

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

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

***For the Year Ended October 31, 2019***

***SAUNDERS & ASSOCIATES, PLLC***

***Certified Public Accountants***

*630 East 17<sup>th</sup> Street*

*P. O. Box 1406*

*Ada, Oklahoma 74820*

*(580) 332-8548*

*FAX: (580) 332-2272*

*Website: [www.saunderscpas.com](http://www.saunderscpas.com)*

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

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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, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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 24, 2020 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  
Certified Public Accountants  
Ada, Oklahoma

February 24, 2020

## FINANCIAL STATEMENTS

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

STATEMENT OF FINANCIAL POSITION

October 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 592,269	\$ (232,773)	\$ 359,496
Investments	72,882	0	72,882
Accounts receivable			
Grants/contracts	0	556,611	556,611
Other	2,275	811	3,086
Interfund receivables	328,748	0	328,748
Inventory	0	12,064	12,064
Total Current Assets	<u>996,174</u>	<u>336,713</u>	<u>1,332,887</u>
Non-current Assets:			
Fixed assets	6,209,062	0	6,209,062
Accumulated depreciation	<u>(2,656,116)</u>	<u>0</u>	<u>(2,656,116)</u>
Total Noncurrent Assets	<u>3,552,946</u>	<u>0</u>	<u>3,552,946</u>
Total Assets	<u>\$ 4,549,120</u>	<u>\$ 336,713</u>	<u>\$ 4,885,833</u>
<b>LIABILITIES AND NET ASSETS</b>			
Current Liabilities:			
Accounts payable	\$ (27)	\$ 143,720	\$ 143,693
Accrued liabilities	65,366	4,634	70,000
Accrued wages	0	130,940	130,940
PWCC Kitchen Reserve	18,820	0	18,820
Match payable	0	0	0
Deferred revenue	0	0	0
Interfund payables	328,748	0	328,748
Long-term debt-current portion	0	0	0
Total Current Liabilities	<u>412,907</u>	<u>279,294</u>	<u>692,201</u>
Other Liabilities:			
Long-term debt-noncurrent portion	0	0	0
Total Liabilities	<u>412,907</u>	<u>279,294</u>	<u>692,201</u>
Net Assets	<u>4,136,213</u>	<u>57,419</u>	<u>4,193,632</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 4,549,120</u>	<u>\$ 336,713</u>	<u>\$ 4,885,833</u>

\* 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, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenue</b>			
Federal/state grants	0	\$ 5,857,228	\$ 5,857,228
United Way	37,682	13,332	51,014
Interest	2,776	0	2,776
Non-federal contributions/revenues	161,927	2,670	164,597
Other revenue	125,839	8,487	134,326
In-kind contributions	4,736	967,706	972,442
Net assets released from restriction:			
Satisfaction of program restrictions	<u>6,819,231</u>	<u>(6,819,231)</u>	<u>0</u>
Total Revenue	<u>7,152,191</u>	<u>30,192</u>	<u>7,182,383</u>
<b>Expenses</b>			
Program Services:			
Social services	719,339	0	719,339
Headstart	5,003,351	0	5,003,351
Children's services	301,767	0	301,767
Home energy assistance	976,124	0	976,124
Personal development & education	8,437	0	8,437
Supporting Services:			
Management and general	<u>43,644</u>	<u>0</u>	<u>43,644</u>
Total Expenses	<u>7,052,662</u>	<u>0</u>	<u>7,052,662</u>
Increase (decrease) in net assets before other gains and losses	99,529	30,192	129,721
<b>Other Gains and Losses</b>			
Acquisition/disposition of assets	159,899	0	159,899
Realized gains/(losses)	(91)	0	(91)
Unrealized gains/(losses)	(1,612)	0	(1,612)
Interfund transfers	53,147	(53,147)	0
Depreciation	<u>(246,471)</u>	<u>0</u>	<u>(246,471)</u>
Total Other Gains and Losses	<u>(35,128)</u>	<u>(53,147)</u>	<u>(88,275)</u>
Increase/(decrease) in net assets	64,401	(22,955)	41,446
Net Assets, October 31, 2018	<u>4,071,812</u>	<u>80,374</u>	<u>4,152,186</u>
<b>NET ASSETS, OCTOBER 31, 2019</b>	<u>\$ 4,136,213</u>	<u>\$ 57,419</u>	<u>\$ 4,193,632</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, 2019

	Social Services	Headstart	Children's Services
<u>EXPENSES:</u>			
Salaries	\$ 363,041	\$ 2,641,476	\$ 154,148
Payroll taxes	23,974	164,554	10,934
Employee benefits	25,787	204,568	10,570
Retirement contributions	18,528	98,578	8,206
State unemployment insurance	3,753	57,662	2,145
Professional services	5,636	100,194	22,236
Travel	11,535	47,379	6,273
Vehicle expense	0	5,465	449
Office expense	5,338	18,796	1,079
Rent/space costs	33,518	300,553	7,493
Equipment	36,060	229,799	7,394
Repairs & maintenance	0	77,445	1,502
Advertising/printing/copying	1,460	27,297	1,529
Janitorial	55	55,289	2,022
Insurance	2,952	51,815	2,582
Utilities	931	66,892	3,704
Communication	5,501	35,537	3,678
Memberships/registration fees	9,892	6,505	4,126
Program costs/supplies	4,635	375,010	29,550
Nutrition services/children's meals	0	260,825	259
Nutrition services/adult meals	0	43,308	4,810
Staff development/training	1,525	131,482	5,647
Food costs/commodities	165,190	2,676	0
Fundraising	0	0	10,822
Interest	0	0	0
Miscellaneous	28	246	609
TOTAL EXPENSES	\$ 719,339	\$ 5,003,351	\$ 301,767

\* 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, 2019

	Home Energy Assistance	Personal Dev. & Education	Management and General	Total
<u>EXPENSES:</u>				
Salaries	\$ 82,139	\$ 833	\$ 23,133	\$ 3,264,770
Payroll taxes	6,101	58	1,608	207,229
Employee benefits	5,806	46	0	246,777
Retirement contributions	3,886	52	2,199	131,449
State unemployment insurance	1,907	0	153	65,620
Professional services	9,450	1,364	51	138,931
Travel	1,025	0	32	66,244
Vehicle expense	0	0	0	5,914
Office expense	5,829	77	51	31,170
Rent/space costs	7,462	1	477	349,504
Equipment	0	0	0	273,253
Repairs & maintenance	0	0	0	78,947
Advertising/printing/copying	2,372	1	3,895	36,554
Janitorial	30	0	4	57,400
Insurance	969	0	157	58,475
Utilities	0	0	0	71,527
Communication	1,992	5	155	46,868
Memberships/registration fees	302	0	3	20,828
Program costs/supplies	846,157	6,000	7,903	1,269,255
Nutrition services/children's meals	0	0	0	261,084
Nutrition services/adult meals	0	0	0	48,118
Staff development/training	649	0	389	139,692
Food costs/commodities	0	0	0	167,866
Fundraising	0	0	0	10,822
Interest	0	0	3,429	3,429
Miscellaneous	48	0	5	936
<b>TOTAL EXPENSES</b>	<u>\$ 976,124</u>	<u>\$ 8,437</u>	<u>\$ 43,644</u>	<u>\$ 7,052,662</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, 2019

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash provided (used) by operating activities:

Increase (decrease) in net assets \$ 41,446

Adjustments to reconcile change in net assets to net cash provided by operating activities:

Depreciation	\$ 246,471	
(Increase) decrease in receivables	(174,969)	
(Increase) decrease in inventory	(2,357)	
Increase (decrease) in accounts payable	102,997	
Increase (decrease) in accrued liabilities	8,436	
Increase (decrease) in accrued wages	30,772	
Increase (decrease) in PWCC Kitchen Reserve	8,217	
	<u>219,567</u>	

Net cash provided (used) by operating activities 261,013

CASH FLOWS FROM INVESTING ACTIVITIES

Redemption of investments	595	
Acquisition of fixed assets	(159,899)	
Disposal of fixed assets	<u>0</u>	

Net cash provided (used) by investing activities (159,304)

CASH FLOWS FROM FINANCING ACTIVITIES

Reduction of debt principal	<u>(23,571)</u>	
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Net cash provided (used) by financing activities (23,571)

Net increase (decrease) in cash 78,138

Cash and cash equivalents, October 31, 2018 281,358

CASH AND CASH EQUIVALENTS, OCTOBER 31, 2019 \$ 359,496

Supplemental Disclosures:

Interest income	\$ 2,776
Interest expense	\$ 3,429
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, 2019

NOTE 1: 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 and the U.S. Department of Agriculture. The acceptance of these grants requires compliance with grant conditions, including the furnishing of certain cash or noncash contributions from non-federal sources.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

- The temporarily restricted and permanently restricted net assets have been combined into a single net asset class called net assets with donor restrictions.
- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The financial statements include a new disclosure about liquidity and availability of resources (Note 4).

The changes have the following effect on net assets at October 31, 2019.

<u>Net Asset Class</u>	<u>As Originally Presented</u>	<u>After Adoption of ASU 2016-14</u>
Unrestricted	\$ 4,071,812	\$ 0
Temporarily Restricted	80,374	0
Permanently Restricted	0	0
Net Assets Without Donor Restrictions	0	4,071,812
Net Assets With Donor Restrictions	0	80,374
Total Net Assets	<u>\$ 4,152,186</u>	<u>\$ 4,152,186</u>

**Basis of Accounting** – The accompanying financial statements have been prepared on the accrual basis which is in accordance with accounting principles generally accepted in the United States of America (GAAP). Under the accrual basis, revenues are recognized when earned rather than received, and expenses are recorded when the liability is incurred, rather than when payment is made. Net assets represent the cumulative excess of revenue recognized over expenses incurred.

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

NOTES TO FINANCIAL STATEMENTS

For the Year Ended October 31, 2019

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Presentation** – The Organization’s financial statement presentation follows the Financial Accounting Standards Board ASU 2016-14, *Not-for-Profit Entities* (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- Net assets with donor restrictions – net assets subject to donor imposed restrictions
- Net assets without donor restrictions – net assets not subject to donor-imposed restrictions

Recognition of Donor Restrictions – Net Assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors.

Purpose restrictions accomplished:

Social Services	\$ 719,339
Head Start	5,003,351
Children’s Services	111,980
Home Energy Assistance	976,124
Personal Development and Education	<u>8,437</u>
	<u>\$ 6,819,231</u>

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.

Investments – Investments consist of donor designated endowment funds at a local foundation.

At October 31, 2019:

	<u>Cost</u>	<u>Fair Market Value</u>
Beneficial Interest in Future Earnings of Donor Designated Funds:		
Arkansas Community Foundation	\$ <u>N/A</u>	\$ <u>72,882</u>
Total	\$ <u>N/A</u>	\$ <u>72,882</u>

Arkansas Community Foundation does have variance power over these 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.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended October 31, 2019

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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, 2019 equaled \$246,471.

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 \$972,442. Of this amount, \$871,147 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.

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. 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.

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

NOTES TO FINANCIAL STATEMENTS

For the Year Ended October 31, 2019

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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 3: CASH DEPOSITS

At October 31, 2019, the Organization had deposits in one local bank. Cash held by the Organization at times exceeded the Federal Deposit Insurance Corporation (FDIC) coverage limit. Management believes the Organization is not exposed to any significant credit risk related to cash.

NOTE 4: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions or board mandated restriction within one year of the statement of financial position date. Donor-restricted resources are available to support general expenditures to the extent that restrictions on those resources will be met by conducting the normal activities of the Organization's programs in the coming year.

Financial assets at year end	\$ 992,075
Less those unavailable for general expenditures within one year:	
Restricted for program services	( 57,394)
Beneficial interest in assets held by others	( 72,882)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 861,799</u>

As part of the Organization's liquidity management, it invests cash in excess of daily requirements in short-term investments, typically, money market funds.

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.

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

NOTES TO FINANCIAL STATEMENTS

For the Year Ended October 31, 2019

NOTE 5: FAIR VALUE MEASUREMENT, CONTINUED

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.

Funds managed by Arvest Asset Management, Legacy National Bank, 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, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Beneficial Interest in Future Earnings of Donor Designated Funds:				
Arkansas Community Foundation	\$ <u>72,882</u>	<u>0</u>	<u>0</u>	\$ <u>72,882</u>
Total	\$ <u>72,882</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>72,882</u>

NOTE 6: LONG-TERM DEBT

Long-term debt of the Organization consists of:

Note payable to 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

	<u>Balance</u> <u>10/31/18</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>10/31/19</u>
Note Payable	\$ <u>23,571</u>	\$ <u>0</u>	\$ <u>23,571</u>	\$ <u>0</u>

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

NOTES TO FINANCIAL STATEMENTS

For the Year Ended October 31, 2019

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

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

	<u>11/01/18</u>	<u>Additions</u>	<u>Retirements</u>	<u>10/31/19</u>
Land	\$ 400,000	\$ 0	\$ 0	\$ 400,000
Buildings	4,730,042	0	0	4,730,042
Furniture and Equipment	<u>980,855</u>	<u>159,899</u>	<u>61,734</u>	<u>1,079,020</u>
Total	<u>\$ 6,110,897</u>	<u>\$ 159,899</u>	<u>\$ 61,734</u>	<u>\$ 6,209,062</u>
Accumulated Depreciation	<u>\$ 2,471,379</u>	<u>\$ 246,471</u>	<u>\$ 61,734</u>	<u>\$ 2,656,116</u>

NOTE 8: LEASES

The Organization is obligated on two lease agreements for office space. These leases are classified as operating leases for accounting purposes. Rental expense under these leases equaled \$57,891 in fiscal year ended October 31, 2019. Future minimum rental expense under these leases is as follows:

	<u>Lease #1</u>	<u>Lease #2</u>	<u>Total</u>
2020	<u>\$ 5,913</u>	<u>\$ 3,736</u>	<u>\$ 9,649</u>
Total	<u>\$ 5,913</u>	<u>\$ 3,736</u>	<u>\$ 9,649</u>

NOTE 9: 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.

The Organization uses multiple allocation methods to allocate those costs which cannot be assigned to a specific program:

- Personnel costs are allocated based on documented timesheets. Where possible, salaries and fringe are charged directly to the program for which work has been done. Costs benefiting all programs are allocated based on the number of classrooms for the program for Children's Services and on a time distribution study for social services programs.
- Liability and building insurance costs are allocated based on the percentage of square feet of occupancy.
- Accounting and audit costs are allocated using a per transaction cost for each program.
- Payroll administrative costs are allocated using a number of employees taken from the first payroll in January.
- Space and communication costs are allocated based on a percentage of square footage of occupancy.



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

NOTES TO FINANCIAL STATEMENTS

For the Year Ended October 31, 2019

NOTE 10: 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, 2019 totaled \$131,449.

NOTE 11: 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, 2019 was \$91,568, and is included in accrued liabilities on the statement of financial position.

NOTE 12: CONCENTRATIONS

The Organization received approximately 82% of its revenues from federal, state and local sources during the year ended October 31, 2019. 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, 2019, the Organization had accounts receivable from federal, state, and local sources in the amount of \$556,611 and anticipates that they will be fully collected.

NOTE 13: SUBSEQUENT EVENTS

The Organization has evaluated events and transactions for subsequent events that would impact the financial statements for the year ended October 31, 2019 through February 24, 2020, 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  
Website: [www.saunderscpas.com](http://www.saunderscpas.com)

### 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*

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, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 24, 2020.

#### **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 24, 2020

# *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  
Website: [www.saunderscpas.com](http://www.saunderscpas.com)

### INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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 *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, 2019. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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, 2019.

## 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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



SAUNDERS & ASSOCIATES, PLLC  
Certified Public Accountants  
Ada, Oklahoma

February 24, 2020

SUPPLEMENTAL INFORMATION

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended October 31, 2019

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Agency Identifying Number</u>	<u>Contract</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	06CH7158-06	93.600	\$ 2,193,975	\$ 2,193,975
Headstart	06CH011165	06CH011165-01	93.600	1,159,157	1,159,171
Early Headstart Expansion	06HP000183	06HP000183-01	93.600	449,273	449,273
<u>Passed Through the Arkansas Department of Human Services:</u>					
Community Services Block Grant	60000217	CSBG 20-08	93.569	16,802	16,802
Community Services Block Grant	60000217	CSBG 17-08	93.569	6,874	6,874
Community Services Block Grant	60000217	CSBG 19-08	93.569	287,751	287,751
Community Services Block Grant	60000217	CSBG 18-08	93.569	17,132	17,132
CSBG Discretionary Grant	60000217	CSDI-18-08	93.569	345	345
Home Energy Assistance Program	60000217	2019HEAP	93.568	972,802	971,299
Home Energy Assistance Program	60000217	2020HEAP	93.568	3,661	3,661
Total Arkansas Dept. of Health and Human Services				5,107,772	5,106,283
<u>Passed Through Arkansas Children's Hospital</u>					
Children's Health Insurance Program	710390902	---	93.767	86,389	88,800
Total U.S. Department of Health & Human Services				5,194,161	5,195,083
<b><u>U. S. DEPARTMENT OF AGRICULTURE</u></b>					
<u>Passed Through Arkansas Department of Human Services:</u>					
Food Distribution Cluster:					
Emergency Food Assistance-Admin	600001217	4600041111	10.568	9,014	9,333
Emergency Food Assistance-Commodities	600001217	4600041111	10.568	203,734	165,190
Total Food Distribution Cluster				212,748	174,523
Child Care Food Program	710390902	---	10.558	259,574	259,574
Total U. S. Department of Agriculture				472,322	434,097
<b><u>U. S. DEPARTMENT OF JUSTICE</u></b>					
<u>Passed Through Arkansas Department of Finance and Administration:</u>					
Crime Victim Assistance	600001217	2017-VA-GX-0070	16.575	30	88
Crime Victim Assistance	600001217	2016-VA-GX-0015	16.575	36,000	36,000
Crime Victim Assistance	600001217	2016-VA-GX-0015	16.575	130,116	132,395
Total U. S. Department of Justice				166,146	168,483
<b>TOTAL FEDERAL AWARDS</b>				<b>\$ 5,832,629</b>	<b>\$ 5,797,663</b>

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

SCHEDULE OF EXPENDITURES OF STATE AWARDS

For the Year Ended October 31, 2019

<u>PROGRAM GRANTOR/PROGRAM TITLE</u>	<u>Revenue</u>	<u>Expenditures</u>
<u>ARKANSAS DEPARTMENT OF</u> <u>HUMAN SERVICES</u> CCDF Voucher Program	<u>9,401</u>	<u>7,980</u>
Total Arkansas Department of Human Services	<u>9,401</u>	<u>7,980</u>
TOTAL STATE ASSISTANCE	<u>\$ 9,401</u>	<u>\$ 7,980</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, 2019

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards includes the federal and state 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedules only present a selected portion of the operations of the Organization, they are not intended to and do not present the financial position, changes in net assets, or cash flows of the Organization.

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 *Uniform Guidance* requirements, 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.

NOTE 4: INDIRECT COSTS

The Organization has elected not to use the 10 percent de minimis indirect cost rate as allowed under the *Uniform Guidance*.

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

COMBINING STATEMENT OF FINANCIAL POSITION  
(Non-GAAP Presentation)

October 31, 2019

	<u>Headstart</u>	<u>EHS Expansion</u>	<u>USDA School Nutrition</u>	<u>Commodities</u>
<b>Assets</b>				
Current Assets:				
Cash and cash equivalents	\$ (45,603)	\$ (51,636)	\$ (32,269)	\$ (394)
Investments	0	0	0	0
Accounts receivable:				
Grants/contracts	244,992	129,151	33,372	37,612
Other	687	124	0	0
Interfund receivables	0	0	0	0
Inventory	0	0	0	12,064
Total Current Assets	<u>200,076</u>	<u>77,639</u>	<u>1,103</u>	<u>49,282</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>\$ 200,076</u>	<u>\$ 77,639</u>	<u>\$ 1,103</u>	<u>\$ 49,282</u>
<b>Liabilities and Net Assets</b>				
Current Liabilities:				
Accounts payable	66,264	71,904	1,103	303
Accrued liabilities	2,861	1,159	0	0
Accrued wages	130,940	0	0	0
PWCC Kitchen Reserve	0	0	0	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>200,065</u>	<u>73,063</u>	<u>1,103</u>	<u>303</u>
Other Liabilities:				
Long-term debt-noncurrent portion	0	0	0	0
Total Liabilities	<u>200,065</u>	<u>73,063</u>	<u>1,103</u>	<u>303</u>
Net Assets				
With donor restrictions	(14)	4,576	0	48,979
Without donor restrictions	25	0	0	0
Total Net Assets	<u>11</u>	<u>4,576</u>	<u>0</u>	<u>48,979</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 200,076</u>	<u>\$ 77,639</u>	<u>\$ 1,103</u>	<u>\$ 49,282</u>

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

COMBINING STATEMENT OF FINANCIAL POSITION  
(Non-GAAP Presentation)

October 31, 2019

	<u>Children's Services</u>	<u>CCDF Voucher Program</u>	<u>CSBG</u>	<u>Children's House</u>
<b>Assets</b>				
Current Assets:				
Cash and cash equivalents	\$ 50,127	\$ 1,727	\$ (76,774)	\$ 49,167
Investments	0	0	0	0
Accounts receivable:				
Grants/contracts	0	0	80,709	0
Other	0	0	0	2,000
Interfund receivables	0	0	0	0
Inventory	0	0	0	0
Total Current Assets	<u>50,127</u>	<u>1,727</u>	<u>3,935</u>	<u>51,167</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>\$ 50,127</u>	<u>\$ 1,727</u>	<u>\$ 3,935</u>	<u>\$ 51,167</u>
<b>Liabilities and Net Assets</b>				
Current Liabilities:				
Accounts payable	0	131	551	3,438
Accrued liabilities	0	176	22	516
Accrued wages	0	0	0	0
PWCC Kitchen Reserve	0	0	0	18,820
Match payable	0	0	0	0
Deferred revenue	0	0	0	0
Interfund payables	0	0	0	328,748
Long-term debt-current portion	0	0	0	0
Total Current Liabilities	<u>0</u>	<u>307</u>	<u>573</u>	<u>351,522</u>
Other Liabilities:				
Long-term debt-noncurrent portion	0	0	0	0
Total Liabilities	<u>0</u>	<u>307</u>	<u>573</u>	<u>351,522</u>
Net Assets				
With donor restrictions	0	1,420	3,362	0
Without donor restrictions	50,127	0	0	(300,355)
Total Net Assets	<u>50,127</u>	<u>1,420</u>	<u>3,362</u>	<u>(300,355)</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 50,127</u>	<u>\$ 1,727</u>	<u>\$ 3,935</u>	<u>\$ 51,167</u>

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

COMBINING STATEMENT OF FINANCIAL POSITION  
(Non-GAAP Presentation)

October 31, 2019

	Safe Care Program	VOCA Fayetteville	VOCA	LIHEAP
<b>Assets</b>				
Current Assets:				
Cash and cash equivalents	\$ (19,709)	\$ 16	\$ (8,509)	\$ 378
Investments	0	0	0	0
Accounts receivable:				
Grants/contracts	18,594	30	8,490	3,661
Other	0	0	0	0
Interfund receivables	0	0	0	0
Inventory	0	0	0	0
Total Current Assets	(1,115)	46	(19)	4,039
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	\$ (1,115)	\$ 46	\$ (19)	\$ 4,039
<b>Liabilities and Net Assets</b>				
Current Liabilities:				
Accounts payable	1,157	58	2,040	209
Accrued liabilities	139	46	220	11
Accrued wages	0	0	0	0
PWCC Kitchen Reserve	0	0	0	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	1,296	104	2,260	220
Other Liabilities:				
Long-term debt-noncurrent portion	0	0	0	0
Total Liabilities	1,296	104	2,260	220
Net Assets				
With donor restrictions	(2,411)	(58)	(2,279)	3,819
Without donor restrictions	0	0	0	0
Total Net Assets	(2,411)	(58)	(2,279)	3,819
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ (1,115)</b>	<b>\$ 46</b>	<b>\$ (19)</b>	<b>\$ 4,039</b>

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

COMBINING STATEMENT OF FINANCIAL POSITION  
(Non-GAAP Presentation)

October 31, 2019

	Management & General		
	Fixed Assets	Agency	Total
<b>Assets</b>			
Current Assets:			
Cash and cash equivalents	\$ 0	\$ 492,975	\$ 359,496
Investments	0	72,882	72,882
Accounts receivable:			
Grants/contracts	0	0	556,611
Other	0	275	3,086
Interfund receivables	0	328,748	328,748
Inventory	0	0	12,064
Total Current Assets	0	894,880	1,332,887
Non-current Assets:			
Fixed assets	1,079,020	5,130,042	6,209,062
Accumulated depreciation	(735,542)	(1,920,574)	(2,656,116)
Total Non-Current Assets	343,478	3,209,468	3,552,946
Total Assets	\$ 343,478	\$ 4,104,348	\$ 4,885,833
<b>Liabilities and Net Assets</b>			
Current Liabilities:			
Accounts payable	0	(3,465)	143,693
Accrued liabilities	0	64,850	70,000
Accrued wages	0	0	130,940
PWCC Kitchen Reserve	0	0	18,820
Match payable	0	0	0
Deferred revenue	0	0	0
Interfund payables	0	0	328,748
Long-term debt-current portion	0	0	0
Total Current Liabilities	0	61,385	692,201
Other Liabilities:			
Long-term debt-noncurrent portion	0	0	0
Total Liabilities	0	61,385	692,201
Net Assets			
With donor restrictions	0	0	57,394
Without donor restrictions	343,478	4,042,963	4,136,238
Total Net Assets	343,478	4,042,963	4,193,632
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 343,478</b>	<b>\$ 4,104,348</b>	<b>\$ 4,885,833</b>

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

COMBINING STATEMENT OF ACTIVITIES  
(Non-GAAP Presentation)

For the Year Ended October 31, 2019

	Headstart	EHS Expansion	USDA School Nutrition	Commodities
<b>Revenues:</b>				
Federal/state grants	\$ 3,353,132	\$ 449,273	\$ 259,574	\$ 212,748
United Way	0	13,332	0	0
Interest	0	0	0	0
Non-federal contributions/revenues	1,284	0	0	0
Other revenue	0	0	0	0
In-kind contributions	871,147	49,129	0	0
Total Revenues	<u>4,225,563</u>	<u>511,734</u>	<u>259,574</u>	<u>212,748</u>
<b>Expenses:</b>				
Salaries	2,506,810	134,666	0	2,823
Payroll taxes	154,928	9,626	0	389
Employee benefits	199,857	4,711	0	370
Retirement contributions	94,816	3,762	0	320
State unemployment insurance	54,266	3,396	0	69
Professional services	80,934	19,260	0	1,890
Travel	43,126	4,253	0	0
Vehicle expense	5,465	0	0	0
Office expense	11,768	7,028	0	0
Rent/space costs	278,830	21,723	0	3,167
Equipment	43,346	186,453	0	0
Repairs/maintenance	58,417	19,028	0	0
Advertising/printing/copying	23,204	4,093	0	0
Janitorial/lawn care	52,476	2,813	0	3
Insurance	51,343	472	0	80
Utilities	65,298	1,594	0	0
Communications	34,219	1,318	0	220
Memberships/registration fees	5,339	1,166	0	2
Program costs/supplies	336,093	38,917	0	0
Nutrition services/children's meals	1,193	58	259,574	0
Nutrition services/adult meals	38,482	4,826	0	0
Staff development/training	96,245	35,237	0	0
Food costs/commodities	0	2,676	0	165,190
Fundraising	0	0	0	0
Interest	0	0	0	0
Miscellaneous	164	82	0	0
Total Expenses	<u>4,236,619</u>	<u>507,158</u>	<u>259,574</u>	<u>174,523</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	(37,121)	0	0	0
Depreciation	0	0	0	0
Total Other Gains and Losses	<u>(37,121)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Increase (Decrease) in Net Assets	(48,177)	4,576	0	38,225
Net Assets, October 31, 2018	<u>48,188</u>	<u>0</u>	<u>0</u>	<u>10,754</u>
<b>NET ASSETS, OCTOBER 31, 2019</b>	<u>\$ 11</u>	<u>\$ 4,576</u>	<u>\$ 0</u>	<u>\$ 48,979</u>

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

COMBINING STATEMENT OF ACTIVITIES  
(Non-GAAP Presentation)

For the Year Ended October 31, 2019

	Children's Services	CCDF Voucher Program	CSBG	CSBG Discretionary
<b>Revenues:</b>				
Federal/state grants	\$ 0	\$ 9,401	\$ 328,558	\$ 345
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	0	0
Total Revenues	<u>0</u>	<u>9,401</u>	<u>328,558</u>	<u>345</u>
<b>Expenses:</b>				
Salaries	0	6,412	232,079	0
Payroll taxes	0	491	16,605	0
Employee benefits	0	0	15,080	0
Retirement contributions	0	0	12,532	0
State unemployment insurance	0	340	2,268	0
Professional services	92	318	3,310	0
Travel	0	0	9,285	0
Vehicle expense	0	0	0	0
Office expense	0	0	5,102	0
Rent/space costs	0	20	12,022	0
Equipment	0	0	0	60
Repairs/maintenance	0	0	0	0
Advertising/printing/copying	0	0	1,456	0
Janitorial	0	0	52	0
Insurance	0	0	2,174	0
Utilities	0	0	0	0
Communications	0	0	5,043	0
Memberships/registration fees	0	0	9,824	0
Program costs/supplies	0	141	248	285
Nutrition services/children's meals	0	259	0	0
Nutrition services/adult meals	0	0	0	0
Staff development/training	2,928	0	1,450	0
Food costs/commodities	0	0	0	0
Fundraising	0	0	0	0
Interest	0	0	0	0
Miscellaneous	0	0	28	0
Total Expenses	<u>3,020</u>	<u>7,981</u>	<u>328,558</u>	<u>345</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	37,121	0	0	0
Depreciation	0	0	0	0
Total Other Gains and Losses	<u>37,121</u>	<u>0</u>	<u>0</u>	<u>0</u>
Increase (Decrease) in Net Assets	34,101	1,420	0	0
Net Assets, October 31, 2018	<u>16,026</u>	<u>0</u>	<u>3,362</u>	<u>0</u>
<b>NET ASSETS, OCTOBER 31, 2019</b>	<u>\$ 50,127</u>	<u>\$ 1,420</u>	<u>\$ 3,362</u>	<u>\$ 0</u>

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

COMBINING STATEMENT OF ACTIVITIES  
(Non-GAAP Presentation)

For the Year Ended October 31, 2019

	Children's House	Safe Care Program	VOCA Fayetteville	VOCA
<b>Revenues:</b>				
Federal/state grants	\$ 0	\$ 86,389	\$ 30	\$ 130,116
United Way	37,682	0	0	0
Interest	0	0	0	0
Non-federal contributions/revenues	161,496	0	0	0
Other revenue	22,484	0	0	0
In-kind contributions	4,736	0	1,548	41,454
Total Revenues	<u>226,398</u>	<u>86,389</u>	<u>1,578</u>	<u>171,570</u>
<b>Expenses:</b>				
Salaries	92,553	51,409	0	123,711
Payroll taxes	6,377	3,817	0	6,980
Employee benefits	7,059	3,207	0	10,337
Retirement contributions	5,441	2,530	0	5,676
State unemployment insurance	1,243	498	0	1,416
Professional services	12,369	94	88	348
Travel	1,547	4,726	0	2,250
Vehicle expense	449	0	0	0
Office expense	887	129	0	236
Rent/space costs	906	6,287	1,389	16,940
Equipment	5,513	1,881	0	0
Repairs/maintenance	1,502	0	0	0
Advertising/printing/copying	717	811	0	4
Janitorial	2,022	0	0	0
Insurance	2,526	0	0	698
Utilities	2,646	1,058	0	931
Communications	2,086	1,563	0	238
Memberships/registration fees	3,366	758	0	66
Program costs/supplies	18,598	10,032	159	3,943
Nutrition services/children's meals	0	0	0	0
Nutrition services/adult meals	4,810	0	0	0
Staff development/training	2,719	0	0	75
Food costs/commodities	0	0	0	0
Fundraising	10,822	0	0	0
Interest	0	0	0	0
Miscellaneous	609	0	0	0
Total Expenses	<u>186,767</u>	<u>88,800</u>	<u>1,636</u>	<u>173,849</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	39,631	(2,411)	(58)	(2,279)
Net Assets, October 31, 2018	<u>(339,986)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>NET ASSETS, OCTOBER 31, 2019</b>	<u>\$ (300,355)</u>	<u>\$ (2,411)</u>	<u>\$ (58)</u>	<u>\$ (2,279)</u>



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

COMBINING STATEMENT OF ACTIVITIES  
(Non-GAAP Presentation)

For the Year Ended October 31, 2019

	VOCA One-Time Purchase	Children's Savings Acct. Initiative	LIHEAP
<b>Revenues:</b>			
Federal/state grants	\$ 36,000	\$ 15,199	\$ 976,463
United Way	0	0	0
Interest	0	0	0
Non-federal contributions/revenues	0	0	1,386
Other revenue	0	0	50
In-kind contributions	4,428	0	0
Total Revenues	40,428	15,199	977,899
<b>Expenses:</b>			
Salaries	4,428	3,774	82,139
Payroll taxes	0	249	6,101
Employee benefits	0	304	5,806
Retirement contributions	0	235	3,886
State unemployment insurance	0	64	1,907
Professional services	0	9,363	9,450
Travel	0	0	1,025
Vehicle expense	0	0	0
Office expense	0	63	5,829
Rent/space costs	0	280	7,462
Equipment	36,000	0	0
Repairs/maintenance	0	0	0
Advertising/printing/copying	0	1	2,372
Janitorial	0	0	30
Insurance	0	56	969
Utilities	0	0	0
Communications	0	29	1,992
Memberships/registration fees	0	2	302
Program costs/supplies	0	779	846,157
Nutrition services/children's meals	0	0	0
Nutrition services/adult meals	0	0	0
Staff development/training	0	0	649
Food costs/commodities	0	0	0
Fundraising	0	0	0
Interest	0	0	0
Miscellaneous	0	0	48
Total Expenses	40,428	15,199	976,124
<b>OTHER GAINS AND LOSSES:</b>			
Acquisition/disposition of assets	0	0	0
Realized gains/(losses)	0	0	0
Unrealized gains/(losses)	0	0	0
Interfund transfers	0	0	0
Depreciation	0	0	0
Total Other Gains and Losses	0	0	0
Increase (Decrease) in Net Assets	0	0	1,775
Net Assets, October 31, 2018	0	0	2,044
<b>NET ASSETS, OCTOBER 31, 2019</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 3,819</b>

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

COMBINING STATEMENT OF ACTIVITIES  
(Non-GAAP Presentation)

For the Year Ended October 31, 2019

	Marshallse IDA Program	Management & General		Total
		Fixed Assets	Agency	
<b>Revenues:</b>				
Federal/state grants	\$ 0	\$ 0	\$ 0	\$ 5,857,228
United Way	0	0	0	51,014
Interest	0	0	2,776	2,776
Non-federal contributions/revenues	0	0	431	164,597
Other revenue	8,437	0	103,355	134,326
In-kind contributions	0	0	0	972,442
Total Revenues	<u>8,437</u>	<u>0</u>	<u>106,562</u>	<u>7,182,383</u>
<b>Expenses:</b>				
Salaries	833	0	23,133	3,264,770
Payroll taxes	58	0	1,608	207,229
Employee benefits	46	0	0	246,777
Retirement contributions	52	0	2,199	131,449
State unemployment insurance	0	0	153	65,620
Professional services	1,364	0	51	138,931
Travel	0	0	32	66,244
Vehicle expense	0	0	0	5,914
Office expense	77	0	51	31,170
Rent/space costs	1	0	477	349,504
Equipment	0	0	0	273,253
Repairs/maintenance	0	0	0	78,947
Advertising/printing/copying	1	0	3,895	36,554
Janitorial	0	0	4	57,400
Insurance	0	0	157	58,475
Utilities	0	0	0	71,527
Communications	5	0	155	46,868
Memberships/registration fees	0	0	3	20,828
Program costs/supplies	6,000	0	7,903	1,269,255
Nutrition services/children's meals	0	0	0	261,084
Nutrition services/adult meals	0	0	0	48,118
Staff development/training	0	0	389	139,692
Food costs/commodities	0	0	0	167,866
Fundraising	0	0	0	10,822
Interest	0	0	3,429	3,429
Miscellaneous	0	0	5	936
Total Expenses	<u>8,437</u>	<u>0</u>	<u>43,644</u>	<u>7,052,662</u>
<b>OTHER GAINS AND LOSSES:</b>				
Acquisition/disposition of assets	0	159,899	0	159,899
Realized gains/(losses)	0	0	(91)	(91)
Unrealized gains/(losses)	0	0	(1,612)	(1,612)
Interfund transfers	0	0	0	0
Depreciation	0	(61,634)	(184,837)	(246,471)
Total Other Gains and Losses	<u>0</u>	<u>98,265</u>	<u>(186,540)</u>	<u>(88,275)</u>
Increase (Decrease) in Net Assets	0	98,265	(123,622)	41,446
Net Assets, October 31, 2018	<u>0</u>	<u>245,213</u>	<u>4,166,585</u>	<u>4,152,186</u>
<b>NET ASSETS, OCTOBER 31, 2019</b>	<u>\$ 0</u>	<u>\$ 343,478</u>	<u>\$ 4,042,963</u>	<u>\$ 4,193,632</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, 2019

	<b>Headstart</b>			
	<b>Breakfast</b>	<b>Lunch</b>	<b>Supplements</b>	<b>Total</b>
November	3,924	3,889	3,979	11,792
December	3,505	3,497	3,568	10,570
January	4,423	4,416	4,499	13,338
February	4,359	4,355	4,433	13,147
March	3,488	3,472	3,544	10,504
April	4,871	4,876	4,954	14,701
May	3,331	3,335	3,394	10,060
June	1,583	1,596	1,636	4,815
July	113	145	147	405
August	2,211	2,196	2,233	6,640
September	4,512	4,441	4,531	13,484
October	5,175	5,183	5,277	15,635
<b>TOTAL</b>	<b>41,495</b>	<b>41,401</b>	<b>42,195</b>	<b>125,091</b>

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

SUPPLEMENTAL DATA SHEET

For the Year Ended October 31, 2019

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: Delia Farmer, 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, 2019

**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, 2019

**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 the *Uniform Guidance*?

Yes  No

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

Auditee qualified as low-risk auditee?  Yes  No

*Identification of Major Programs:*

<u>CFDA #</u>	<u>PROGRAM TITLE</u>
93.600	Head Start/Early Head Start
93.569	CSBG

**Section II – Financial Statement Findings and Questioned Costs:**

None reported.

**Section III – Federal Awards Findings and Questioned Costs:**

None reported.