial Assistance. Audits of prior years have not resulted in any significant disallowed costs; however, grantor agencies may provide for further examinations. Based on prior experience, management believes that further examinations would not result in any significant disallowed costs.

NOTE 3: RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule may not agree with the amounts reported in the related Federal financial reports filed with the grantor agencies because of accruals made in the schedule which will be included in future reports filed with agencies.

ECONOMIC OPPORTUNITY AGENCY OF WASHINGTON COUNTY, INC.
Springdale, Arkansas

COMBINING STATEMENT OF FINANCIAL POSITION
(Non-GAAP Presentation)

October 31, 2014

	<u>Headstart</u>	<u>USDA Headstart</u>	<u>Commodities</u>	<u>ECERS State Grant</u>
Assets				
Current Assets:				
Cash and cash equivalents	\$ (113,789)	\$ 4,688	\$ 203	\$ 19,804
Investments	0	0	0	0
Accounts receivable:				
Grants/contracts	429,859	32,896	1,398	0
Other	675	0	0	0
Interfund receivables	0	0	0	0
Inventory	0	0	15,753	0
Prepaid expenses	0	0	0	0
Total Current Assets	<u>316,745</u>	<u>37,584</u>	<u>17,354</u>	<u>19,804</u>
Non-current Assets:				
Fixed assets	0	0	0	0
Accumulated depreciation	0	0	0	0
Total Non-Current Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 316,745</u>	<u>\$ 37,584</u>	<u>\$ 17,354</u>	<u>\$ 19,804</u>
Liabilities and Net Assets				
Current Liabilities:				
Accounts payable	144,329	38,029	553	0
Accrued liabilities	4,243	0	0	0
Accrued wages	106,610	0	0	0
Match payable	0	0	0	0
Deferred revenue	10,486	0	0	0
Interfund payables	0	0	0	0
Long-term debt-current portion	0	0	0	0
Total Current Liabilities	<u>265,668</u>	<u>38,029</u>	<u>553</u>	<u>0</u>
Other Liabilities:				
Long-term debt-noncurrent portion	0	0	0	0
Total Liabilities	<u>265,668</u>	<u>38,029</u>	<u>553</u>	<u>0</u>
Net Assets				
Temporarily restricted	51,077	(445)	16,801	19,804
Unrestricted	0	0	0	0
Total Net Assets	<u>51,077</u>	<u>(445)</u>	<u>16,801</u>	<u>19,804</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 316,745</u>	<u>\$ 37,584</u>	<u>\$ 17,354</u>	<u>\$ 19,804</u>

ECONOMIC OPPORTUNITY AGENCY OF WASHINGTON COUNTY, INC.
Springdale, Arkansas

COMBINING STATEMENT OF FINANCIAL POSITION
(Non-GAAP Presentation)

October 31, 2014

	RSVP (State)	RSVP (Federal)	CSBG	Children's House - ABC
Assets				
Current Assets:				
Cash and cash equivalents	\$ (1,819)	\$ (8,558)	\$ (23,867)	\$ 21,689
Investments	0	0	0	0
Accounts receivable:				
Grants/contracts	1,819	9,205	27,195	0
Other	0	0	0	0
Interfund receivables	0	0	0	0
Inventory	0	0	0	0
Prepaid Expenses	0	0	0	0
Total Current Assets	0	647	3,328	21,689
Non-current Assets:				
Fixed assets	0	0	0	0
Accumulated depreciation	0	0	0	0
Total Non-Current Assets	0	0	0	0
Total Assets	\$ 0	\$ 647	\$ 3,328	\$ 21,689
Liabilities and Net Assets				
Current Liabilities:				
Accounts payable	0	230	866	653
Accrued liabilities	0	0	0	352
Accrued wages	0	0	0	0
Match payable	0	0	0	0
Deferred revenue	0	0	0	20,239
Interfund payables	0	0	0	0
Long-term debt-current portion	0	0	0	0
Total Current Liabilities	0	230	866	21,244
Other Liabilities:				
Long-term debt-noncurrent portion	0	0	0	0
Total Liabilities	0	230	866	21,244
Net Assets				
Temporarily restricted	0	417	2,462	445
Unrestricted	0	0	0	0
Total Net Assets	0	417	2,462	445
TOTAL LIABILITIES AND NET ASSETS	\$ 0	\$ 647	\$ 3,328	\$ 21,689

ECONOMIC OPPORTUNITY AGENCY OF WASHINGTON COUNTY, INC.
Springdale, Arkansas

COMBINING STATEMENT OF FINANCIAL POSITION
(Non-GAAP Presentation)

October 31, 2014

	Children's House	Child Care Dev. Block Grant	HEAP	State Indiv. Dev. Accounts
Assets				
Current Assets:				
Cash and cash equivalents	\$ 35,808	\$ 332	\$ 6,577	\$ 17,576
Investments	0	0	0	0
Accounts receivable:				
Grants/contracts	0	253	4,828	0
Other	35,050	0	0	18,804
Interfund receivables	0	0	0	0
Inventory	0	0	0	0
Prepaid Expenses	0	0	0	0
Total Current Assets	70,858	585	11,405	36,380
Non-current Assets:				
Fixed assets	0	0	0	0
Accumulated depreciation	0	0	0	0
Total Non-Current Assets	0	0	0	0
Total Assets	\$ 70,858	\$ 585	\$ 11,405	\$ 36,380
Liabilities and Net Assets				
Current Liabilities:				
Accounts payable	14,200	341	306	57
Accrued liabilities	205	244	7	37
Accrued wages	0	0	0	0
Match payable	0	0	0	19,659
Deferred revenue	0	0	0	0
Interfund payables	290,012	0	0	0
Long-term debt-current portion	0	0	0	0
Total Current Liabilities	304,417	585	313	19,753
Other Liabilities:				
Long-term debt-noncurrent portion	0	0	0	0
Total Liabilities	304,417	585	313	19,753
Net Assets				
Temporarily restricted	0	0	9,674	16,627
Unrestricted	(233,559)	0	1,418	0
Total Net Assets	(233,559)	0	11,092	16,627
TOTAL LIABILITIES AND NET ASSETS	\$ 70,858	\$ 585	\$ 11,405	\$ 36,380

ECONOMIC OPPORTUNITY AGENCY OF WASHINGTON COUNTY, INC.
Springdale, Arkansas

COMBINING STATEMENT OF FINANCIAL POSITION
(Non-GAAP Presentation)

October 31, 2014

	Youth IDA Program	<u>Management & General</u>		
		<u>Fixed Assets</u>	<u>Agency</u>	<u>Total</u>
Assets				
Current Assets:				
Cash and cash equivalents	\$ 346	\$ 0	\$ 310,693	\$ 269,683
Investments	0	0	150,632	150,632
Accounts receivable:				
Grants/contracts	0	0	0	507,453
Other	0	0	0	54,529
Interfund receivables	0	0	290,012	290,012
Inventory	0	0	0	15,753
Prepaid Expenses	0	0	3,000	3,000
Total Current Assets	<u>346</u>	<u>0</u>	<u>754,337</u>	<u>1,291,062</u>
Non-current Assets:				
Fixed assets	0	790,544	5,130,042	5,920,586
Accumulated depreciation	0	<u>(413,810)</u>	<u>(996,389)</u>	<u>(1,410,199)</u>
Total Non-Current Assets	<u>0</u>	<u>376,734</u>	<u>4,133,653</u>	<u>4,510,387</u>
Total Assets	<u>\$ 346</u>	<u>\$ 376,734</u>	<u>\$ 4,887,990</u>	<u>\$ 5,801,449</u>
Liabilities and Net Assets				
Current Liabilities:				
Accounts payable	0	0	1,555	201,119
Accrued liabilities	0	0	75,034	80,122
Accrued wages	0	0	0	106,610
Match payable	0	0	0	19,659
Deferred revenue	0	0	0	30,725
Interfund payables	0	0	0	290,012
Long-term debt-current portion	0	0	39,315	39,315
Total Current Liabilities	<u>0</u>	<u>0</u>	<u>115,904</u>	<u>767,562</u>
Other Liabilities:				
Long-term debt-noncurrent portion	0	0	149,588	149,588
Total Liabilities	<u>0</u>	<u>0</u>	<u>265,492</u>	<u>917,150</u>
Net Assets				
Temporarily restricted	346	0	0	117,208
Unrestricted	0	376,734	4,622,498	4,767,091
Total Net Assets	<u>346</u>	<u>376,734</u>	<u>4,622,498</u>	<u>4,884,299</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 346</u>	<u>\$ 376,734</u>	<u>\$ 4,887,990</u>	<u>\$ 5,801,449</u>

ECONOMIC OPPORTUNITY AGENCY OF WASHINGTON COUNTY, INC.
Springdale, Arkansas

COMBINING STATEMENT OF ACTIVITIES
(Non-GAAP Presentation)

For the Year Ended October 31, 2014

	Headstart	USDA Headstart	Commodities	ECERS State Grant
Revenues:				
Federal/state grants	\$ 3,272,014	\$ 234,434	\$ 189,162	\$ 12,000
United Way	24,700	0	0	0
Interest	0	0	0	0
Non-federal contributions/revenues	0	0	0	0
Other revenue	5,265	0	0	0
In-kind contributions	884,417	0	0	0
Total Revenues	<u>4,186,396</u>	<u>234,434</u>	<u>189,162</u>	<u>12,000</u>
Expenses:				
Salaries	1,746,012	0	3,751	0
Payroll taxes	208,133	0	336	0
Employee benefits	267,837	0	617	0
Worker's compensation insurance	8,701	0	13	0
Professional services	12,838	0	0	0
Accounting and administration	45,795	0	471	0
Fundraising	0	0	0	0
Office expense	46,636	0	0	0
Equipment	161,243	0	500	132
Advertising/promotion	3,163	0	0	0
Repairs & maintenance	183,675	0	0	0
Insurance	19,566	0	17	0
Office space/rent	94,023	0	0	0
Utilities	40,881	0	0	0
Travel	49,393	0	0	0
Dues and subscriptions	3,093	0	0	0
Program costs/supplies	174,244	0	195,592	4,360
Staff development/training	166,479	0	0	0
Food costs/commodities	46,487	234,879	0	0
Interest	0	0	0	0
Match expense	0	0	0	0
In-kind	884,417	0	0	0
Miscellaneous	0	0	0	0
Total Expenses	<u>4,162,616</u>	<u>234,879</u>	<u>201,297</u>	<u>4,492</u>
Other Gains and Losses				
Acquisition/disposition of assets	0	0	0	0
Unrealized gains/(losses)	0	0	0	0
Interfund transfers	0	0	0	0
Depreciation	0	0	0	0
Total Other Gains and Losses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Increase (Decrease) in Net Assets	23,780	(445)	(12,135)	7,508
Net Assets, October 31, 2013	<u>27,297</u>	<u>0</u>	<u>28,936</u>	<u>12,296</u>
NET ASSETS, OCTOBER 31, 2014	<u>\$ 51,077</u>	<u>\$ (445)</u>	<u>\$ 16,801</u>	<u>\$ 19,804</u>

ECONOMIC OPPORTUNITY AGENCY OF WASHINGTON COUNTY, INC.
Springdale, Arkansas

COMBINING STATEMENT OF ACTIVITIES
(Non-GAAP Presentation)

For the Year Ended October 31, 2014

	RSVP/State		RSVP (Federal)	CSBG
	11/01/13- 06/30/14	07/01/14- 10/31/14		
Revenues:				
Federal/state grants	\$ 4,646	\$ 3,286	\$ 70,529	\$ 336,716
United Way	0	0	0	0
Interest	0	0	0	0
Non-federal contributions/revenues	0	0	0	0
Other revenue	0	0	0	0
In-kind contributions	0	0	28,086	0
Total Revenues	4,646	3,286	98,615	336,716
Expenses:				
Salaries	3,780	2,500	44,537	214,443
Payroll taxes	433	50	4,951	19,497
Employee benefits	433	50	10,301	25,446
Worker's compensation insurance	0	0	207	1,147
Professional services	0	0	145	24,334
Accounting and administration	0	0	264	1,239
Fundraising	0	0	0	0
Office expense	0	0	1,643	9,756
Equipment	0	0	44	923
Advertising/promotion	0	0	0	0
Repairs & maintenance	0	0	0	0
Insurance	0	0	358	1,497
Office space/rent	0	686	1,734	14,244
Utilities	0	0	0	0
Travel	0	0	1,706	10,745
Dues and subscriptions	0	0	456	7,484
Program costs	0	0	3,849	1,786
Staff development/training	0	0	0	0
Food costs/commodities	0	0	0	1,713
Interest	0	0	0	0
Match expense	0	0	0	0
In-kind	0	0	28,086	0
Miscellaneous	0	0	0	0
Total Expenses	4,646	3,286	98,281	334,254
OTHER GAINS AND LOSSES:				
Acquisition/disposition of assets	0	0	0	0
Unrealized gains/(losses)	0	0	0	0
Interfund transfers	0	0	0	0
Depreciation	0	0	0	0
Total Other Gains and Losses	0	0	0	0
Increase (Decrease) in Net Assets	0	0	334	2,462
Net Assets, October 31, 2013	0	0	83	0
NET ASSETS, OCTOBER 31, 2014	\$ 0	\$ 0	\$ 417	\$ 2,462

ECONOMIC OPPORTUNITY AGENCY OF WASHINGTON COUNTY, INC.
Springdale, Arkansas

COMBINING STATEMENT OF ACTIVITIES
(Non-GAAP Presentation)

For the Year Ended October 31, 2014

	Children's House ABC		Children's House	Campaign for Children
	11/01/13- 06/30/14	07/01/14- 10/31/14		
Revenues:				
Federal/state grants	\$ 264,585	\$ 128,732	\$ 0	\$ 0
United Way	66,156	0	18,162	0
Interest	0	0	0	0
Non-federal contributions/revenues	0	0	216,531	0
Other revenue	0	0	222,670	0
In-kind contributions	365,399	186,523	29,025	0
Total Revenues	696,140	315,255	486,388	0
Expenses:				
Salaries	226,042	86,280	265,791	0
Payroll taxes	27,611	6,966	30,330	0
Employee benefits	35,053	13,420	27,362	0
Worker's compensation insurance	0	0	2,576	0
Professional services	0	0	1,918	0
Accounting and administration	0	678	13,024	0
Fundraising	0	0	27,204	0
Office expense	0	1,479	10,027	0
Equipment	0	0	16,781	2,215
Advertising/promotion	0	0	0	0
Repairs & maintenance	0	3,250	8,287	3,419
Insurance	0	395	19,141	0
Office space/rent	0	2,112	2,149	0
Utilities	0	2,030	37,795	0
Travel	0	686	11,103	0
Dues and subscriptions	0	0	0	0
Program costs	12,947	3,305	19,738	0
Staff development/training	0	114	3,913	0
Food costs/commodities	28,643	8,017	3,068	0
Interest	0	0	0	0
Match expense	0	0	0	0
In-kind	365,399	186,523	29,025	0
Miscellaneous	0	0	0	0
Total Expenses	695,695	315,255	529,232	5,634
<u>OTHER GAINS AND LOSSES:</u>				
Acquisition/disposition of assets	0	0	0	0
Unrealized gains/(losses)	0	0	0	0
Interfund transfers	(445)	445	(3,282,939)	(504,377)
Depreciation	0	0	0	0
Total Other Gains and Losses	(445)	445	(3,282,939)	(504,377)
Increase (Decrease) in Net Assets	0	445	(3,325,783)	(510,011)
Net Assets, October 31, 2013	0	0	3,092,224	510,011
NET ASSETS, OCTOBER 31, 2014	\$ 0	\$ 445	\$ (233,559)	\$ 0

ECONOMIC OPPORTUNITY AGENCY OF WASHINGTON COUNTY, INC.
Springdale, Arkansas

COMBINING STATEMENT OF ACTIVITIES
(Non-GAAP Presentation)

For the Year Ended October 31, 2014

	Child Care Dev. Block Grant	HEAP	State Indiv. Dev. Accounts	Youth IDA Program
Revenues:				
Federal/state grants	\$ 13,329	\$ 852,630	\$ 88,617	\$ 0
United Way	0	0	0	0
Interest	0	0	0	0
Non-federal contributions/revenues	0	372	0	0
Other revenue	0	0	8,234	0
In-kind contributions	0	0	0	0
Total Revenues	13,329	853,002	96,851	0
Expenses:				
Salaries	7,743	44,257	33,188	2,428
Payroll taxes	861	4,864	2,873	188
Employee benefits	932	5,237	5,451	347
Worker's compensation insurance	0	294	155	0
Professional services	0	0	0	0
Accounting and administration	222	9,485	2,409	29
Fundraising	0	0	0	0
Office expense	77	12,677	2,657	0
Equipment	0	0	0	0
Advertising/promotion	0	0	0	0
Repairs & maintenance	1,350	0	0	0
Insurance	112	406	305	0
Office space/rent	1,487	3,069	2,733	0
Utilities	0	0	0	0
Travel	59	1,328	309	0
Dues and subscriptions	0	0	0	0
Program costs	486	770,752	65	34,000
Staff development/training	0	0	0	0
Food costs/commodities	0	261	0	0
Interest	0	0	0	0
Match expense	0	0	44,448	0
In-kind	0	0	0	0
Miscellaneous	0	0	0	0
Total Expenses	13,329	852,630	94,593	36,992
<u>OTHER GAINS AND LOSSES:</u>				
Acquisition/disposition of assets	0	0	0	0
Unrealized gains/(losses)	0	0	0	0
Interfund transfers	0	0	0	0
Depreciation	0	0	0	0
Total Other Gains and Losses	0	0	0	0
Increase (Decrease) in Net Assets	0	372	2,258	(36,992)
Net Assets, October 31, 2013	0	10,720	14,369	37,338
NET ASSETS, OCTOBER 31, 2014	\$ 0	\$ 11,092	\$ 16,627	\$ 346

ECONOMIC OPPORTUNITY AGENCY OF WASHINGTON COUNTY, INC.
Springdale, Arkansas

COMBINING STATEMENT OF ACTIVITIES
(Non-GAAP Presentation)

For the Year Ended October 31, 2014

	In-Person Assisters	Management & General		Total
		Fixed Assets	Agency	
Revenues:				
Federal/state grants	\$ 150,529	\$ 0	\$ 0	\$ 5,621,209
United Way	0	0	0	109,018
Interest	0	0	198	198
Non-federal contributions/revenues	2,874	0	0	219,777
Other revenue	0	0	88,255	324,424
In-kind contributions	0	0	0	1,493,450
Total Revenues	153,403	0	88,453	7,768,076
Expenses:				
Salaries	113,750	0	0	2,794,502
Payroll taxes	16,516	0	0	323,609
Employee benefits	11,074	0	0	403,560
Worker's compensation insurance	734	0	0	13,827
Professional services	0	0	0	39,235
Accounting and administration	1,588	0	0	75,204
Fundraising	0	0	77	27,281
Office expense	5,310	0	3,186	93,448
Equipment	0	0	0	181,838
Advertising/promotion	0	0	0	3,163
Repairs & maintenance	0	0	0	199,981
Insurance	771	0	0	42,568
Office space/rent	1,035	0	255	123,527
Utilities	0	0	0	80,706
Travel	2,605	0	0	77,934
Dues and subscriptions	0	0	0	11,033
Program costs	20	0	1,925	1,223,069
Staff development/training	0	0	0	170,506
Food costs/commodities	0	0	55	323,123
Interest	0	0	9,805	9,805
Match expense	0	0	0	44,448
In-kind	0	0	0	1,493,450
Miscellaneous	0	0	0	0
Total Expenses	153,403	0	15,303	7,755,817
OTHER GAINS AND LOSSES:				
Acquisition/disposition of assets	0	116,575	0	116,575
Unrealized gains/(losses)	0	0	6,742	6,742
Interfund transfers	0	0	3,787,316	0
Depreciation	0	(109,931)	(184,837)	(294,768)
Total Other Gains and Losses	0	6,644	3,609,221	(171,451)
Increase (Decrease) in Net Assets	0	6,644	3,682,371	(159,192)
Net Assets, October 31, 2013	0	370,090	940,127	5,043,491
NET ASSETS, OCTOBER 31, 2014	\$ 0	\$ 376,734	\$ 4,622,498	\$ 4,884,299

ECONOMIC OPPORTUNITY AGENCY OF WASHINGTON COUNTY, INC.
Springdale, Arkansas

SCHEDULE OF GENERAL FIXED ASSETS AND RELATED DEPRECIATION BY ACTIVITY

For the Year Ended October 31, 2014

	Balance 10/31/13	Additions	Transfers & Retirements	Balance 10/31/14
Fixed Assets				
General Fund	\$ 889,203	\$ 4,249,222	\$ 0	\$ 5,138,425
Headstart	315,149	103,234	21,801	396,582
ARRA-Headstart	42,587	0	0	42,587
ARRA-Early Headstart Expansion	96,335	0	16,909	79,426
CSBG	9,841	23,815	5,545	28,111
CSBG -ARRA	9,463	0	6,537	2,926
RSVP	2,167	0	0	2,167
Campaign for Children	539,948	0	400,687	139,261
Children's House	3,964,467	0	3,901,215	63,252
VITA Grant	587	0	587	0
EHS Expansion - Yr. 2	14,902	0	0	14,902
Children's House ABC	0	12,947	0	12,947
	<u>0</u>	<u>12,947</u>	<u>0</u>	<u>12,947</u>
 Total Fixed Assets	 <u>\$ 5,884,649</u>	 <u>\$ 4,389,218</u>	 <u>\$ 4,353,281</u>	 <u>\$ 5,920,586</u>
 Accumulated Depreciation				
General Fund	\$ 358,028	\$ 646,744	\$ 0	\$ 1,004,772
Headstart	127,973	39,747	20,061	147,659
ARRA Headstart	19,243	8,518	0	27,761
ARRA Early Headstart Expansion	61,178	15,795	16,270	60,703
CSBG	9,054	1,716	5,545	5,225
CSBG - ARRA	9,056	387	6,537	2,906
RSVP	2,167	0	0	2,167
Campaign for Children	66,744	26,549	687	92,606
Children's House	536,273	13,478	492,536	57,215
VITA Grant	538	49	587	0
EHS Expansion	5,815	2,183	324	7,674
Children's House ABC	0	1,511	0	1,511
	<u>0</u>	<u>1,511</u>	<u>0</u>	<u>1,511</u>
 Total Accumulated Depreciation	 <u>\$ 1,196,069</u>	 <u>\$ 756,677</u>	 <u>\$ 542,547</u>	 <u>\$ 1,410,199</u>

ECONOMIC OPPORTUNITY AGENCY OF WASHINGTON COUNTY, INC.
Springdale, Arkansas

SCHEDULE OF UNITS OF SERVICE FOR THE
CHILD AND ADULT CARE FOOD PROGRAM

For the Year Ended October 31, 2014

	Headstart			
	Breakfast	Lunch	Supplements	Total
November	3,721	3,601	3,692	11,014
December	2,379	2,348	2,511	7,238
January	4,058	3,860	4,091	12,009
February	4,049	3,987	4,024	12,060
March	3,236	3,200	3,240	9,676
April	5,390	5,336	5,408	16,134
May	4,915	4,891	4,932	14,738
June	768	758	769	2,295
July	659	655	658	1,972
August	1,526	1,522	780	3,828
September	4,420	4,382	4,417	13,219
October	5,965	5,963	6,014	17,942
TOTAL	41,086	40,503	40,536	122,125

	Children's House			
	Breakfast	Lunch	Supplements	Total
November	912	919	771	2,602
December	581	555	519	1,655
January	902	890	785	2,577
February	910	886	764	2,560
March	711	721	613	2,045
April	1,203	1,178	1,088	3,469
May	1,160	1,196	1,026	3,382
June	906	930	848	2,684
July	925	925	841	2,691
August	248	249	240	737
September	1,399	1,413	1,411	4,223
October	0	0	0	0
TOTAL	9,857	9,862	8,906	28,625

ECONOMIC OPPORTUNITY AGENCY OF WASHINGTON COUNTY, INC.
Springdale, Arkansas

SUPPLEMENTAL DATA SHEET

For the Year Ended October 31, 2014

Entity: Economic Opportunity Agency of Washington County, Inc.
Address: 614 East Emma Avenue, Suite M401
Springdale, AR 72764
EIN: 71-0390902
Phone: (479) 872-7479
Director: Michael Lanier, Executive Director
Contact Person: Julie Parker, Financial Officer
Audit Firm: Saunders & Associates, PLLC
Lead Auditor: Gary B. Saunders, CPA

STATUS OF PRIOR AUDIT FINDINGS

October 31, 2014

Section II – Financial Statement Findings and Questioned Costs:

None reported.

Section III – Federal Awards Findings and Questioned Costs:

None reported.

ECONOMIC OPPORTUNITY AGENCY OF WASHINGTON COUNTY, INC.
Springdale, Arkansas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended October 31, 2014

Section 1 – Summary of Auditor’s Results

Financial Statements:

Type of Auditor’s Report Issued: Unmodified

Internal Control Over Financial Reporting:

Material Weakness(es) identified? Yes No

Significant deficiencies identified not considered to be material weaknesses? Yes No

Noncompliance material to financial statements noted? Yes No

Federal Awards:

Internal Control Over Major Programs:

Material weakness(es) identified? Yes No

Significant deficiencies identified 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 Circular A-133, Section .510(a)? Yes No

Dollar threshold used to distinguish between Type A and Type B programs \$300,000

Auditee qualified as low-risk auditee? Yes No

Identification of Major Programs:

<u>CFDA #</u>	<u>PROGRAM TITLE</u>
93.600	Head Start
93.568	Home Energy Assistance Program
93.569	Community Services Block Grant

Section II – Financial Statement Findings and Questioned Costs:

None reported.

Section III – Federal Awards Findings and Questioned Costs:

None reported.