

WACCAMAW ECONOMIC OPPORTUNITY  
COUNCIL, INC.

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Report on Examination of Basic Financial Statements  
and Supplemental Schedules

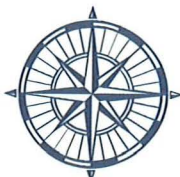
Year Ended December 31, 2015

**WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.**

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Year Ended December 31, 2015

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Darrell N. Newsome, Jr., CPA  
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Stacy D. Cato  
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***Newsome & Company, P.C.***  
**CERTIFIED PUBLIC ACCOUNTANTS**

Members:  
American Institute of CPAs  
SC Association of CPAs  
Home Builders Association  
Greater Lexington Chamber

**INDEPENDENT AUDITORS' REPORT**

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

**Report on the Financial Statements**

We have audited the accompanying financial of Waccamaw Economic Opportunity Council, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls 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.

### **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, 2015 and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Waccamaw Economic Opportunity Council, Inc. taken 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*, is presented for purposes of additional analysis and is not a required part of the basic 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 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 September 22, 2016, on our consideration of the 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, not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Waccamaw Economic Opportunity Council, Inc.'s internal control over financial reporting and compliance.

*Newsome & Company, P.C.*

NEWSOME & COMPANY, P.C.  
Lexington, South Carolina  
September 22, 2016



WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2015

ASSETS

Current Assets:

Cash and cash equivalents	\$ 1,124,530
Due from grantor	426,874
Prepaid expenses	74,997
Other receivables	64,350
Total current assets	<u>1,690,751</u>

Noncurrent Assets:

Net property, plant, and equipment	<u>3,448,282</u>
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Total assets	<u><u>\$ 5,139,033</u></u>
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LIABILITIES & NET ASSETS

Current Liabilities:

Accounts payable	\$ 89,864
Due indirect cost	43,409
Rental deposits	4,759
Payroll liabilities	74,399
Accrued salaries	260,762
Accrued fringes	64,341
Due to grantor	49,326
Deferred revenues	975,940
Current portion of notes payable	74,739
Total current liabilities	<u>1,637,539</u>

Noncurrent Liabilities:

Noncurrent portion of notes payable	<u>1,550,202</u>
-------------------------------------	------------------

Total liabilities	<u>3,187,741</u>
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Net Assets:

Unrestricted	1,951,292
Temporarily restricted	<u>-</u>

Total net assets	<u>1,951,292</u>
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Total liabilities and net assets	<u><u>\$ 5,139,033</u></u>
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**WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.**

**STATEMENT OF ACTIVITIES**

Year Ended December 31, 2015

	Unrestricted	Temporarily Restricted	Total
Public Support and Reclassification:			
Grants and contracts	\$ 11,379,709	\$ -	\$ 11,379,709
Fundraising	30,581	-	30,581
Rental Revenue	143,984	-	143,984
Local revenue	42,406	-	42,406
In-kind contributions	2,094,332	-	2,094,332
Net assets released from restrictions:			
Satisfaction of program restrictions	-	-	-
Total support and reclassification	<u>13,691,012</u>	<u>-</u>	<u>13,691,012</u>
Revenue:			
Interest income	<u>250</u>	<u>-</u>	<u>250</u>
Total revenue	<u>250</u>	<u>-</u>	<u>250</u>
Total Public Support, Revenue, and Reclassification:	<u>13,691,262</u>	<u>-</u>	<u>13,691,262</u>
Expense:			
Program services:			
Headstart	6,624,019	-	6,624,019
Early Headstart	802,539	-	802,539
First Steps	233,826	-	233,826
Childcare Food	572,524	-	572,524
Weatherization	605,922	-	605,922
LIHEAP	2,679,679	-	2,679,679
CSBG	865,442	-	865,442
Summer Food	180,543	-	180,543
Other Programs	24,083	-	24,083
Total Program Services	<u>12,588,577</u>	<u>-</u>	<u>12,588,577</u>
Support Services:			
Building fund	82,323	-	82,323
General & administrative	3,725	-	3,725
Fund raising	18,104	-	18,104
Indirect cost	814,770	-	814,770
Depreciation	174,168	-	174,168
Total Support Services	<u>1,093,090</u>	<u>-</u>	<u>1,093,090</u>
Total Expenses	<u>13,681,667</u>	<u>-</u>	<u>13,681,667</u>
Increase (Decrease) in net assets	9,595	-	9,595
Net assets, beginning of the year	1,941,697	-	1,941,697
Net effect of prior period adjustment	-	-	-
Net assets, end of year	<u>\$ 1,951,292</u>	<u>\$ -</u>	<u>\$ 1,951,292</u>

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

**WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.**

**STATEMENT OF ACTIVITIES**

Year Ended December 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Public Support and Reclassification:			
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Satisfaction of program restrictions	-	-	-
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Revenue:			
Interest income	<u>250</u>	<u>-</u>	<u>250</u>
Total revenue	<u>250</u>	<u>-</u>	<u>250</u>
Total Public Support, Revenue, and Reclassification:	<u>13,691,262</u>	<u>-</u>	<u>13,691,262</u>
Expense:			
Program services:			
Headstart	6,624,019	-	6,624,019
Early Headstart	802,539	-	802,539
First Steps	233,826	-	233,826
Childcare Food	572,524	-	572,524
Weatherization	605,922	-	605,922
LIHEAP	2,679,679	-	2,679,679
CSBG	865,442	-	865,442
Summer Food	180,543	-	180,543
Other Programs	<u>24,083</u>	<u>-</u>	<u>24,083</u>
Total Program Services	<u>12,588,577</u>	<u>-</u>	<u>12,588,577</u>
Support Services:			
Building fund	82,323	-	82,323
General & administrative	3,725	-	3,725
Fund raising	18,104	-	18,104
Indirect cost	814,770	-	814,770
Depreciation	<u>174,168</u>	<u>-</u>	<u>174,168</u>
Total Support Services	<u>1,093,090</u>	<u>-</u>	<u>1,093,090</u>
Total Expenses	<u>13,681,667</u>	<u>-</u>	<u>13,681,667</u>
Increase (Decrease) in net assets	9,595	-	9,595
Net assets, beginning of the year	1,941,697	-	1,941,697
Net effect of prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u><u>\$ 1,951,292</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,951,292</u></u>

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

**WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended December 31, 2015

	Total Program Services	Building Fund	General & Administrative	Fund Raising	Indirect Cost Pool	Total
Salaries	\$ 4,406,907	\$ -	\$ -	\$ -	\$ 468,290	\$ 4,875,197
Employee benefits	1,805,119	-	-	-	142,998	1,948,117
Supplies	144,472	508	604	1,154	13,065	159,803
Printing & publication	-	-	-	7,455	3,312	10,767
Client assistance	2,628,484	-	775	-	-	2,629,259
Contractual services	31,883	3,829	-	-	36,326	72,038
Maintenance and janitorial	155,397	23,617	-	-	9,132	188,146
Rent	159,621	-	-	-	47,799	207,420
Utilities	127,609	4,138	-	-	6,078	137,825
Telephone	75,318	-	-	-	13,953	89,271
Food purchase and allowances	462,149	-	-	-	-	462,149
Postage	5,514	-	-	-	-	5,514
Transportation cost	147,861	-	-	-	10,911	158,772
Training and technical assistance	83,343	-	100	-	18,765	102,208
Travel	51,325	-	137	8	22,826	74,296
Insurance	81,474	5,977	-	-	11,266	98,717
Interest	39,347	22,207	-	-	-	61,554
Dues and subscriptions	-	3,200	-	-	2,873	6,073
Weatherization materials	78,131	-	-	-	-	78,131
In-kind expenses	2,094,332	-	-	-	-	2,094,332
Miscellaneous	10,291	18,009	2,109	9,487	7,176	47,072
Taxes and licenses	-	838	-	-	-	838
Total	<u>\$ 12,588,577</u>	<u>\$ 82,323</u>	<u>\$ 3,725</u>	<u>\$ 18,104</u>	<u>\$ 814,770</u>	<u>\$ 13,507,499</u>

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



**WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES - BY PROGRAM**

Year Ended December 31, 2015

	Headstart	Early Headstart	First Steps	Childcare Food	Weather- ization	LIHEAP	CSBG	Summer Food	Other Program Services	Total Program Services
Salaries	\$ 2,645,310	\$ 532,280	\$ 154,569	\$ 150,003	\$ 319,190	\$ 181,148	\$ 396,894	\$ 27,513	\$ -	\$ 4,406,907
Employee benefits	1,157,833	176,979	60,197	70,984	125,299	67,852	138,508	7,467	-	1,805,119
Supplies	87,073	13,565	1,942	17,197	4,685	305	19,399	146	160	144,472
Client assistance	-	-	828	-	-	2,407,534	196,199	-	23,923	2,628,484
Contractual services	11,810	8,119	-	-	4,594	-	-	7,360	-	31,883
Maintenance and janitorial	124,049	4,982	4,909	-	4,546	109	16,563	239	-	155,397
Rent	19,561	42,375	-	-	23,799	17,877	48,958	7,051	-	159,621
Utilities	113,631	1,207	2,870	-	2,855	687	6,351	8	-	127,609
Telephone	37,281	4,537	387	-	7,902	1,165	23,736	310	-	75,318
Food purchase and allowances	2,591	-	-	334,242	-	-	-	125,316	-	462,149
Postage	3,156	-	-	-	123	257	1,906	72	-	5,514
Transportation costs	123,956	1,777	5,168	-	11,153	-	2,847	2,960	-	147,861
Training and technical assistance	53,559	9,963	347	-	13,248	2,745	3,481	-	-	83,343
Travel	40,580	2,947	1,342	-	507	-	4,001	1,948	-	51,325
Insurance	60,347	3,636	1,267	98	9,824	-	6,149	153	-	81,474
Interest	39,347	-	-	-	-	-	-	-	-	39,347
Weatherization materials	-	-	-	-	78,131	-	-	-	-	78,131
In-kind expenses	2,094,332	-	-	-	-	-	-	-	-	2,094,332
Miscellaneous	9,603	172	-	-	66	-	450	-	-	10,291
Total	\$ 6,624,019	\$ 802,539	\$ 233,826	\$ 572,524	\$ 605,922	\$ 2,679,679	\$ 865,442	\$ 180,543	\$ 24,083	\$ 12,588,577

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

WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.

STATEMENT OF CASH FLOWS

Year Ended December 31, 2015

Cash Flows From Operating Activities:	
Increase in net assets	\$ 9,595
Adjustments to reconcile change in net assets to cash used by operations:	
Depreciation	174,168
(Increase) Decrease in operating assets:	
Due from grantor	37,542
Prepaid expenses	(25,925)
Other Accounts Receivable	(61,214)
Increase (Decrease) in operating liabilities:	
Accounts payable and accrued expenses	(70,265)
Deferred revenue	728,991
Due to grantor	9,397
Net cash provided by operating activities	<u>802,289</u>
Cash flows from investing activities:	
Purchase of equipment	<u>(150,264)</u>
Net cash used by investing activities:	<u>(150,264)</u>
Cash flows from financing activities:	
Principal payment on long-term debt	<u>(68,647)</u>
Net cash used by financing activities	<u>(68,647)</u>
Increase in cash	583,378
Cash, beginning of year	<u>541,152</u>
Cash, end of year	<u><u>\$ 1,124,530</u></u>
Reflected in the Financial statements as follows	
Cash and cash equivalents	\$ 1,124,530
Restricted cash	-
Total cash and cash equivalents	<u><u>\$ 1,124,530</u></u>

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

# WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.

## NOTES TO FINANCIAL STATEMENTS

For the Year Ending December 31, 2015

### NOTE A – 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.

The Organization's principal activities consist of administering programs that are funded by grants from various governmental agencies, the acceptance of which requires compliance with the prescribed conditions and other requirements including, but not limited to, the furnishing of certain amounts of cash or non-cash contributions to the programs from non-federal sources.

Basis of Accounting and Presentation - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

The Organization adheres to the disclosure and display requirements of the Financial Accounting Standards Board (FASB) as set forth in the Accounting Standards Codification (ASC) 958-605-15 *Revenue Recognition* and ASC 958-210-45 *Balance Sheet*. ASC 958-605-15 *Revenue Recognition* requires the Organization to distinguish between contributions that increase permanently restricted net assets, temporarily restricted net assets and unrestricted net assets. It also requires recognition of contributions, including contributed services meeting certain criteria, at fair values. ASC 958-210-45 *Balance Sheet* establishes standards for general purpose external financial statements of not-for-profit organizations and requires resources to be classified for accounting and reporting purposes into three net asset categories according to externally or donor imposed restrictions described below. Financial statement presentation follows the recommendations of the American Institute of Certified Public Accountants in its Industry Audit Guide, *Audits of Certain Nonprofit Organizations*.

*Unrestricted Net Asset* – Net assets that are not subject to donor-imposed restrictions. These net assets, including Board designations, are legally unrestricted and can be used in any Organization activity.

*Temporarily Restricted Net Assets* – Net assets subject to donor-imposed restrictions that may or will be met by actions of the Organization and/or the passage of time.

*Permanently Restricted Net Assets* – Net assets subject to donor-imposed restrictions that must be maintained permanently by the Organization. The donors of these assets permit the Organization to use all or part of the income earned on related investments for donor-imposed restrictions.



# **WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

For the Year Ending December 31, 2015

### **NOTE A- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

To insure observance of limitations and restrictions placed on the use of resources available to the Organization, the accounts of the Organization are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose.

Cash and Cash Equivalents - Cash equivalents consist of short-term, highly liquid investments, which are readily convertible into cash within ninety (90) days of purchase.

Contributed Materials, Services and Space (In-Kind) - The Organization receives significant amounts of contributed materials, services and space in relation to its Headstart Program. Under ASC 958-605-15 *Revenue Recognition*, the service contributions are recognized as in-kind contributions if the services either create or enhance a non-financial asset, or require specialized skills that are provided by entities or persons possessing those skills and would need to be purchased if they were not contributed. These in-kind contributions are recorded as revenues and expenses at their estimated value at the date of contribution.

Revenue Recognition - For cost reimbursement grants, revenue is carried upon the occurrence of allowable costs. For grants under the advance/letter of credit draw down arrangements, revenue is earned based on draw down limitations and schedules stipulated by the funding source. However, proper matching of revenues with expenditures will prevail in the timing of revenue recognition.

Fixed Assets – Property and equipment are recorded at cost. Property acquired is considered owned by the Organization. However, the respective funding sources have a reversionary interest in property purchased with grant funded or acquired through government appropriations; the disposition and ownership of any proceeds from the disposition of property are subject to grant regulations.

Consumable Supplies Inventories – Costs for food and operating supplies are treated as expenditures of the grant in the period the costs are incurred. The cost of any such supplies on hand at program year-end is not reported as an asset of the program for financial statement purposes.

Interfund Borrowing – Interfund borrowing of Federal funds is prohibited by law.



# WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.

## NOTES TO FINANCIAL STATEMENTS

For the Year Ending December 31, 2015

### NOTE A- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Compensated Absences – Employees of the Organization are entitled to paid vacation, paid sick days and personal days off, depending on several factors. The amount of compensation for future absences is not accrued because the Organization is only obligated to pay it upon termination if there is an amount available in the program budget and money available to pay it. Accordingly, no liability has been recorded in the accompanying financial statements. The Organization's policy is to recognize the costs of compensated absences when actually paid to the employee.

Estimates – The preparation of financial statements in conformity with the previously described "*Basis of Accounting and Presentation*" 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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Expense Allocation – The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Prepaid Expenses – Prepaid expenses represent expenses that benefit a future period of several months.

Budget and Budgetary Accounting – The Organization's primary source of revenue is federal and state grants that have grant periods that may or may not coincide with the Organization's fiscal year. These grants normally are for a twelve-month period; however, they can be awarded for periods shorter or longer than twelve months.

#### 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 2013, the Organization had unrelated business income of \$143,984 in gross rentals and interest income less related deductions of \$82,323 and elimination of Intercompany rental of \$87,845, which resulted in a tax loss for the year. The Organization filed Form 990T subsequent to year end and had no federal tax expense.

# **WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

For the Year Ending December 31, 2015

### **NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

The most significant tax position of the Organization is 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 2015 are open to examination by the Internal Revenue Service as of December 31, 2015.

#### 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 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.

#### 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 how 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.



# **WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

For the Year Ending December 31, 2015

### **NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

#### 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 year ended December 31, 2015 was \$2,094,332.

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

### **NOTE B – METHOD OF CALCULATING THE INDIRECT COST RATE**

The Organization computes its indirect cost rate using the direct allocation method. That method is used because all of the Organization's direct program activities received services from all of its administrative activities in approximately the same degree. Under the method, total indirect costs are the excess of total allowable administrative expenses over those administrative costs charged directly to programs. A single rate is computed by relating the cost associated with its direct activities. Significant cost principles used in computing the rate are as follows:

- a. The indirect cost base is composed of direct salaries and wages including vacation, holiday and sick pay.
- b. A fringe benefit rate is not used. Fringe benefits applicable to direct salaries and wages are charged to the respective programs as direct costs.

**WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.**

**NOTES TO FINANCIAL STATEMENTS**

For the Year Ending December 31, 2015

**NOTE C – GRANT BALANCES AND GRANT CONDITIONS**

The Organization receives a substantial amount of its support from grant funds. A significant reduction in the level of this support, if this were to occur, may have a significant effect on the Organization's programs and activities. The Organization has responsibility for expending grant funds in accordance with specific instructions from funding sources. Any deficits resulting from over expenditures and/or questioned costs are the responsibility of the Organization. At the discretion of the various funding sources, funds would be transferred among programs or supplemental funding could be provided to cover any deficits.

Notwithstanding the audits by independent certified public accountants, all costs included in this report remain subject to audit by the agencies providing financial support within the limit of the Single Audit Act Amendments of 1996. The determination as to whether costs will be allowable or unallowable under the grants will be made by representatives of the funding sources having authority to make and enforce contracts.

**NOTE D - CASH AND CASH EQUIVALENTS**

The Organization places its cash and cash equivalents on deposit with one financial institution in the United States. Cash and CDs are secured by FDIC insurance up to \$250,000 at the financial institution. At December 31, 2015, the Organization had \$987,462 in collateralized cash balances.

The Organization has the following cash balances at December 31, 2015.

	<u>2015</u>
Cash and cash equivalents, insured	\$ 250,000
Cash and cash equivalents, collateralized	<u>987,462</u>
	<u>\$1,237,462</u>

**NOTE E - PROPERTY AND EQUIPMENT**

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
Leasehold improvements	10-30
Furniture and equipment	5-10
Vehicles	8



**WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.**

**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ending December 31, 2015

**NOTE E - PROPERTY AND EQUIPMENT (Cont'd)**

Property and equipment consist of the following:

	<b>Cost</b>	<b>Additions</b>	<b>Deletions</b>	<b>Accumulated Depreciation</b>	<b>Net Value 12/31/2014</b>
Land	\$ 417,250	\$ -	\$ -	\$ -	\$ 417,250
Furniture and Equipment	331,404	104,014	-	248,574	186,844
Buildings	2,670,035	-	-	626,933	2,043,102
Vehicles	1,603,012	46,250	-	1,516,743	132,519
Improvements	1,080,441	-	-	420,268	660,173
Loan Costs	12,283	-	-	3,889	8,394
	<b><u>\$ 6,114,425</u></b>	<b><u>\$ 150,264</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 2,816,407</u></b>	<b><u>\$ 3,448,282</u></b>

Depreciation expense for the year ended December 31, 2015 was \$174,168.

**NOTE F – NOTES PAYABLE**

Notes payable consist of the following at December 31, 2015:

Note payable secured by an office building with monthly payments of \$6,435, including interest at a rate of 6.00%. The loan matures July 26, 2024. The loan has a carrying balance of \$504,758 at December 31, 2015.

Note payable secured by an office building with monthly payments of \$596 commencing in October 14, 2014. Interest only payments of \$437 were required from September 14, 2013 through September 14, 2014. The loan matures on October 14, 2062. The interest rate is 3.50%. The loan has a carrying balance of \$147,802 at December 31, 2015.

Note payable secured by an office building with monthly payments of \$3,863 commencing in October 14, 2014. Interest only payments of \$2,785 were required from September 14, 2013 through September 14, 2014. The loan matures on October 14, 2062. The interest rate is 3.375%. The loan has a carrying balance of \$972,381 at December 31, 2015.

**WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.**

**NOTES TO FINANCIAL STATEMENTS**

For the Year Ending December 31, 2015

**NOTE F – NOTES PAYABLE (Cont'd)**

Future maturities of debt are as follows:

	Principal	Interest	Total
Year ending December 31, 2016	\$ 74,739	\$ 55,989	\$ 130,728
2017	77,768	52,960	130,728
2018	80,920	49,808	130,728
2019	84,201	46,527	130,728
2020	87,616	43,112	130,728
Thereafter	1,147,868	717,844	1,865,712
	<u>\$ 1,553,112</u>	<u>\$ 966,240</u>	<u>\$ 2,519,352</u>

Interest paid for the year ended December 31, 2015 was \$61,554.

**NOTE G – FEDERAL GRANTS AND CONTRACTS**

Federal grants were accounted for as earned revenue. Federal grant revenue consisted of the following for the year ended December 31, 2015.

	2015
Headstart	\$ 5,102,786
Early Headstart	902,411
Low Income Housing Program	2,713,192
Community Services Block Grant	956,804
Weatherization	664,795
Summer Food Program	186,841
Child and Adult Care Food	600,276
	<u>\$ 11,127,105</u>

# **WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

For the Year Ending December 31, 2015

### **NOTE H – 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 year ended December 31, 2015 was \$2,094,332.

In-kind contributions for the year ended December 31, 2015 consisted of the following:

	2015
Office Space	\$ 1,822,761
Volunteer hours	176,854
Supplies and other	94,717
	<u>\$ 2,094,332</u>

### **NOTE I – 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 adhoc 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 8.16% (increased from 8.0% as of July 1, 2015) of salary for employee and 10.91% (increased from 10.76% as of July 1, 2015) 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, 2015 was \$514,013, which is equal to the required contributions.

## WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.

### NOTES TO FINANCIAL STATEMENTS

For the Year Ending December 31, 2015

#### NOTE J – DESCRIPTION OF GRANT PROGRAMS ADMINISTERED

Description of Grant Programs Administered – As stated in Note 1, the Organization's method of financing comes primarily from grants received, with the purpose of each grant aimed toward continuing the overall purpose of the Organization. The following is a brief description of the purpose of each grant program administered by Waccamaw Economic Opportunity Council, Inc., along with the federal Organization through which the funds are originally provided.

- a. *Head Start Program* – Funds for child development programs to serve low-income children and their families. Federal Agency: Department of Health and Human Services.
- b. *Child and Adult Care Food Program (USDA)* – Funds provided to assist in making breakfast and lunch available to disadvantaged children. Federal Agency: United States Department of Agriculture.
- c. *Weatherization Assistance for Low-Income Persons* – Funds provided for the purpose of conserving energy and reducing the impact of rising energy costs on low-income persons, particularly the elderly and handicapped, through installation of energy conserving measures in their dwellings. Federal Agency: Department of Energy.
- d. *Low-Income Home Energy Assistance (LIHEAP)* – Funds provided to assist eligible households in meeting the costs of home energy (a source of heating or cooling in residential dwellings). Federal Agency: Department of Energy.
- e. *Community Services Block Grant (CSBG)* – Funds provided to assist in eliminating the causes and consequences of poverty. Federal Agency: Department of Health and Human Services.

#### NOTE K – CONTINGENCIES

Management has elected not to accrue vacation leave at year end, if management was to accrue the liability it would be approximately \$234,635.



**WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.**

**NOTES TO FINANCIAL STATEMENTS**

For the Year Ending December 31, 2015

**NOTE L – ALLOCATION OF ADMINISTRATIVE COSTS**

The Organization receives reimbursement from various programs for general administrative expenses by use of an indirect cost rate established with the federal agencies. For the year ended December 31, 2015, a provisional rate of 18.5% was established. A provisional rate is a temporary rate applicable to a specific period, which is used for funding, interim reimbursement, and reporting indirect cost on awards pending establishment of the final rate.

**NOTE J – SUBSEQUENT EVENTS**

Subsequent events were evaluated through September 22, 2016 which is the date the financial statements were available to be issued.

## **Single Audit Act Section**

Darrell N. Newsome, Jr., CPA  
*President*  
Julia A. Walker, CPA  
*Audit Manager*  
Stacy D. Cato  
Sarah M. Donnelley



***Newsome & Company, P.C.***  
**CERTIFIED PUBLIC ACCOUNTANTS**

Members:

American Institute of CPAs  
SC Association of CPAs  
Home Builders Association  
Greater Lexington Chamber

**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  
Waccamaw Economic Opportunity Council, Inc.  
Conway, South Carolina

We have audited the financial statements of Waccamaw Economic Opportunity Council, Inc. (the Agency) as of and for the year ended December 31, 2015, and have issued our report thereon dated September 22, 2016. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Agency's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

*A control deficiency* 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 misstatements on a timely basis.

*A significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the Agency's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Agency's financial statements that is more than inconsequential will not be prevented or detected by the Agency's internal control.

*A material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Agency's internal control.





Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended for the information and use of the board of directors, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Newsome & Company, P.C.*

NEWSOME & COMPANY, P.C.  
Lexington, South Carolina  
September 22, 2016

Darrell N. Newsome, Jr., CPA  
*President*  
Julia A. Walker, CPA  
*Audit Manager*  
Stacy D. Cato  
Sarah M. Donnelley



Members:  
American Institute of CPAs  
SC Association of CPAs  
Home Builders Association  
Greater Lexington Chamber

***Newsome & Company, P.C.***  
**CERTIFIED PUBLIC ACCOUNTANTS**

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

To the Board of Trustees of  
Waccamaw Economic Opportunity Council  
Conway, South Carolina

**Report on Compliance for Each Major Federal Program**

We have audited Waccamaw Economic Opportunity Council's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Waccamaw Economic Opportunity Council's major federal programs for the year ended December 31, 2015. Waccamaw Economic Opportunity Council'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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Waccamaw Economic Opportunity Council's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes



examining, on a test basis, evidence about Waccamaw Economic Opportunity Council'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's compliance.

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

In our opinion, Waccamaw Economic Opportunity Council 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, 2015.

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

Management of Waccamaw Economic Opportunity Council 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'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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Waccamaw Economic Opportunity Council's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis.

*A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.





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

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

*Newsome & Company, P.C.*

NEWSOME & COMPANY, P.C.  
Lexington, South Carolina  
September 22, 2016

**WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For Year Ended December 31, 2015

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<u>U.S. Department of Health &amp; Human Services</u>		
<u>Direct Program</u>		
*Headstart	93.600	\$ 5,033,230
*Early Headstart	93.709	901,011
<u>Pass-Through South Carolina Div. Of Economic Opportunity</u>		
*LIHEAP	93.568	2,713,192
*Weatherization	81.042	658,281
*CSBG	93.569	956,733
		<u>10,262,447</u>
<u>US Department of Agriculture</u>		
<u>Passed through South Carolina Department of Social Services</u>		
Child and Adult Care Food	10.558	600,276
Summer Food Service - Program for Children	10.559	185,633
		<u>785,909</u>
 Total		 <u>\$ 11,048,356</u>

\* Indicates Major Programs

**WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
DECEMBER 31, 2015**

**NOTE A - GENERAL**

The accompanying Schedule of Expenditures of Federal Awards ("the Schedule") presents activity of all federal awards programs of the Waccamaw Economic Opportunity Council Inc., for the year ended December 31, 2015. All federal awards directly from the federal agencies, as well as passed through other government agencies, are included on the Schedule.

**NOTE B – BASIS OF ACCOUNTING**

The accompanying Schedule is presented using the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of The Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented or used in the preparation of the basic financial statements.

**NOTE C- RELATIONSHIP TO FEDERAL FINANCIAL REPORTS**

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for timing differences relating to expenditures, and subsequent to the filing of the federal financial reports.



**WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

Year Ended December 31, 2015

**Summary of Audit Results:**

1. The audit report issued on the financial statements was unqualified.
2. The audit did not disclose any material weaknesses or significant deficiencies in internal control over financial reporting.
3. The audit did not disclose any noncompliance that is material to the financial statements.
4. The audit did not disclose any material weaknesses or significant deficiencies in internal control over major programs.
5. The audit report issued on compliance over major programs was unqualified.
6. The audit did not disclose any audit findings that are required to be reported in accordance with the Uniform Guidance section 2 CFR 200.51(a).
7. Major federal programs for Waccamaw Economic Opportunity Council, Inc. are:

<u>CFDA#</u>	<u>Program Name</u>
93.600	Head Start
93.709	Early Head Start
81.042	Weatherization
93.568	LIHEAP
93.569	CSBG

8. Dollar threshold used to distinguish between Type A and Type B programs is \$750,000.
9. Auditee qualified as a low-risk auditee under the Uniform Guidance.

**Generally Accepted Governmental Auditing Standards Findings and Questioned Costs:**

NONE

**Findings Related to Audit in Accordance with the Uniform Guidance:**

NONE

**WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.**

**DISPOSITION OF PRIOR YEAR AUDIT FINDINGS AND COMMENTS**

Year Ended December 31, 2015

As part of procedures performed as part of our audit of the financial statements of Waccamaw Economic Opportunity Council, Inc. for the year ended December 31, 2015, we investigated the disposition of the management comments for the year ended December 31, 2014.

There were no findings in the December 31, 2014 audit.

**Accompanying Information  
(Non-GAAP)**



**WACCAMAW EOC, INC.**  
**HEAD START**  
**BUDGET TO ACTUAL EXPENDITURES**  
**For the Twelve Months Ended December 31, 2015**

	<b>ANNUAL BUDGET</b>	<b>YTD ACTUAL EXPENDITURES</b>	<b>BUDGET BALANCE</b>	<b>% OF BUDGET SPENT</b>
<b><u>EXPENDITURES</u></b>				
Personnel	\$ 2,650,000	\$ 2,645,310	\$ 4,690	99.82%
Fringe Benefits	1,156,000	1,157,833	(1,833)	100.16%
Transportation	125,000	123,956	1,044	99.16%
Maintenance and Janitorial	126,000	124,049	1,951	98.45%
Utilities	114,000	113,631	369	99.68%
Telephone	37,500	37,281	219	99.42%
Rent	3,000	2,926	74	97.53%
Parent Activity Fund	2,000	1,664	336	83.20%
Insurance and Bonding	57,200	60,347	(3,147)	105.50%
Contractual Services	12,000	11,810	190	98.42%
Supplies	85,000	87,073	(2,073)	102.44%
Equipment Lease- Copier	17,000	16,635	365	97.85%
Mortgage-Interest	40,000	39,347	653	98.37%
Mortgage-Principle	15,000	14,161	839	94.41%
Food Cost	2,200	2,591	(391)	117.77%
Travel	24,000	23,685	315	98.69%
Indirect Cost	490,000	489,382	618	99.87%
Other	7,022	11,095	(4,073)	158.00%
<b>TOTAL EXPENDITURES</b>	<b>\$ 4,962,922</b>	<b>\$ 4,962,776</b>	<b>146</b>	<b>100.00%</b>
			-	
<b>T&amp;TA</b>				
Travel	17,000	16,895	105	99.38%
Training & Technical Asst.	53,480	53,559	(79)	100.15%
<b>TOTAL T&amp;TA</b>	<b>\$ 70,480</b>	<b>\$ 70,454</b>	<b>26</b>	
<b>TOTAL EXPENDITURES</b>	<b>\$ 5,033,402</b>	<b>\$ 5,033,230</b>	<b>\$ 172</b>	<b>100.00%</b>

Reconciliation to GAAP:

Indirect Cost	(489,382)
In-Kind	2,094,332
Mortgage principle	(14,161)
	<u>\$ 6,624,019</u>

**WACCAMAW EOC, INC.**  
**EARLY HEAD START**  
**BUDGET TO ACTUAL EXPENDITURES**  
**For the Twelve Months Ended December 31, 2015**

	ANNUAL BUDGET	YTD ACTUAL EXPENDITURES	BUDGET BALANCE	% BUDGET SPENT
<b><u>EXPENDITURES</u></b>				
Personnel	\$ 551,000	\$ 532,280	18,720	96.60%
Fringe Benefits	156,479	176,979	(20,500)	113.10%
Transportation	1,800	1,777	23	98.72%
Maintenance and Janitorial	5,900	4,982	918	84.44%
Building Lease	40,100	40,000	100	99.75%
Telephone	4,600	4,537	63	98.63%
Utilities	1,200	1,207	(7)	100.58%
Contractual Services	9,000	8,119	881	90.21%
Supplies	14,000	13,565	435	96.89%
Equipment Lease	2,400	2,375	25	98.96%
Insurance & Bonding	3,650	3,636	14	99.62%
Travel	100	1,169	(1,069)	1169.00%
Indirect Cost	99,000	98,472	528	99.47%
Other	170	172	(2)	101.18%
<b>TOTAL EXPENDITURES</b>	<b>* \$ 889,399</b>	<b>\$ 889,270</b>	<b>\$ 129</b>	<b>99.99%</b>
<b>T&amp;TA</b>				
Travel	2,500	1,778	722	
Training & Technical Asst.	9,314	9,963	(649)	106.97%
<b>TOTAL T&amp;TA</b>	<b>\$ 11,814</b>	<b>\$ 11,741</b>	<b>73</b>	<b>99.38%</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 901,213</b>	<b>\$ 901,011</b>	<b>202</b>	

Reconciliation to GAAP:

Indirect costs	(98,472)
	<u>\$ 802,539</u>

**WACCAMAW EOC, INC.**  
**PRE-K PROGRAM**  
**BUDGET TO ACTUAL EXPENDITURES**  
**For the Twelve Months Ended December 31, 2015**

	<b>ANNUAL BUDGET</b>	<b>YTD ACTUAL EXPENDITURES</b>	<b>BUDGET BALANCE</b>	<b>% OF BUDGET SPENT</b>
<b><u>EXPENDITURES</u></b>				
Personnel	\$ 157,000	\$ 154,569	\$ 2,431	98.45%
Fringe Benefits	61,000	60,197	803	98.68%
Supplies	3,000	2,626	374	87.53%
Contractual Services	1,000	827	173	
Utilities	3,000	2,870	130	95.67%
Telephone	500	387	113	77.40%
Maintenance	1,000	730	270	73.00%
Transportation	9,000	8,664	336	96.27%
Travel	350	338	12	96.57%
T&TA	1,500	1,351	149	90.07%
Insurance and Bonding	1,200	1,267	(67)	105.58%
Indirect Cost	29,000	28,595	405	98.60%
<b>TOTAL EXPENDITURES</b>	<b>\$ 267,550</b>	<b>\$ 262,421</b>	<b>5,129</b>	<b>98.08%</b>

Reconciliation to GAAP:

Indirect Cost	(28,595)
	<u>\$ 233,826</u>

**WACCAMAW EOC, INC.**  
**CSBG**  
**BUDGET TO ACTUAL EXPENDITURES**  
**For the Twelve Months Ended December 31, 2015**

	<u>Annual Budget</u>	<u>YTD Actual Expenditures</u>	<u>Budget Balance</u>	<u>% of Budget Spent</u>
<b><u>EXPENDITURES</u></b>				
Personnel	\$ 404,065	\$ 396,894	\$ 7,171	98.23%
Fringe Benefits	147,824	138,508	9,316	93.70%
Transportation	20,000	2,847	17,153	14.24%
Maintenance and Janitorial	20,000	16,563	3,437	82.82%
Rent	50,000	43,390	6,610	86.78%
Utilities	25,000	6,351	18,649	25.40%
Telephone	40,000	23,736	16,264	59.34%
Insurance and Bonding	12,000	6,149	5,851	51.24%
Supplies	37,000	18,629	18,371	50.35%
Postage	9,000	1,906	7,094	21.18%
Equipment Purchase	17,250	17,847	(597)	103.46%
Equipment Lease- Copier	6,000	5,569	431	92.82%
Travel	5,000	-	5,000	0.00%
Training & Tech Assistance	8,803	5,300	3,503	60.21%
Indirect Cost	74,752	73,444	1,308	98.25%
Other Expenses	12,515	320	12,195	2.56%
<b>TOTAL</b>	<b>\$ 889,209</b>	<b>\$ 757,453</b>	<b>\$ 131,756</b>	<b>85.18%</b>
<b><u>CLIENT SERVICES</u></b>				
<b>YOUTH EMPLOYMENT</b>				
Client Services	\$ 23,200	\$ 23,185	\$ 15	99.94%
Training & Tech. Assistance	1,800	2,311	(511)	128.39%
Consumable Supplies	1,266	770	496	60.82%
<b>TOTAL YOUTH EMPLOYMENT</b>	<b>\$ 26,266</b>	<b>\$ 26,266</b>	<b>\$ -</b>	
GEAP	\$ 124,951	\$ 135,726	\$ (10,775)	108.62%
HOUSING	25,000	23,888	1,112	95.55%
EMPLOYMENT	15,000	13,400	1,600	89.33%
<b>TOTAL CLIENT SERVICES</b>	<b>\$ 164,951</b>	<b>\$ 173,014</b>	<b>\$ (8,063)</b>	<b>104.89%</b>
<b>TOTAL</b>	<b>\$ 1,080,426</b>	<b>\$ 956,733</b>	<b>\$ 123,693</b>	<b>88.55%</b>

Reconciliation to GAAP:

Indirect cost	(73,444)
Fixed asset purchase	(17,847)
	<u>\$ 865,442</u>



**WACCAMAW EOC, INC.**  
**LIHEAP**  
**BUDGET TO ACTUAL EXPENDITURES**  
**For the Twelve Months Ended December 31, 2015**

	<u>Annual Budget</u>	<u>YTD Actual Expenditures</u>	<u>Budget Balance</u>	<u>% of Budget Spent</u>
<b><u>EXPENDITURES</u></b>				
Personnel	\$ 88,777	\$ 62,783	\$ 25,994	70.72%
Fringe Benefits	33,737	22,544	11,193	25.39%
Rent	22,002	17,877	4,125	52.99%
Utilities	2,000	687	1,313	3.12%
Telephone	5,582	1,165	4,417	58.25%
Maintenance	2,000	109	1,891	1.95%
Supplies	6,594	305	6,289	4.63%
Postage	1,000	257	743	25.70%
Transportation	500	-	500	0.00%
Training and Technical Assistance	4,203	2,745	1,458	
Indirect Cost	38,646	33,513	5,133	86.72%
<b>TOTAL</b>	<b>\$ 205,041</b>	<b>\$ 141,985</b>	<b>\$ 63,056</b>	<b>69.25%</b>
<b><u>ENERGY COUNSELING</u></b>				
Personnel	\$ 120,121	\$ 118,365	\$ 1,756	98.54%
Fringe Benefits	49,400	45,308	4,092	91.72%
<b>TOTAL</b>	<b>\$ 169,521</b>	<b>\$ 163,673</b>	<b>\$ 5,848</b>	<b>96.55%</b>
<b><u>CLIENT SERVICES</u></b>				
Energy Assistance	\$ 2,332,535	\$ 2,377,398	\$ (44,863)	101.92%
LSAP	30,136	30,136	-	
<b>TOTAL CLIENT SERVICES</b>	<b>\$ 2,362,671</b>	<b>\$ 2,407,534</b>	<b>\$ (44,863)</b>	<b>101.90%</b>
<b>TOTAL LIHEAP</b>	<b>\$ 2,737,233</b>	<b>\$ 2,713,192</b>	<b>\$ 24,041</b>	<b>99.12%</b>

Reconciliation to GAAP:

Indirect cost	(33,513)
	<u>\$ 2,679,679</u>

**WACCAMAW EOC, INC.**  
**INDIRECT COST**  
**BUDGET TO ACTUAL EXPENDITURES**  
**For the Twelve Months Ended December 31, 2015**

	ANNUAL	YTD		%
	BUDGET	ACTUAL	BUDGET	OF BUDGET
	BUDGET	EXPENDITURES	BALANCE	SPENT
<b><u>EXPENDITURES</u></b>				
Personnel	\$ 470,000	\$ 468,290	\$ 1,710	99.64%
Fringe Benefits	142,400	142,998	(598)	100.42%
Transportation	11,000	10,911	89	99.19%
Maintenance and Janitorial	9,500	9,132	368	96.13%
Utilities	6,500	6,078	422	93.51%
Telephone	14,500	13,953	547	96.23%
Rent	45,800	45,716	84	99.82%
Insurance and Bonding	11,500	11,266	234	97.97%
Supplies	13,500	13,065	435	96.78%
Postage	3,300	3,312	(12)	100.36%
Equipment Lease- Copier	2,100	2,083	17	99.19%
Consultant Fees	26,000	25,697	303	98.83%
Dues and Subscriptions	2,900	2,873	27	99.07%
Other	18,000	17,806	194	98.92%
Travel	4,000	4,127	(127)	103.18%
Training & Tech Assistance	38,000	37,463	537	98.59%
			-	
<b>TOTAL EXPENDITURES</b>	<b>\$ 819,000</b>	<b>\$ 814,770</b>	<b>\$ 4,230</b>	<b>99.48%</b>

**WACCAMAW EOC, INC.**  
**CHILD CARE FOOD PROGRAM**  
**BUDGET TO ACTUAL EXPENDITURES**  
**For The Twelve Months Ended December 31, 2015**

	<b>ANNUAL BUDGET</b>	<b>YTD ACTUAL EXPENDITURES</b>	<b>BUDGET BALANCE</b>	<b>% OF BUDGET SPENT</b>
<b><u>EXPENDITURES</u></b>				
Personnel	\$ 152,000	\$ 150,003	1,997	98.69%
Fringe Benefits	70,000	70,984	(984)	101.41%
Supplies	18,000	17,197	803	95.54%
Food cost	335,000	334,242	758	99.77%
Insurance and Bonding	100	98	2	98.00%
Indirect Cost	27,900	27,752	148	99.47%
			-	
<b>TOTAL EXPENDITURES</b>	<b>\$ 603,000</b>	<b>\$ 600,276</b>	<b>2,724</b>	<b>99.55%</b>

Reconciliation to GAAP:

Indirect cost	(27,752)
	<u>\$ 572,524</u>



**WACCAMAW EOC, INC.**  
**SUMMER FOOD PROGRAM**  
**BUDGET TO ACTUAL EXPENDITURES**  
**For The Twelve Months Ended December 31, 2015**

	<b>ANNUAL BUDGET</b>	<b>YTD ACTUAL EXPENDITURES</b>	<b>BUDGET BALANCE</b>	<b>% OF BUDGET SPENT</b>
<b><u>EXPENDITURES</u></b>				
Personnel	\$ 27,550	\$ 27,512	38	99.86%
Fringe Benefits	7,500	7,468	32	99.57%
Supplies	250	218	32	87.20%
Travel	2,000	1,948	52	
Food cost	125,600	125,316	284	99.77%
Utilities	325	318	7	97.85%
Transportation	3,000	2,960	40	98.67%
Contract Labor	7,400	7,360	40	99.46%
Equipment-Lease	7,000	7,051	(51)	100.73%
Maintenance & Janitorial	250	239	11	95.60%
Insurance	150	153	(3)	102.00%
Indirect Cost	5,100	5,090	10	99.80%
			-	
<b>TOTAL EXPENDITURES</b>	<b>\$ 186,125</b>	<b>\$ 185,633</b>	<b>492</b>	<b>99.74%</b>

Reconciliation to GAAP:

Indirect cost	(5,090)
	<u>\$ 180,543</u>

**WACCAMAW EOC, INC.**  
**2013 WEATHERIZATION**  
**BUDGET TO ACTUAL EXPENDITURES**  
**For the Twelve Months Ended December 31, 2015**

	<b>Annual Budget</b>	<b>YTD Actual Expenditures</b>	<b>Budget Balance</b>	<b>% of Budget Spent</b>
<b>ADMINISTRATION</b>				
<b><u>EXPENDITURES</u></b>				
Maintenance and Janitorial	25	22	3	88.00%
Supplies	2,395	2,391	4	99.83%
Postage	10	9	1	90.00%
T&TA	1,150	1,152	(2)	100.17%
Other	60	65	(5)	108.33%
<b>TOTAL</b>	<b>\$ 3,640</b>	<b>\$ 3,639</b>	<b>\$ 1</b>	<b>99.97%</b>
<b>DOE</b>				
<b><u>EXPENDITURES</u></b>				
Personnel	\$ 930	\$ 929	\$ 1	99.89%
Fringe Benefits	692	691	1	99.86%
Supplies and Tools	1,115	1,120	(5)	100.45%
Rent-Lease	545	544	1	99.82%
Material	7,385	7,383	2	99.97%
Health and Safety	44	43	1	97.73%
Utilities	24	22	2	91.67%
Indirect Cost	170	172	(2)	101.18%
		-	-	
<b>TOTAL</b>	<b>\$ 10,905</b>	<b>\$ 10,904</b>	<b>\$ 1</b>	<b>99.99%</b>
<b>LIHEAP</b>				
<b><u>EXPENDITURES</u></b>				
Fringe Benefits	5,000	2,604	2,396	52.08%
Transportation	2,000	1,105	895	55.25%
Supplies and Tools	2,000	1,032	968	51.60%
Maintenance	478	228	250	47.70%
Rent-Lease	1,300	1,270	30	97.69%
Material	2,700	1,970	730	72.96%
Utilities	1,000	463	537	46.30%
Telephone	1,000	581	419	58.10%
		-	-	
<b>TOTAL</b>	<b>\$ 15,478</b>	<b>\$ 9,253</b>	<b>\$ 6,225</b>	
<b>TOTAL EXPENDITURES</b>	<b>\$ 30,023</b>	<b>\$ 23,796</b>	<b>\$ 6,227</b>	

**WACCAMAW EOC, INC.**  
**2014 WEATHERIZATION**  
**BUDGET TO ACTUAL EXPENDITURES**  
**For the Twelve Months Ended December 31, 2015**

	<b>Annual Budget</b>	<b>YTD Actual Expenditures</b>	<b>Budget Balance</b>	<b>% of Budget Spent</b>
<b>ADMINISTRATION</b>				
<b><u>EXPENDITURES</u></b>				
Personnel	\$ 1,215	\$ 554	\$ 661	45.60%
Fringe Benefits	527	144	383	27.32%
Supplies	6,055	1,235	4,820	20.40%
Insurance	500	156	344	31.20%
Equipment - Lease	1,014	999	15	98.52%
Training and Technical Assistance	14,322	8,419	5,903	58.78%
Maintenance & Janitorial	2,000		2,000	0.00%
Indirect Cost	225	99	126	44.00%
<b>TOTAL</b>	<b>\$ 25,858</b>	<b>\$ 11,606</b>	<b>\$ 14,252</b>	<b>44.88%</b>
<b>DOE</b>				
<b><u>EXPENDITURES</u></b>				
Weatherization Tools	700	284	416	40.57%
Transportation	1,000	43	957	4.30%
Contract Labor	5,000	900	4,100	18.00%
Maintenance & Janitorial	500		500	0.00%
Material	72,377	15,344	57,033	21.20%
Health and Safety	3,694	130	3,564	3.52%
<b>TOTAL</b>	<b>\$ 83,271</b>	<b>\$ 16,701</b>	<b>\$ 65,197</b>	<b>20.06%</b>
<b>LIHEAP</b>				
<b><u>EXPENDITURES</u></b>				
Personnel	\$ 210,598	\$ 163,717	\$ 46,881	77.74%
Fringe Benefits	82,000	61,790	20,210	75.35%
Transportation	5,000	4,800	200	96.00%
Supplies and Tools	8,500	8,262	238	97.20%
Maintenance	3,000	2,185	815	72.83%
Rent-Lease	10,000	9,070	930	90.70%
Contract Labor	5,000	3,244	1,756	64.88%
Material	35,000	21,554	13,446	61.58%
Utilities	1,000	833	167	83.30%
Telephone	3,000	2,942	58	98.07%
Insurance	7,000	6,158	842	87.97%
Indirect Cost	31,000	30,287	713	97.70%
<b>TOTAL</b>	<b>\$ 401,098</b>	<b>\$ 314,842</b>	<b>\$ 86,256</b>	<b>78.50%</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 510,227</b>	<b>\$ 343,149</b>	<b>\$ 165,705</b>	



**WACCAMAW EOC, INC.**  
**2015 WEATHERIZATION**  
**BUDGET TO ACTUAL EXPENDITURES**  
**For the Twelve Months Ended December 31, 2015**

	<b>Annual Budget</b>	<b>YTD Actual Expenditures</b>	<b>Budget Balance</b>	<b>% of Budget Spent</b>
<b>ADMINISTRATION</b>				
<b><u>EXPENDITURES</u></b>				
Personnel	\$ 2,578	\$ 558	\$ 2,020	21.64%
Fringe Benefits	873	130	743	14.89%
Maintenance and Janitorial	2,000	1,447	553	72.35%
Telephone	400	301	99	75.25%
Utilities	600	519	81	86.50%
Supplies	3,611	1,072	2,539	29.69%
Postage	150	101	49	67.33%
Equipment-Lease	1,512	1,032	480	68.25%
T&TA	31,343	4,183	27,160	13.35%
Insurance	250	-	250	0.00%
Indirect Cost	476	104	372	21.85%
<b>TOTAL</b>	<b>\$ 43,793</b>	<b>\$ 9,447</b>	<b>\$ 34,346</b>	<b>21.57%</b>
<b>DOE</b>				
<b><u>EXPENDITURES</u></b>				
Personnel	43,015	13,710	29,305	31.87%
Fringe Benefits	15,000	4,256	10,744	28.37%
Transportation	3,862	387	3,475	10.02%
Supplies and Tools	5,000	651	4,349	13.02%
Utilities	1,500		1,500	0.00%
Telephone	3,500		3,500	0.00%
Rent -Lease	9,070		9,070	0.00%
Maintenance	2,000		2,000	0.00%
Insurance	6,100		6,100	0.00%
Contract Labor	15,000	450	14,550	3.00%
Material	40,000	7,767	32,233	19.42%
Indirect Cost	7,958	2,536	5,422	31.87%
Health and Safety	17,780	3,399	14,381	19.12%
<b>TOTAL</b>	<b>\$ 169,785</b>	<b>\$ 33,156</b>	<b>\$ 96,580</b>	<b>19.53%</b>
<b>LIHEAP</b>				
<b><u>EXPENDITURES</u></b>				
Personnel	\$ 196,469	\$ 139,721	\$ 56,748	71.12%
Fringe Benefits	91,308	55,685	35,623	60.99%
Transportation	4,486	4,653	(167)	103.72%
Supplies and Tools	6,700	5,982	718	89.28%
Maintenance	1,000	665	335	66.50%
Rent-Lease	9,070	10,884	(1,814)	120.00%
Contract Labor	10,000	-	10,000	0.00%
Material	25,500	2,306	23,194	9.04%
Utilities	2,000	1,017	983	50.85%
Telephone	3,000	4,078	(1,078)	135.93%
Insurance	3,300	3,336	(36)	101.09%
Indirect Cost	36,347	25,848	10,499	71.11%
Health and Safety	68,578	1,207	67,371	1.76%
<b>TOTAL</b>	<b>\$ 457,758</b>	<b>\$ 255,382</b>	<b>\$ 202,376</b>	
<b>TOTAL EXPENDITURES</b>	<b>\$ 671,336</b>	<b>\$ 297,985</b>	<b>\$ 333,302</b>	<b>44.39%</b>