

ECONOMIC OPPORTUNITY AGENCY OF WASHINGTON COUNTY, INC.

FINANCIAL STATEMENTS AND OTHER INFORMATION

OCTOBER 31, 2024

(With independent auditor's report thereon)

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Economic Opportunity Agency of Washington County, Inc. (the "Organization"), which comprise the statement of financial position as of October 31, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of October 31, 2024, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated 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; combining statement of financial position; combining statement of activities; and schedule of units of service for the Child and Adult Care Food Program are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information referred to above is fairly stated, in all material respects, in relation to the consolidated 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 January 30, 2025 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Organization's 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 the Organization's internal control over financial reporting and compliance.

EGP, PLLC

January 30, 2025

Certified Public Accountants & Consultants
Bryant, Arkansas

Economic Opportunity Agency of Washington County, Inc.
Statement of Financial Position
October 31, 2024

(See independent auditor's report.)

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|---|------------------------------------|------------------|
| <u>Assets</u> | | | |
| Current Assets | | | |
| Cash and cash equivalents | \$ 1,564,224 | (328,895) | 1,235,329 |
| Investments | 101,845 | - | 101,845 |
| Accounts receivable | | | |
| Grants/contracts | - | 552,772 | 552,772 |
| Other | - | 200 | 200 |
| Prepaid expenses | - | - | - |
| Inventory | - | 60,474 | 60,474 |
| Total Current Assets | 1,666,069 | 284,551 | 1,950,620 |
| Non-current Assets | | | |
| Property and equipment | 6,707,415 | - | 6,707,415 |
| Less accumulated depreciation | (3,758,602) | - | (3,758,602) |
| Total Non-current Current Assets | 2,948,813 | - | 2,948,813 |
| Total Assets | \$ 4,614,882 | 284,551 | 4,899,433 |
| <u>Liabilities and Net Assets</u> | | | |
| Current Liabilities | | | |
| Accounts payable | \$ 7,042 | 65,434 | 72,476 |
| Accrued liabilities | 101,122 | - | 101,122 |
| Accrued wages | 112 | 108,361 | 108,473 |
| PWCC kitchen reserve | 17,990 | - | 17,990 |
| Deferred revenue | 145,939 | 7,518 | 153,457 |
| Total Current Liabilities | 272,205 | 181,313 | 453,518 |
| Net Assets | 4,342,677 | 103,238 | 4,445,915 |
| Total Liabilities and Net Assets | \$ 4,614,882 | 284,551 | 4,899,433 |

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

Economic Opportunity Agency of Washington County, Inc.
Statement of Activities
For the Year Ended October 31, 2024
(See independent auditor's report.)

| | Without Donor Restrictions | With Donor Restrictions | Totals |
|--|---|--|------------------|
| Revenue | | | |
| Federal/state grants | \$ 880,134 | 7,299,874 | 8,180,008 |
| United Way | 14,080 | - | 14,080 |
| Non-federal contributions/revenues | 308,793 | 6,039 | 314,832 |
| In-kind donations | - | 1,230,573 | 1,230,573 |
| Interest | 54,660 | - | 54,660 |
| Net assets released from restrictions: | | | |
| Satisfaction of program restrictions | 8,550,890 | (8,550,890) | - |
| Total Revenues | <u>9,808,557</u> | <u>(14,404)</u> | <u>9,794,153</u> |
| Expenses | | | |
| Program services: | | | |
| Social services | 1,435,048 | - | 1,435,048 |
| Headstart | 6,330,109 | - | 6,330,109 |
| Children's services | 1,142,145 | - | 1,142,145 |
| Home energy assistance | 770,992 | - | 770,992 |
| Supporting services: | | | |
| Management and general | 73,153 | - | 73,153 |
| Total Expenses | <u>9,751,447</u> | <u>-</u> | <u>9,751,447</u> |
| Increase (decrease) in net assets before other gains and losses | 57,110 | (14,404) | 42,706 |
| Other Gains and Losses | | | |
| Other income | 317,489 | - | 317,489 |
| Gain/(loss) on disposal of assets | (5,459) | - | (5,459) |
| Realized gains/(losses) | 550 | - | 550 |
| Unrealized gains/(losses) | 16,558 | - | 16,558 |
| Depreciation | (289,119) | - | (289,119) |
| Total Other Gains and Losses | <u>40,019</u> | <u>-</u> | <u>40,019</u> |
| Change in Net Assets | 97,129 | (14,404) | 82,725 |
| Net Assets - Beginning of Year | <u>4,245,548</u> | <u>117,642</u> | <u>4,363,190</u> |
| Net Assets - End of Year | <u>\$ 4,342,677</u> | <u>103,238</u> | <u>4,445,915</u> |

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

Economic Opportunity Agency of Washington County, Inc.
Statement of Functional Expenses
For the Year Ended October 31, 2024
(See independent auditor's report.)

| | Program Services | | | | Supporting | Combined | |
|-------------------------------------|-------------------------|------------------|-------------------|-------------------|-------------------|-----------------|------------------|
| | Social | | Children's | Home | Management | | |
| | Services | Headstart | Services | Energy | and | Totals | |
| | | | | Assistance | Program | General | (Memo) |
| | | | | | Service | | |
| Salaries | \$ 470,402 | 3,795,486 | 543,378 | 131,568 | 4,940,834 | 48,679 | 4,989,513 |
| Program costs/supplies | 347,889 | 628,558 | 114,793 | 568,457 | 1,659,697 | 3,872 | 1,663,569 |
| Employee benefits | 30,831 | 209,021 | 25,658 | 3,641 | 269,151 | 2,687 | 271,838 |
| Payroll taxes | 34,398 | 252,038 | 39,266 | 10,038 | 335,740 | 3,026 | 338,766 |
| Rent/ space costs | 33,479 | 467,137 | 11,823 | 10,640 | 523,079 | - | 523,079 |
| Repairs and maintenance | 1,183 | 73,890 | 47,289 | - | 122,362 | - | 122,362 |
| Professional services | 18,358 | 211,841 | 104,169 | 16,982 | 351,350 | 1,908 | 353,258 |
| Nutrition services/children's meals | 365,411 | 625 | 7,200 | - | 373,236 | - | 373,236 |
| Retirement contributions | 25,872 | 135,365 | 19,007 | 3,442 | 183,686 | 2,482 | 186,168 |
| Equipment | 1,881 | 29,027 | 116,483 | - | 147,391 | - | 147,391 |
| Staff development/training | - | 67,540 | 31,963 | - | 99,503 | 280 | 99,783 |
| Utilities | 3,116 | 85,067 | 17,673 | - | 105,856 | - | 105,856 |
| Insurance | 4,647 | 57,442 | 22,477 | 1,222 | 85,788 | 2,894 | 88,682 |
| Advertising, printing and copying | 14,623 | 49,190 | 8,472 | 4,464 | 76,749 | 4,349 | 81,098 |
| Communication | 14,034 | 44,347 | 5,203 | 4,389 | 67,973 | 220 | 68,193 |
| State unemployment insurance | 2,439 | 32,144 | 4,520 | 1,712 | 40,815 | 260 | 41,075 |
| Nutrition services/adult's meals | - | 86,352 | 11,248 | - | 97,600 | - | 97,600 |
| Travel | 33,114 | 59,063 | 3,522 | 260 | 95,959 | 286 | 96,245 |
| Memberships/registration fees | 21,909 | 36,846 | 5,991 | 449 | 65,195 | 321 | 65,516 |
| Office expense | 5,918 | 4,182 | 1,238 | 8,755 | 20,093 | 828 | 20,921 |
| Vehicle expense | - | 3,639 | 54 | - | 3,693 | - | 3,693 |
| Janitorial/lawn care | 4,049 | 974 | - | 2,473 | 7,496 | - | 7,496 |
| Food costs/commodities | - | 207 | 34 | - | 241 | - | 241 |
| Miscellaneous | 1,495 | 128 | 684 | 2,500 | 4,807 | 1,061 | 5,868 |
| Total | \$ 1,435,048 | 6,330,109 | 1,142,145 | 770,992 | 9,678,294 | 73,153 | 9,751,447 |

Economic Opportunity Agency of Washington County, Inc.
Statement of Cash Flows
For the Year Ended October 31, 2024
(See independent auditor's report.)

| | |
|--|---------------------|
| Cash Flows from Operating Activities: | |
| Change in net assets | \$ 82,725 |
| Adjustments to reconcile (decrease) increase in net assets to net cash (required) provided by operating activities: | |
| Depreciation | 289,119 |
| Loss/(gain) on disposal of assets | 5,459 |
| Decrease (Increase) in Assets: | |
| Accounts receivable | 172,684 |
| Prepaid expenses | 14,123 |
| Inventory | (8,442) |
| Increase (Decrease) in Liabilities: | |
| Accounts payable | (2,974) |
| Accrued liabilities | (2,237) |
| Accrued wages | 17,130 |
| Deferred revenue | (443,829) |
| Net Cash Provided (Required) by Operating Activities | <u>123,758</u> |
| Cash Flows from Investing Activities: | |
| Investments | (19,201) |
| Purchase of property and equipment | (210,322) |
| Net Cash Provided (Required) by Investing Activities | <u>(229,523)</u> |
| Increase (Decrease) in Cash and Cash Equivalents | (105,765) |
| Cash and cash equivalents - beginning of year | <u>1,341,094</u> |
| Cash and Cash Equivalents - End of Year | <u>\$ 1,235,329</u> |

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

Economic Opportunity Agency of Washington County, Inc.
Notes to Financial Statements
October 31, 2024

1. Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

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.

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.

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.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all unrestricted and highly liquid investments to be cash equivalents.

Investments

Investments consist of donor designated investment funds at a local foundation totaling \$101,845 at October 31, 2024. Arkansas Community Foundation has variance power over these investments.

Grants Receivable

Grants receivable at October 31, 2024, are predominantly due from various governmental agencies. These receivables are stated at the amounts to be collected from the grantors subsequent to the statement of financial position date. Due to the nature of the receivables, the Organization does not consider an allowance for doubtful accounts to be necessary.

Grant and Contract Revenue

Certain grant revenues are recognized for financial statement purposes to the extent of related allowable program expenses, as these grants operate on a reimbursement basis. Certain contract revenues are recognized for financial statement purposes based on the number of units served multiplied by the contract rate. Grants received in advance of satisfaction of award conditions are reported as deferred revenues until the conditions are substantially met.

Inventories

Economic Opportunity Agency of Washington County, Inc.
Notes to Financial Statements
October 31, 2024

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

Property and equipment are recorded at cost, or if contributed, at estimated fair values at the date of receipt. It is the Organization's policy to capitalize all asset purchases greater than \$1,000 while expensing all asset purchases under \$1,000. Depreciation is computed using the straight-line method using 20 to 40 years for buildings and land and 5 to 15 years for all other property and equipment. Depreciation expense for the year ended October 31, 2024, equaled \$289,119.

Property acquired is considered to be owned by the Organization while used in the program for which it was purchased on in future authorized programs; however, the property, its disposition as well as the ownership of any proceeds there from, is subject to federal regulations including federal government reversionary interests.

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, 2024, was \$107,093, and is included in accrued liabilities on the statement of financial position.

Income Taxes

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). 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.

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.

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*. A not-for-profit organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. A description of these categories is as follows:

- Net Assets Without Donor Restrictions - Net assets which are available for use at the discretion of the Board of Directors and/or management for general operating purposes. Contributions that are restricted

Economic Opportunity Agency of Washington County, Inc.
Notes to Financial Statements
October 31, 2024

by the donor are reported as increases in net assets without donor restriction if the restrictions expire in the fiscal year which the contributions are recognized.

- Net Assets With Donor Restriction - Net assets which consist of contributed funds subject to specific donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Organization may spend the funds.

Contributions

Support and revenues are reported as increases in unrestricted net assets unless the use of related assets is limited by donor imposed restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as increases in unrestricted net assets. Expenses are reported as decreases in unrestricted net assets.

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 \$1,230,573 for the year ended October 31, 2024. Of this amount, \$1,227,750 was received by the Head Start and Early Head Start Programs.

Functional Expenses

Expenses are classified according to the categories for which they were incurred and are summarized on a functional basis in the accompanying statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Generally, time is allocated as follows:

- Where possible, salaries and fringe are charged directly to the program for which work has been done. Otherwise, time is allocated based on the time recorded in employee time sheets or the number of dedicated employees.
- 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.
- Occupancy and communication 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.

Economic Dependency

The Organization received approximately 84% of its revenues from federal and state sources during the year ended October 31, 2024. 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, 2024, the Organization had accounts receivable from federal, state, and local sources in the amount of \$552,772 and anticipates that they will be fully collected.

Advertising

It is the Organization's policy to expense advertising costs as they are incurred. For the year ended October 31, 2024, advertising expense was \$81,098.

Change in Accounting Standard

On November 1, 2024, the Organization adopted ASU 2016-13 Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, as amended, which replaces the incurred loss

Economic Opportunity Agency of Washington County, Inc.
Notes to Financial Statements
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methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, including loan receivables and held-to-maturity debt securities. It also applies to off-balance sheet credit exposures not accounted for as insurance (loan commitments, standby letters of credit, financial guarantees, and other similar instruments) and net investments in leases recognized by a lessor in accordance with Topic 842 on leases. In addition, ASC 326 made changes to the accounting for available-for-sale debt securities. One such change is to require credit losses to be presented as an allowance rather than as a write-down on available-for-sale debt securities management does not intend to sell or believes that it is more likely than not they will be required to sell.

The Organization adopted ASC 326 using the modified retrospective method for all financial assets measured at amortized cost and off-balance-sheet (OBS) credit exposures. Results for reporting periods beginning after October 31, 2023 are presented under ASC 326 while prior period amounts continue to be reported in accordance with previously applicable GAAP. The impact of adopting the new standard did not materially impact the financial statements; therefore, no retained earnings adjustments were determined necessary as of the adoption date of the standard.

Date of Management's Review

Management has evaluated subsequent events through January 30, 2025, the date on which the financial statements were available to be issued.

2. Cash and Cash Equivalents

Cash and cash equivalents are maintained at financial institutions insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. The bank balances of the Organization's cash deposits were fully insured or collateralized at October 31, 2024.

3. 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 of 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

Economic Opportunity Agency of Washington County, Inc.
Notes to Financial Statements
October 31, 2024

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.

Fair value is based upon the balance of the accounts held at Arkansas Community Foundation.

The following table represents the Organization's investments that are measured at fair value on a recurring basis at October 31, 2024:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|-------------------------------|----------------|----------------|----------------|----------------|
| Investments: | | | | |
| Arkansas Community Foundation | \$ - | - | 101,845 | 101,845 |
| Total | <u>\$ -</u> | <u>-</u> | <u>101,845</u> | <u>101,845</u> |

4. Property and Equipment

Activity of property and equipment consists of the following:

| | October 31, 2023 | Additions | Disposals | October 31, 2024 |
|-------------------------------|---------------------|-----------------|----------------|---------------------|
| Land | 524,000 | - | - | 524,000 |
| Buildings | 4,606,042 | - | - | 4,606,042 |
| Furniture & Equipment | 1,446,846 | 210,322 | (79,795) | 1,577,373 |
| | 6,576,888 | 210,322 | (79,795) | 6,707,415 |
| Less accumulated depreciation | (3,543,819) | (289,119) | 74,336 | (3,758,602) |
| | <u>3,033,069</u> | <u>(78,797)</u> | <u>(5,459)</u> | <u>2,948,813</u> |

5. Retirement 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 over a period of 6 years. The Organization's contributions to this plan for the year ended October 31, 2024, totaled \$186,168.

Economic Opportunity Agency of Washington County, Inc.
Notes to Financial Statements
October 31, 2024

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 \$12,092. Future minimum rental expense under this lease is as follows at October 31:

| | | |
|------------|----|--------------|
| 2024 | \$ | 2,015 |
| 2025 | | - |
| 2026 | | - |
| 2027 | | - |
| 2028 | | - |
| Thereafter | | - |
| Total | \$ | <u>2,015</u> |

7. 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: | |
| Cash and cash equivalents | \$ 1,235,329 |
| Investments | 101,845 |
| Accounts receivable | |
| Grants/contracts | 552,772 |
| Other | 200 |
| Less those unavailable for general expenditures within one year: | |
| Accounts payable | (72,476) |
| Accrued liabilities | (101,122) |
| Accrued wages | (108,473) |
| Restricted net assets | (103,238) |
| Beneficial interest in assets held by others | <u>(101,845)</u> |
| Financial Assets available to meet cash needs for general expenditures within one year | <u>\$ 1,402,992</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.



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 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., which comprise the statement of financial position as of October 31, 2024, 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 January 30, 2025.

Report on 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) as a basis for designing 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



January 30, 2025

Certified Public Accountants & Consultants
Bryant, Arkansas



Independent Auditor's Report on Compliance for each Major Federal Program and Report on Internal Control over Compliance

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Economic Opportunity Agency of Washington County, Inc.'s (the "Organization") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended October 31, 2024. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the 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, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses,

as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

EGP, PLLC

January 30, 2025

Certified Public Accountants & Consultants
Bryant, Arkansas

Economic Opportunity Agency of Washington County, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended October 31, 2024

Summary of Auditor's Results

Financial Statements

1. The opinion expressed in the independent accountants' report was:

Unmodified Qualified Adverse Disclaimed

2. The independent accountants' report on internal control over financial reporting described:

Material weakness(es)? Yes No
 Significant deficiency(ies) identified not considered to
 be a material weakness(es)? Yes No

3. Noncompliance considered material to the financial statements was disclosed by the audit:

Yes No

Federal Awards

4. The independent accountants' report on internal control over compliance with requirements applicable to major federal awards programs described:

Material weakness(es)? Yes No
 Significant deficiency(ies) identified not considered to
 be a material weakness(es)? Yes No

5. The opinion expressed in the independent accountants' report on compliance with requirements applicable to major federal awards was:

Unmodified Qualified Adverse Disclaimed

6. The audit disclosed findings required to be reported in accordance with the *Uniform Guidance*?

Yes No

7. Identification of Major Programs:

| <u>Program Title</u> | <u>CFDA #</u> |
|-----------------------------------|----------------------|
| Head Start/ Early Head Start | 93.600 |
| Low Income Energy Assistance | 93.568 |
| Child and Adult Care Food Program | 10.558 |

8. The threshold used to distinguish between Type A and Type B programs was \$750,000.

9. Organization qualified as a low-risk auditee? Yes No

Economic Opportunity Agency of Washington County, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended October 31, 2024

Findings Required to be Reported by *Government Auditing Standards*

No matters are reportable.

Findings Required to be Reported by 2 CFR 200.500

No matters are reportable.

**Economic Opportunity Agency of Washington County, Inc.
Summary Schedule of Prior Audit Findings
October 31, 2024**

Findings Required to be Reported by *Government Auditing Standards*

None reported.

Findings Required to be Reported by 2 CFR 200.500

None reported.

Economic Opportunity Agency of Washington County, Inc.
Schedule of Expenditures of Federal Awards
October 31, 2024

| Federal Grantor/ CLUSTER NAME Program Name Pass-through Entity | CFDA Number | Passed Through to Sub- recipients | Federal Expenditures |
|---|------------------------|--|---------------------------------|
| US Department of Health and Human Services | | | |
| HEAD START CLUSTER | | | |
| Head Start | 93.600 | \$ - | 3,983,593 |
| Early Head Start Expansion | 93.600 | - | 1,114,692 |
| Head Start EHS American Rescue Plan | 93.600 | - | 24,477 |
| Total Head Start Cluster | | - | 5,122,762 |
| 477 CLUSTER | | | |
| Community Services Block Grant | | | |
| Passed through the Arkansas Department of Human Services | 93.569 | - | 423,604 |
| Community Services Block Discretionary Grant | | | |
| Passed through the Arkansas Department of Human Services | 93.569 | - | 31,252 |
| Total 477 Cluster | | - | 31,252 |
| CCDF CLUSTER | | | |
| DCCECE Better Beginnings | | | |
| Passed through the Arkansas Department of Human Services | 93.575 | - | 9,000 |
| DCCECE Federal American Rescue Plan | | | |
| Passed through the Arkansas Department of Human Services | 93.575 | - | 443,829 |
| CCDF Voucher | | | |
| Passed through the Arkansas Department of Human Services | 93.575 | - | 247,263 |
| Total CCDF Cluster | | - | 700,092 |
| Low Income Home Energy Asst Prog | | | |
| Passed through the Arkansas Division of Environmental Quality | 93.568 | - | 694,063 |
| Low Income Home Energy Asst Prog Supplemental Funds | | | |
| Passed through the Arkansas Division of Environmental Quality | 93.658 | - | 76,131 |
| Low Income Home Energy Asst Prog - IIJA | | | |
| Passed through the Arkansas Division of Environmental Quality | 93.568 | - | 559,546 |
| SafeCare | | | |
| Passed through the Arkansas Department of Human Services | 16.575 | - | 282,546 |
| Total US Department of Health and Human Services | | - | 7,607,450 |
| US Department of Agriculture | | | |
| FOOD DISTRIBUTION CLUSTER | | | |
| Emergency Food Assistance - Admin | | | |
| Passed through the Arkansas Department of Human Services | 10.568 | - | 34,664 |
| Emergency Food Assistance - Commodities | | | |
| Passed through the Arkansas Department of Human Services | 10.568 | - | 283,144 |
| Total Food Distribution Cluster | | - | 317,808 |
| Child Care Food Program | | | |
| Passed through the Arkansas Department of Human Services | 10.558 | - | 365,411 |
| Total US Department of Agriculture | | - | 683,219 |
| US Department of Justice | | | |
| Crime Victims Act | | | |
| Passed through the Arkansas Department of Finance and Administration | 16.575 | - | 194,432 |
| Total US Department of Justice | | - | 194,432 |
| Total Expenditures of Federal Awards | | \$ - | 8,767,647 |

Economic Opportunity Agency of Washington County, Inc.
Schedule of Expenditures of Federal Awards (continued)
October 31, 2024

Notes to Schedule of Expenditures of Federal Awards

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "SEFA") includes the federal award activity of Economic Opportunity Agency of Washington County, Inc. under programs of the federal government for the year ended October 31, 2024. 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 Schedule presents only a selected portion of the operations of Economic Opportunity Agency of Washington County, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Economic Opportunity Agency of Washington County, Inc.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Under the accrual basis, federal awards are considered as expenses (amounts expended) and are recognized when the related liability is incurred. The information in this schedule is presented in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Indirect Cost Rate

Economic Opportunity Agency of Washington County, Inc. has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Economic Opportunity Agency of Washington County, Inc.
Combining Statement of Financial Position
October 31, 2024

(See independent auditor's report.)

| | EHS Expansion | Headstart | Child Services Fund | Extended Day Child Program | HS/EHS Response & Relief Supp Approp Act | USDA School Nutrition |
|--|------------------|----------------|------------------------|----------------------------------|---|-----------------------------|
| <u>Assets</u> | | | | | | |
| Current Assets | | | | | | |
| Cash and cash equivalents | \$ (33,123) | (137,213) | 242,598 | 253,923 | - | (22,684) |
| Investments | - | - | - | - | - | - |
| Accounts receivable | | | | | | |
| Grants/contracts | 47,299 | 292,927 | - | - | - | 43,950 |
| Other | - | 200 | - | - | - | - |
| Interfund receivables | - | - | - | - | - | - |
| Prepaid expenses | - | - | - | - | - | - |
| Inventory | - | - | - | - | - | - |
| Total Current Assets | 14,176 | 155,914 | 242,598 | 253,923 | - | 21,266 |
| Non-current Assets | | | | | | |
| Fixed assets | - | - | - | - | - | - |
| Less accumulated depreciation | - | - | - | - | - | - |
| Total Non-current Current Assets | - | - | - | - | - | - |
| Total Assets | 14,176 | 155,914 | 242,598 | 253,923 | - | 21,266 |
| <u>Liabilities and Net Assets</u> | | | | | | |
| Current Liabilities | | | | | | |
| Accounts payable | 13,080 | 47,613 | 1,387 | 3,292 | - | 2,192 |
| Accrued liabilities | - | - | - | - | - | - |
| Accrued wages | 344 | 107,993 | - | 112 | - | - |
| PWCC Kitchen Reserve | - | - | - | - | - | - |
| Interfund payable | - | - | - | - | - | - |
| Deferred revenue | - | - | 145,939 | - | - | - |
| Total Current Liabilities | 13,424 | 155,606 | 147,326 | 3,404 | - | 2,192 |
| Net Assets | | | | | | |
| With Donor Restrictions | 752 | 308 | - | - | - | 19,074 |
| Without Donor Restrictions | - | - | 95,272 | 250,519 | - | - |
| Total Liabilities and Net Assets | \$ 14,176 | 155,914 | 242,598 | 253,923 | - | 21,266 |

Economic Opportunity Agency of Washington County, Inc.
Combining Statement of Financial Position
October 31, 2024
(See independent auditor's report.)

| | Family Engagement Fund | DCCECE Stabilization Grant | Children's House | VOCA | Safe Care Program | Agency |
|--|------------------------------|----------------------------------|---------------------|-----------------|----------------------|------------------|
| <u>Assets</u> | | | | | | |
| Current Assets | | | | | | |
| Cash and cash equivalents | 23,792 | 7,518 | 140,857 | (19,268) | 84,846 | 818,208 |
| Investments | - | - | - | - | - | 101,845 |
| Accounts receivable | | | | | | |
| Grants/contracts | - | - | - | - | - | - |
| Other | - | - | - | - | - | - |
| Interfund receivables | - | - | - | - | - | 328,748 |
| Prepaid expenses | - | - | - | - | - | - |
| Inventory | - | - | - | - | - | - |
| Total Current Assets | 23,792 | 7,518 | 140,857 | (19,268) | 84,846 | 1,248,801 |
| Non-current Assets | | | | | | |
| Fixed assets | - | - | - | - | - | 5,130,042 |
| Less accumulated depreciation | - | - | - | - | - | (2,828,599) |
| Total Non-current Current Assets | - | - | - | - | - | 2,301,443 |
| Total Assets | 23,792 | 7,518 | 140,857 | (19,268) | 84,846 | 3,550,244 |
| <u>Liabilities and Net Assets</u> | | | | | | |
| Current Liabilities | | | | | | |
| Accounts payable | - | - | 2,363 | 574 | - | - |
| Accrued liabilities | - | - | - | - | - | 101,122 |
| Accrued wages | - | - | - | - | - | - |
| PWCC Kitchen Reserve | - | - | 17,990 | - | - | - |
| Interfund payable | - | - | 328,748 | - | - | - |
| Deferred revenue | - | 7,518 | - | - | - | - |
| Total Current Liabilities | - | 7,518 | 349,101 | 574 | - | 101,122 |
| Net Assets | | | | | | |
| With Donor Restrictions | - | - | - | (19,842) | - | - |
| Without Donor Restrictions | 23,792 | - | (208,244) | - | 84,846 | 3,449,122 |
| Total Liabilities and Net Assets | 23,792 | 7,518 | 140,857 | (19,268) | 84,846 | 3,550,244 |

Economic Opportunity Agency of Washington County, Inc.
Combining Statement of Financial Position
October 31, 2024
(See independent auditor's report.)

| | Property and Equipment | USDA Commodities | CSBG | LIHEAP | LIHEAP 2023 Supplemental Funds | Total |
|--|---------------------------|---------------------|--------------|--------------|---|------------------|
| <u>Assets</u> | | | | | | |
| Current Assets | | | | | | |
| Cash and cash equivalents | - | 22,331 | (128,814) | (17,642) | - | 1,235,329 |
| Investments | - | - | - | - | - | 101,845 |
| Accounts receivable | | | | | | |
| Grants/contracts | - | 10,533 | 132,812 | 25,251 | - | 552,772 |
| Other | - | - | - | - | - | 200 |
| Interfund receivables | - | - | - | - | - | 328,748 |
| Prepaid expenses | - | - | - | - | - | - |
| Inventory | - | 60,474 | - | - | - | 60,474 |
| Total Current Assets | - | 93,338 | 3,998 | 7,609 | - | 2,279,368 |
| Non-current Assets | | | | | | |
| Fixed assets | 1,577,373 | - | - | - | - | 6,707,415 |
| Less accumulated depreciation | (930,003) | - | - | - | - | (3,758,602) |
| Total Non-current Current Assets | 647,370 | - | - | - | - | 2,948,813 |
| Total Assets | 647,370 | 93,338 | 3,998 | 7,609 | - | 5,228,181 |
| <u>Liabilities and Net Assets</u> | | | | | | |
| Current Liabilities | | | | | | |
| Accounts payable | - | 1,292 | 635 | 48 | - | 72,476 |
| Accrued liabilities | - | - | - | - | - | 101,122 |
| Accrued wages | - | - | - | 24 | - | 108,473 |
| PWCC Kitchen Reserve | - | - | - | - | - | 17,990 |
| Interfund payable | - | - | - | - | - | 328,748 |
| Deferred revenue | - | - | - | - | - | 153,457 |
| Total Current Liabilities | - | 1,292 | 635 | 72 | - | 782,266 |
| Net Assets | | | | | | |
| With Donor Restrictions | - | 92,046 | 3,363 | 7,537 | - | 103,238 |
| Without Donor Restrictions | 647,370 | - | - | - | - | 4,342,677 |
| Total Liabilities and Net Assets | 647,370 | 93,338 | 3,998 | 7,609 | - | 5,228,181 |

Economic Opportunity Agency of Washington County, Inc.
Combining Statement of Activities
For the Year Ended October 31, 2024
(See independent auditor's report.)

| | EHS Expansion | Headstart | Child Services Fund | Extended Day Childcare Program | HS/EHS Response & Relief Supp Approp Act | USDA School Nutrition |
|--|------------------|------------------|---------------------------|---|---|-----------------------------|
| Revenue | | | | | | |
| Federal and state grants | \$ 1,114,693 | 3,983,593 | 350,325 | 247,263 | - | 365,411 |
| United Way | - | - | - | - | - | - |
| Non-federal contributions and revenues | - | 2,500 | - | 186,002 | - | - |
| In-kind donations | 199,119 | 1,028,631 | - | - | - | - |
| Interest Income | - | - | - | - | - | - |
| Total Revenues | 1,313,812 | 5,014,724 | 350,325 | 433,265 | - | 365,411 |
| Expenses | | | | | | |
| Salaries | 820,662 | 2,974,824 | 101,278 | 222,036 | - | - |
| Payroll taxes | 58,074 | 193,964 | 6,320 | 16,742 | - | - |
| Employee benefits | 35,473 | 173,548 | 3,563 | 7,111 | - | - |
| Retirement contributions | 23,912 | 111,453 | - | 7,838 | - | - |
| State unemployment insurance | 8,882 | 23,262 | 33 | 2,931 | - | - |
| Professional services | 36,234 | 175,607 | 63,726 | 24,408 | - | 1,963 |
| Travel | 8,716 | 50,347 | 148 | 500 | - | - |
| Vehicle expense | 500 | 3,139 | - | 18 | - | - |
| Office expense | 515 | 3,667 | 17 | 69 | - | - |
| Rent and space costs | 121,235 | 345,902 | 9,000 | - | - | - |
| Equipment | 24,477 | 4,550 | 53,641 | - | - | - |
| Repairs & maintenance | 10,847 | 63,043 | 3,647 | 8,335 | - | - |
| Advertising, printing and copying | 6,186 | 43,004 | 4,932 | 2,128 | - | 8 |
| Janitorial and lawn care | - | 974 | - | - | - | - |
| Insurance | 3,577 | 53,865 | 12,916 | 6,191 | - | - |
| Utilities | 10,420 | 74,647 | 2,416 | 5,732 | - | - |
| Communication | 8,607 | 35,740 | 451 | 2,666 | - | - |
| Memberships and registration fees | 6,368 | 30,478 | 102 | 587 | - | 8 |
| Program costs and supplies | 98,964 | 529,594 | 47,015 | 10,283 | - | - |
| Nutrition services - children meals | 424 | 201 | - | 7,200 | - | 365,411 |
| Nutrition services - adult meals | 14,719 | 71,633 | 2,944 | 6,869 | - | - |
| Staff development and training | 14,822 | 52,718 | 29,165 | 1,694 | - | - |
| Food costs and commodities | 58 | 149 | 12 | 12 | - | - |
| Miscellaneous | 128 | - | - | - | - | 1,495 |
| Total Expenses | 1,313,800 | 5,016,309 | 341,326 | 333,350 | - | 368,885 |
| Increase (decrease) in net assets before other gains and losses | 12 | (1,585) | 8,999 | 99,915 | - | (3,474) |
| Other Gains and Losses | | | | | | |
| Other income | - | - | - | - | - | - |
| Gain/(loss) on disposal of assets | - | - | - | - | - | - |
| Realized gains/(losses) | - | - | - | - | - | - |
| Unrealized gains/(losses) | - | - | - | - | - | - |
| Depreciation | - | - | - | - | - | - |
| Total Other Gains and Losses | - | - | - | - | - | - |
| Change in Net Assets | 12 | (1,585) | 8,999 | 99,915 | - | (3,474) |
| Net Assets - Beginning of Year | 740 | 1,893 | 86,273 | 150,604 | - | 22,548 |
| Net Assets - End of Year | \$ 752 | 308 | 95,272 | 250,519 | - | 19,074 |

Economic Opportunity Agency of Washington County, Inc.
Combining Statement of Activities
For the Year Ended October 31, 2024
(See independent auditor's report.)

| | Family Engagement Fund | DCCECE Stabilization Grant | Children's House | VOCA | Safe Care Program | Agency |
|--|------------------------------|----------------------------------|---------------------|-----------------|----------------------|------------------|
| Revenue | | | | | | |
| Federal and state grants | - | 102,504 | - | 214,318 | 282,546 | - |
| United Way | 14,080 | - | - | - | - | - |
| Non-federal contributions and revenues | - | - | 122,434 | - | - | 357 |
| In-kind donations | - | - | - | 2,823 | - | - |
| Interest Income | - | - | - | - | - | 54,660 |
| Total Revenues | 14,080 | 102,504 | 122,434 | 217,141 | 282,546 | 55,017 |
| Expenses | | | | | | |
| Salaries | 24,446 | - | 46,340 | 173,724 | 200,087 | 48,679 |
| Payroll taxes | 1,870 | - | 3,355 | 12,849 | 14,365 | 3,026 |
| Employee benefits | 45 | - | 3,017 | 11,967 | 16,935 | 2,687 |
| Retirement contributions | 618 | - | 2,772 | 8,397 | 10,178 | 2,482 |
| State unemployment insurance | 414 | - | 134 | 1,422 | 1,312 | 260 |
| Professional services | - | 122 | 8,218 | 7,695 | 6,399 | 1,908 |
| Travel | - | - | 2,862 | 12 | 22,124 | 286 |
| Vehicle expense | - | - | 10 | 26 | - | - |
| Office expense | - | - | 1,152 | - | 562 | 828 |
| Rent and space costs | - | - | - | 2,823 | 6,287 | - |
| Equipment | - | 62,842 | - | - | 70 | - |
| Repairs & maintenance | - | 28,846 | 3,191 | 3,270 | 1,183 | - |
| Advertising, printing and copying | - | 305 | 1,044 | 63 | 521 | 4,349 |
| Janitorial and lawn care | - | - | - | - | - | - |
| Insurance | - | - | 2,540 | 830 | 1,995 | 2,894 |
| Utilities | - | - | 1,443 | 8,082 | 3,116 | - |
| Communication | - | - | 438 | 1,648 | 4,571 | 220 |
| Memberships and registration fees | - | - | 5,248 | 54 | 2,593 | 321 |
| Program costs and supplies | - | 10,389 | 42,999 | 4,107 | 5,055 | 3,872 |
| Nutrition services - children meals | - | - | - | - | - | - |
| Nutrition services - adult meals | - | - | 1,435 | - | - | - |
| Staff development and training | - | - | 1,090 | 14 | - | 280 |
| Food costs and commodities | - | - | 10 | - | - | - |
| Miscellaneous | - | - | 684 | - | - | 1,061 |
| Total Expenses | 27,393 | 102,504 | 127,982 | 236,983 | 297,353 | 73,153 |
| Increase (decrease) in net assets before other gains and losses | (13,313) | - | (5,548) | (19,842) | (14,807) | (18,136) |
| Other Gains and Losses | | | | | | |
| Other income | - | - | 6,287 | - | - | 100,880 |
| Gain/(loss) on disposal of assets | - | - | - | - | - | - |
| Realized gains/(losses) | - | - | - | - | - | 550 |
| Unrealized gains/(losses) | - | - | - | - | - | 16,558 |
| Depreciation | - | - | - | - | - | (176,757) |
| Total Other Gains and Losses | - | - | 6,287 | - | - | (58,769) |
| Change in Net Assets | (13,313) | - | 739 | (19,842) | (14,807) | (76,905) |
| Net Assets - Beginning of Year | 37,105 | - | (208,983) | - | 99,653 | 3,526,027 |
| Net Assets - End of Year | 23,792 | - | (208,244) | (19,842) | 84,846 | 3,449,122 |

Economic Opportunity Agency of Washington County, Inc.
Combining Statement of Activities
For the Year Ended October 31, 2024
(See independent auditor's report.)

| | Property and Equipment | USDA Com- modities | CSBG | LIHEAP | LIHEAP 2023 Supplemental Funds | Total |
|--|---------------------------|-----------------------|---------|---------|--------------------------------------|-----------|
| Revenue | | | | | | |
| Federal and state grants | - | 325,556 | 423,605 | 694,063 | 76,131 | 8,180,008 |
| United Way | - | - | - | - | - | 14,080 |
| Non-federal contributions and revenues | - | - | - | 3,539 | - | 314,832 |
| In-kind donations | - | - | - | - | - | 1,230,573 |
| Interest Income | - | - | - | - | - | 54,660 |
| Total Revenues | - | 325,556 | 423,605 | 697,602 | 76,131 | 9,794,153 |
| Expenses | | | | | | |
| Salaries | - | 15,005 | 230,864 | 91,286 | 40,282 | 4,989,513 |
| Payroll taxes | - | 1,034 | 17,129 | 6,931 | 3,107 | 338,766 |
| Employee benefits | - | 851 | 13,000 | 2,221 | 1,420 | 271,838 |
| Retirement contributions | - | 962 | 14,114 | 2,404 | 1,038 | 186,168 |
| State unemployment insurance | - | 69 | 644 | 859 | 853 | 41,075 |
| Professional services | - | 2,373 | 7,623 | 12,070 | 4,912 | 353,258 |
| Travel | - | - | 10,990 | 260 | - | 96,245 |
| Vehicle expense | - | - | - | - | - | 3,693 |
| Office expense | - | 17 | 5,339 | 5,580 | 3,175 | 20,921 |
| Rent and space costs | - | 12,038 | 15,154 | 7,012 | 3,628 | 523,079 |
| Equipment | - | - | 1,811 | - | - | 147,391 |
| Repairs & maintenance | - | - | - | - | - | 122,362 |
| Advertising, printing and copying | - | 76 | 14,018 | 2,565 | 1,899 | 81,098 |
| Janitorial and lawn care | - | 527 | 3,522 | 1,443 | 1,030 | 7,496 |
| Insurance | - | 265 | 2,387 | 542 | 680 | 88,682 |
| Utilities | - | - | - | - | - | 105,856 |
| Communication | - | 1,428 | 8,035 | 3,343 | 1,046 | 68,193 |
| Memberships and registration fees | - | 25 | 19,283 | 425 | 24 | 65,516 |
| Program costs and supplies | - | 283,144 | 59,690 | 555,420 | 13,037 | 1,663,569 |
| Nutrition services - children meals | - | - | - | - | - | 373,236 |
| Nutrition services - adult meals | - | - | - | - | - | 97,600 |
| Staff development and training | - | - | - | - | - | 99,783 |
| Food costs and commodities | - | - | - | - | - | 241 |
| Miscellaneous | - | - | - | 2,500 | - | 5,868 |
| Total Expenses | - | 317,814 | 423,603 | 694,861 | 76,131 | 9,751,447 |
| Increase (decrease) in net assets before other gains and losses | - | 7,742 | 2 | 2,741 | - | 42,706 |
| Other Gains and Losses | | | | | | |
| Other income | 210,322 | - | - | - | - | 317,489 |
| Gain/(loss) on disposal of assets | (5,459) | - | - | - | - | (5,459) |
| Realized gains/(losses) | - | - | - | - | - | 550 |
| Unrealized gains/(losses) | - | - | - | - | - | 16,558 |
| Depreciation | (112,362) | - | - | - | - | (289,119) |
| Total Other Gains and Losses | 92,501 | - | - | - | - | 40,019 |
| Change in Net Assets | 92,501 | 7,742 | 2 | 2,741 | - | 82,725 |
| Net Assets - Beginning of Year | 554,869 | 84,304 | 3,361 | 4,796 | - | 4,363,190 |
| Net Assets - End of Year | 647,370 | 92,046 | 3,363 | 7,537 | - | 4,445,915 |

Economic Opportunity Agency of Washington County, Inc.
Schedule of Units of Service for the Child and Adult Care Food Program
October 31, 2024

| | CACFP MEALS REPORTED | | | |
|--------------|----------------------|--------|-------------|---------|
| | Breakfast | Lunch | Supplements | Total |
| November | 4,245 | 4,168 | 4,282 | 12,695 |
| December | 3,310 | 3,288 | 3,352 | 9,950 |
| January | 3,305 | 3,443 | 3,497 | 10,245 |
| February | 5,117 | 5,049 | 5,168 | 15,334 |
| March | 4,387 | 4,329 | 4,435 | 13,151 |
| April | 5,676 | 5,654 | 5,746 | 17,076 |
| May | 4,806 | 4,786 | 4,905 | 14,497 |
| June | 1,919 | 1,949 | 1,985 | 5,853 |
| July | - | - | - | - |
| August | 2,454 | 2,437 | 2,469 | 7,360 |
| September | 4,867 | 4,872 | 4,933 | 14,672 |
| October | 5,545 | 5,490 | 5,629 | 16,664 |
| Total | 45,631 | 45,465 | 46,401 | 137,497 |

**Economic Opportunity Agency of Washington County, Inc.
Supplemental Data Sheet
October 31, 2024**

Entity: Economic Opportunity Agency of Washington County, Inc.

Address: 614 East Emma Avenue, Suite M401
Springdale, Arkansas, 72764

EIN: 71-0390902

Phone: (479) 872-7479

Director: Delia Farmer

Contact Person: Julie Parker, Financial Officer

Audit Firm: EGP, PLLC

Lead Auditor: Lindsey Baker, CPA