

WACCAMAW ECONOMIC OPPORTUNITY
COUNCIL, INC.

Report on Examination of Basic Financial Statements
and Supplemental Schedules

Year Ended December 31, 2017

WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.

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Year Ended December 31, 2017

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Newsome & Company, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Members:
American Institute of CPAs
SC Association of CPAs
Home Builders Association
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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, 2017, 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, 2017 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 29, 2018, 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 29, 2018

WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2017

ASSETS

Current Assets:

Cash and cash equivalents	\$ 650,281
Due from grantor	720,628
Prepaid expenses	67,843
Other receivables	31,050
Total current assets	<u>1,469,802</u>

Noncurrent Assets:

Net property, plant, and equipment	<u>3,123,783</u>
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Total assets	<u><u>\$ 4,593,585</u></u>
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LIABILITIES & NET ASSETS

Current Liabilities:

Accounts payable	\$ 228,093
Rental deposits	4,759
Payroll liabilities	149,336
Accrued salaries	341,833
Accrued fringes	91,435
Due to grantor	-
Deferred revenues	341,711
Current portion of notes payable	77,768
Total current liabilities	<u>1,234,935</u>

Noncurrent Liabilities:

Noncurrent portion of notes payable	<u>1,400,606</u>
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Total liabilities	<u>2,635,541</u>
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Net Assets:

Unrestricted	1,958,044
Temporarily restricted	<u>-</u>

Total net assets	<u>1,958,044</u>
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Total liabilities and net assets	<u><u>\$ 4,593,585</u></u>
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WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.

STATEMENT OF ACTIVITIES

Year Ended December 31, 2017

	Unrestricted	Temporarily Restricted	Total
Public Support and Reclassification:			
Federal grants and contracts	\$ 6,995,081	\$ -	\$ 6,995,081
State grants and contracts	4,318,686	-	4,318,686
Rental revenue	150,400	-	150,400
Local revenue	12,133	-	12,133
Fund raising	595	-	595
In-kind contributions	2,168,222	-	2,168,222
Net assets released from restrictions:			
Satisfaction of program restrictions	-	-	-
Total support and reclassification	<u>13,645,117</u>	<u>-</u>	<u>13,645,117</u>
Revenue:			
Interest income	354	-	354
Total revenue	<u>354</u>	<u>-</u>	<u>354</u>
Total Public Support, Revenue, and Reclassification:	<u>13,645,471</u>	<u>-</u>	<u>13,645,471</u>
Expense:			
Program services:			
Head Start	7,186,998	-	7,186,998
Early Head Start	746,670	-	746,670
Childcare Food	468,008	-	468,008
Weatherization	476,556	-	476,556
LIHEAP	2,653,494	-	2,653,494
CSBG	780,986	-	780,986
Summer Food	165,400	-	165,400
Other Programs	21,777	-	21,777
Total Program Services	<u>12,499,889</u>	<u>-</u>	<u>12,499,889</u>
Support Services:			
Building fund	86,058	-	86,058
General & administrative	5,086	-	5,086
Indirect cost	846,574	-	846,574
Depreciation	163,610	-	163,610
Total Support Services	<u>1,101,328</u>	<u>-</u>	<u>1,101,328</u>
Total Expenses	<u>13,601,217</u>	<u>-</u>	<u>13,601,217</u>
Increase (Decrease) in net assets	44,254	-	44,254
Net assets, beginning of the year	1,913,790	-	1,913,790
Net effect of prior period adjustment	-	-	-
Net assets, end of year	<u>\$ 1,958,044</u>	<u>\$ -</u>	<u>\$ 1,958,044</u>

The accompanying notes are an integral part of these statements.

WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2017

	Total Program Services	Building Fund	General & Administrative	Indirect Cost Pool	Total
Salaries	\$ 4,353,376	\$ -	\$ -	\$ 488,431	\$ 4,841,807
Employee benefits	1,743,165	-	-	151,577	1,894,742
Supplies	204,676	-	963	15,934	221,573
Client assistance	2,504,951	-	-	-	2,504,951
Contractual services	85,615	-	-	18,000	103,615
Maintenance and janitorial	252,516	32,154	-	9,974	294,644
Rent	171,047	-	-	49,578	220,625
Utilities	126,713	3,969	-	6,430	137,112
Telephone	71,898	38	-	11,457	83,393
Food purchase and allowances	393,592	-	-	-	393,592
Printing, postage, and production	6,822	-	-	4,199	11,021
Transportation cost	84,862	-	-	6,729	91,591
Training and technical assistance	140,995	-	-	14,964	155,959
Travel	44,905	-	-	39,053	83,958
Insurance	85,494	4,454	-	13,788	103,736
Interest	37,247	17,420	-	-	54,667
Dues and subscriptions	-	3,200	-	5,217	8,417
Weatherization materials	1,866	-	-	-	1,866
In-kind expenses	2,168,222	-	-	-	2,168,222
Miscellaneous	21,927	24,293	4,123	11,243	61,586
Taxes and licenses	-	530	-	-	530
Total	\$ 12,499,889	\$ 86,058	\$ 5,086	\$ 846,574	\$ 13,437,607

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, 2017

	Headstart	Early Headstart	Childcare Food	Weather- ization	LIHEAP	CSBG	Summer Food	Other Program Services	Total Program Services
Salaries	\$ 2,926,497	\$ 487,929	\$ 91,927	\$ 185,793	\$ 303,955	\$ 313,776	\$ 43,499	\$ -	\$ 4,353,376
Employee benefits	1,197,952	177,071	53,019	66,284	117,579	119,172	12,088	-	1,743,165
Supplies	107,061	16,584	24,867	9,993	3,265	42,267	639	-	204,676
Client assistance	48,425	770	-	61,895	2,155,137	221,288	-	17,436	2,504,951
Contractual services	-	-	-	77,475	-	-	8,140	-	85,615
Maintenance and janitorial	224,687	6,995	-	7,396	6,047	7,391	-	-	252,516
Rent	31,560	32,835	-	21,174	39,990	41,290	4,198	-	171,047
Utilities	116,979	-	-	2,654	3,524	3,532	24	-	126,713
Telephone	34,967	4,622	-	9,957	11,675	10,663	14	-	71,898
Food purchase and allowances	1,630	-	298,195	-	-	-	93,767	-	393,592
Printing, postage, and production	6,289	32	-	99	201	201	-	-	6,822
Transportation costs	67,324	2,853	-	5,093	1,393	6,176	2,023	-	84,862
Training and technical assistance	107,114	11,110	-	11,466	4,159	7,146	-	-	140,995
Travel	35,736	939	-	2,457	2,788	2,103	882	-	44,905
Insurance	62,340	4,137	-	12,856	3,018	3,017	126	-	85,494
Interest	37,247	-	-	-	-	-	-	-	37,247
Weatherization materials	-	-	-	1,866	-	-	-	-	1,866
In-kind expenses	2,168,222	-	-	-	-	-	-	-	2,168,222
Miscellaneous	12,968	793	-	98	763	2,964	-	4,341	21,927
Total	\$ 7,186,998	\$ 746,670	\$ 468,008	\$ 476,556	\$ 2,653,494	\$ 780,986	\$ 165,400	\$ 21,777	\$ 12,499,889

The accompanying notes are an integral part of these statements.

WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.

STATEMENT OF CASH FLOWS

Year Ended December 31, 2017

Cash Flows From Operating Activities:	
Decrease in net assets	\$ 44,254
Adjustments to reconcile change in net assets to cash used by operations:	
Depreciation	163,610
(Increase) Decrease in operating assets:	
Due from grantor	(169,623)
Prepaid expenses	17,925
Other Accounts Receivable	(8,274)
Increase (Decrease) in operating liabilities:	
Accounts payable and accrued expenses	224,061
Deferred revenue	(151,671)
Due to grantor	<u>(917,798)</u>
Net cash provided by operating activities	<u>(797,516)</u>
Cash flows from investing activities:	
Purchase of equipment	<u>(56,909)</u>
Net cash used by investing activities:	<u>(56,909)</u>
Cash flows from financing activities:	
Principal payment on long-term debt	<u>106,615</u>
Net cash used by financing activities	<u>106,615</u>
Decrease in cash	(747,810)
Cash, beginning of year	<u>1,398,091</u>
Cash, end of year	<u><u>\$ 650,281</u></u>
Reflected in the Financial statements as follows	
Cash and cash equivalents	\$ 650,281
Restricted cash	<u>-</u>
Total cash and cash equivalents	<u><u>\$ 650,281</u></u>

WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ending December 31, 2017

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, 2017

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, 2017

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 2017, the Organization had unrelated business income of \$151,793 in gross rentals and interest income less related deductions of \$107,684 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, 2017

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 2017 are open to examination by the Internal Revenue Service as of December 31, 2017.

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, 2017

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, 2017 was \$2,168,222.

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, 2017

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 \$400,281 in collateralized cash balances.

The Organization has the following cash balances at December 31, 2017.

	2017
Cash and cash equivalents, insured	\$ 250,000
Cash and cash equivalents, collateralized	400,281
	<u>\$ 650,281</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, 2017

NOTE E - PROPERTY AND EQUIPMENT (Cont'd)

Property and equipment consist of the following:

	Cost	Additions	Deletions	Accumulated Depreciation	Net Value 12/31/2017
Land	\$ 417,250	\$ -	\$ -	\$ -	\$ 417,250
Furniture and Equipment	416,981	-	-	261,179	155,802
Buildings	2,670,035	-	-	770,180	1,899,855
Vehicles	1,592,353	56,909	-	1,595,709	53,553
Improvements	1,080,441	-	-	489,718	590,723
Loan Costs	12,283	-	-	5,683	6,600
	<u>\$ 6,189,343</u>	<u>\$ 56,909</u>	<u>\$ -</u>	<u>\$ 3,122,469</u>	<u>\$ 3,123,783</u>

Depreciation expense for the year ended December 31, 2017 was \$163,610.

NOTE F – NOTES PAYABLE

Notes payable consist of the following at December 31, 2017:

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 \$387,401 at December 31, 2017.

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 \$144,078 at December 31, 2017.

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 \$946,894 at December 31, 2017.

WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ending December 31, 2017

NOTE F – NOTES PAYABLE (Cont'd)

Future maturities of debt are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
December 31, 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
2022	66,220	36,020	102,240
Thereafter	990,477	642,266	1,632,743
	<u>\$ 1,400,604</u>	<u>\$ 857,291</u>	<u>\$ 2,257,895</u>

Interest paid for the year ended December 31, 2017 was \$52,960.

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, 2017.

	<u>Federal</u>	<u>State</u>
Head Start	\$ 5,623,880	\$ -
Early Head Start	838,129	-
Child and Adult Care Food	533,072	-
Low Income Housing Assistance Program	-	2,709,727
Community Services Block Grant	-	895,944
Weatherization	-	510,628
Summer Food Program	-	173,447
	<u>\$ 6,995,081</u>	<u>\$ 4,289,746</u>

WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ending December 31, 2017

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, 2017 was \$2,168,222.

In-kind contributions for the year ended December 31, 2017 consisted of the following:

	2017
Office Space	\$ 1,822,761
Volunteer hours	299,163
Supplies and other	46,298
	<u>\$ 2,168,222</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% of salary for employee and 10.91% 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 \$545,902, which is equal to the required contributions.

WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ending December 31, 2017

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, 2017, 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.

WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ending December 31, 2017

NOTE L – SUBSEQUENT EVENTS

Subsequent events were evaluated through September 29, 2018 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

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, 2017, and have issued our report thereon dated September 29, 2018. 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 29, 2018

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



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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, 2017. 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 29, 2018

WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For Year Ended December 31, 2017

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<u>U.S. Department of Health & Human Services</u>		
<u>Direct Program</u>		
*Headstart	93.600	\$ 5,618,449
*Early Headstart	93.709	836,824
<u>Pass-Through South Carolina Div. Of Economic Opportunity</u>		
*LIHEAP	93.568	2,709,726
Weatherization	81.042	510,928
*CSBG	93.569	895,944
		<u>10,571,871</u>
<u>US Department of Agriculture</u>		
<u>Passed through South Carolina Department of Social Services</u>		
Child and Adult Care Food	10.558	485,029
Summer Food Service - Program for Children	10.559	173,447
		<u>658,476</u>
 Total		 <u>\$ 11,230,347</u>

* Indicates Major Programs

WACCAMAW ECONOMIC OPPORTUNITY COUNCIL, INC

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2017**

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, 2017. 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, 2017

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, 2017

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, 2017, we investigated the disposition of the management comments for the year ended December 31, 2016.

There were no findings in the December 31, 2016 audit.

**Accompanying Information
(Non-GAAP)**

WACCAMAW EOC, INC.
HEAD START
BUDGET TO ACTUAL EXPENDITURES
For the Twelve Months Ended December 31, 2017

	ANNUAL BUDGET	YTD ACTUAL EXPENDITURES	BUDGET BALANCE	% OF BUDGET SPENT
<u>EXPENDITURES</u>				
Personnel	\$ 2,931,000	\$ 2,926,497	\$ 4,503	99.85%
Fringe Benefits	1,200,000	1,197,952	2,048	99.83%
Transportation	150,100	153,546	(3,446)	102.30%
Maintenance and Janitorial	135,000	138,464	(3,464)	102.57%
Utilities	118,000	116,979	1,021	99.13%
Telephone	36,500	34,967	1,533	95.80%
Occupancy Cost	19,000	18,269	731	96.15%
Parent Activity Fund	5,150	3,550	1,600	68.93%
Insurance and Bonding	62,000	62,340	(340)	100.55%
Contractual Services	12,000	11,538	462	96.15%
Supplies	143,000	144,889	(1,889)	101.32%
Equipment Lease- Copier	14,500	13,291	1,209	91.66%
Mortgage-Interest	38,000	37,247	753	98.02%
Mortgage-Principle	16,000	16,261	(261)	101.63%
Training and Technical Asst.	45,000	44,419	581	98.71%
Food Cost	2,200	1,630	570	74.09%
Travel	23,000	25,345	(2,345)	110.20%
Indirect Cost	582,000	583,412	(1,412)	100.24%
Other	15,519	17,373	(1,854)	111.95%
			-	
TOTAL EXPENDITURES	\$ 5,547,969	\$ 5,547,969	-	100.00%
			-	
T&TA				
Travel	12,000	10,392	1,608	86.60%
Training & Technical Asst.	58,480	60,088	(1,608)	102.75%
TOTAL T&TA	\$ 70,480	\$ 70,480	-	
TOTAL EXPENDITURES	\$ 5,618,449	\$ 5,618,449	\$ -	100.00%

Reconciliation to GAAP:

Indirect Cost	(583,412)
In-Kind	2,168,222
Mortgage principle	(16,261)
	<u>\$ 7,186,998</u>

WACCAMAW EOC, INC.
EARLY HEAD START
BUDGET TO ACTUAL EXPENDITURES
For the Twelve Months Ended December 31, 2017

	ANNUAL BUDGET	YTD ACTUAL EXPENDITURES	BUDGET BALANCE	% BUDGET SPENT
<u>EXPENDITURES</u>				
Personnel	\$ 489,000	\$ 487,929	1,071	99.78%
Fringe Benefits	176,000	177,072	(1,072)	100.61%
Transportation	3,000	2,853	147	95.10%
Maintenance and Janitorial	6,500	6,995	(495)	107.62%
Occupancy Cost	30,000	29,907	93	99.69%
Telephone	5,000	4,622	378	92.44%
Parent Activity	725	407	318	56.14%
Contractual Services	1,000	770	230	77.00%
Supplies	15,000	16,616	(1,616)	110.77%
Equipment Lease	3,000	2,928	72	97.60%
Insurance & Bonding	4,150	4,137	13	99.69%
Travel	300	236	64	78.67%
Indirect Cost	91,000	90,154	846	99.07%
Other	335	384	(49)	114.63%
TOTAL EXPENDITURES	* \$ 825,010	\$ 825,010	\$ -	100.00%
T&TA				
Travel	1,000	703	297	
Training & Technical Asst.	10,814	11,111	(297)	102.75%
TOTAL T&TA	\$ 11,814	\$ 11,814	-	100.00%
TOTAL EXPENDITURES	\$ 836,824	\$ 836,824	-	

Reconciliation to GAAP:

Indirect costs	(90,154)
InKind	-
	<u>\$ 746,670</u>

WACCAMAW EOC, INC.
CSBG
BUDGET TO ACTUAL EXPENDITURES
For the Twelve Months Ended December 31, 2017

	Annual Budget	YTD Actual Expenditures	Budget Balance	% of Budget Spent
<u>EXPENDITURES</u>				
Personnel	\$ 327,230	\$ 313,776	\$ 13,454	95.89%
Fringe Benefits	128,191	119,172	9,019	92.96%
Transportation	27,000	6,176	20,824	22.87%
Maintenance and Janitorial	45,000	7,391	37,609	16.42%
Occupancy Cost	50,000	37,349	12,651	74.70%
Utilities	50,000	3,532	46,468	7.06%
Telephone	35,000	10,663	24,337	30.47%
Insurance and Bonding	8,000	3,017	4,983	37.71%
Supplies	78,347	41,244	37,103	52.64%
Postage	12,000	201	11,799	1.68%
Equipment Purchase	66,846	56,909	9,937	85.13%
Equipment Lease- Copier	5,500	3,941	1,559	71.65%
Travel	7,200	2,103	5,097	29.21%
Training & Tech Assistance	5,883	5,229	654	88.88%
Indirect Cost	68,886	58,049	10,837	84.27%
Other Expenses	14,955	2,964	11,991	19.82%
TOTAL	\$ 930,038	\$ 671,716	\$ 258,322	72.22%
<u>CLIENT SERVICES</u>				
YOUTH EMPLOYMENT				
Client Services	\$ 18,720	\$ 19,060	\$ (340)	101.82%
Training & Tech. Assistance	1,800	1,917	(117)	106.50%
Consumable Supplies	1,480	1,023	457	69.12%
TOTAL YOUTH EMPLOYMENT	\$ 22,000	\$ 22,000	\$ -	
GEAP	\$ 133,166	\$ 132,392	\$ 774	99.42%
HOUSING	45,000	39,718	5,282	88.26%
EMPLOYMENT	35,000	26,455	8,545	75.59%
HEALTH AND WELLNESS	10,000	3,663	6,337	36.63%
TOTAL CLIENT SERVICES	\$ 223,166	\$ 202,228	\$ 20,938	90.62%
TOTAL	\$ 1,175,204	\$ 895,944	\$ 279,260	76.24%

Reconciliation to GAAP:

Indirect cost	(58,049)
Fixed asset purchase	(56,909)
	<u>\$ 780,986</u>

WACCAMAW EOC, INC.
LIHEAP
BUDGET TO ACTUAL EXPENDITURES
For the Twelve Months Ended December 31, 2017

	<u>Annual Budget</u>	<u>YTD Actual Expenditures</u>	<u>Budget Balance</u>	<u>% of Budget Spent</u>
ADMINISTRATION				
<u>EXPENDITURES</u>				
Personnel	\$ 45,131	\$ 37,461	\$ 7,670	83.01%
Fringe Benefits	19,892	16,179	3,713	81.33%
Occupancy Cost	24,000	22,670	1,330	94.46%
Utilities	10,000	3,406	6,594	34.06%
Telephone	3,000	251	2,749	8.37%
Maintenance	5,000	4,551	449	91.02%
Insurance and Bonding	3,450	2,954	496	85.62%
Equipment - Lease	2,600	2,640	(40)	101.54%
Supplies	16,001	2,503	13,498	15.64%
Postage	1,000	201	799	20.10%
Transportation	4,000	1,393	2,607	34.83%
Training and Technical Assistance	1,117	875	242	78.33%
Travel	1,500	587	913	39.13%
Other	4,481	766	3,715	17.09%
Indirect Cost	60,537	\$ 56,232	4,305	92.89%
TOTAL	\$ 201,709	\$ 152,669	\$ 49,040	75.69%
OPERATIONS				
<u>EXPENDITURES</u>				
Personnel	\$ 282,098	\$ 266,494	\$ 15,604	94.47%
Fringe Benefits	107,613	101,401	6,212	94.23%
Occupancy Cost	15,000	14,679	321	97.86%
Utilities	5,000	117	4,883	2.34%
Telephone	15,000	11,424	3,576	76.16%
Maintenance	5,000	1,110	3,890	22.20%
Insurance and Bonding	1,000	63	937	6.30%
Supplies	15,900	1,147	14,753	7.21%
Postage	2,000	-	2,000	0.00%
Transportation	2,000	-	2,000	0.00%
Training and Technical Assistance	3,500	3,284	216	93.83%
Travel	3,920	2,201	1,719	56.15%
Other	3,100	-	3,100	0.00%
TOTAL	\$ 461,131	\$ 401,920	\$ 59,211	87.16%
CLIENT SERVICES				
Energy Assistance	\$ 2,155,751	\$ 2,155,137	\$ 614	99.97%
TOTAL CLIENT SERVICES	\$ 2,155,751	\$ 2,155,137	\$ 614	99.97%
TOTAL LIHEAP	\$ 2,818,591	\$ 2,709,726	\$ 108,865	96.14%

Reconciliation to GAAP:

Indirect cost	(56,232)
	<u>\$ 2,653,494</u>

WACCAMAW EOC, INC.
CHILD CARE FOOD PROGRAM
BUDGET TO ACTUAL EXPENDITURES
For The Twelve Months Ended December 31, 2017

	ANNUAL BUDGET	YTD ACTUAL EXPENDITURES	BUDGET BALANCE	% OF BUDGET SPENT
<u>EXPENDITURES</u>				
Personnel	\$ 128,000	\$ 91,927	36,073	71.82%
Fringe Benefits	80,500	53,019	27,481	65.86%
Supplies	17,000	24,867	(7,867)	146.28%
Food cost	325,000	298,195	26,805	91.75%
Insurance and Bonding	115	-	115	0.00%
Indirect Cost	24,000	17,021	6,979	70.92%
			-	
TOTAL EXPENDITURES	\$ 574,615	\$ 485,029	89,586	84.41%

Reconciliation to GAAP:

Indirect cost	(17,021)
	<u>\$ 468,008</u>

WACCAMAW EOC, INC.
SUMMER FOOD PROGRAM
BUDGET TO ACTUAL EXPENDITURES
For The Twelve Months Ended December 31, 2017

	ANNUAL BUDGET	YTD ACTUAL EXPENDITURES	BUDGET BALANCE	% OF BUDGET SPENT
<u>EXPENDITURES</u>				
Personnel	\$ 44,000	\$ 43,499	501	98.86%
Fringe Benefits	12,000	12,088	(88)	100.73%
Supplies	600	639	(39)	106.50%
Travel	900	882	18	98.00%
Food cost	94,000	93,767	233	99.75%
Utilities	50	38	12	76.00%
Transportation	2,000	2,023	(23)	101.15%
Contract Labor	8,100	8,140	(40)	100.49%
Equipment-Lease	4,200	4,198	2	99.95%
Insurance	100	126	(26)	126.00%
Indirect Cost	8,050	8,047	3	99.96%
TOTAL EXPENDITURES	\$ 174,000	\$ 173,447	553	99.68%

Reconciliation to GAAP:

Indirect cost	(8,047)
	<u>\$ 165,400</u>

WACCAMAW EOC, INC.
2016 WEATHERIZATION
BUDGET TO ACTUAL EXPENDITURES
For the Twelve Months Ended December 31, 2017

	Annual Budget	YTD Actual Expenditures	Budget Balance	% of Budget Spent
ADMINISTRATION				
<u>EXPENDITURES</u>				
Personnel	\$ 2,700	\$ 2,536	\$ 164	93.93%
Fringe Benefits	600	531	69	88.50%
Supplies	3,529	3,893	(364)	110.31%
Insurance	-	-	-	#DIV/0!
Equipment - Lease	400	351	49	87.75%
Transportation	30	24	6	80.00%
Travel	575	573	2	99.65%
Training and Technical Assistance	5,700	5,656	44	99.23%
Maintenance & Janitorial	600	638	(38)	106.33%
Occupancy Cost	4,300	4,250	50	98.84%
Utilities	300	252	48	84.00%
Telephone	2,300	2,361	(61)	102.65%
Indirect Cost	500	469	31	93.80%
TOTAL	\$ 21,534	\$ 21,534	\$ -	100.00%
DOE				
<u>EXPENDITURES</u>				
Personnel	9,300	9,050	250	97.31%
Fringe Benefits	4,000	4,245	(245)	106.13%
Weatherization Tools	410	473	(63)	115.37%
Telephone	800	713	87	89.13%
Transportation	1,100	1,036	64	94.18%
Contract Labor	1,700	1,600	100	94.12%
Maintenance & Janitorial	500	475	25	95.00%
Insurance	3,100	3,392	(292)	109.42%
Indirect Cost	1,700	1,674	26	98.47%
Health and Safety	3,700	3,652	48	98.70%
			-	
TOTAL	\$ 26,310	\$ 26,310	\$ -	100.00%
LIHEAP				
<u>EXPENDITURES</u>				
Personnel	\$ 39,000	\$ 38,680	\$ 320	99.18%
Fringe Benefits	13,800	14,007	(207)	101.50%
Transportation	800	862	(62)	107.75%
Supplies and Tools	743	1,096	(353)	147.51%
Maintenance	1,000	976	24	97.60%
Occupancy cost	800	745	55	93.13%
Contract Labor	9,800	9,709	91	99.07%
Material	1,900	1,866	34	98.21%
Utilities	400	329	71	82.25%
Telephone	1,500	1,536	(36)	102.40%
Insurance	6,000	6,063	(63)	101.05%
Indirect Cost	7,200	7,156	44	99.39%
Health and Safety	18,400	18,318	82	99.55%
TOTAL	\$ 101,343	\$ 101,343	\$ -	100.00%
TOTAL EXPENDITURES	\$ 149,187	\$ 149,187	\$ -	

WACCAMAW EOC, INC.
2017 WEATHERIZATION
BUDGET TO ACTUAL EXPENDITURES
For the Twelve Months Ended December 31, 2017

	Annual Budget	YTD Actual Expenditures	Budget Balance	% of Budget Spent
ADMINISTRATION				
<u>EXPENDITURES</u>				
Personnel	\$ 3,396	\$ 2,015	\$ 1,381	59.33%
Fringe Benefits	1,342	492	850	36.66%
Maintenance and Janitorial	5,500	3,575	1,925	65.00%
Travel	2,500	1,884	616	75.36%
Supplies	3,595	1,311	2,284	36.47%
Postage	100	74	26	74.00%
Transportation	2,000	1,090	910	54.50%
Occupancy Cost	4,660	-	4,660	0.00%
Utilities	2,750	1,373	1,377	49.93%
Telephone	5,675	3,390	2,285	59.74%
Equipment-Lease	1,110	844	266	76.04%
T&TA	12,500	5,810	6,690	46.48%
Insurance	1,175	30	1,145	2.55%
Other	135	98	37	72.59%
Indirect Cost	629	373	256	59.30%
TOTAL	\$ 47,067	\$ 22,359	\$ 24,708	47.50%
DOE				
<u>EXPENDITURES</u>				
Personnel	39,744	40,076	(332)	100.84%
Fringe Benefits	17,881	11,484	6,397	64.22%
Transportation	1,880	511	1,369	27.18%
Supplies and Tools	2,000	1,050	950	52.50%
Telephone	2,000	105	1,895	5.25%
Occupancy Cost	4,995	-	4,995	0.00%
Contract Labor	18,500	16,270	2,230	87.95%
Insurance	1,400	-	1,400	0.00%
Indirect Cost	7,353	7,414	(61)	100.83%
Health and Safety	9,532	6,867	2,665	72.04%
TOTAL	\$ 105,285	\$ 83,777	21,508	79.57%
LIHEAP				
<u>EXPENDITURES</u>				
Personnel	\$ 140,732	\$ 93,437	\$ 47,295	66.39%
Fringe Benefits	49,303	35,523	13,780	72.05%
Transportation	1,253	1,571	(318)	125.38%
Supplies and Tools	1,511	2,194	(683)	145.20%
Maintenance	2,000	1,732	268	86.60%
Contract Labor	67,000	49,896	17,104	74.47%
Insurance	4,000	3,371	629	84.28%
Occupancy Cost	16,000	14,985	1,015	93.66%
Utilities	1,000	700	300	70.00%
Telephone	2,422	1,852	570	76.47%
Indirect Cost	26,239	17,286	8,953	65.88%
Health and Safety	40,000	33,058	6,942	82.65%
TOTAL	\$ 351,460	\$ 255,605	\$ 95,855	72.73%
TOTAL EXPENDITURES	\$ 503,812	\$ 361,741	\$ 142,071	71.80%

WACCAMAW EOC, INC.
INDIRECT COST
BUDGET TO ACTUAL EXPENDITURES
For the Twelve Months Ended December 31, 2017

	ANNUAL BUDGET	YTD ACTUAL EXPENDITURES	BUDGET BALANCE	% OF BUDGET SPENT
<u>EXPENDITURES</u>				
Personnel	\$ 490,000	\$ 488,431	\$ 1,569	99.68%
Fringe Benefits	151,000	151,577	(577)	100.38%
Transportation	6,500	6,729	(229)	103.52%
Maintenance and Janitorial	9,500	9,974	(474)	104.99%
Utilities	6,500	6,430	70	98.92%
Telephone	12,000	11,457	543	95.48%
Occupancy Cost	45,800	45,716	84	99.82%
Insurance and Bonding	13,750	13,788	(38)	100.28%
Supplies	16,024	15,934	90	99.44%
Postage	4,000	4,199	(199)	104.98%
Equipment Lease- Copier	4,000	3,862	138	96.55%
Consultant Fees	19,000	18,520	480	97.47%
Dues and Subscriptions	5,000	4,697	303	93.94%
Travel	40,000	39,053	947	97.63%
Training & Tech Assistance	15,000	14,964	36	99.76%
Other	10,000	11,243	(1,243)	112.43%
			-	
TOTAL EXPENDITURES	\$ 848,074	\$ 846,574	\$ 1,500	99.82%