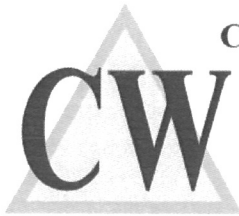


**WACCAMAW ECONOMIC  
OPPORTUNITY COUNCIL, INC.**

Financial Statements  
For the years ended December 31, 2012 and 2011

**WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.**  
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# CROWLEY WECHSLER & ASSOCIATES LLC

CERTIFIED PUBLIC ACCOUNTANTS

[www.CWACPAs.com](http://www.CWACPAs.com)

BEAUFORT • MOUNT PLEASANT

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Waccamaw Economic Opportunity Council, Inc.  
Conway, South Carolina

### Report on the Financial Statements

We have audited the accompanying financial statements of Waccamaw Economic Opportunity Council, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2012 and 2011, 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 *Government 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 from 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.

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## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Waccamaw Economic Opportunity Council, Inc. as of December 31, 2012, 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 Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. 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 August 6, 2013, on our consideration of Waccamaw Economic Opportunity Council, Inc.'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 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 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 Waccamaw Economic Opportunity Council, Inc.'s internal control over financial reporting and compliance.

*Cronley Wechsler & Associates LLC*

Mount Pleasant, South Carolina  
August 6, 2013

**WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AT DECEMBER 31, 2012 AND 2011**

	2012			2011
	Unrestricted	Temporarily Restricted	Total	Comparative Total
<u>ASSETS</u>				
Current assets				
Cash and cash equivalents	\$ 868,405	\$ 2,523	\$ 870,928	\$ 2,119,550
Accounts receivable	5,529	-	5,529	7,806
Grants receivable	452,574	-	452,574	455,936
Prepaid expense	65,825	-	65,825	115,441
Total current assets	1,392,333	2,523	1,394,856	2,698,733
Property and equipment				
Land	392,250	-	392,250	392,250
Construction in progress	741,066	-	741,066	138,196
Building and improvements	1,733,853	-	1,733,853	1,733,853
Leasehold improvements	411,554	-	411,554	405,877
Furniture and equipment	331,314	-	331,314	243,678
Vehicles	1,603,013	-	1,603,013	1,603,013
Subtotal	5,213,050	-	5,213,050	4,516,867
Less: accumulated depreciation	(2,368,069)	-	(2,368,069)	(2,190,920)
Total property and equipment	2,844,981	-	2,844,981	2,325,947
Total assets	\$ 4,237,314	\$ 2,523	\$ 4,239,837	\$ 5,024,680
<u>LIABILITIES AND NET ASSETS</u>				
Current liabilities				
Accounts payable	\$ 280,746	\$ -	\$ 280,746	\$ 185,510
Accrued expense	349,563	-	349,563	287,725
Deferred revenue	727,937	-	727,937	2,102,476
Rental deposit	3,555	-	3,555	3,555
Current portion of notes payable	48,553	-	48,553	46,298
Total current liabilities	1,410,354	-	1,410,354	2,625,564
Long term liabilities				
Construction advances	271,873	-	271,873	-
Note payable	649,291	-	649,291	694,892
Less: current portion	(48,553)	-	(48,553)	(46,298)
Total long term liabilities	872,611	-	872,611	648,594
Total liabilities	2,282,965	-	2,282,965	3,274,158
Net assets				
Unrestricted	1,954,349	-	1,954,349	1,744,599
Temporarily restricted	-	2,523	2,523	5,923
Total net assets	1,954,349	2,523	1,956,872	1,750,522
Total liabilities and net assets	\$ 4,237,314	\$ 2,523	\$ 4,239,837	\$ 5,024,680

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

**WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

	2012			2011
	Unrestricted	Temporarily Restricted	Total	Comparative Total
Revenue and support				
Federal grants and contracts	\$ 11,803,011	\$ -	\$ 11,803,011	\$ 12,401,720
Progress Energy / SCE&G	-	2,746	2,746	25,752
Santee Electric Trust	-	20,000	20,000	20,000
Other	19,192	-	19,192	22,658
In-kind contributions	2,040,699	-	2,040,699	1,927,241
Net assets released from restriction	26,146	(26,146)	-	-
Rental income	126,821	-	126,821	135,782
Interest income	250	-	250	319
Indirect revenue allocation from programs	800,011	-	800,011	847,612
Total revenue and support	14,816,130	(3,400)	14,812,730	15,381,084
Expenses				
Program				
Head Start	7,332,968	-	7,332,968	7,206,961
Early Head Start	820,481	-	820,481	745,601
Child Care Food Program	504,560	-	504,560	474,542
Weatherization	485,948	-	485,948	577,296
Weatherization Stimulus	667,057	-	667,057	1,663,361
Summer Food Program	149,549	-	149,549	112,564
LIHEAP	2,890,341	-	2,890,341	3,018,479
Community Services Block Grant	782,048	-	782,048	666,442
Community Services Block Grant Stimulus	-	-	-	-
Other programs	880,162	-	880,162	910,294
General and administrative costs	93,266	-	93,266	82,933
Total expenses	14,606,380	-	14,606,380	15,458,473
Change in net assets	209,750	(3,400)	206,350	(77,389)
Net assets, beginning of year	1,744,599	5,923	1,750,522	1,827,911
Net assets, end of year	\$ 1,954,349	\$ 2,523	\$ 1,956,872	\$ 1,750,522

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

## 5

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

**WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

	2012			2011
	Unrestricted	Temporarily Restricted	Total	Comparative Total
<b>Cash flows from operating activities</b>				
Change in net assets	\$ 209,750	\$ (3,400)	\$ 206,350	(77,389)
Adjustments to reconcile to net cash provided by (used in) operating activities:				
Depreciation	177,149	-	177,149	193,716
(Increase) decrease in:				
Accounts receivable	2,277	-	2,277	(1,556)
Grants receivable	3,362	-	3,362	402,828
Prepaid expense	49,616	-	49,616	(65,322)
Increase (decrease) in:				
Accounts payable	158,051	-	158,051	(591,860)
Accrued expense	(977)	-	(977)	(3,313)
Deferred revenue	(1,374,539)	-	(1,374,539)	(181,556)
<b>Net cash provided by (used in) operating activities</b>	<u>(775,311)</u>	<u>(3,400)</u>	<u>(778,711)</u>	<u>(324,452)</u>
<b>Cash flows provided by (used in) investing activities</b>				
Purchase of property and equipment	(696,183)	-	(696,183)	(196,506)
<b>Net cash provided by (used in) investing activities</b>	<u>(696,183)</u>	<u>-</u>	<u>(696,183)</u>	<u>(196,506)</u>
<b>Cash flows provided by (used in) financing activities</b>				
Loan proceeds	271,873	-	271,873	-
Principal repayments	(45,601)	-	(45,601)	(43,597)
<b>Net cash provided by (used in) financing activities</b>	<u>226,272</u>	<u>-</u>	<u>226,272</u>	<u>(43,597)</u>
<b>Net increase (decrease) in cash</b>	(1,245,222)	(3,400)	(1,248,622)	(564,555)
<b>Cash and cash equivalents, beginning of year</b>	2,113,627	5,923	2,119,550	2,684,105
<b>Cash and cash equivalents, end of year</b>	<u>\$ 868,405</u>	<u>\$ 2,523</u>	<u>\$ 870,928</u>	<u>2,119,550</u>
<b>Supplemental cash flow information</b>				
Interest paid	<u>\$ 41,347</u>	<u>\$ -</u>	<u>\$ 41,347</u>	<u>\$ 43,951</u>

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

**WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

Waccamaw Economic Opportunity Council, Inc. (the "Organization") was organized as a non-profit corporation under the laws of the State of South Carolina on December 6, 1965. The purpose and function of the Organization is to administer Federal and State programs that provide comprehensive health, educational, nutritional, social, and other services to low income families in Horry, Williamsburg and Georgetown counties. The Organization receives funding from several federal and state grants as well as local contributions.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis. Income is recognized when earned and expenses are recognized when incurred. The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The exemption is on all income except unrelated business income as noted under Section 511 of the Internal Revenue Code. Internal Revenue Code Section 513(a) defines an unrelated trade or business of an exempt organization as any trade or business which is not substantially related to the exercise or performance of its exempt purpose. During 2012, the Organization had unrelated business income of \$127,071 in gross rentals and interest income less related deductions of \$127,666, which resulted in a loss for the year. The Organization filed Form 990T subsequent to year end and had no federal or state income tax expense for the year.

The most significant tax position of the Organization are its assertion that it is exempt from income taxes and its determination of whether any amounts are subject to unrelated business tax, ("UBIT"). All significant tax positions have been considered by management. It has been determined that it is more likely than not that all tax positions would be sustained upon examination by taxing authorities. The Organization's Forms 990 and 990T for 2009 through 2011 are open to examination by the Internal Revenue Service as of December 31, 2012.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Property and Equipment

Purchased property and equipment is capitalized at cost; donated assets are recorded as contributions at their estimated fair value on the date donated. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Certain property was purchased with government grants and restrictive finance agreements; if these assets were sold or not used for their intended charitable purpose repayment may be required. All assets are depreciated over estimated useful

**WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Property and Equipment (Continued)

lives on a straight line basis. Repairs and maintenance and small equipment purchases are expensed as incurred. Expenditures that significantly increase asset values or extend useful lives are capitalized. Acquisitions of property and equipment in excess of \$5,000 are capitalized. Additional assets below \$5,000 are also capitalized, as required by the grant.

Estimated useful lives are as follows:

	<u>Years</u>
Buildings and improvements	30–45
Leasehold improvements	10–30
Furniture and equipment	5–10
Vehicles	8

Deferred Revenue

Grants received in advance for future expenditures are recorded as deferred revenue. Recognition as revenue occurs when the event takes place.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are recorded as restricted support. Absent explicit donor stipulations about long-lived assets must be maintained, the organization reports expirations of donor restrictions when construction expenditures are incurred or when the donated long-lived assets are placed in service.

In-Kind Contributions

Contributions of non-cash goods, facilities, and service are recorded at the estimated fair value on the date of the contribution. Contributions of services that (1) create or enhance non-financial assets or those that require specialized skills, (2) are provided by individuals possessing those skills, and (3) would typically need to be purchased if not provided by donation are recorded at their fair value in the period received. Such donated materials and services for the years ended December 31, 2012 and 2011 were \$2,040,699 and \$1,927,241, respectively.

Functional Allocation of Expenses

The costs of providing the various programs and supporting activities of the organization have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been

**WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Functional Allocation of Expenses (Continued)

allocated among the program and supporting activities using the objective bases such as time spent, salaries, square feet, and other basis.

**NOTE 2 – CASH AND CASH EQUIVALENTS**

The Organization places its cash and cash equivalents on deposit with several financial institutions in the United States. Cash and CDs are secured by FDIC insurance up to \$250,000 at each financial institution. At December 31, 2012, the Organization had \$56,589 in uninsured cash balances.

The Organization has the following cash balances at December 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Cash and cash equivalents, insured	\$ 738,349	\$ 377,762
Cash and cash equivalents, pledged	414,253	1,998,375
Cash and cash equivalents, uninsured	56,589	-
Total cash and cash equivalents	<u>\$ 1,209,191</u>	<u>\$ 2,376,137</u>

**NOTE 3 – PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

	<u>2012</u>	<u>2011</u>
<i>Assets not being depreciated</i>		
Land	\$ 392,250	\$ 392,250
Construction in progress	741,066	138,196
<i>Assets being depreciated</i>		
Buildings and improvements	1,733,853	1,733,853
Leasehold improvements	411,554	405,877
Furniture and equipment	331,314	243,678
Vehicles	<u>1,603,013</u>	<u>1,603,013</u>
Subtotal	5,213,050	4,516,867
Less: accumulated depreciation	<u>(2,368,069)</u>	<u>(2,190,920)</u>
Total property and equipment	<u>\$ 2,844,981</u>	<u>\$ 2,325,947</u>

Depreciation expense for the years ended December 31, 2012 and 2011 was \$177,149 and \$193,716, respectively.

**WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 4 – NOTE PAYABLE**

Notes payable consist of the following at December 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Note payable secured by an office building with monthly payments of \$6,255, including interest at a rate of 6.00%. The loan matures May 23, 2024.	\$ 620,891	\$ 656,752
Note payable secured by an office building with monthly principal payments of \$812 plus interest. The loan matures on November 30, 2015. The interest rate is the bank's prime rate plus 3.00%, which was 6.25% at December 31, 2012.		
Total	<u>28,400</u> <u>\$ 649,291</u>	<u>38,140</u> <u>\$ 694,892</u>

Future maturities of debt are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending December 31, 2013	\$ 48,553	\$ 37,740	\$ 86,293
2014	50,947	34,737	85,684
2015	52,668	31,587	84,255
2016	46,447	28,609	75,056
2017	49,311	25,745	75,056
Thereafter	401,365	84,192	485,557
Total	<u>\$ 649,291</u>	<u>\$ 242,610</u>	<u>\$ 891,901</u>

Interest paid for the years ended December 31, 2012 and 2011 was \$41,347 and \$43,951, respectively.

**NOTE 5 – FEDERAL GRANTS AND CONTRACTS**

Federal grants were accounted for as earned revenue. Federal grant revenue consisted of the following for the years ended December 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Head Start	\$ 6,208,430	\$ 5,900,030
Early Head Start - ARRA	207,109	-
Low Income Housing Program	2,888,718	3,016,828
Community Services Block Grant	776,956	652,914
Weatherization	454,152	549,060
Weatherization – ARRA	671,688	1,663,361
Summer Food Program	149,115	111,681
Child and Adult Care Food	446,843	507,846
Total	<u>\$ 11,803,011</u>	<u>\$ 12,401,720</u>

**NOTE 6 – DONATED SERVICES AND FACILITIES**

Where contributed services, materials, and free use of space meet the criteria for recognition under Accounting for Contributions Received and Contributions Made, they are recorded as in-kind contribution revenues and charged to the appropriate expense or asset category. Such donated materials and services for the years ended December 31, 2012 and 2011 were \$2,040,699 and \$1,927,241, respectively.

**WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 6 – DONATED SERVICES AND FACILITIES (CONTINUED)**

In-kind contributions for the years ended December 31, 2012 and 2011 consisted of the following:

	2012	2011
Office space	\$ 1,900,930	\$ 1,768,581
Volunteer hours	127,867	133,310
Supplies and other	11,902	25,350
Total	<u>\$ 2,040,699</u>	<u>\$ 1,927,241</u>

**NOTE 7 – RETIREMENT PLAN**

The South Carolina Retirement System (SCRS) is a cost sharing multiple-employer defined benefit pension plan administered by The Retirement Division of the State and Budget Control Board. The South Carolina Retirement System offers retirement and disability benefits, cost of living adjustments on an ad-hoc basis, life insurance benefits and survivor benefits. The Plan's provisions are established under Title 9 of the SC Code of Laws. A comprehensive Annual Financial Report containing financial and required supplementary information for the South Carolina Retirement System is issued and publicly available by writing the South Carolina Systems, PO Box 11960, Columbia, SC 29211-1960. Both employees and employers are required to contribute to the Plans under authority of Title 9 of SC Code of Laws. Required contributions to the Plan are at the actuarially determined rates of 7.0% of salary for employee and 10.45% of salary for employer. In addition to these rates, participating employers of the South Carolina Retirement System contribute 0.15% of payroll to provide a group life insurance benefits for their participants. All employers contribute at the actuarially required contribution rates. The Organization's contributions to SCRS for the year ended December 31, 2012 and 2011 were \$439,369 and \$386,690, respectively, which is equal to the required contributions.

**NOTE 8 – OPERATING LEASE OBLIGATIONS**

The Organization occupies office and classroom space and various office equipment items under several operating leases. Total expense for rental of space and equipment, under operating leases, for the years ended December 31, 2012 and 2011 was \$116,137 and \$114,408, respectively. Future minimum annual rental commitments under noncancelable long-term operating leases at December 31, 2012 are as follows:

	Total
Year ending December 31, 2013	\$ 65,502
2014	41,265
2015	38,292
2016	11,787
2017	322
Thereafter	41
Total	<u>\$ 157,209</u>

**NOTE 9 – CONTINGENCIES**

Management has elected not to accrue vacation leave at year end, if management was to accrue the liability it would be approximately \$196,000.

**NOTE 10 – SUBSEQUENT EVENTS**

Subsequent events were evaluated through August 6, 2013 which is the date the financial statements were available to be issued.

## COMPLIANCE REPORTS



# CROWLEY WECHSLER & ASSOCIATES LLC

CERTIFIED PUBLIC ACCOUNTANTS

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## **INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of  
Waccamaw Economic Opportunity Council, 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 Waccamaw Economic Opportunity Council, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2012 and 2011, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated August 6, 2013.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Waccamaw Economic Opportunity Council, 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 Waccamaw Economic Opportunity Council, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Waccamaw Economic Opportunity Council, 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 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 the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Cronley Weicholm & Associates LLC*

Mount Pleasant, South Carolina  
August 6, 2013



# CROWLEY WECHSLER & ASSOCIATES LLC

CERTIFIED PUBLIC ACCOUNTANTS

[www.CWACPA.com](http://www.CWACPA.com)

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Richard D. Crowley, CPA, CVA  
Lisa T. Wechsler, CPA

Member:  
American Institute of CPAs  
South Carolina Association of CPAs

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

To the Board of Directors of  
Waccamaw Economic Opportunity Council, Inc.

### Report on Compliance for Each Major Federal Program

We have audited Waccamaw Economic Opportunity Council, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Waccamaw Economic Opportunity Council, Inc.'s major federal programs for the year ended December 31, 2012. Waccamaw Economic Opportunity Council, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### Management's Responsibility

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

### Auditor's Responsibility

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

### ***Opinion on Each Major Federal Program***

In our opinion, Waccamaw Economic Opportunity Council, 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 December 31, 2012.

### **Report on Internal Control Over Compliance**

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Crowley Wechsler & Associates LLC*

Mount Pleasant, South Carolina  
August 6, 2013

**WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

U.S. Department of Health and Human Services

Direct Grant		
Head Start	93.600	\$ 6,208,430
Early Head Start (American Recovery & Reinvestment Act of 2009)	93.709	207,109
Passed through S.C. Office of Economic Opportunity Community Services Block Grant	93.569	776,956

U.S. Department of Energy

Passed through S.C. Office of Economic Opportunity		
LIHEAP	93.568	2,888,718
Weatherization	81.042	454,152
Weatherization (American Recovery & Reinvestment Act of 2009)	81.042	671,688

U.S. Department of Agriculture

Passed through S.C. Department of Social Services		
Summer Food Service – Program for Children	10.559	149,115
Child and Adult Care Food Program	10.558	446,843

\$ 11,803,011

**Note A – Significant accounting policies**

The accompanying schedule of expenditures of federal awards is a summary of Waccamaw Economic Opportunity Council, Inc.'s federal award programs presented on the accrual basis of accounting in accordance with generally accepted accounting principles.

**WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

**Section I: Summary of Auditors' Results**

*Financial Statements*

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

\* Material weakness(es) identified? ☐ Yes ☒ No

\* Reportable condition(s) identified that are not considered to be material weaknesses? ☐ Yes ☒ None Reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

*Federal Awards*

Internal control over major programs:

\* Material weakness(es) identified: ☐ Yes ☒ No

\* Reportable condition(s) identified that are not considered to be material weaknesses? ☐ Yes ☒ No

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? ☐ Yes ☒ None Reported

Identification of Major Programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number(s)</u>
Head Start	93.600
LIHEAP	93.568
Weatherization	81.042

Dollar threshold used to distinguish between type A and type B programs: \$ 354,038

Auditee qualified as low-risk auditee? ☐ Yes ☒ No

**Section II: Financial Statement Findings**

NONE

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

NONE

**WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

**Summary of Auditors' Results**

1. The independent auditors' report expressed an unqualified opinion.
2. There was one significant deficiency disclosed in the audit of the financial statements.

**Finding – Significant Deficiency**

**2012-1 Finding**

The Organization recorded extra meals in a reimbursement request for the Summer Food Program.

**Response**

The Program Director for Summer Food program will manually add up all meal count tallies and reports to ensure accuracy before forwarding them to the Finance Director for review before submitting to the funding agency for reimbursement.

## **SUPPLEMENTARY INFORMATION**

**WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.**  
**HEAD START - BUDGET TO ACTUAL EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<b>ANNUAL BUDGET</b>	<b>YTD ACTUAL EXPENDITURES</b>	<b>BUDGET BALANCE</b>	<b>% OF BUDGET SPENT</b>
<b><u>Expenditures</u></b>				
Personnel	\$ 2,863,700	\$ 2,854,646	\$ 9,054	99.68%
Fringe Benefits	1,090,620	1,086,874	3,746	99.66%
Transportation	181,000	179,726	1,274	99.30%
Maintenance and Janitorial	115,000	117,543	(2,543)	102.21%
Utilities	100,000	101,734	(1,734)	101.73%
Telephone	33,000	33,498	(498)	101.51%
Rent	3,000	2,926	74	97.53%
Parent Activity Fund	4,000	3,705	295	92.63%
Insurance and Bonding	58,560	58,522	38	99.94%
Contractual Services	18,700	18,269	431	97.70%
Consulting fees	-	11,175	(11,175)	#DIV/0!
Supplies	81,717	80,019	1,698	97.92%
Equipment Lease - Copier	14,500	14,040	460	96.83%
Equipment Lease - Purchase	5,700	5,677	23	99.60%
Food Cost	15,000	17,059	(2,059)	113.73%
Training and Tech Assistance	5,800	5,800	-	100.00%
Travel	23,400	23,523	(123)	100.53%
Indirect Cost	514,450	513,836	614	99.88%
Construction - Choppee Head Start Center	323,943	323,943	-	100.00%
Mortgage & Interest - Choppee Head Start	1,500	1,140	360	76.00%
Other	3,500	3,435	65	98.14%
<b>TOTAL</b>	<b>5,457,090</b>	<b>5,457,090</b>	<b>-</b>	<b>100.00%</b>
<b><u>Training &amp; Technical Assistance</u></b>				
Travel	6,500	6,908	(408)	106.28%
Training & Technical Asst.	58,898	58,490	408	99.31%
<b>TOTAL</b>	<b>65,398</b>	<b>65,398</b>	<b>-</b>	<b>100.00%</b>
 <b>TOTAL EXPENDITURES</b>	 <b>\$ 5,522,488</b>	 <b>\$ 5,522,488</b>	 <b>\$ -</b>	
 Reconciliation to GAAP Expenses:				
In Kind		2,040,699		
Prepaid expenses		(11,175)		
Capitalized construction cost		(324,843)		
Depreciation		105,799		
		<b>\$ 7,332,968</b>		

**WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.**  
**EARLY HEAD START - BUDGET TO ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<b>ANNUAL BUDGET</b>	<b>YTD ACTUAL EXPENDITURES</b>	<b>BUDGET BALANCE</b>	<b>% OF BUDGET SPENT</b>
<b><u>Expenditures</u></b>				
Personnel	\$ 399,000	\$ 397,474	\$ 1,526	99.62%
Fringe Benefits	84,000	84,811	(811)	100.97%
Transportation	1,600	1,574	26	98.38%
Maintenance and Janitorial	18,139	17,857	282	98.45%
Building Lease	40,509	40,509	-	100.00%
Telephone	4,500	4,393	107	97.62%
Parent Activity Fund	600	252	348	42.00%
Contractual Services	8,600	8,514	86	99.00%
Supplies	135,545	137,247	(1,702)	101.26%
Food Cost	400	359	41	89.75%
Equipment Lease	1,400	1,371	29	97.93%
Equipment - Purchase	79,757	79,758	(1)	100.00%
Insurance and Bonding	3,800	3,743	57	98.50%
Training and Tech Assistance	25,808	25,805	3	99.99%
Travel	50	64	(14)	128.00%
Indirect Cost	71,600	71,545	55	99.92%
Dues and Subscriptions	1,150	1,200	(50)	104.35%
Other	51	33	18	64.71%
<b>TOTAL</b>	<b>876,509</b>	<b>876,509</b>	<b>-</b>	<b>100.00%</b>
<b><u>Training &amp; Technical Assistance</u></b>				
Training & Technical Asst.	15,712	15,713	(1)	100.01%
Travel	830	829	1	99.88%
<b>TOTAL</b>	<b>16,542</b>	<b>16,542</b>	<b>-</b>	<b>100.00%</b>
 <b>TOTAL EXPENDITURES</b>	 <b>\$ 893,051</b>	 <b>\$ 893,051</b>	 <b>\$ -</b>	
 Reconcillation to GAAP Expenses:				
Capitalized equipment cost		(82,548)		
Depreciation		9,978		
		<b>\$ 820,481</b>		

**WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.  
CHILD CARE FOOD - BUDGET TO ACTUAL EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<b>ANNUAL BUDGET</b>	<b>YTD ACTUAL EXPENDITURES</b>	<b>BUDGET BALANCE</b>	<b>% OF BUDGET SPENT</b>
<b><u>Expenditures</u></b>				
Personnel	\$ 135,000	\$ 128,260	\$ 6,740	95.01%
Fringe Benefits	80,000	78,007	1,993	97.51%
Supplies	18,000	20,418	(2,418)	113.43%
Food Cost	260,000	253,553	6,447	97.52%
Insurance and Bonding	2,000	1,235	765	61.75%
Indirect Cost	24,300	23,087	1,213	95.01%
<b>TOTAL EXPENDITURES</b>	<b>\$ 519,300</b>	<b>\$ 504,560</b>	<b>\$ 14,740</b>	

Reconcillation to GAAP Expenses:

NONE

**WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.  
WEATHERIZATION - BUDGET TO ACTUAL EXPENDITURES  
FOR THE THREE MONTHS ENDED MARCH 31, 2012**

	<b>ANNUAL BUDGET</b>	<b>YTD ACTUAL EXPENDITURES</b>	<b>BUDGET BALANCE</b>	<b>% OF BUDGET SPENT</b>
<b><u>Administration</u></b>				
Personnel	\$ 3,720	\$ 3,720	\$ -	100.00%
Fringe Benefits	1,097	1,097	-	100.00%
Rent	1,135	1,135	-	100.00%
Telephone	516	516	-	100.00%
Insurance and Bonding	300	300	-	100.00%
Indirect Cost	669	669	-	100.00%
<b>TOTAL ADMINISTRATION</b>	<b>\$ 7,437</b>	<b>\$ 7,437</b>	<b>\$ -</b>	
<b><u>DOE</u></b>				
Personnel	\$ 41	\$ 41	\$ -	100.00%
Fringe Benefits	528	528	-	100.00%
Contract Labor	15,000	15,000	-	100.00%
Material	17,956	17,956	-	100.00%
Rent - Lease	996	996	-	100.00%
Supplies	45	45	-	100.00%
Utilities	232	232	-	100.00%
Training & Technical Assistance	4,286	4,286	-	100.00%
Indirect Cost	7	7	-	100.00%
<b>TOTAL DOE</b>	<b>\$ 39,091</b>	<b>\$ 39,091</b>	<b>\$ -</b>	
<b><u>LIHEAP</u></b>				
Personnel	\$ 24,204	\$ 24,204	\$ -	100.00%
Fringe Benefits	8,233	8,233	-	100.00%
Transportation	4,724	4,724	-	100.00%
Supplies	4,020	4,020	-	100.00%
Contract Labor	8,660	8,660	-	100.00%
Material	7,476	7,476	-	100.00%
Rent	3,628	3,628	-	100.00%
Telephone	350	350	-	100.00%
Insurance	1,330	1,330	-	100.00%
Indirect Cost	4,357	4,357	-	100.00%
<b>TOTAL LIHEAP</b>	<b>\$ 66,982</b>	<b>\$ 66,982</b>	<b>\$ -</b>	
<b>TOTAL EXPENDITURES</b>	<b>\$ 113,510</b>	<b>\$ 113,510</b>	<b>\$ -</b>	

Reconcillation to GAAP Expenses:

NONE

**WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.  
WEATHERIZATION - BUDGET TO ACTUAL EXPENDITURES  
FOR THE NINE MONTHS ENDED DECEMBER 31, 2012**

	<b>ANNUAL BUDGET</b>	<b>YTD ACTUAL EXPENDITURES</b>	<b>BUDGET BALANCE</b>	<b>% OF BUDGET SPENT</b>
<b><u>Administration</u></b>				
Personnel	\$ 2,399	\$ 1,195	\$ 1,204	49.81%
Fringe Benefits	791	376	415	47.53%
Maintenance and Janitorial	1,000	99	901	9.90%
Telephone	100	30	70	30.00%
Equipment - Lease	1,700	506	1,194	29.76%
Supplies	1,187	954	233	80.37%
Postage	104	2	102	1.92%
Insurance and Bonding	600	79	521	13.17%
Training & Technical Assistance	1,000	-	1,000	0.00%
Indirect Cost	432	221	211	51.16%
<b>TOTAL ADMINISTRATION</b>	<b>\$ 9,313</b>	<b>\$ 3,462</b>	<b>\$ 5,851</b>	<b>37.17%</b>
<b><u>DOE</u></b>				
Personnel	\$ 14,774	\$ 14,774	\$ -	100.00%
Fringe Benefits	4,000	3,872	128	96.80%
Transportation	300	300	-	100.00%
Contract Labor	11,400	9,348	2,052	82.00%
Material	24,717	13,197	11,520	53.39%
Health and Safety	2,408	1,781	627	73.96%
Supplies	378	378	-	100.00%
Maintenance	100	100	-	100.00%
Indirect Cost	2,659	2,659	-	100.00%
<b>TOTAL DOE</b>	<b>\$ 60,736</b>	<b>\$ 46,409</b>	<b>\$ 14,327</b>	<b>76.41%</b>
<b><u>LIHEAP</u></b>				
Personnel	\$ 292,035	\$ 145,570	\$ 146,465	49.85%
Fringe Benefits	112,693	46,937	65,756	41.65%
Transportation	14,700	3,363	11,337	22.88%
Supplies	7,000	3,942	3,058	56.31%
Maintenance	6,900	1,140	5,760	16.52%
Contract Labor	30,000	7,527	22,473	25.09%
Material	406,036	44,113	361,923	10.86%
Rent	17,004	7,256	9,748	42.67%
Telephone	4,000	1,616	2,384	40.40%
Utilities	4,000	1,313	2,687	32.83%
Insurance	7,500	2,888	4,612	38.51%
Indirect Cost	52,567	26,202	26,365	49.84%
<b>TOTAL LIHEAP</b>	<b>\$ 954,435</b>	<b>\$ 291,867</b>	<b>\$ 662,568</b>	<b>30.58%</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,024,484</b>	<b>\$ 341,738</b>	<b>\$ 682,746</b>	<b>33.36%</b>
Reconciliation to GAAP Expenses:				
Depreciation		30,700		
		<u>\$ 372,438</u>		

**WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.**  
**WEATHERIZATION (ARRA) - BUDGET TO ACTUAL EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<b>ANNUAL BUDGET</b>	<b>YTD ACTUAL EXPENDITURES</b>	<b>BUDGET BALANCE</b>	<b>% OF BUDGET SPENT</b>
<b><u>Administration</u></b>				
Personnel	\$ 28,400	\$ 28,005	\$ 395	98.61%
Fringe Benefits	5,530	5,520	10	99.82%
Maintenance and Janitorial	2,700	2,881	(181)	106.70%
Transportation	200	171	29	85.50%
Telephone	700	629	71	89.86%
Utilities	200	138	62	69.00%
Supplies	4,000	4,660	(660)	116.50%
Insurance and Bonding	3,000	2,911	89	97.03%
Equipment - Lease	2,800	2,757	43	98.46%
Training & Technical Assistance	10,150	10,124	26	99.74%
Rent	2,075	2,058	17	99.18%
Indirect Cost	5,112	5,049	63	98.77%
Other	193	157	36	81.35%
<b>TOTAL ADMINISTRATION</b>	<b>\$ 65,060</b>	<b>\$ 65,060</b>	<b>\$ -</b>	<b>100.00%</b>
<b><u>Operation</u></b>				
Personnel	\$ 267,000	\$ 266,539	\$ 461	99.83%
Fringe Benefits	53,540	52,276	1,264	97.64%
Maintenance and Janitorial	4,000	3,914	86	97.85%
Utilities	1,500	1,200	300	80.00%
Rent	5,075	5,052	23	99.55%
Telephone	3,100	3,125	(25)	100.81%
Transportation	20,000	21,777	(1,777)	108.89%
Supplies	22,000	23,279	(1,279)	105.81%
Contract Labor	800	757	43	94.63%
Materials	145,000	144,505	495	99.66%
Health and Safety	1,911	1,911	-	100.00%
Training & Technical Assistance	34,400	34,400	-	100.00%
Insurance	3,509	3,420	89	97.46%
Indirect Cost	48,060	44,932	3,128	93.49%
<b>TOTAL OPERATION</b>	<b>\$ 609,895</b>	<b>\$ 607,087</b>	<b>\$ 2,808</b>	<b>99.54%</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 674,955</b>	<b>\$ 672,147</b>	<b>\$ 2,808</b>	<b>99.58%</b>
Reconcillation to GAAP Expenses:				
Capitalized equipment cost		\$ (5,090)		
		<u>\$ 667,057</u>		

**WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.**  
**SUMMER FOOD PROGRAM - BUDGET TO ACTUAL EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<b>ANNUAL BUDGET</b>	<b>YTD ACTUAL EXPENDITURES</b>	<b>BUDGET BALANCE</b>	<b>% OF BUDGET SPENT</b>
<b><u>Expenditures</u></b>				
Personnel	\$ 25,000	\$ 22,745	\$ 2,255	90.98%
Fringe Benefits	7,000	6,295	705	89.93%
Transportation	6,000	6,359	(359)	105.98%
Food Cost	87,000	89,846	(2,846)	103.27%
Supplies	1,048	210	838	20.04%
Rent	465	465	-	100.00%
Equipment - Lease	5,500	5,759	(259)	104.71%
Contractual Services	12,550	12,450	100	99.20%
Utilities	70	22	48	31.43%
Telephone	50	25	25	50.00%
Travel	950	1,032	(82)	108.63%
Liability Insurance	100	87	13	87.00%
Training & Technical Assistance	200	160	40	80.00%
Indirect Cost	4,500	4,094	406	90.98%
<b>TOTAL EXPENDITURES</b>	<b>\$ 150,433</b>	<b>\$ 149,549</b>	<b>\$ 884</b>	<b>99.41%</b>

Reconciliation to GAAP Expenses:

NONE

**WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.**  
**LIHEAP - BUDGET TO ACTUAL EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<b>ANNUAL BUDGET</b>	<b>YTD ACTUAL EXPENDITURES</b>	<b>BUDGET BALANCE</b>	<b>% OF BUDGET SPENT</b>
<b><u>Expenditures</u></b>				
Personnel	\$ 123,960	\$ 117,751	\$ 6,209	94.99%
Fringe Benefits	49,253	27,373	21,880	55.58%
Rent - Lease	25,000	21,007	3,993	84.03%
Utilities	20,000	1,339	18,661	6.70%
Telephone	30,000	3,832	26,168	12.77%
Travel	1,150	-	1,150	0.00%
Supplies	36,516	18,010	18,506	49.32%
Postage	100	45	55	45.00%
Maintenance & Janitorial	30,000	1,300	28,700	4.33%
Transportation	15,000	2,661	12,339	17.74%
Indirect Cost	45,093	42,028	3,065	93.20%
Other	6,634	78	6,556	1.18%
<b>TOTAL EXPENDITURES</b>	<b>\$ 382,706</b>	<b>\$ 235,424</b>	<b>\$ 147,282</b>	<b>61.52%</b>
 <b><u>Energy Counseling</u></b>				
Personnel	\$ 126,557	\$ 115,739	\$ 10,818	91.45%
Fringe Benefits	30,373	25,127	5,246	82.73%
<b>TOTAL ENERGY COUNSELING</b>	<b>\$ 156,930</b>	<b>\$ 140,866</b>	<b>\$ 16,064</b>	<b>89.76%</b>
 <b><u>Client Services</u></b>				
Energy Assistance	\$ 2,452,288	\$ 2,427,051	\$ 25,237	98.97%
LSAP	87,000	87,000	-	100.00%
<b>TOTAL CLIENT SERVICES</b>	<b>\$ 2,539,288</b>	<b>\$ 2,514,051</b>	<b>\$ 25,237</b>	<b>99.01%</b>
 <b>TOTAL EXPENDITURES</b>	<b>\$ 3,078,924</b>	<b>\$ 2,890,341</b>	<b>\$ 188,583</b>	<b>93.88%</b>

Reconciliation to GAAP Expenses:

NONE

**WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.**  
**CSBG - BUDGET TO ACTUAL EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<b>ANNUAL BUDGET</b>	<b>YTD ACTUAL EXPENDITURES</b>	<b>BUDGET BALANCE</b>	<b>% OF BUDGET SPENT</b>
<b><u>Expenditures</u></b>				
Personnel	\$ 332,923	\$ 332,890	\$ 33	99.99%
Fringe Benefits	134,098	115,801	18,297	86.36%
Transportation	35,000	10,838	24,162	30.97%
Maintenance & Janitorial	40,000	7,896	32,104	19.74%
Rent	65,000	37,576	27,424	57.81%
Utilities	50,000	6,331	43,669	12.66%
Telephone	40,000	18,854	21,146	47.14%
Insurance and Bonding	20,000	5,805	14,195	29.03%
Supplies	48,162	16,304	31,858	33.85%
Equipment Lease - Copier	7,000	5,011	1,989	71.59%
Travel	6,000	106	5,894	1.77%
Training & Technical Assistance	11,080	7,559	3,521	68.22%
Dues and Subscriptions	2,000	31	1,969	1.55%
Indirect Cost	59,926	59,920	6	99.99%
Other	16,039	-	16,039	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$ 867,228</b>	<b>\$ 624,922</b>	<b>\$ 242,306</b>	<b>72.06%</b>
<b><u>Youth Employment</u></b>				
Client Services	\$ 32,480	\$ 32,194	\$ 286	99.12%
Training & Technical Assistance	1,500	2,104	(604)	140.27%
Consumable Supplies	994	676	318	68.01%
<b>TOTAL YOUTH EMPLOYMENT</b>	<b>\$ 34,974</b>	<b>\$ 34,974</b>	<b>\$ -</b>	<b>100.00%</b>
<b><u>Client Services</u></b>				
GEAP	\$ 87,234	\$ 85,062	\$ 2,172	97.51%
Housing	25,000	20,740	4,260	82.96%
Employment	15,000	11,621	3,379	77.47%
<b>TOTAL CLIENT SERVICES</b>	<b>\$ 127,234</b>	<b>\$ 117,423</b>	<b>\$ 9,811</b>	<b>92.29%</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,029,436</b>	<b>\$ 777,319</b>	<b>\$ 252,117</b>	<b>75.51%</b>
Reconciliation to GAAP Expenses:				
Depreciation		4,729		
		<b>\$ 782,048</b>		