

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

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

***For the Year Ended October 31, 2015***

***SAUNDERS & ASSOCIATES, PLLC***

***Certified Public Accountants***

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

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October 31, 2015

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# *Saunders & Associates, PLLC*

## *Certified Public Accountants*

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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, 2015, 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, 2015, 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 February 18, 2016 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

February 18, 2016

## FINANCIAL STATEMENTS

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

STATEMENT OF FINANCIAL POSITION

October 31, 2015

	Unrestricted	Temporarily Restricted	Total
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 418,405	\$ (18,029)	\$ 400,376
Investments	148,261	0	148,261
Accounts receivable			
Grants/contracts	0	228,998	228,998
Other	5,000	621	5,621
Interfund receivables	266,012	0	266,012
Inventory	0	4,418	4,418
Total Current Assets	837,678	216,008	1,053,686
Non-current Assets:			
Fixed assets	6,022,579	0	6,022,579
Accumulated depreciation	(1,716,167)	0	(1,716,167)
Total Noncurrent Assets	4,306,412	0	4,306,412
Total Assets	\$ 5,144,090	\$ 216,008	\$ 5,360,098
<b>LIABILITIES AND NET ASSETS</b>			
Current Liabilities:			
Accounts payable	\$ 937	\$ 25,492	\$ 26,429
Accrued liabilities	41,308	2,874	44,182
Accrued wages	5,222	130,183	135,405
Match payable	0	860	860
Deferred revenue	0	14,405	14,405
Interfund payables	266,012	0	266,012
Long-term debt-current portion	41,182	0	41,182
Total Current Liabilities	354,661	173,814	528,475
Other Liabilities:			
Long-term debt-noncurrent portion	109,223	0	109,223
Total Liabilities	463,884	173,814	637,698
Net Assets	4,680,206	42,194	4,722,400
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 5,144,090</b>	<b>\$ 216,008</b>	<b>\$ 5,360,098</b>

\* 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, 2015

	Unrestricted	Temporarily Restricted	Total
<b>Revenue</b>			
Federal/state grants	\$ 0	\$ 5,549,974	\$ 5,549,974
United Way	95,134	22,100	117,234
Interest	436	0	436
Non-federal contributions/revenues	182,338	0	182,338
Other revenue	106,516	10,085	116,601
In-kind contributions	1,036	1,148,265	1,149,301
Net assets released from restriction:			
Satisfaction of program restrictions	6,794,192	(6,794,192)	0
Total Revenue	7,179,652	(63,768)	7,115,884
<b>Expenses</b>			
Program Services:			
Social services	602,794	0	602,794
Headstart	4,305,659	0	4,305,659
Children's services	1,144,746	0	1,144,746
Home energy assistance	866,324	0	866,324
Personal development and education	134,992	0	134,992
Supporting Services:			
Management and general	16,487	0	16,487
Total Expenses	7,071,002	0	7,071,002
Increase (decrease) in net assets before other gains and losses	108,650	(63,768)	44,882
<b>Other Gains and Losses</b>			
Acquisition/disposition of assets	114,543	0	114,543
Realized gains/(losses)	2,591	0	2,591
Unrealized gains/(losses)	(5,397)	0	(5,397)
Interfund transfers	12,664	(12,664)	0
Depreciation	(318,518)	0	(318,518)
Total Other Gains and Losses	(194,117)	(12,664)	(206,781)
Increase/(decrease) in net assets	(85,467)	(76,432)	(161,899)
Net Assets, October 31, 2014	4,765,673	118,626	4,884,299
<b>NET ASSETS, OCTOBER 31, 2015</b>	<b>\$ 4,680,206</b>	<b>\$ 42,194</b>	<b>\$ 4,722,400</b>

\* 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, 2015

	<u>Social Services</u>	<u>Headstart</u>	<u>Children's Services</u>	<u>Home Energy Assistance</u>
<u>EXPENSES:</u>				
Salaries	\$ 278,236	\$ 2,295,584	\$ 642,623	\$ 51,304
Payroll taxes	20,464	145,564	42,135	3,854
Employee benefits	38,523	318,663	96,119	7,678
Worker's compensation insurance	754	4,963	1,518	71
Professional services	4,439	58,060	25,031	7,479
Travel	7,131	48,709	29,198	1,258
Vehicle expense	0	10,712	2,256	0
Office expense	3,376	12,866	10,179	6,590
Rent/space costs	23,196	321,582	56,342	4,003
Equipment	400	11,867	3,096	0
Repairs & maintenance	0	42,857	18,864	0
Advertising/printing/copying	1,761	8,972	7,189	1,286
Janitorial	278	43,600	16,558	16
Insurance	178	27,964	8,258	444
Utilities	469	62,796	12,467	355
Communication	4,694	21,668	3,382	1,217
Memberships/registration fees	7,368	4,951	4,632	45
Program costs/supplies	24,072	464,823	108,421	780,468
Nutrition services/children's meals	41	306,871	2	0
Nutrition services/adult meals	0	40,990	21,008	0
Staff development/training	12,917	51,475	4,411	200
Food costs/commodities	174,425	0	0	0
Fundraising	0	0	30,305	0
Interest	0	0	0	0
Miscellaneous	72	122	752	56
<b>TOTAL EXPENSES</b>	<b>\$ <u>602,794</u></b>	<b>\$ <u>4,305,659</u></b>	<b>\$ <u>1,144,746</u></b>	<b>\$ <u>866,324</u></b>

\* 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, 2015

	Personal Development and Education	Management and General	Total
<u>EXPENSES:</u>			
Salaries	\$ 14,261	\$ 0	\$ 3,282,008
Payroll taxes	1,409	83	213,509
Employee benefits	2,307	0	463,290
Worker's compensation insurance	74	0	7,380
Professional services	2,250	0	97,259
Travel	121	0	86,417
Vehicle expense	0	0	12,968
Office expense	762	176	33,949
Rent/space costs	2,323	3,054	410,500
Equipment	0	0	15,363
Repairs & maintenance	0	0	61,721
Advertising/printing/copying	120	1,636	20,964
Janitorial	16	5	60,473
Insurance	33	10	36,887
Utilities	115	0	76,202
Communication	573	0	31,534
Memberships/registration fees	0	0	16,996
Program costs/supplies	110,628	1,750	1,490,162
Nutrition services/children's meals	0	0	306,914
Nutrition services/adult meals	0	0	61,998
Staff development/training	0	0	69,003
Food costs/commodities	0	0	174,425
Fundraising	0	0	30,305
Interest	0	9,058	9,058
Miscellaneous	0	715	1,717
<b>TOTAL EXPENSES</b>	<b>\$ 134,992</b>	<b>\$ 16,487</b>	<b>\$ 7,071,002</b>

\* 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, 2015

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash provided (used) by operating activities:

Increase (decrease) in net assets	\$	(161,899)
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Adjustments to reconcile change in net assets to net cash provided by operating activities:

Depreciation	\$	318,518
(Increase) decrease in receivables		327,363
(Increase) decrease in inventory		11,335
(Increase) decrease in prepaid expenses		3,000
Increase (decrease) in accounts payable		(174,690)
Increase (decrease) in accrued liabilities		(35,940)
Increase (decrease) in accrued wages		28,795
Increase (decrease) in match payable		(18,799)
Increase (decrease) in deferred revenue		(16,320)
		443,262

Net cash provided (used) by operating activities		281,363
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CASH FLOWS FROM INVESTING ACTIVITIES

Decrease in Investments		2,371
Acquisition of fixed assets		(114,543)

Net cash provided (used) by investing activities		(112,172)
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CASH FLOWS FROM FINANCING ACTIVITIES

Reduction of debt principal		(38,498)
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Net cash provided (used) by financing activities		(38,498)
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Net increase (decrease) in cash		130,693
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Cash and cash equivalents, October 31, 2014		269,683
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CASH AND CASH EQUIVALENTS, OCTOBER 31, 2015	\$	400,376
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Supplemental Disclosures:

Interest income	\$	436
Interest expense	\$	9,058
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, 2015

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 programs and supporting services benefited.

Cash and Cash Equivalents – 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, 2015, 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, 2015

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, 2015 equaled \$318,518.

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 \$1,149,301. Of this amount, \$919,232 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, 2015, 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, 2015

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, 2015:

	<u>Cost</u>	<u>Fair Market Value</u>
Money Market CLA	\$ 3,022	\$ 3,022
Beneficial Interest in Future Earnings of Donor Designated Funds:		
Endeavor Foundation	N/A	59,503
Arkansas Community Foundation	<u>N/A</u>	<u>85,736</u>
Total	<u>\$ 3,072</u>	<u>\$ 148,261</u>

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

NOTES TO FINANCIAL STATEMENTS

For the Year Ended October 31, 2015

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, 2015.

Funds managed by Arvest Asset Management, the Endeavor Foundation, and the 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, 2015:

	<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:				
Endeavor Foundation	59,503	0	0	59,503
Arkansas Community Foundation	<u>85,736</u>	<u>0</u>	<u>0</u>	<u>85,736</u>
Total	<u>\$ 148,261</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 148,261</u>

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

NOTES TO FINANCIAL STATEMENTS

For the Year Ended October 31, 2015

NOTE 6: LONG-TERM DEBT

Long-term debt of the Organization consists of:

	<u>2015</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	\$ 120,750
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>29,655</u>
Total Debt	150,405
Less Current Portion	<u>( 41,182)</u>
Long-Term Debt	<u>\$ 109,223</u>

Debt is scheduled to be repaid as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 41,182	\$ 6,347	\$ 47,529
2017	51,686	4,281	55,967
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>\$ 150,405</u>	<u>\$ 13,091</u>	<u>\$ 163,496</u>

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

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

	<u>11/01/14</u>	<u>Additions</u>	<u>Retirements</u>	<u>10/31/15</u>
Land	\$ 400,000	\$ 0	\$ 0	\$ 400,000
Buildings	4,730,042	0	0	4,730,042
Furniture and Equipment	<u>790,544</u>	<u>114,543</u>	<u>12,550</u>	<u>892,537</u>
Total	<u>\$ 5,920,586</u>	<u>\$ 114,543</u>	<u>\$ 12,550</u>	<u>\$ 6,022,579</u>
Accumulated Depreciation	<u>\$ 1,410,199</u>	<u>\$ 318,518</u>	<u>\$ 12,550</u>	<u>\$ 1,716,167</u>

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

NOTES TO FINANCIAL STATEMENTS

For the Year Ended October 31, 2015

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, 2015 totaled \$124,515.

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, 2015 was \$69,038, and is included in accrued liabilities on the statement of financial position.

NOTE 10: CONCENTRATIONS

The Organization received approximately 78% of its revenues from federal, state and local sources during the year ended October 31, 2015. 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, 2015, the Organization had accounts receivable from federal, state, and local sources in the amount of \$228,998.

NOTE 11: SUBSEQUENT EVENTS

The Organization has evaluated events and transactions for subsequent events that would impact the financial statements for the year ended October 31, 2015 through February 18, 2016, 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.



# Saunders & Associates, PLLC

## Certified Public Accountants

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630 East 17<sup>th</sup> Street \* P. O. Box 1406 \* Ada, Oklahoma 74820 \* (580) 332-8548 \* FAX: (580) 332-2272  
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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, 2015, 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 February 18, 2016.

#### **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

February 18, 2016

# *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, 2015. 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, 2015.

## 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

February 18, 2016

SUPPLEMENTAL INFORMATION

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended October 31, 2015

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>CFDA No.</u>	<u>Revenue</u>	<u>Expenditures</u>
<b><u>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>			
Direct:			
Headstart - 06CH7158/02	93.600	\$ 3,025,620	\$ 3,025,620
<u>Passed Through the Arkansas Department of Health and Human Services:</u>			
Community Services Block Grant	93.569	346,793	349,255
Home Energy Assistance Program - '16	93.568	13,372	2,411
Home Energy Assistance Program - '15	93.568	841,219	862,457
Child Care and Development Block Grant - '16	93.575	165,645	152,516
Child Care and Development Block Grant - '15	93.575	85,442	98,571
<u>Passed Through the Arkansas Department of Workforce Services</u>			
TANF - Individual Dev. Acct. Program	93.558	<u>130,683</u>	<u>134,646</u>
Total Dept. of Health and Human Services		<u>4,608,774</u>	<u>4,625,476</u>
<b><u>U. S. DEPARTMENT OF AGRICULTURE</u></b>			
<u>Passed Through Arkansas Department of Human Services:</u>			
Emergency Food Assistance-Admin	10.568	13,349	13,349
Emergency Food Assistance-Commodities	10.568	163,090	174,425
Child Care Food Program	10.558	<u>297,974</u>	<u>297,974</u>
Total U. S. Department of Agriculture		<u>474,413</u>	<u>485,748</u>
<b><u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u></b>			
Retired Senior Volunteer Program	94.002	<u>29,382</u>	<u>29,799</u>
Total Corporation for National & Community Service		<u>29,382</u>	<u>29,799</u>
<b>TOTAL FEDERAL AWARDS</b>		<b>\$ <u>5,112,569</u></b>	<b>\$ <u>5,141,023</u></b>

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

SCHEDULE OF EXPENDITURES OF STATE AWARDS

For the Year Ended October 31, 2015

	<u>Revenue</u>	<u>Expenditures</u>
<b><u>PROGRAM GRANTOR/PROGRAM TITLE</u></b>		
<u>ARKANSAS DEPARTMENT OF</u>		
<u>HUMAN SERVICES</u>		
Retired Senior Volunteer Program	\$ 2,933	\$ 2,933
ECERS Headstart Incentive Grants	<u>11,500</u>	<u>11,500</u>
Total Arkansas Department of Health & Human Services	<u>14,433</u>	<u>14,433</u>
<u>ARKANSAS DEPARTMENT OF EDUCATION</u>		
Arkansas Better Chance '14 - '15	142,462	123,385
Arkansas Better Chance '15 - '16	<u>280,510</u>	<u>300,032</u>
Total Arkansas, Department of Education	<u>422,972</u>	<u>423,417</u>
TOTAL STATE ASSISTANCE	<u>\$ 437,405</u>	<u>\$ 437,850</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, 2015

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, 2015

	<u>Headstart</u>	<u>USDA School Nutrition</u>	<u>Commodities</u>	<u>ECERS State Grant</u>
<b>Assets</b>				
Current Assets:				
Cash and cash equivalents	\$ 34,630	\$ (23,752)	\$ 325	\$ 18,043
Investments	0	0	0	0
Accounts receivable:				
Grants/contracts	84,248	32,997	945	0
Other	333	0	0	0
Interfund receivables	0	0	0	0
Inventory	0	0	4,418	0
Prepaid expenses	0	0	0	0
Total Current Assets	<u>119,211</u>	<u>9,245</u>	<u>5,688</u>	<u>18,043</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>\$ 119,211</u>	<u>\$ 9,245</u>	<u>\$ 5,688</u>	<u>\$ 18,043</u>
<b>Liabilities and Net Assets</b>				
Current Liabilities:				
Accounts payable	13,565	9,245	0	0
Accrued liabilities	2,085	0	0	0
Accrued wages	85,690	0	223	0
Match payable	0	0	0	0
Deferred revenue	0	0	0	0
Interfund payables	0	0	0	0
Long-term debt-current portion	0	0	0	0
Total Current Liabilities	<u>101,340</u>	<u>9,245</u>	<u>223</u>	<u>0</u>
Other Liabilities:				
Long-term debt-noncurrent portion	0	0	0	0
Total Liabilities	<u>101,340</u>	<u>9,245</u>	<u>223</u>	<u>0</u>
Net Assets				
Temporarily restricted	17,871	0	5,465	18,043
Unrestricted	0	0	0	0
Total Net Assets	<u>17,871</u>	<u>0</u>	<u>5,465</u>	<u>18,043</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 119,211</u>	<u>\$ 9,245</u>	<u>\$ 5,688</u>	<u>\$ 18,043</u>

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

COMBINING STATEMENT OF FINANCIAL POSITION  
(Non-GAAP Presentation)

October 31, 2015

	<u>CSBG</u>	<u>Arkansas Better Chance</u>	<u>Children's Services</u>	<u>Child Care Dev. Block Grant</u>	<u>HEAP</u>
<b>Assets</b>					
Current Assets:					
Cash and cash equivalents	\$ (23,187)	\$ 27,865	\$ 59,337	\$ (54,459)	\$ 1,646
Investments	0	0	0	0	0
Accounts receivable:					
Grants/contracts	34,485	0	0	76,323	0
Other	0	0	5,000	0	288
Interfund receivables	0	0	0	0	0
Inventory	0	0	0	0	0
Prepaid Expenses	0	0	0	0	0
Total Current Assets	<u>11,298</u>	<u>27,865</u>	<u>64,337</u>	<u>21,864</u>	<u>1,934</u>
Non-current Assets:					
Fixed assets	0	0	0	0	0
Accumulated depreciation	0	0	0	0	0
Total Non-Current Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 11,298</u>	<u>\$ 27,865</u>	<u>\$ 64,337</u>	<u>\$ 21,864</u>	<u>\$ 1,934</u>
<b>Liabilities and Net Assets</b>					
Current Liabilities:					
Accounts payable	71	1,145	937	1,459	7
Accrued liabilities	11	297	0	481	0
Accrued wages	11,216	12,018	5,222	19,924	1,112
Match payable	0	0	0	0	0
Deferred revenue	0	14,405	0	0	0
Interfund payables	0	0	266,012	0	0
Long-term debt-current portion	0	0	0	0	0
Total Current Liabilities	<u>11,298</u>	<u>27,865</u>	<u>272,171</u>	<u>21,864</u>	<u>1,119</u>
Other Liabilities:					
Long-term debt-noncurrent portion	0	0	0	0	0
Total Liabilities	<u>11,298</u>	<u>27,865</u>	<u>272,171</u>	<u>21,864</u>	<u>1,119</u>
Net Assets					
Temporarily restricted	0	0	0	0	815
Unrestricted	0	0	(207,834)	0	0
Total Net Assets	<u>0</u>	<u>0</u>	<u>(207,834)</u>	<u>0</u>	<u>815</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 11,298</u>	<u>\$ 27,865</u>	<u>\$ 64,337</u>	<u>\$ 21,864</u>	<u>\$ 1,934</u>

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

COMBINING STATEMENT OF FINANCIAL POSITION  
(Non-GAAP Presentation)

October 31, 2015

	State Indiv. Dev. Accounts	<u>Management &amp; General</u>		
		<u>Fixed Assets</u>	<u>Agency</u>	<u>Total</u>
<b>Assets</b>				
Current Assets:				
Cash and cash equivalents	\$ 860	\$ 0	\$ 359,068	\$ 400,376
Investments	0	0	148,261	148,261
Accounts receivable:				
Grants/contracts	0	0	0	228,998
Other	0	0		5,621
Interfund receivables	0	0	266,012	266,012
Inventory	0	0	0	4,418
Prepaid Expenses	0	0	0	0
Total Current Assets	<u>860</u>	<u>0</u>	<u>773,341</u>	<u>1,053,686</u>
Non-current Assets:				
Fixed assets	0	892,537	5,130,042	6,022,579
Accumulated depreciation	0	<u>(534,941)</u>	<u>(1,181,226)</u>	<u>(1,716,167)</u>
Total Non-Current Assets	<u>0</u>	<u>357,596</u>	<u>3,948,816</u>	<u>4,306,412</u>
Total Assets	<u>\$ 860</u>	<u>\$ 357,596</u>	<u>\$ 4,722,157</u>	<u>\$ 5,360,098</u>
<b>Liabilities and Net Assets</b>				
Current Liabilities:				
Accounts payable	0	0	0	26,429
Accrued liabilities	0	0	41,308	44,182
Accrued wages	0	0	0	135,405
Match payable	860	0	0	860
Deferred revenue	0	0	0	14,405
Interfund payables	0	0	0	266,012
Long-term debt-current portion	0	0	41,182	41,182
Total Current Liabilities	<u>860</u>	<u>0</u>	<u>82,490</u>	<u>528,475</u>
Other Liabilities:				
Long-term debt-noncurrent portion	0	0	109,223	109,223
Total Liabilities	<u>860</u>	<u>0</u>	<u>191,713</u>	<u>637,698</u>
Net Assets				
Temporarily restricted	0	0	0	42,194
Unrestricted	0	<u>357,596</u>	<u>4,530,444</u>	<u>4,680,206</u>
Total Net Assets	<u>0</u>	<u>357,596</u>	<u>4,530,444</u>	<u>4,722,400</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 860</u>	<u>\$ 357,596</u>	<u>\$ 4,722,157</u>	<u>\$ 5,360,098</u>

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

COMBINING STATEMENT OF ACTIVITIES  
(Non-GAAP Presentation)

For the Year Ended October 31, 2015

	Headstart	USDA School Nutrition	Commodities	ECERS State Grant
<b>Revenues:</b>				
Federal/state grants	\$ 3,025,620	\$ 297,974	\$ 176,439	\$ 11,500
United Way	22,100	0	0	0
Interest	0	0	0	0
Non-federal contributions/revenues	0	0	0	0
Other revenue	7,972	0	0	0
In-kind contributions	919,232	0	0	0
Total Revenues	<u>3,974,924</u>	<u>297,974</u>	<u>176,439</u>	<u>11,500</u>
<b>Expenses:</b>				
Salaries	2,295,584	0	4,633	0
Payroll taxes	145,564	0	344	0
Employee benefits	318,663	0	752	0
Worker's compensation insurance	4,963	0	0	0
Professional services	58,060	0	956	0
Travel	48,709	0	0	0
Vehicle expense	10,712	0	0	0
Office expense	12,866	0	355	12
Rent/space costs	321,582	0	5,838	0
Equipment	11,867	0	400	0
Repairs/maintenance	42,857	0	0	0
Advertising/printing/copying	8,972	0	0	0
Janitorial	43,600	0	0	0
Insurance	27,964	0	0	0
Utilities	62,796	0	0	0
Communications	21,668	0	63	0
Memberships/registration fees	4,951	0	3	0
Program costs/supplies	464,823	0	0	1,505
Nutrition services/children's meals	9,342	297,529	0	0
Nutrition services/adult meals	40,990	0	0	0
Staff development/training	51,475	0	0	11,744
Food costs/commodities	0	0	174,425	0
Fundraising	0	0	0	0
Interest	0	0	0	0
Miscellaneous	122	0	6	0
Total Expenses	<u>4,008,130</u>	<u>297,529</u>	<u>187,775</u>	<u>13,261</u>
<b>Other Gains and Losses</b>				
Acquisition/disposition of assets	0	0	0	0
Realized gains/(losses)	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	(33,206)	445	(11,336)	(1,761)
Net Assets, October 31, 2014	<u>51,077</u>	<u>(445)</u>	<u>16,801</u>	<u>19,804</u>
<b>NET ASSETS, OCTOBER 31, 2015</b>	<u>\$ 17,871</u>	<u>\$ 0</u>	<u>\$ 5,465</u>	<u>\$ 18,043</u>

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

COMBINING STATEMENT OF ACTIVITIES  
(Non-GAAP Presentation)

For the Year Ended October 31, 2015

	RSVP State	RSVP (Federal)	CSBG	Arkansas Better Chance
<b>Revenues:</b>				
Federal/state grants	\$ 2,933	\$ 29,382	\$ 346,793	\$ 422,972
United Way	0	0	0	0
Interest	0	0	0	0
Non-federal contributions/revenues	0	0	0	0
Other revenue	0	657	0	0
In-kind contributions	0	19,114	0	153,167
Total Revenues	<u>2,933</u>	<u>49,153</u>	<u>346,793</u>	<u>576,139</u>
<b>Expenses:</b>				
Salaries	2,500	18,962	252,141	321,589
Payroll taxes	50	1,372	18,698	20,163
Employee benefits	50	5,914	31,807	53,772
Worker's compensation insurance	0	112	642	789
Professional services	0	284	3,199	8,803
Travel	0	0	7,131	12,347
Vehicle expense	0	0	0	0
Office expense	0	345	2,664	938
Rent/space costs	333	1,756	15,269	34,932
Equipment	0	0	0	1,600
Repairs/maintenance	0	0	0	7,220
Advertising/printing/copying	0	78	1,683	978
Janitorial	0	157	121	6,279
Insurance	0	0	178	154
Utilities	0	0	469	6,176
Communications	0	534	4,097	2,112
Memberships/registration fees	0	0	7,365	273
Program costs/supplies	0	20,056	2,511	87,476
Nutrition services/children's meals	0	0	41	2
Nutrition services/adult meals	0	0	0	8,739
Staff development/training	0	0	1,173	2,242
Food costs/commodities	0	0	0	0
Fundraising	0	0	0	0
Interest	0	0	0	0
Miscellaneous	0	0	66	0
Total Expenses	<u>2,933</u>	<u>49,570</u>	<u>349,255</u>	<u>576,584</u>
<b>OTHER GAINS AND LOSSES:</b>				
Acquisition/disposition of assets	0	0	0	0
Realized gains/(losses)	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	0	(417)	(2,462)	(445)
Net Assets, October 31, 2014	<u>0</u>	<u>417</u>	<u>2,462</u>	<u>445</u>
<b>NET ASSETS, OCTOBER 31, 2015</b>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

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

COMBINING STATEMENT OF ACTIVITIES  
(Non-GAAP Presentation)

For the Year Ended October 31, 2015

	Children's Services	Campaign for Children	Child Care Dev. Block Grant	HEAP
<b>Revenues:</b>				
Federal/state grants	\$ 0	\$ 0	\$ 251,087	\$ 854,591
United Way	95,134	0	0	0
Interest	0	0	0	0
Non-federal contributions/revenues	182,338	0	0	0
Other revenue	7,540	0	0	1,456
In-kind contributions	1,036	0	56,752	0
Total Revenues	<u>286,048</u>	<u>0</u>	<u>307,839</u>	<u>856,047</u>
<b>Expenses:</b>				
Salaries	132,538	0	188,496	51,304
Payroll taxes	9,816	0	12,156	3,854
Employee benefits	16,548	0	25,799	7,678
Worker's compensation insurance	434	0	295	71
Professional services	10,663	0	5,565	7,479
Travel	3,353	0	13,498	1,258
Vehicle expense	1,876	0	380	0
Office expense	4,552	0	4,689	6,590
Rent/space costs	32	0	21,378	4,003
Equipment	1,496	0	0	0
Repairs/maintenance	11,644	0	0	0
Advertising/printing/copying	5,958	0	253	1,286
Janitorial	5,963	0	4,316	16
Insurance	6,450	0	1,654	444
Utilities	4,176	0	2,115	355
Communications	991	0	279	1,217
Memberships/registration fees	4,237	0	122	45
Program costs/supplies	6,251	0	14,694	780,468
Nutrition services/children's meals	0	0	0	0
Nutrition services/adult meals	534	0	11,735	0
Staff development/training	1,754	0	415	200
Food costs/commodities	0	0	0	0
Fundraising	30,305	0	0	0
Interest	0	0	0	0
Miscellaneous	752	0	0	56
Total Expenses	<u>260,323</u>	<u>0</u>	<u>307,839</u>	<u>866,324</u>
<b>OTHER GAINS AND LOSSES:</b>				
Acquisition/disposition of assets	0	0	0	0
Realized gains/(losses)	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	25,725	0	0	(10,277)
Net Assets, October 31, 2014	<u>(233,559)</u>	<u>0</u>	<u>0</u>	<u>11,092</u>
<b>NET ASSETS, OCTOBER 31, 2015</b>	<u><u>\$ (207,834)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 815</u></u>

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

COMBINING STATEMENT OF ACTIVITIES  
(Non-GAAP Presentation)

For the Year Ended October 31, 2015

	State Indiv. Dev. Accounts	Youth IDA Program	Management & General		Total
			Fixed Assets	Agency	
<b>Revenues:</b>					
Federal/state grants	\$ 130,683	\$ 0	\$ 0	\$ 0	\$ 5,549,974
United Way	0	0	0	0	117,234
Interest	0	0	0	436	436
Non-federal contributions/revenues	0	0	0	0	182,338
Other revenue	0	0	0	98,976	116,601
In-kind contributions	0	0	0	0	1,149,301
Total Revenues	<u>130,683</u>	<u>0</u>	<u>0</u>	<u>99,412</u>	<u>7,115,884</u>
<b>Expenses:</b>					
Salaries	14,261	0	0	0	3,282,008
Payroll taxes	1,409	0	0	83	213,509
Employee benefits	2,307	0	0	0	463,290
Worker's compensation insurance	74	0	0	0	7,380
Professional services	2,250	0	0	0	97,259
Travel	121	0	0	0	86,417
Vehicle expense	0	0	0	0	12,968
Office expense	475	287	0	176	33,949
Rent/space costs	2,323	0	0	3,054	410,500
Equipment	0	0	0	0	15,363
Repairs/maintenance	0	0	0	0	61,721
Advertising/printing/copying	120	0	0	1,636	20,964
Janitorial	16	0	0	5	60,473
Insurance	33	0	0	10	36,887
Utilities	115	0	0	0	76,202
Communications	573	0	0	0	31,534
Memberships/registration fees	0	0	0	0	16,996
Program costs/supplies	110,569	59	0	1,750	1,490,162
Nutrition services/children's meals	0	0	0	0	306,914
Nutrition services/adult meals	0	0	0	0	61,998
Staff development/training	0	0	0	0	69,003
Food costs/commodities	0	0	0	0	174,425
Fundraising	0	0	0	0	30,305
Interest	0	0	0	9,058	9,058
Miscellaneous	0	0	0	715	1,717
Total Expenses	<u>134,646</u>	<u>346</u>	<u>0</u>	<u>16,487</u>	<u>7,071,002</u>
<b>OTHER GAINS AND LOSSES:</b>					
Acquisition/disposition of assets	0	0	114,543	0	114,543
Realized gains/(losses)	0	0	0	2,591	2,591
Unrealized gains/(losses)	0	0	0	(5,397)	(5,397)
Interfund transfers	(12,664)	0	0	12,664	0
Depreciation	0	0	(133,681)	(184,837)	(318,518)
Total Other Gains and Losses	<u>(12,664)</u>	<u>0</u>	<u>(19,138)</u>	<u>(174,979)</u>	<u>(206,781)</u>
Increase (Decrease) in Net Assets	(16,627)	(346)	(19,138)	(92,054)	(161,899)
Net Assets, October 31, 2014	<u>16,627</u>	<u>346</u>	<u>376,734</u>	<u>4,622,498</u>	<u>4,884,299</u>
<b>NET ASSETS, OCTOBER 31, 2015</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 357,596</u>	<u>\$ 4,530,444</u>	<u>\$ 4,722,400</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, 2015

	<b>Headstart</b>			
	<b>Breakfast</b>	<b>Lunch</b>	<b>Supplements</b>	<b>Total</b>
November	4,745	4,678	4,771	14,194
December	4,346	4,265	4,362	12,973
January	5,246	5,216	5,270	15,732
February	4,527	4,483	4,557	13,567
March	4,634	4,616	4,683	13,933
April	6,445	6,290	6,480	19,215
May	5,536	5,534	5,658	16,728
June	3,613	3,624	3,680	10,917
July	1,290	1,265	1,315	3,870
August	1,866	1,803	1,234	4,903
September	5,672	5,709	5,807	17,188
October	5,872	5,795	5,882	17,549
TOTAL	<u>53,792</u>	<u>53,278</u>	<u>53,699</u>	<u>160,769</u>



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

SUPPLEMENTAL DATA SHEET

For the Year Ended October 31, 2015

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, 2015

**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, 2015

**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.