

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

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

***For the Year Ended October 31, 2020***

***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, 2020

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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, 2020, 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, 2020, 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 26, 2021 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 26, 2021

FINANCIAL STATEMENTS

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

STATEMENT OF FINANCIAL POSITION

October 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 632,865	\$ (164,440)	\$ 468,425
Investments	75,113	0	75,113
Accounts receivable			
Grants/contracts	0	620,611	620,611
Other	500	0	500
Interfund receivables	328,748	0	328,748
Inventory	0	108,240	108,240
Total Current Assets	<u>1,037,226</u>	<u>564,411</u>	<u>1,601,637</u>
Non-current Assets:			
Fixed assets	6,279,700	0	6,279,700
Accumulated depreciation	<u>(2,862,226)</u>	0	<u>(2,862,226)</u>
Total Noncurrent Assets	<u>3,417,474</u>	<u>0</u>	<u>3,417,474</u>
Total Assets	<u>\$ 4,454,700</u>	<u>\$ 564,411</u>	<u>\$ 5,019,111</u>
<b>LIABILITIES AND NET ASSETS</b>			
Current Liabilities:			
Accounts payable	\$ 1,185	\$ 116,243	\$ 117,428
Accrued liabilities	73,386	2,652	76,038
Accrued wages	0	46,934	46,934
PWCC Kitchen Reserve	20,414	0	20,414
Match payable	0	0	0
Deferred revenue	0	160,904	160,904
Interfund payables	328,748	0	328,748
Long-term debt-current portion	0	0	0
Total Current Liabilities	<u>423,733</u>	<u>326,733</u>	<u>750,466</u>
Other Liabilities:			
Long-term debt-noncurrent portion	0	0	0
Total Liabilities	<u>423,733</u>	<u>326,733</u>	<u>750,466</u>
Net Assets	<u>4,030,967</u>	<u>237,678</u>	<u>4,268,645</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 4,454,700</u>	<u>\$ 564,411</u>	<u>\$ 5,019,111</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, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenue</b>			
Federal/state grants	0	\$ 7,476,430	\$ 7,476,430
United Way	1,217	40,010	41,227
Interest	1,996	0	1,996
Non-federal contributions/revenues	120,114	92,329	212,443
Other revenue	158,421	0	158,421
In-kind contributions	0	1,064,170	1,064,170
 Net assets released from restriction:			
Satisfaction of program restrictions	8,492,680	(8,492,680)	0
Total Revenue	<u>8,774,428</u>	<u>180,259</u>	<u>8,954,687</u>
 <b>Expenses</b>			
Program Services:			
Social services	1,257,219	0	1,257,219
Headstart	5,364,959	0	5,364,959
Children's services	571,213	0	571,213
Home energy assistance	1,427,863	0	1,427,863
Personal development & education	68,554	0	68,554
Supporting Services:			
Management and general	55,946	0	55,946
Total Expenses	<u>8,745,754</u>	<u>0</u>	<u>8,745,754</u>
 Increase (decrease) in net assets before other gains and losses	28,674	180,259	208,933
 <b>Other Gains and Losses</b>			
Acquisition/disposition of assets	104,317	0	104,317
Realized gains/(losses)	(825)	0	(825)
Unrealized gains/(losses)	2,377	0	2,377
Interfund transfers	0	0	0
Depreciation	(239,789)	0	(239,789)
Total Other Gains and Losses	<u>(133,920)</u>	<u>0</u>	<u>(133,920)</u>
 Increase/(decrease) in net assets	(105,246)	180,259	75,013
 Net Assets, October 31, 2019	<u>4,136,213</u>	<u>57,419</u>	<u>4,193,632</u>
 <b>NET ASSETS, OCTOBER 31, 2020</b>	<u>\$ 4,030,967</u>	<u>\$ 237,678</u>	<u>\$ 4,268,645</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, 2020

<u>EXPENSES:</u>	<u>Social Services</u>	<u>Headstart</u>	<u>Children's Services</u>
Salaries	\$ 609,370	\$ 3,000,121	\$ 340,561
Payroll taxes	43,168	186,838	24,758
Employee benefits	37,399	243,211	21,235
Retirement contributions	23,304	110,506	10,522
State unemployment insurance	8,146	46,469	6,287
Professional services	17,141	128,771	18,975
Travel	3,498	28,452	28,217
Vehicle expense	0	1,894	18
Office expense	3,766	11,877	2,954
Rent/space costs	56,231	336,412	11,793
Equipment	2,003	145,024	188
Repairs & maintenance	534	112,267	8,178
Advertising/printing/copying	1,151	21,240	4,993
Janitorial/lawn care	497	47,072	7,160
Insurance	3,737	46,403	8,693
Utilities	2,361	65,537	12,228
Communication	8,472	44,798	9,191
Memberships/registration fees	10,773	4,578	3,367
Program costs/supplies	189,307	484,659	34,294
Nutrition services/children's meals	0	173,994	858
Nutrition services/adult meals	0	35,064	3,765
Staff development/training	2,219	80,079	9,890
Food costs/commodities	229,463	0	0
Fundraising	0	0	2,377
COVID-19 expenses	4,442	8,187	3
Miscellaneous	237	1,506	708
<b>TOTAL EXPENSES</b>	<b>\$ 1,257,219</b>	<b>\$ 5,364,959</b>	<b>\$ 571,213</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, 2020

<u>EXPENSES:</u>	<u>Home Energy Assistance</u>	<u>Personal Dev. &amp; Education</u>	<u>Management and General</u>	<u>Total</u>
Salaries	\$ 103,066	\$ 9,751	\$ 36,384	\$ 4,099,253
Payroll taxes	7,647	674	2,874	265,959
Employee benefits	5,926	1,005	2,425	311,201
Retirement contributions	4,303	585	1,982	151,202
State unemployment insurance	1,873	47	369	63,191
Professional services	10,692	9,544	654	185,777
Travel	1,809	0	47	62,023
Vehicle expense	0	0	0	1,912
Office expense	7,441	2	877	26,917
Rent/space costs	9,034	219	157	413,846
Equipment	0	0	250	147,465
Repairs & maintenance	1,970	0	0	122,949
Advertising/printing/copying	3,494	9	2,704	33,591
Janitorial/lawn care	260	0	33	55,022
Insurance	300	26	109	59,268
Utilities	0	0	0	80,126
Communication	3,690	215	202	66,568
Memberships/registration fees	666	15	168	19,567
Program costs/supplies	1,264,173	46,462	4,660	2,023,555
Nutrition services/children's meals	0	0	0	174,852
Nutrition services/adult meals	0	0	0	38,829
Staff development/training	0	0	0	92,188
Food costs/commodities	0	0	0	229,463
Fundraising	0	0	0	2,377
COVID-19 expenses	1,160	0	0	13,792
Miscellaneous	359	0	2,051	4,861
<b>TOTAL EXPENSES</b>	<b>\$ 1,427,863</b>	<b>\$ 68,554</b>	<b>\$ 55,946</b>	<b>\$ 8,745,754</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, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash provided (used) by operating activities:

Increase (decrease) in net assets	\$	75,013
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Adjustments to reconcile change in net assets to net cash provided by operating activities:

Depreciation	\$	239,789
(Increase) decrease in receivables		(61,414)
(Increase) decrease in inventory		(96,176)
Increase (decrease) in accounts payable		(26,265)
Increase (decrease) in accrued liabilities		6,038
Increase (decrease) in accrued wages		(84,006)
Increase (decrease) in PWCC Kitchen Reserve		1,594
Increase (decrease) in deferred revenue		160,904
		140,464
Net cash provided (used) by operating activities		215,477

CASH FLOWS FROM INVESTING ACTIVITIES

Increase in investments		(2,231)
Acquisition of fixed assets		(104,317)
		(106,548)
Net cash provided (used) by investing activities		(106,548)

CASH FLOWS FROM FINANCING ACTIVITIES

Reduction of debt principal		0
		0
Net cash provided (used) by financing activities		0

Net increase (decrease) in cash		108,929
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Cash and cash equivalents, October 31, 2019		359,496
		359,496

CASH AND CASH EQUIVALENTS, OCTOBER 31, 2020	\$	468,425
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Supplemental Disclosures:

Interest income	\$	1,996
Interest expense	\$	0
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, 2020

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

**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.

**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.

**Cash and Cash Equivalents** – Cash and cash equivalents consist of demand deposits and time deposits maintained at financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). Deposits are carried at cost. Bank balances at year-end are categorized as follows to give an indication of the level of risk assumed by the organization.

Unrestricted -

<u>Category</u>	<u>Balance Per Bank</u>
1) Insured or collateralized with securities held by the organization or by its agent in the organization's name.	\$ 502,180
2) Collateralized with securities held by the pledging financial institution's trust department.	0
3) Uncollateralized	0
TOTAL	<u>\$ 502,180</u>

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

NOTES TO FINANCIAL STATEMENTS

For the Year Ended October 31, 2020

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

At October 31, 2020:

	<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>75,113</u>
Total	\$ <u>N/A</u>	\$ <u>75,113</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.

**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, 2020 equaled \$239,789.

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 \$1,064,170. Of this amount, \$1,010,096 was received by the Head Start and Early Head Start Programs.

**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.

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

NOTES TO FINANCIAL STATEMENTS

For the Year Ended October 31, 2020

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

**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.

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: 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	\$ 1,164,649
Less those unavailable for general expenditures within one year:	
Restricted for program services	( 415,901)
Beneficial interest in assets held by others	( 75,113)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 673,635</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 4: 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.

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

NOTES TO FINANCIAL STATEMENTS

For the Year Ended October 31, 2020

NOTE 4: FAIR VALUE MEASUREMENT, CONTINUED

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.

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, 2020:

	<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	\$ 75,113	0	0	\$ 75,113
Total	\$ 75,113	\$ 0	\$ 0	\$ 75,113

NOTE 5: PROPERTY, PLANT AND EQUIPMENT

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

	<u>11/01/19</u>	<u>Additions</u>	<u>Retirements</u>	<u>10/31/20</u>
Land	\$ 400,000	\$ 0	\$ 0	\$ 400,000
Buildings	4,730,042	0	0	4,730,042
Furniture and Equipment	1,079,020	104,317	33,679	1,149,658
Total	\$ 6,209,062	\$ 104,317	\$ 33,679	\$ 6,279,700
Accumulated Depreciation	\$ 2,656,116	\$ 239,789	\$ 33,679	\$ 2,862,226

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

NOTES TO FINANCIAL STATEMENTS

For the Year Ended October 31, 2020

NOTE 6: LEASES

The Organization is obligated on a 5 year lease for office space. Rental payments of \$1,008 commenced January 11, 2020 and continue through December, 2025. Current year rent expense under this lease equaled \$10,077. Future minimum rental expense under this lease is as follows:

FY '21	\$ 12,092
FY '22	12,092
FY '23	12,092
FY '24	12,092
FY '25	<u>2,015</u>
TOTAL	<u>\$ 50,383</u>

NOTE 7: 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.

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, 2020 totaled \$151,201.

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

NOTES TO FINANCIAL STATEMENTS

For the Year Ended October 31, 2020

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, 2020 was \$109,978, and is included in accrued liabilities on the statement of financial position.

NOTE 10: CONCENTRATIONS

The Organization received approximately 83% of its revenues from federal, state and local sources during the year ended October 31, 2020. It is reasonably possible that in the near term these programs could reduce funding levels, 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, 2020, the Organization had accounts receivable from federal, state, and local sources in the amount of \$620,611 and anticipates that they will be fully collected.

NOTE 11: RISKS AND UNCERTAINTIES

In early March 2020, the COVID-19 virus was declared a global pandemic, and it continues to spread. The outbreak in the United States has caused business disruption through mandated and voluntary closing of some service sites and restrictions placed on delivery of services. While the disruption is currently expected to be temporary, the extent of the impact of COVID-19 on our operation and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our employees and vendors, and the success of the current vaccination program, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact our financial condition or results of operations is uncertain. No adjustments have been made to these financial statements as a result of this uncertainty.

NOTE 12: SUBSEQUENT EVENTS

The Organization has evaluated events and transactions for subsequent events that would impact the financial statements for the year ended October 31, 2020 through February 26, 2021, 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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### 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, 2020, 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 26, 2021.

#### **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 26, 2021

# *Saunders & Associates, PLLC*

## *Certified Public Accountants*

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### 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, 2020. 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, 2020.

## 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*  
SAUNDERS & ASSOCIATES, PLLC  
Certified Public Accountants  
Ada, Oklahoma

February 26, 2021

SUPPLEMENTAL INFORMATION

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended October 31, 2020

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Agency Identifying Number</u>	<u>Contract</u>	<u>CFDA No.</u>	<u>Expenditures</u>
<b><u>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>				
Direct:				
Headstart	06CH011165	06CH011165-02-02	93.600	\$ 3,122,667
Headstart	06CH011165	06CH011165-02-02	93.600	COVID 197,528
Early Headstart Expansion	06HP000183	06HP000183-01-01	93.600	339,654
Early Headstart Expansion	06HP000183	06HP000183-02-02	93.600	463,115
Early Headstart Expansion	06HP000183	06HP000183-02-C3	93.600	COVID 19,140
 <u>Passed Through the Arkansas Department of Human Services:</u>				
Community Services Block Grant	60000217	CSBG 21-08	93.569	26,127
Community Services Block Grant	60000217	CSBG 20-08	93.569	324,613
Community Services Block Grant	60000217	CSBG 19-08C	93.569	COVID 35,571
Community Services Block Grant	60000217	CARES-21-08	93.569	COVID 129,847
Home Energy Assistance Program	60000217	2020 LIHEAP CARES	93.569	COVID 156,303
Home Energy Assistance Program	60000217	2021HEAP	93.568	7,072
Home Energy Assistance Program	60000217	2020HEAP	93.568	1,264,388
Child Care and Development Block Grant	60000217	N/A	93.575	COVID 1,730
Total Arkansas Dept. of Health and Human Services				<u>6,087,755</u>
 <u>Passed Through Arkansas Children's Hospital</u>				
Children's Health Insurance Program	710390902	--	93.767	<u>280,722</u>
Total U.S. Department of Health & Human Services				<u>6,368,477</u>
 <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	19,818
Emergency Food Assistance-Commodities	600001217	4600041111	10.568	<u>229,463</u>
Total Food Distribution Cluster				<u>249,281</u>
Child Care Food Program	710390902	---	10.558	<u>171,809</u>
Total U. S. Department of Agriculture				<u>421,090</u>
 <b><u>U. S. DEPARTMENT OF JUSTICE</u></b>				
<u>Passed Through Arkansas Department of Finance and Administration:</u>				
Crime Victim Assistance	600001217	201271-19VG	16.575	19,436
Crime Victim Assistance	600001217	19123-17VG	16.575	278,320
Crime Victim Assistance	600001217	2017-VA-GX--0070	16.575	127,504
Crime Victim Assistance	600001217	2017-VA-GX--0070	16.575	COVID 2,850
Crime Victim Assistance	600001217	2019-V2-GX-0010	16.575	<u>9,595</u>
Total U. S. Department of Justice				<u>437,705</u>
<b>TOTAL FEDERAL AWARDS</b>				<b>\$ <u>7,227,272</u></b>

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

SCHEDULE OF EXPENDITURES OF STATE AWARDS

For the Year Ended October 31, 2020

<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>25,971</u>	<u>25,971</u>
Total Arkansas Department of Human Services	<u>25,971</u>	<u>25,971</u>
TOTAL STATE ASSISTANCE	<u>\$ 25,971</u>	<u>\$ 25,971</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, 2020

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*.



COMBINING STATEMENT OF FINANCIAL POSITION  
(Non-GAAP Presentation)

October 31, 2020

	<u>Headstart</u>	<u>EHS Expansion</u>	<u>USDA School Nutrition</u>	<u>USDA Commodities</u>
<b>Assets</b>				
Current Assets:				
Cash and cash equivalents	\$ (44,248)	\$ 2,903	\$ (17,205)	\$ 29,316
Investments	0	0	0	0
Accounts receivable:				
Grants/contracts	191,098	18,181	17,783	20,996
Other	0	0	0	0
Interfund receivables	0	0	0	0
Inventory	0	0	0	108,240
Total Current Assets	<u>146,850</u>	<u>21,084</u>	<u>578</u>	<u>158,552</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>\$ 146,850</u>	<u>\$ 21,084</u>	<u>\$ 578</u>	<u>\$ 158,552</u>
<b>Liabilities and Net Assets</b>				
Current Liabilities:				
Accounts payable	98,526	10,782	578	2,104
Accrued liabilities	1,397	154	0	0
Accrued wages	46,934	0	0	0
PWCC Kitchen Reserve	0	0	0	0
Match payable	0	0	0	0
Deferred revenue	0	6,046	0	0
Interfund payables	0	0	0	0
Long-term debt-current portion	0	0	0	0
Total Current Liabilities	<u>146,857</u>	<u>16,982</u>	<u>578</u>	<u>2,104</u>
Other Liabilities:				
Long-term debt-noncurrent portion	0	0	0	0
Total Liabilities	<u>146,857</u>	<u>16,982</u>	<u>578</u>	<u>2,104</u>
Net Assets				
With donor restrictions	(7)	4,102	0	156,448
Without donor restrictions	0	0	0	0
Total Net Assets	<u>(7)</u>	<u>4,102</u>	<u>0</u>	<u>156,448</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 146,850</u>	<u>\$ 21,084</u>	<u>\$ 578</u>	<u>\$ 158,552</u>

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

COMBINING STATEMENT OF FINANCIAL POSITION  
(Non-GAAP Presentation)

October 31, 2020

	Child Services	CCDF Voucher Program	CSBG	CSBG CARES	Children's House
<b>Assets</b>					
Current Assets:					
Cash and cash equivalents	\$ 78,999	\$ 159,087	\$ (22,759)	\$ (11,624)	\$ 30,270
Investments	0	0	0	0	0
Accounts receivable:					
Grants/contracts	0	0	26,127	11,800	0
Other	0	0	0	0	500
Interfund receivables	0	0	0	0	0
Inventory	0	0	0	0	0
Total Current Assets	<u>78,999</u>	<u>159,087</u>	<u>3,368</u>	<u>176</u>	<u>30,770</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>\$ 78,999</u>	<u>\$ 159,087</u>	<u>\$ 3,368</u>	<u>\$ 176</u>	<u>\$ 30,770</u>
<b>Liabilities and Net Assets</b>					
Current Liabilities:					
Accounts payable	118	1,060	6	0	949
Accrued liabilities	0	423	0	76	0
Accrued wages	0	0	0	0	0
PWCC Kitchen Reserve	0	0	0	0	20,414
Match payable	0	0	0	0	0
Deferred revenue	0	149,045	0	100	0
Interfund payables	0	0	0	0	328,748
Long-term debt-current portion	0	0	0	0	0
Total Current Liabilities	<u>118</u>	<u>150,528</u>	<u>6</u>	<u>176</u>	<u>350,111</u>
Other Liabilities:					
Long-term debt-noncurrent portion	0	0	0	0	0
Total Liabilities	<u>118</u>	<u>150,528</u>	<u>6</u>	<u>176</u>	<u>350,111</u>
Net Assets					
With donor restrictions	40,270	8,559	3,362	0	0
Without donor restrictions	38,611	0	0	0	(319,341)
Total Net Assets	<u>78,881</u>	<u>8,559</u>	<u>3,362</u>	<u>0</u>	<u>(319,341)</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 78,999</u>	<u>\$ 159,087</u>	<u>\$ 3,368</u>	<u>\$ 176</u>	<u>\$ 30,770</u>

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

COMBINING STATEMENT OF FINANCIAL POSITION  
(Non-GAAP Presentation)

October 31, 2020

	Safe Care Program	VOCA Fayetteville	VOCA	LIHEAP	LIHEAP CARES
<b>Assets</b>					
Current Assets:					
Cash and cash equivalents	\$ (84,108)	\$ (25,555)	\$ (53,747)	\$ (59,225)	\$ (32,292)
Investments	0	0	0	0	0
Accounts receivable:					
Grants/contracts	87,185	25,815	53,943	85,507	32,418
Other	0	0	0	0	0
Interfund receivables	0	0	0	0	0
Inventory	0	0	0	0	0
Total Current Assets	<u>3,077</u>	<u>260</u>	<u>196</u>	<u>26,282</u>	<u>126</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>\$ 3,077</u>	<u>\$ 260</u>	<u>\$ 196</u>	<u>\$ 26,282</u>	<u>\$ 126</u>
<b>Liabilities and Net Assets</b>					
Current Liabilities:					
Accounts payable	2,731	260	196	0	0
Accrued liabilities	346	0	0	130	126
Accrued wages	0	0	0	0	0
PWCC Kitchen Reserve	0	0	0	0	0
Match payable	0	0	0	0	0
Deferred revenue	0	0	0	1,208	0
Interfund payables	0	0	0	0	0
Long-term debt-current portion	0	0	0	0	0
Total Current Liabilities	<u>3,077</u>	<u>260</u>	<u>196</u>	<u>1,338</u>	<u>126</u>
Other Liabilities:					
Long-term debt-noncurrent portion	0	0	0	0	0
Total Liabilities	<u>3,077</u>	<u>260</u>	<u>196</u>	<u>1,338</u>	<u>126</u>
Net Assets					
With donor restrictions	0	0	0	24,944	0
Without donor restrictions	0	0	0	0	0
Total Net Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>24,944</u>	<u>0</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 3,077</u>	<u>\$ 260</u>	<u>\$ 196</u>	<u>\$ 26,282</u>	<u>\$ 126</u>

COMBINING STATEMENT OF FINANCIAL POSITION  
(Non-GAAP Presentation)

October 31, 2020

	Prosperity Now	Marshallese IDA program	Management & General		Total
			Fixed Assets	Agency	
<b>Assets</b>					
<b>Current Assets:</b>					
Cash and cash equivalents	\$ (23,788)	\$ (21,465)	\$ 0	\$ 563,866	\$ 468,425
Investments	0	0	0	75,113	75,113
Accounts receivable:					
Grants/contracts	23,788	25,970	0	0	620,611
Other	0	0	0	0	500
Interfund receivables	0	0	0	328,748	328,748
Inventory	0	0	0	0	108,240
Total Current Assets	<u>0</u>	<u>4,505</u>	<u>0</u>	<u>967,727</u>	<u>1,601,637</u>
<b>Non-current Assets:</b>					
Fixed assets	0	0	1,149,658	5,130,042	6,279,700
Accumulated depreciation	0	0	(756,815)	(2,105,411)	(2,862,226)
Total Non-Current Assets	<u>0</u>	<u>0</u>	<u>392,843</u>	<u>3,024,631</u>	<u>3,417,474</u>
Total Assets	<u>\$ 0</u>	<u>\$ 4,505</u>	<u>\$ 392,843</u>	<u>\$ 3,992,358</u>	<u>\$ 5,019,111</u>
<b>Liabilities and Net Assets</b>					
<b>Current Liabilities:</b>					
Accounts payable	0	0	0	118	117,428
Accrued liabilities	0	0	0	73,386	76,038
Accrued wages	0	0	0	0	46,934
PWCC Kitchen Reserve	0	0	0	0	20,414
Match payable	0	0	0	0	0
Deferred revenue	0	4,505	0	0	160,904
Interfund payables	0	0	0	0	328,748
Long-term debt-current portion	0	0	0	0	0
Total Current Liabilities	<u>0</u>	<u>4,505</u>	<u>0</u>	<u>73,504</u>	<u>750,466</u>
<b>Other Liabilities:</b>					
Long-term debt-noncurrent portion	0	0	0	0	0
Total Liabilities	<u>0</u>	<u>4,505</u>	<u>0</u>	<u>73,504</u>	<u>750,466</u>
<b>Net Assets</b>					
With donor restrictions	0	0	0	0	237,678
Without donor restrictions	0	0	392,843	3,918,854	4,030,967
Total Net Assets	<u>0</u>	<u>0</u>	<u>392,843</u>	<u>3,918,854</u>	<u>4,268,645</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 0</u>	<u>\$ 4,505</u>	<u>\$ 392,843</u>	<u>\$ 3,992,358</u>	<u>\$ 5,019,111</u>

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

COMBINING STATEMENT OF ACTIVITIES  
(Non-GAAP Presentation)

For the Year Ended October 31, 2020

	Headstart	EHS Expansion	USDA School Nutrition	USDA Commodities
<b>Revenues:</b>				
Federal/state grants	\$ 3,320,196	\$ 821,908	\$ 171,809	\$ 356,750
United Way	10	40,000	0	0
Interest	0	0	0	0
Non-federal contributions/revenues	448	0	0	0
Other revenue	0	0	0	0
In-kind contributions	751,579	258,517	0	0
Total Revenues	<u>4,072,233</u>	<u>1,120,425</u>	<u>171,809</u>	<u>356,750</u>
<b>Expenses:</b>				
Salaries	2,399,662	600,459	0	6,767
Payroll taxes	147,634	39,204	0	578
Employee benefits	207,745	35,466	0	550
Retirement contributions	95,461	15,045	0	406
State unemployment insurance	34,849	11,620	0	45
Professional services	99,509	29,066	196	1,999
Travel	24,152	4,300	0	227
Vehicle expense	1,884	10	0	0
Office expense	8,775	3,102	0	1
Rent/space costs	237,266	99,146	0	7,196
Equipment	109,163	35,861	0	0
Repairs/maintenance	74,388	37,879	0	0
Advertising/printing/copying	20,418	822	0	0
Janitorial/lawn care	40,827	6,245	0	27
Insurance	40,458	5,945	0	110
Utilities	58,519	7,018	0	0
Communications	37,031	7,767	0	1,831
Memberships/registration fees	3,628	950	0	81
Program costs/supplies	334,662	149,997	0	0
Nutrition services/children's meals	1,542	839	171,613	0
Nutrition services/adult meals	29,240	5,824	0	0
Staff development/training	57,304	22,775	0	0
Food costs/commodities	0	0	0	229,463
Fundraising	0	0	0	0
Interest	0	0	0	0
COVID-19 expenses	7,177	1,010	0	0
Miscellaneous	957	549	0	0
Total Expenses	<u>4,072,251</u>	<u>1,120,899</u>	<u>171,809</u>	<u>249,281</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	(18)	(474)	0	107,469
Net Assets, October 31, 2019	<u>11</u>	<u>4,576</u>	<u>0</u>	<u>48,979</u>
<b>NET ASSETS, OCTOBER 31, 2020</b>	<u>\$ (7)</u>	<u>\$ 4,102</u>	<u>\$ 0</u>	<u>\$ 156,448</u>

COMBINING STATEMENT OF ACTIVITIES  
(Non-GAAP Presentation)

For the Year Ended October 31, 2020

	Child Services	CCDF Voucher Program	CSBG	CSBG CARES
<b>Revenues:</b>				
Federal/state grants	\$ 42,000	\$ 27,737	\$ 386,311	\$ 129,847
United Way	0	0	0	0
Interest	0	0	0	0
Non-federal contributions/revenues	15	71,035	0	0
Other revenue	0	0	0	0
In-kind contributions	0	0	0	0
<b>Total Revenues</b>	<b>42,015</b>	<b>98,772</b>	<b>386,311</b>	<b>129,847</b>
<b>Expenses:</b>				
Salaries	0	66,859	242,532	10,487
Payroll taxes	0	4,958	17,537	788
Employee benefits	0	719	15,347	381
Retirement contributions	0	420	14,212	1,332
State unemployment insurance	0	2,653	1,413	76
Professional services	226	2,731	2,643	3,928
Travel	0	13	1,126	31
Vehicle expense	0	0	0	0
Office expense	1	223	3,576	0
Rent/space costs	0	38	14,422	0
Equipment	0	0	2,003	0
Repairs/maintenance	0	3	0	0
Advertising/printing/copying	0	0	1,029	0
Janitorial/lawn care	0	0	470	0
Insurance	0	127	1,137	0
Utilities	0	2,363	0	0
Communications	0	92	4,886	35
Memberships/registration fees	0	44	7,007	3,546
Program costs/supplies	12,235	1,506	55,142	109,243
Nutrition services/children's meals	0	765	0	0
Nutrition services/adult meals	760	760	0	0
Staff development/training	39	7,359	0	0
Food costs/commodities	0	0	0	0
Fundraising	0	0	0	0
Interest	0	0	0	0
COVID-19 expenses	0	0	1,592	0
Miscellaneous	0	0	237	0
<b>Total Expenses</b>	<b>13,261</b>	<b>91,633</b>	<b>386,311</b>	<b>129,847</b>
<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
<b>Total Other Gains and Losses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Increase (Decrease) in Net Assets	28,754	7,139	0	0
Net Assets, October 31, 2019	50,127	1,420	3,362	0
<b>NET ASSETS, OCTOBER 31, 2020</b>	<b>\$ 78,881</b>	<b>\$ 8,559</b>	<b>\$ 3,362</b>	<b>\$ 0</b>

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

COMBINING STATEMENT OF ACTIVITIES  
(Non-GAAP Presentation)

For the Year Ended October 31, 2020

	Children's House	Safe Care Program	VOCA Fayetteville	VOCA
<b>Revenues:</b>				
Federal/state grants	\$ 0	\$ 283,133	\$ 131,093	\$ 285,254
United Way	1,217	0	0	0
Interest	0	0	0	0
Non-federal contributions/revenues	119,960	0	6,065	14,781
Other revenue	45,434	0	0	0
In-kind contributions	0	0	13,320	40,754
<b>Total Revenues</b>	<b>166,611</b>	<b>283,133</b>	<b>150,478</b>	<b>340,789</b>
<b>Expenses:</b>				
Salaries	84,050	189,652	99,272	250,312
Payroll taxes	5,717	14,083	7,014	17,251
Employee benefits	7,807	12,709	6,289	14,832
Retirement contributions	4,885	5,217	1,661	5,693
State unemployment insurance	650	2,984	1,982	4,630
Professional services	13,489	2,529	1,759	6,812
Travel	995	27,209	798	1,316
Vehicle expense	18	0	0	0
Office expense	1,666	1,064	3	186
Rent/space costs	929	10,826	8,356	26,257
Equipment	0	188	0	0
Repairs/maintenance	8,175	0	0	534
Advertising/printing/copying	1,510	3,483	13	109
Janitorial/lawn care	7,160	0	0	0
Insurance	8,566	0	547	1,943
Utilities	8,545	1,320	0	2,361
Communications	4,678	4,421	565	1,155
Memberships/registration fees	2,555	768	15	124
Program costs/supplies	16,284	4,269	22,086	2,836
Nutrition services/children's meals	93	0	0	0
Nutrition services/adult meals	2,245	0	0	0
Staff development/training	2,492	0	60	2,159
Food costs/commodities	0	0	0	0
Fundraising	2,377	0	0	0
Interest	0	0	0	0
COVID-19 expenses	3	0	0	0
Miscellaneous	708	0	0	0
<b>Total Expenses</b>	<b>185,597</b>	<b>280,722</b>	<b>150,420</b>	<b>338,510</b>
<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
<b>Total Other Gains and Losses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Increase (Decrease) in Net Assets	(18,986)	2,411	58	2,279
Net Assets, October 31, 2019	(300,355)	(2,411)	(58)	(2,279)
<b>NET ASSETS, OCTOBER 31, 2020</b>	<b>\$ (319,341)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

COMBINING STATEMENT OF ACTIVITIES  
(Non-GAAP Presentation)

For the Year Ended October 31, 2020

	VOCA COVID-19	Prosperity Now	LIHEAP	LIHEAP CARES
<b>Revenues:</b>				
Federal/state grants	\$ 2,850	\$ 26,000	\$ 1,292,685	\$ 156,303
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
<b>Total Revenues</b>	<u>2,850</u>	<u>26,000</u>	<u>1,292,685</u>	<u>156,303</u>
<b>Expenses:</b>				
Salaries	0	2,000	96,855	6,211
Payroll taxes	0	153	7,189	458
Employee benefits	0	267	5,542	384
Retirement contributions	0	120	4,014	289
State unemployment insurance	0	0	1,747	126
Professional services	0	3,100	10,296	396
Travel	0	0	1,809	0
Vehicle expense	0	0	0	0
Office expense	0	0	7,334	107
Rent/space costs	0	200	8,082	952
Equipment	0	0	0	0
Repairs/maintenance	0	0	1,970	0
Advertising/printing/copying	0	0	3,329	165
Janitorial/lawn care	0	0	260	0
Insurance	0	0	300	0
Utilities	0	0	0	0
Communications	0	160	3,488	202
Memberships/registration fees	0	0	666	0
Program costs/supplies	0	20,000	1,117,160	147,013
Nutrition services/children's meals	0	0	0	0
Nutrition services/adult meals	0	0	0	0
Staff development/training	0	0	0	0
Food costs/commodities	0	0	0	0
Fundraising	0	0	0	0
Interest	0	0	0	0
COVID-19 expenses	2,850	0	1,160	0
Miscellaneous	0	0	359	0
<b>Total Expenses</b>	<u>2,850</u>	<u>26,000</u>	<u>1,271,560</u>	<u>156,303</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
<b>Total Other Gains and Losses</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Increase (Decrease) in Net Assets	0	0	21,125	0
Net Assets, October 31, 2019	<u>0</u>	<u>0</u>	<u>3,819</u>	<u>0</u>
<b>NET ASSETS, OCTOBER 31, 2020</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 24,944</u>	<u>\$ 0</u>



COMBINING STATEMENT OF ACTIVITIES  
(Non-GAAP Presentation)

For the Year Ended October 31, 2020

	Marshallese IDA Program	Management & General		Total
		Fixed Assets	Agency	
<b>Revenues:</b>				
Federal/state grants	\$ 42,554	\$ 0	\$ 0	\$ 7,476,430
United Way	0	0	0	41,227
Interest	0	0	1,996	1,996
Non-federal contributions/revenues	0	0	139	212,443
Other revenue	0	0	112,987	158,421
In-kind contributions	0	0	0	1,064,170
<b>Total Revenues</b>	<b>42,554</b>	<b>0</b>	<b>115,122</b>	<b>8,954,687</b>
<b>Expenses:</b>				
Salaries	7,751	0	36,384	4,099,253
Payroll taxes	521	0	2,874	265,959
Employee benefits	738	0	2,425	311,201
Retirement contributions	465	0	1,982	151,202
State unemployment insurance	47	0	369	63,191
Professional services	6,444	0	654	185,777
Travel	0	0	47	62,023
Vehicle expense	0	0	0	1,912
Office expense	2	0	877	26,917
Rent/space costs	19	0	157	413,846
Equipment	0	0	250	147,465
Repairs/maintenance	0	0	0	122,949
Advertising/printing/copying	9	0	2,704	33,591
Janitorial/lawn care	0	0	33	55,022
Insurance	26	0	109	59,268
Utilities	0	0	0	80,126
Communications	55	0	202	66,568
Memberships/registration fees	15	0	168	19,567
Program costs/supplies	26,462	0	4,660	2,023,555
Nutrition services/children's meals	0	0	0	174,852
Nutrition services/adult meals	0	0	0	38,829
Staff development/training	0	0	0	92,188
Food costs/commodities	0	0	0	229,463
Fundraising	0	0	0	2,377
Interest	0	0	0	0
COVID-19 expenses	0	0	0	13,792
Miscellaneous	0	0	2,051	4,861
<b>Total Expenses</b>	<b>42,554</b>	<b>0</b>	<b>55,946</b>	<b>8,745,754</b>
<b>OTHER GAINS AND LOSSES:</b>				
Acquisition/disposition of assets	0	104,317	0	104,317
Realized gains/(losses)	0	0	(825)	(825)
Unrealized gains/(losses)	0	0	2,377	2,377
Interfund transfers	0	0	0	0
Depreciation	0	(54,952)	(184,837)	(239,789)
<b>Total Other Gains and Losses</b>	<b>0</b>	<b>49,365</b>	<b>(183,285)</b>	<b>(133,920)</b>
Increase (Decrease) in Net Assets	0	49,365	(124,109)	75,013
Net Assets, October 31, 2019	0	343,478	4,042,963	4,193,632
<b>NET ASSETS, OCTOBER 31, 2020</b>	<b>\$ 0</b>	<b>\$ 392,843</b>	<b>\$ 3,918,854</b>	<b>\$ 4,268,645</b>

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, 2020

	<b>Headstart</b>			<b>Total</b>
	<b>Breakfast</b>	<b>Lunch</b>	<b>Supplements</b>	
November	3,828	3,823	3,881	11,532
December	3,756	3,759	3,817	11,332
January	5,034	5,047	5,148	15,229
February	5,120	5,153	5,238	15,511
March	2,531	2,539	2,586	7,656
April	0	0	0	0
May	0	0	0	0
June	0	0	0	0
July	295	295	0	590
August	1,010	994	1,021	3,025
September	2,251	2,250	2,281	6,782
October	2,693	2,684	2,724	8,101
<b>TOTAL</b>	<b>26,518</b>	<b>26,544</b>	<b>26,696</b>	<b>79,758</b>

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

SUPPLEMENTAL DATA SHEET

For the Year Ended October 31, 2020

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, 2020

**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, 2020

**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 XNo

Significant deficiencies identified not considered to be material weaknesses? \_\_\_Yes XNo

Noncompliance material to financial statements noted? \_\_\_Yes XNo

*Federal Awards:*

Internal Control Over Major Programs:

Material weakness(es) identified? \_\_\_Yes XNo

Significant deficiencies identified not considered to be material weakness(es)? \_\_\_Yes XNone 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 XNo

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

Auditee qualified as low-risk auditee? XYes \_\_\_No

*Identification of Major Programs:*

<u>CFDA #</u>	<u>PROGRAM TITLE</u>
93.600	Head Start/Early Head Start
93.767	Children’s Health Insurance Program

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

None reported.

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

None reported.