

WACCAMAW ECONOMIC OPPORTUNITY  
COUNCIL, INC.

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Report on Examination of Basic Financial Statements  
and Supplemental Schedules

Year Ended December 31, 2016

**WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.**

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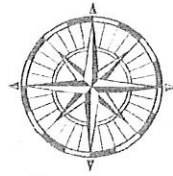
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***Newsome & Company, P.C.***  
**CERTIFIED PUBLIC ACCOUNTANTS**

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, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

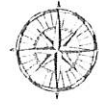
**Management's Responsibility for the Financial Statements**

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, 2016 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 26, 2017, 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 26, 2017

WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2016

ASSETS

Current Assets:	
Cash and cash equivalents	\$ 1,398,091
Due from grantor	551,005
Prepaid expenses	85,768
Other receivables	22,776
Total current assets	<u>2,057,640</u>
Noncurrent Assets:	
Net property, plant, and equipment	<u>3,337,099</u>
Total assets	<u><u>\$ 5,394,739</u></u>

LIABILITIES & NET ASSETS

Current Liabilities:	
Accounts payable	\$ 101,839
Rental deposits	4,759
Payroll liabilities	89,252
Accrued salaries	317,125
Accrued fringes	78,420
Due to grantor	78,628
Deferred revenues	1,332,552
Current portion of notes payable	77,768
Total current liabilities	<u>2,080,343</u>
Noncurrent Liabilities:	
Noncurrent portion of notes payable	<u>1,400,606</u>
Total liabilities	<u>3,480,949</u>
Net Assets:	
Unrestricted	1,913,790
Temporarily restricted	<u>-</u>
Total net assets	<u>1,913,790</u>
Total liabilities and net assets	<u><u>\$ 5,394,739</u></u>

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

WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.

STATEMENT OF ACTIVITIES

Year Ended December 31, 2016

	Unrestricted	Temporarily Restricted	Total
Public Support and Reclassification:			
Federal grants and contracts	\$ 6,842,866	\$ -	\$ 6,842,866
State grants and contracts	4,458,113	-	4,458,113
Rental revenue	140,952	-	140,952
Local revenue	35,224	-	35,224
In-kind contributions	2,051,477	-	2,051,477
Net assets released from restrictions:			
Satisfaction of program restrictions	-	-	-
Total support and reclassification	13,528,632	-	13,528,632
Revenue:			
Interest income	-	-	-
Total revenue	-	-	-
Total Public Support, Revenue, and Reclassification:	13,528,632	-	13,528,632
Expense:			
Program services:			
Head Start	6,757,719	-	6,757,719
Early Head Start	740,823	-	740,823
First Steps	118,773	-	118,773
Childcare Food	551,033	-	551,033
Weatherization	477,053	-	477,053
LIHEAP	2,952,304	-	2,952,304
CSBG	700,315	-	700,315
Summer Food	186,859	-	186,859
Other Programs	36,619	-	36,619
Total Program Services	12,521,498	-	12,521,498
Support Services:			
Building fund	45,186	-	45,186
General & administrative	13,899	-	13,899
Fund raising	12,592	-	12,592
Indirect cost	804,813	-	804,813
Depreciation	168,146	-	168,146
Total Support Services	1,044,636	-	1,044,636
Total Expenses	13,566,134	-	13,566,134
Increase (Decrease) in net assets	(37,502)	-	(37,502)
Net assets, beginning of the year	1,951,292	-	1,951,292
Net effect of prior period adjustment	-	-	-
Net assets, end of year	\$ 1,913,790	\$ -	\$ 1,913,790

The accompanying notes are an integral part of these statements.

WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2016

	Total Program Services	Building Fund	General & Administrative	Fund Raising	Indirect Cost Pool	Total
Salaries	\$ 4,328,340	\$ -	\$ 2,440	-	\$ 463,818	\$ 4,794,598
Employee benefits	1,763,707	-	604	-	146,619	1,910,930
Supplies	138,262	2,229	834	-	19,092	160,417
Client assistance	2,735,904	-	200	-	-	2,736,104
Contractual services	44,207	-	-	12,592	22,900	79,699
Maintenance and janitorial	116,868	9,499	25	-	10,110	136,502
Rent	166,088	-	-	-	47,719	213,807
Utilities	121,665	3,959	-	-	6,218	131,842
Telephone	71,043	-	-	-	13,972	85,015
Food purchase and allowances	486,729	-	620	-	-	487,349
Postage	1,893	-	-	-	2,761	4,654
Transportation cost	185,949	-	-	-	5,069	191,018
Training and technical assistance	115,996	-	41	-	14,632	130,669
Travel	46,064	-	3,562	-	29,435	79,061
Insurance	79,571	4,060	-	-	12,546	96,177
Interest	37,789	19,921	-	-	-	57,710
Dues and subscriptions	-	4,200	3,607	-	3,771	11,578
Weatherization materials	18,133	-	-	-	-	18,133
In-kind expenses	2,051,477	-	-	-	-	2,051,477
Miscellaneous	11,813	788	1,891	-	6,151	20,643
Taxes and licenses	-	530	75	-	-	605
Total	\$ 12,521,498	\$ 45,186	\$ 13,899	\$ 12,592	\$ 804,813	\$ 13,397,988

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, 2016

	Headstart	Early Headstart	First Steps	Childcare Food	Weatherization	LIHEAP	CSBG	Summer Food	Other Program Services	Total Program Services
Salaries	\$ 2,822,098	\$ 474,774	\$ 74,546	\$ 127,476	\$ 222,000	\$ 290,450	\$ 293,719	\$ 19,938	\$ 3,339	\$ 4,328,340
Employee benefits	1,170,641	179,988	30,094	80,531	81,342	103,019	111,774	5,538	780	1,763,707
Supplies	57,666	12,711	739	18,923	10,009	6,901	29,980	83	1,250	138,262
Client assistance	-	-	-	-	39,874	2,486,303	182,553	-	27,174	2,735,904
Contractual services	8,548	3,737	-	-	25,732	-	-	6,190	-	44,207
Maintenance and janitorial	92,544	3,711	-	-	4,157	6,055	10,401	-	-	116,868
Rent	23,899	43,038	-	-	21,993	36,368	36,368	4,422	-	166,088
Utilities	110,349	680	-	-	3,228	3,803	3,542	63	-	121,665
Telephone	36,784	3,760	-	-	9,719	10,982	9,798	-	-	71,043
Food purchase and allowances	2,269	-	10,304	323,962	-	-	3,600	146,594	-	486,729
Postage	-	-	-	-	193	845	855	-	-	1,893
Transportation costs	170,066	1,422	537	-	5,574	1,244	4,760	2,346	-	185,949
Training and technical assistance	71,216	9,102	-	-	25,879	2,451	4,801	-	2,547	115,996
Travel	32,735	3,027	1,410	-	3,051	431	2,817	1,652	941	46,064
Insurance	61,115	4,133	1,143	141	6,136	3,452	3,451	-	-	79,571
Interest	37,789	-	-	-	-	-	-	-	-	37,789
Weatherization materials	-	-	-	-	18,133	-	-	-	-	18,133
In-kind expenses	2,051,477	-	-	-	-	-	-	-	-	2,051,477
Miscellaneous	8,523	740	-	-	33	-	1,896	33	588	11,813
Total	\$ 6,757,719	\$ 740,823	\$ 118,773	\$ 551,033	\$ 477,053	\$ 2,952,304	\$ 700,315	\$ 186,859	\$ 36,619	\$ 12,521,498

The accompanying notes are an integral part of these statements.

WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.

STATEMENT OF CASH FLOWS

Year Ended December 31, 2016

Cash Flows From Operating Activities:	
Decrease in net assets	\$ (37,502)
Adjustments to reconcile change in net assets to cash used by operations:	
Depreciation	168,146
(Increase) Decrease in operating assets:	
Due from grantor	(124,131)
Prepaid expenses	(10,771)
Other Accounts Receivable	41,574
Increase (Decrease) in operating liabilities:	
Accounts payable and accrued expenses	97,270
Deferred revenue	60,844
Due to grantor	29,302
Net cash provided by operating activities	<u>224,732</u>
Cash flows from investing activities:	
Purchase of equipment	<u>(35,000)</u>
Net cash used by investing activities:	<u>(35,000)</u>
Cash flows from financing activities:	
Principal payment on long-term debt	<u>83,829</u>
Net cash used by financing activities	<u>83,829</u>
Increase in cash	273,561
Cash, beginning of year	<u>1,124,530</u>
Cash, end of year	<u><u>\$ 1,398,091</u></u>
Reflected in the Financial statements as follows	
Cash and cash equivalents	\$ 1,398,091
Restricted cash	-
Total cash and cash equivalents	<u><u>\$ 1,398,091</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, 2016

### 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, 2016

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, 2016

### 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 2016, the Organization had unrelated business income of \$140,952 in gross rentals and interest income less related deductions of \$66,328 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, 2016

### 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 2016 are open to examination by the Internal Revenue Service as of December 31, 2016.

#### 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, 2016

**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, 2016 was \$2,051,477.

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, 2016

### 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, 2016, the Organization had \$1,148,091 in collateralized cash balances.

The Organization has the following cash balances at December 31, 2016.

	2016
Cash and cash equivalents, insured	\$ 250,000
Cash and cash equivalents, collateralized	1,148,091
	<u>\$ 1,398,091</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, 2016

**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 12/31/2016</b>
Land	\$ 417,250	\$ -	\$ -	\$ -	\$ 417,250
Furniture and Equipment	435,418	-	-	268,555	166,863
Buildings	2,670,035	-	-	698,557	1,971,478
Vehicles	1,649,262	-	-	1,557,663	91,599
Improvements	1,080,442	-	-	398,031	682,411
Loan Costs	12,283	-	-	4,786	7,497
	<u><u>\$ 6,264,690</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,927,592</u></u>	<u><u>\$ 3,337,098</u></u>

Depreciation expense for the year ended December 31, 2016 was \$168,146.

**NOTE F – NOTES PAYABLE**

Notes payable consist of the following at December 31, 2016:

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 \$447,288 at December 31, 2016.

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 \$145,972 at December 31, 2016.

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 \$959,852 at December 31, 2016.

**WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.**

**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ending December 31, 2016

**NOTE F – NOTES PAYABLE (Cont'd)**

Future maturities of debt are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
December 31, 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
2021	91,170	39,558	130,728
Thereafter	1,056,697	678,286	1,734,983
	<u>\$ 1,478,372</u>	<u>\$ 910,251</u>	<u>\$ 2,388,623</u>

Interest paid for the year ended December 31, 2016 was \$55,989.

**NOTE G – FEDERAL AND STATE GRANTS AND CONTRACTS**

Federal and state grants were accounted for as earned revenue. Grant revenue consisted of the following for the year ended December 31, 2016.

	<u>2016</u>
Head Start	\$ 5,244,148
Early Head Start	828,656
Low Income Housing Program	3,006,037
Community Services Block Grant	789,653
Weatherization	528,421
Summer Food Program	190,616
Child and Adult Care Food	569,656
	<u>\$ 11,157,187</u>

# WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.

## NOTES TO FINANCIAL STATEMENTS

For the Year Ending December 31, 2016

### 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, 2016 was \$2,051,477.

In-kind contributions for the year ended December 31, 2016 consisted of the following:

	2016
Office Space	\$ 1,876,617
Volunteer hours	136,386
Supplies and other	38,474
	<u>\$ 2,051,477</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, 2016 was \$336,709, which is equal to the required contributions.

# WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.

## NOTES TO FINANCIAL STATEMENTS

For the Year Ending December 31, 2016

### 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.

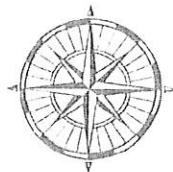
- a. *Head Start Program* – Funds for child development programs to serve low-income children and their families. Federal Agency: Department of Health and Human Services.
- b. *Child and Adult Care Food Program (USDA)* – Funds provided to assist in making breakfast and lunch available to disadvantaged 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 – 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, 2016, 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.

## **Single Audit Act Section**

Darrell N. Newsome, Jr., CPA  
*President*  
Julia A. Walker, CPA  
*Audit Manager*  
Starlitt C. Miller  
Kaitlyn F. Parker



***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, 2016, and have issued our report thereon dated September 26, 2017. 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.

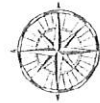
Internal Control Over Financial Reporting

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

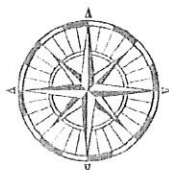
As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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 26, 2017

Darrell N. Newsome, Jr., CPA  
*President*  
Julia A. Walker, CPA  
*Audit Manager*  
Starlitt C. Miller  
Kaitlyn F. Parker



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

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Greater Lexington Chamber

**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**

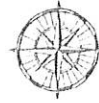
We have audited Waccamaw Economic Opportunity Council's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Waccamaw Economic Opportunity Council's major federal programs for the year ended December 31, 2016. 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, 2016.

### **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 26, 2017

WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For Year Ended December 31, 2016

<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	\$ 5,244,048
*Early Headstart	93.709	828,656
<u>Pass-Through South Carolina Div. Of Economic Opportunity</u>		
*LIHEAP	93.568	3,006,037
Weatherization	81.042	518,122
*CSBG	93.569	754,653
		<u>10,351,516</u>
<u>US Department of Agriculture</u>		
<u>Passed through South Carolina Department of Social Services</u>		
Child and Adult Care Food	10.558	574,616
Summer Food Service - Program for Children	10.559	190,547
		<u>765,163</u>
Total		<u>\$ 11,116,679</u>

\* Indicates Major Programs

WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
DECEMBER 31, 2016

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, 2016. 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, 2016

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
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, 2016

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, 2016, we investigated the disposition of the management comments for the year ended December 31, 2015.

There were no findings in the December 31, 2015 audit.

**Accompanying Information  
(Non-GAAP)**

**WACCAMAW EOC, INC.**  
**HEAD START**  
**BUDGET TO ACTUAL EXPENDITURES**  
For the Twelve Months Ended December 31, 2016

	ANNUAL BUDGET	YTD ACTUAL EXPENDITURES	BUDGET BALANCE	% OF BUDGET SPENT
<u>EXPENDITURES</u>				
Personnel	\$ 2,830,000	\$ 2,822,098	\$ 7,902	99.72%
Fringe Benefits	1,173,000	1,170,641	2,359	99.80%
Transportation	171,000	170,066	934	99.45%
Maintenance and Janitorial	89,000	92,544	(3,544)	103.98%
Utilities	110,700	110,349	351	99.68%
Telephone	37,000	36,784	216	99.42%
Occupancy Cost	9,500	9,916	(416)	104.38%
Parent Activity Fund	2,000	1,629	371	81.45%
Insurance and Bonding	60,000	61,115	(1,115)	101.86%
Contractual Services	9,000	8,548	452	94.98%
Supplies	54,000	57,666	(3,666)	106.79%
Equipment Lease- Copier	14,000	13,983	17	99.88%
Mortgage-Interest	38,000	37,789	211	99.44%
Mortgage-Principle	16,000	15,719	281	98.24%
Training and Technical Asst.	10,000	11,228	(1,228)	112.28%
Food Cost	2,200	2,269	(69)	103.14%
Travel	18,200	22,243	(4,043)	122.21%
Indirect Cost	525,000	522,087	2,913	99.45%
Other	4,968	6,894	(1,926)	138.77%
<b>TOTAL EXPENDITURES</b>	<b>\$ 5,173,568</b>	<b>\$ 5,173,568</b>	<b>-</b>	<b>100.00%</b>
<u>T&amp;TA</u>				
Travel	18,200	10,492	7,708	57.65%
Training & Technical Asst.	52,280	59,988	(7,708)	114.74%
<b>TOTAL T&amp;TA</b>	<b>\$ 70,480</b>	<b>\$ 70,480</b>	<b>-</b>	
<b>TOTAL EXPENDITURES</b>	<b>\$ 5,244,048</b>	<b>\$ 5,244,048</b>	<b>\$ -</b>	<b>100.00%</b>

Reconciliation to GAAP:

Indirect Cost	(522,087)
In-Kind	2,051,477
Mortgage principle	(15,719)
<b>\$</b>	<b>6,757,719</b>

WACCAMAW EOC, INC.  
EARLY HEAD START  
BUDGET TO ACTUAL EXPENDITURES  
For the Twelve Months Ended December 31, 2016

	ANNUAL BUDGET	YTD ACTUAL EXPENDITURES	BUDGET BALANCE	% BUDGET SPENT
<u>EXPENDITURES</u>				
Personnel	\$ 478,478	\$ 474,774	3,704	99.23%
Fringe Benefits	178,000	179,988	(1,988)	101.12%
Transportation	1,500	1,422	78	94.80%
Maintenance and Janitorial	3,000	3,711	(711)	123.70%
Occupancy Cost	40,000	40,000	-	100.00%
Telephone	3,800	3,760	40	98.95%
Utilities	650	680	(30)	104.62%
Contractual Services	3,900	3,737	163	95.82%
Supplies	11,334	12,711	(1,377)	112.15%
Equipment Lease	3,050	3,038	12	99.61%
Insurance & Bonding	4,100	4,133	(33)	100.80%
Travel	30	27	3	90.00%
Training & technical Asst.	300	288	12	96.00%
Indirect Cost	88,000	87,833	167	99.81%
Other	700	740	(40)	105.71%
TOTAL EXPENDITURES	* \$ 816,842	\$ 816,842	\$ -	100.00%
T&TA				
Travel	3,000	3,000	-	
Training & Technical Asst.	8,814	8,814	-	100.00%
TOTAL T&TA	\$ 11,814	\$ 11,814	-	100.00%
TOTAL EXPENDITURES	\$ 828,656	\$ 828,656	-	

Reconciliation to GAAP:

Indirect costs	(87,833)
InKind	218,000
	<u>\$ 740,823</u>

WACCAMAW EOC, INC.  
PRE-K PROGRAM  
BUDGET TO ACTUAL EXPENDITURES  
For the Twelve Months Ended December 31, 2016

	ANNUAL BUDGET	YTD ACTUAL EXPENDITURES	BUDGET BALANCE	% OF BUDGET SPENT
<b>EXPENDITURES</b>				
Personnel	\$ 75,000	\$ 74,546	\$ 454	99.39%
Fringe Benefits	29,750	30,094	(344)	101.16%
Supplies	714	739	(25)	103.50%
Transportation	500	537	(37)	107.40%
Travel	1,500	1,410	90	94.00%
Food Cost	10,000	10,304	(304)	103.04%
Insurance and Bonding	1,100	1,143	(43)	103.91%
Indirect Cost	14,000	13,791	209	98.51%
<b>TOTAL EXPENDITURES</b>	<b>\$ 132,564</b>	<b>\$ 132,564</b>	<b>-</b>	<b>100.00%</b>

Reconciliation to GAAP:

Indirect Cost	(13,791)
<b>\$</b>	<b>118,773</b>

WACCAMAW EOC, INC.  
CSBG  
BUDGET TO ACTUAL EXPENDITURES  
For the Twelve Months Ended December 31, 2016

	Annual Budget	YTD Actual Expenditures	Budget Balance	% of Budget Spent
<b>EXPENDITURES</b>				
Personnel	\$ 323,924	\$ 293,719	\$ 30,205	90.68%
Fringe Benefits	115,572	111,774	3,798	96.71%
Transportation	17,000	4,760	12,240	28.00%
Maintenance and Janitorial	38,000	10,401	27,599	27.37%
Occupancy Cost	49,200	33,820	15,380	68.74%
Utilities	53,000	3,542	49,458	6.68%
Telephone	45,000	9,798	35,202	21.77%
Insurance and Bonding	24,000	3,451	20,549	14.38%
Supplies	67,222	29,980	37,242	44.60%
Postage	10,000	855	9,145	8.55%
Equipment Lease- Copier	10,000	2,548	7,452	25.48%
Travel	4,800	2,817	1,983	58.69%
Training & Tech Assistance	3,203	3,203	-	100.00%
Indirect Cost	59,926	54,338	5,588	90.68%
Other Expenses	17,667	1,896	15,771	10.73%
<b>TOTAL</b>	<b>\$ 838,514</b>	<b>\$ 566,902</b>	<b>\$ 271,612</b>	<b>67.61%</b>
<b>CLIENT SERVICES</b>				
<b>YOUTH EMPLOYMENT</b>				
Client Services	\$ 23,200	\$ 22,990	\$ 210	99.09%
Training & Tech. Assistance	1,800	1,598	202	88.78%
Consumable Supplies	3,517	3,600	(83)	102.36%
<b>TOTAL YOUTH EMPLOYMENT</b>	<b>\$ 28,517</b>	<b>\$ 28,188</b>	<b>\$ 329</b>	
GEAP	\$ 123,166	\$ 125,250	\$ (2,084)	101.69%
HOUSING	25,000	21,478	3,522	85.91%
EMPLOYMENT	15,000	12,835	2,165	85.57%
<b>TOTAL CLIENT SERVICES</b>	<b>\$ 163,166</b>	<b>\$ 159,563</b>	<b>\$ 3,603</b>	<b>97.79%</b>
<b>TOTAL</b>	<b>\$ 1,030,197</b>	<b>\$ 754,653</b>	<b>\$ 275,544</b>	<b>73.25%</b>

Reconciliation to GAAP:

Indirect cost	(54,338)
Fixed asset purchase	-
	<u>\$ 700,315</u>

WACCAMAW EOC, INC.  
LIHEAP  
BUDGET TO ACTUAL EXPENDITURES  
For the Twelve Months Ended December 31, 2016

	Annual Budget	YTD Actual Expenditures	Budget Balance	% of Budget Spent
<u>EXPENDITURES</u>				
Personnel	\$ 315,865	\$ 290,450	\$ 25,415	91.95%
Fringe Benefits	113,945	103,019	10,926	90.41%
Occupancy Cost	42,487	33,820	8,667	79.60%
Utilities	8,000	3,803	4,197	47.54%
Telephone	14,000	10,982	3,018	78.44%
Maintenance	11,390	6,055	5,335	53.16%
Insurance and Bonding	3,600	3,452	148	95.89%
Equipment - Lease	2,650	2,548	102	96.15%
Supplies	13,589	6,901	6,688	50.78%
Postage	1,000	845	155	84.50%
Transportation	4,623	1,244	3,379	26.91%
Training and Technical Assistance	3,203	2,451	752	76.52%
Travel	1,000	431	569	43.10%
Indirect Cost	55,622	53,733	1,889	96.60%
TOTAL	\$ 590,974	\$ 519,734	\$ 71,240	87.95%
<u>CLIENT SERVICES</u>				
Energy Assistance	\$ 2,261,890	\$ 2,256,168	\$ 5,722	99.75%
LSAP	230,135	230,135	-	
TOTAL CLIENT SERVICES	\$ 2,492,025	\$ 2,486,303	\$ 5,722	99.77%
TOTAL LIHEAP	\$ 3,082,999	\$ 3,006,037	\$ 76,962	97.50%

Reconciliation to GAAP:

Indirect cost	(53,733)
	<u>\$ 2,952,304</u>

WACCAMAW EOC, INC.  
INDIRECT COST  
BUDGET TO ACTUAL EXPENDITURES  
For the Twelve Months Ended December 31, 2016

	ANNUAL BUDGET	YTD ACTUAL EXPENDITURES	BUDGET BALANCE	% OF BUDGET SPENT
<b>EXPENDITURES</b>				
Personnel	\$ 465,000	\$ 463,818	\$ 1,182	99.75%
Fringe Benefits	147,000	146,619	381	99.74%
Transportation	5,000	5,069	(69)	101.38%
Maintenance and Janitorial	9,500	10,110	(610)	106.42%
Utilities	6,500	6,218	282	95.66%
Telephone	14,500	13,972	528	96.36%
Occupancy Cost	45,800	46,426	(626)	101.37%
Insurance and Bonding	11,500	12,546	(1,046)	109.10%
Supplies	17,247	19,092	(1,845)	110.70%
Postage	3,000	2,761	239	92.03%
Equipment Lease- Copier	1,300	1,293	7	99.46%
Consultant Fees	24,000	22,900	1,100	95.42%
Dues and Subscriptions	3,500	3,771	(271)	107.74%
Other	6,000	6,151	(151)	102.52%
Travel	30,000	29,435	565	98.12%
Training & Tech Assistance	15,000	14,632	368	97.55%
<b>TOTAL EXPENDITURES</b>	\$ 804,847	\$ 804,813	\$ 34	100.00%

WACCAMAW EOC, INC.  
CHILD CARE FOOD PROGRAM  
BUDGET TO ACTUAL EXPENDITURES  
For The Twelve Months Ended December 31, 2016

	ANNUAL BUDGET	YTD ACTUAL EXPENDITURES	BUDGET BALANCE	% OF BUDGET SPENT
<u>EXPENDITURES</u>				
Personnel	\$ 128,000	\$ 127,476	524	99.59%
Fringe Benefits	80,500	80,531	(31)	100.04%
Supplies	17,000	18,923	(1,923)	111.31%
Food cost	325,000	323,962	1,038	99.68%
Insurance and Bonding	115	141	(26)	122.61%
Indirect Cost	24,000	23,583	417	98.26%
<b>TOTAL EXPENDITURES</b>	<b>\$ 574,615</b>	<b>\$ 574,616</b>	<b>(1)</b>	<b>100.00%</b>
Reconciliation to GAAP:				
Indirect cost		(23,583)		
		<u>\$ 551,033</u>		

WACCAMAW EOC, INC.  
SUMMER FOOD PROGRAM  
BUDGET TO ACTUAL EXPENDITURES  
For The Twelve Months Ended December 31, 2016

	ANNUAL BUDGET	YTD ACTUAL EXPENDITURES	BUDGET BALANCE	% OF BUDGET SPENT
<b>EXPENDITURES</b>				
Personnel	\$ 20,000	\$ 19,938	62	99.69%
Fringe Benefits	5,600	5,538	62	98.89%
Supplies	100	83	17	83.00%
Travel	1,500	1,652	(152)	110.13%
Food cost	146,500	146,594	(94)	100.06%
Utilities	100	63	37	63.00%
Transportation	2,400	2,346	54	97.75%
Contract Labor	6,100	6,190	(90)	101.48%
Equipment-Lease	4,500	4,422	78	98.27%
Other	47	33	14	70.21%
Indirect Cost	3,700	3,688	12	99.68%
<b>TOTAL EXPENDITURES</b>	<b>\$ 190,547</b>	<b>\$ 190,547</b>	<b>-</b>	<b>100.00%</b>
Reconciliation to GAAP:				
Indirect cost		(3,688)		
	\$	<u>186,859</u>		

WACCAMAW EOC, INC.  
2016 WEATHERIZATION  
BUDGET TO ACTUAL EXPENDITURES  
For the Twelve Months Ended December 31, 2016

	Annual Budget	YTD Actual Expenditures	Budget Balance	% of Budget Spent
<b>ADMINISTRATION</b>				
<u>EXPENDITURES</u>				
Personnel	\$ 5,016	\$ 918	\$ 4,098	18.30%
Fringe Benefits	1,394	210	1,184	15.06%
Supplies	8,921	806	8,115	9.03%
Insurance	1,000	-	1,000	0.00%
Equipment - Lease	2,106	707	1,399	33.57%
Transportation	1,500	362	1,138	24.13%
Travel	3,500	1,710	1,790	48.86%
Training and Technical Assistance	26,734	18,526	8,208	69.30%
Maintenance & Janitorial	4,100	2,566	1,534	62.59%
Occupancy Cost	8,744	1,665	7,079	19.04%
Utilities	1,100	673	427	61.18%
Telephone	3,400	4,035	(635)	118.68%
Indirect Cost	928	170	758	18.32%
<b>TOTAL</b>	<b>\$ 68,443</b>	<b>\$ 32,348</b>	<b>\$ 36,095</b>	<b>47.26%</b>
<b>DOE</b>				
<u>EXPENDITURES</u>				
Personnel	51,798	42,452	9,346	
Fringe Benefits	18,014	12,901	5,113	
Occupancy cost	5,442	5,442	-	
Weatherization Tools	2,639	2,561	78	97.04%
Utilities	500	500	-	
Telephone	1,500	1,012	488	
Transportation	2,000	1,262	738	63.10%
Contract Labor	22,000	18,616	3,384	84.62%
Maintenance & Janitorial	500	99	401	19.80%
Insurance	3,400		3,400	
Indirect Cost	9,583	7,854	1,729	
Material	13,000	10,418	2,582	80.14%
Health and Safety	22,048	18,396	3,652	83.44%
<b>TOTAL</b>	<b>\$ 152,424</b>	<b>\$ 121,513</b>	<b>\$ 30,911</b>	<b>79.72%</b>
<b>LIHEAP</b>				
<u>EXPENDITURES</u>				
Personnel	\$ 115,629	\$ 70,334	\$ 45,295	60.83%
Fringe Benefits	42,034	22,871	19,163	54.41%
Transportation	3,785	1,442	2,343	38.10%
Supplies and Tools	3,523	2,724	799	77.32%
Maintenance	1,000	-	1,000	0.00%
Occupancy cost	5,442	4,697	745	86.31%
Contract Labor	22,000	991	21,009	4.50%
Material	15,000	500	14,500	3.33%
Utilities	1,000	581	419	58.10%
Telephone	3,500	1,267	2,233	36.20%
Insurance	6,100	29	6,071	0.48%
Indirect Cost	21,391	13,011	8,380	60.82%
Health and Safety	40,000	17,705	22,295	44.26%
<b>TOTAL</b>	<b>\$ 280,404</b>	<b>\$ 136,152</b>	<b>\$ 144,252</b>	<b>48.56%</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 501,271</b>	<b>\$ 290,013</b>	<b>\$ 211,258</b>	

**WACCAMAW EOC, INC.**  
**2015 WEATHERIZATION**  
**BUDGET TO ACTUAL EXPENDITURES**  
For the Twelve Months Ended December 31, 2016

	Annual Budget	YTD Actual Expenditures	Budget Balance	% of Budget Spent
<b>ADMINISTRATION</b>				
<u><b>EXPENDITURES</b></u>				
Personnel	\$ 830	\$ 454	\$ 376	54.70%
Fringe Benefits	187	119	68	63.64%
Maintenance and Janitorial	553	334	219	60.40%
Travel	1,500	1,341	159	89.40%
Supplies	1,700	788	912	46.35%
Postage	224	193	31	86.16%
Equipment-Lease	680	668	12	98.24%
T&TA	7,462	7,353	109	98.54%
Other	76	33	43	43.42%
Indirect Cost	372	83	289	22.31%
<b>TOTAL</b>	<b>\$ 13,584</b>	<b>\$ 11,366</b>	<b>\$ 2,218</b>	<b>83.67%</b>
<b>DOE</b>				
<u><b>EXPENDITURES</b></u>				
Personnel	49,000	48,650	350	99.29%
Fringe Benefits	14,000	13,979	21	99.85%
Transportation	3,000	2,186	814	72.87%
Supplies and Tools	3,460	3,453	7	99.80%
Utilities	2,000	1,111	889	55.55%
Telephone	3,500	3,165	335	90.43%
Occupancy Cost	8,814	8,814	-	100.00%
Maintenance	1,000	848	152	84.80%
Insurance	6,100	6,107	(7)	100.11%
Material	2,200	2,011	189	91.41%
Indirect Cost	9,356	9,000	356	96.19%
Health and Safety	11,101	2,060	9,041	18.56%
<b>TOTAL</b>	<b>\$ 113,531</b>	<b>\$ 101,384</b>	<b>12,147</b>	<b>89.30%</b>
<b>LIHEAP</b>				
<u><b>EXPENDITURES</b></u>				
Personnel	\$ 60,500	\$ 59,192	\$ 1,308	97.84%
Fringe Benefits	30,174	31,262	(1,088)	103.61%
Transportation	2,000	322	1,678	16.10%
Supplies and Tools	1,521	2,238	(717)	147.14%
Maintenance	1,555	310	1,245	19.94%
Contract Labor	7,000	6,125	875	87.50%
Material	11,508	2,643	8,865	22.97%
Utilities	4,486	363	4,123	8.09%
Telephone	2,000	240	1,760	12.00%
Indirect Cost	11,261	10,951	310	97.25%
Health and Safety	48,155	1,713	46,442	3.56%
<b>TOTAL</b>	<b>\$ 180,160</b>	<b>\$ 115,359</b>	<b>\$ 64,801</b>	<b>64.03%</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 307,275</b>	<b>\$ 228,109</b>	<b>\$ 79,166</b>	<b>74.24%</b>