

**ECONOMIC OPPORTUNITIES COUNCIL
OF INDIAN RIVER COUNTY, INC.
FINANCIAL STATEMENTS,
SUPPLEMENTARY DATA,
AND COMPLIANCE REPORTS
YEARS ENDED SEPTEMBER 30, 2021 AND 2020**



**ECONOMIC OPPORTUNITIES COUNCIL OF INDIAN RIVER COUNTY, INC.
FINANCIAL STATEMENTS, SUPPLEMENTARY DATA, AND COMPLIANCE REPORTS
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Economic Opportunities Council
of Indian River County, Inc.
Vero Beach, Florida.

We have audited the accompanying financial statements of the Economic Opportunities Council of Indian River County, Inc. (a non-profit organization) which comprise the statements of financial position as of September 30, 2021 and 2020, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 of 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 auditors' 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Economic Opportunities Council of Indian River County, Inc. as of September 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Economic Opportunities Council of Indian River County, Inc.'s basic financial statements. 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2022 on our consideration of the Economic Opportunities Council of Indian River County, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 the Economic Opportunities Council of Indian River County, Inc.'s internal control over financial reporting and compliance.

L.F. Harris & Associates

L. F. Harris & Associates, CPA, PA
Orlando, Florida
May 31, 2022

FINANCIAL STATEMENTS



**ECONOMIC OPPORTUNITIES COUNCIL
OF INDIAN RIVER COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
As of September 30, 2021 and 2020**

ASSETS		
	2021	2020
Current Assets:		
Cash and cash equivalents	\$ 580,792	\$ 304,197
Grants receivable	726,600	680,301
Other receivables	1,000	-
Prepaid expenses and other assets	115,405	6,664
Total Current Assets	1,423,797	991,162
Property and Equipment:		
Property and equipment (net of accumulated depreciation of \$1,854,813 and \$1,753,294 respectively)	445,968	458,675
Total Assets	\$ 1,869,765	\$ 1,449,837
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Deferred Income	\$ 17,697	\$ -
Accounts payable	136,669	27,108
Accrued expenses	749,491	390,367
Total Current Liabilities	903,857	417,475
Net Assets:		
Net Assets without donor restrictions	965,908	1,032,362
Net Assets with donor restrictions	-	-
Total Net Assets	965,908	1,032,362
Total Liabilities and Net Assets	\$ 1,869,765	\$ 1,449,837

See accompanying notes to financial statements

**ECONOMIC OPPORTUNITIES COUNCIL
OF INDIAN RIVER COUNTY, INC.
STATEMENTS OF ACTIVITIES
For the Years Ended September 30, 2021 and 2020**

	2021	2020
Changes In Net Assets Without Donor Restrictions :		
Revenues and Gains:		
Grant Revenue	\$ 5,765,002	\$ 5,420,890
Donated Materials and Services	143,987	161,812
Contributions	504,847	390,668
Miscellaneous Revenue	20,748	15,353
Net Assets Released From Restrictions	-	53,669
	6,434,584	6,042,392
Total Revenues and Gains Without Donor Restrictions		
Unrestricted Expenses :		
Program Services	6,105,160	5,355,322
Management and General	395,878	675,755
Total Unrestricted Expenses	6,501,038	6,031,077
Increase in Net Assets Without Donor Restrictions	(66,454)	11,315
Changes In Net Assets With Donor Restrictions		
Revenue and Support:		
Contributions	-	50,000
Net Assets Released from Restrictions	-	(53,669)
Increase (decrease) In Net Assets With Restrictions	-	(3,669)
Change in Net Assets	(66,454)	7,646
Net Assets Beginning of Year-as restated	1,032,362	1,024,716
Total Net Assets at End of Year	\$ 965,908	\$ 1,032,362

See accompanying notes to financial statements

**ECONOMIC OPPORTUNITIES COUNCIL
OF INDIAN RIVER COUNTY, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended September 30, 2021 and 2020**

	2021	2020
Cash Flows from Operating Activities:		
Cash received from grants	\$ 5,735,400	\$ 5,251,256
Cash received from contributions	504,847	424,449
Cash received from other revenue sources	20,747	15,353
Cash paid to suppliers and employees	<u>(5,895,589)</u>	<u>(5,676,794)</u>
Net Cash Provided by (Used in) Operating Activities	<u>365,405</u>	<u>14,264</u>
Cash Flows from Investing Activities:		
Cash payments for property and equipment	<u>(88,810)</u>	<u>(29,258)</u>
Net Cash Used in Investing Activities	<u>(88,810)</u>	<u>(29,258)</u>
Net increase (decrease) in cash and equivalents	276,595	(14,994)
Cash, cash equivalents and temporarily restricted cash, Beginning of Year	<u>304,197</u>	<u>319,191</u>
Cash, cash equivalents and temporarily restricted cash, End of year	<u>\$ 580,792</u>	<u>\$ 304,197</u>
Reconciliation of Operating Activities to Net Cash Provided by (Used in) Operating Activities:		
Increase (Decrease) in net assets	\$ (66,454)	\$ 7,646
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	101,519	86,018
Other noncash items	-	(30,001)
Increase (decrease) in temporarily restricted cash	-	3,669
(Increase) decrease in accounts receivable	(46,299)	(93,542)
(Increase) decrease in other receivables	(1,000)	13,781
(Increase) decrease in prepaid expenses	(108,741)	-
Increase (decrease) in deferred revenue	17,697	-
Increase (decrease) in accounts payable	109,561	(47,290)
Increase (decrease) in accrued liabilities	359,122	73,983
Net Cash Provided by Operating Activities	<u>\$ 365,405</u>	<u>\$ 14,264</u>

See accompanying notes to financial statements

**ECONOMIC OPPORTUNITIES COUNCIL
OF INDIAN RIVER COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2021**

	<u>PROGRAM SERVICES</u>					<u>SUPPORT SERVICES</u>	<u>2021</u>	
	Community Service Block Grant	VPK	Head Start	Low- Income Energy Assistance	USDA Food Program	Total Program Services	Management and General	Total Program and Support Services
Salaries and fringe benefits	\$ 64,470	\$ 421,643	\$ 2,344,079	\$ 168,969	\$ 59,110	\$ 3,058,271	\$ 209,460	\$ 3,267,731
Accounting services	-	-	-	-	-	-	18,400	18,400
Client assistance	417,615	1,517	169	-	-	419,301	-	419,301
Contractual services	2,055	28	27,185	3,598	-	32,866	24,713	57,579
Crisis benefits	352	-	-	1,174,872	-	1,175,224	-	1,175,224
COVID-19	-	-	9,693	-	-	9,693	-	9,693
Depreciation	-	-	100,410	-	-	100,410	1,109	101,519
Equipment leasing	3,306	2,083	15,699	3,688	-	24,776	7,998	32,774
Food	825	1,257	14,821	-	108,252	125,155	-	125,155
Home energy benefits	-	-	-	399,498	-	399,498	-	399,498
In-kind expenditures	-	-	143,987	-	-	143,987	-	143,987
Insurance	1,558	4,699	27,729	670	-	34,656	24,327	58,983
Material and supplies	1,374	617	160,031	2,363	-	164,385	7,517	171,902
Other	3,073	863	62,982	3,533	-	70,451	28,582	99,033
Rent and occupancy	7,831	-	130,659	6,378	-	144,868	35,341	180,209
Repairs and maintenance	2,625	386	72,482	4,171	-	79,664	24,239	103,903
Telephone	2,181	-	40,634	2,424	-	45,239	7,815	53,054
Training	-	6,631	43,023	850	-	50,504	4,180	54,684
Transportation	1,312	123	20,275	-	58	21,768	-	21,768
Travel	(17)	-	4,461	-	-	4,444	2,197	6,641
Functional Expenses Reported By Function on The Statement of Activities	508,560	439,847	3,218,319	1,771,014	167,420	6,105,160	395,878	6,501,038
Total Functional Expenses	\$ 508,560	\$ 439,847	\$ 3,218,319	\$ 1,771,014	\$ 167,420	\$ 6,105,160	\$ 395,878	\$ 6,501,038

6 See accompanying notes to financial statements

**ECONOMIC OPPORTUNITIES COUNCIL
OF INDIAN RIVER COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2020**

	<u>PROGRAM SERVICES</u>					<u>SUPPORT SERVICES</u>		<u>2020</u>
	Community Service Block Grant	VPK	Head Start	Low- Income Energy Assistance	USDA Food Program	Total Program Services	Management and General	Total Program and Support Services
Salaries and fringe benefits	\$ 97,483	\$ 548,238	\$ 2,039,894	\$ 109,389	\$ 10,418	\$ 2,805,422	\$ 469,283	\$ 3,274,705
Accounting services	-	-	-	-	-	-	17,100	17,100
Client assistance	596,768	1,285	646	-	-	598,699	-	598,699
Contractual services	3,735	1,016	36,622	163	-	41,536	28,627	70,163
Crisis benefits	4,209	-	-	395,444	-	399,653	-	399,653
COVID-19	-	-	241,074	-	-	241,074	-	241,074
Depreciation	-	-	46,325	-	-	46,325	39,693	86,018
Equipment leasing	3,831	112	20,300	3,026	-	27,269	7,250	34,519
Food	5,000	1,156	9,063	-	124,643	139,862	-	139,862
Home energy benefits	-	-	-	421,648	-	421,648	-	421,648
In-kind expenditures	-	-	161,812	-	-	161,812	-	161,812
Insurance	2,028	3,273	32,751	-	-	38,052	20,012	58,064
Material and supplies	1,824	550	101,820	1,720	-	105,914	4,650	110,564
Other	3,578	5,321	24,364	1,450	-	34,713	23,962	58,675
Rent and occupancy	8,454	474	116,902	3,634	-	129,464	36,337	165,801
Repairs and maintenance	2,006	1,021	56,359	3,928	-	63,314	14,683	77,997
Telephone	1,150	1,018	33,945	1,237	-	37,350	2,800	40,150
Training	-	-	32,072	-	-	32,072	10,160	42,232
Transportation	-	119	17,759	-	-	17,878	-	17,878
Travel	1,573	976	9,049	1,667	-	13,265	1,198	14,463
Functional Expenses Reported By Function on The Statement of Activities	731,639	564,559	2,980,757	943,306	135,061	5,355,322	675,755	6,031,077
Total Functional Expenses	\$ 731,639	\$ 564,559	\$ 2,980,757	\$ 943,306	\$ 135,061	\$ 5,355,322	\$ 675,755	\$ 6,031,077

7 See accompanying notes to financial statements

ECONOMIC OPPORTUNITIES COUNCIL OF INDIAN RIVER COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE A — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Economic Opportunities Council of Indian River County, Inc. ("the Council") is a non-profit, non-political, community service council supported by grants from governmental agencies. The Council provides a Head Start program for working families, emphasizing high quality school readiness for disadvantaged pre-school children. The Council also provides comprehensive services in the areas of housing, energy conservation, and nutrition for low-income families.

The Council functions through a board of directors representing a cross-section of the public and depends largely on the participation and support of the entire community. The Economic Opportunities Council of Indian River County, Inc. is an advocate for the disadvantaged members of our population.

Basis of Presentation

Financial statement presentation follows the recommendations of the Accounting Standards Codification ("ASC") 958, Not-for-Profit Entities. Under ASC 958, the Council is required to report information regarding its financial position and activities according to two classes of net assets:

- Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations. Support that is restricted by the donor is reported as an increase in Net Assets Without Restrictions if the restrictions expire in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in Net Assets with Donor Restrictions. When a restriction expires, restricted net assets are reclassified to net assets without donor restrictions.
- Net Assets with Donor Restrictions – Net assets subject to donor-imposed stipulations that can be fulfilled by actions of the Exchange pursuant to those stipulations or that expire by the passage of time.

Net Assets with Donor Restrictions also include net assets subject to donor-imposed stipulations that the Exchange must maintain permanently. Generally, the donors of such assets will permit the Council to use all, or part of the income earned on the assets.

The Council had Net Assets with Donor Restrictions of \$0 and \$0, as of September 30, 2021 and 2020 respectively. The Council's program expenses are presented in the accompanying Statements of Functional Expenses.

Grants Receivable

Grants receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Council provides for losses on accounts receivable using the allowance method. Receivables are considered impaired if full payments are not received in accordance with the contractual terms. It is the Council's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. At September 30, 2021 and 2020, there were no allowances for uncollectible accounts as management deemed the entire balances collectible.

ECONOMIC OPPORTUNITIES COUNCIL OF INDIAN RIVER COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE A — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

Use of Estimates

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

Contributions Including Promises to Give

The Council accounts for contributions, including promises to give received from third parties, in accordance with the recommendations of the Accounting Standards Codification (“ASC”) 958. In accordance with ASC 958, contributions received are recorded as unrestricted, or restricted, depending on the existence or nature of any donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to net assets without restrictions and reported in the statement of activities as net assets released from restrictions.

Promises to give may be conditional or unconditional. Unconditional promises to give are recognized as revenue in the period received and as increases in net assets or decreases in liabilities or expenses, depending on the form of the benefits received. Unconditional promises to give are recorded at net realizable value if expected to be collected in one year, and at fair value if expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Cash and Cash Equivalents

The Council considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The Council maintains its cash balances with high quality financial institutions. From time to time, cash balances may exceed the FDIC limit of \$250,000. As of September 30, 2021, and 2020, the Council had cash deposits in excess of insured limits in the amounts of \$692,502 and \$103,395, respectively.

Property and Equipment

The Council capitalizes all expenditures in excess of \$5,000 for property and equipment at cost. Contributed property and equipment is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, or restrict their use to a specific program, the contributions are recorded as support with restrictions. In the absence of such stipulations, contributions of property and equipment are recorded as support without restrictions. Expenditures for repairs and maintenance are expensed as incurred.

Depreciation is provided over the estimated useful lives (5-15 years) of the respective assets on a straight-line basis.

**ECONOMIC OPPORTUNITIES COUNCIL OF INDIAN RIVER COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

NOTE A — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Donated Materials and Services

The value of donated materials included in the financial statements as revenues and expenses for the years ended September 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Food	\$ -	\$ 7,237
Rent	134,000	134,000
Supplies/Other	9,987	20,575
Total	<u>\$ 143,987</u>	<u>\$ 161,812</u>

No amounts have been reflected in the financial statements for volunteer services. The Council's management estimates that the fair market value of donated services received but not recognized as revenues was \$14,048 and \$47,188 for the years ended September 30, 2021 and 2020, respectively. The Council pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Council with specific assistance programs, campaign solicitations, and various committee assignments. The Council received 809 and 3,298 in volunteer hours for the years ended September 30, 2021 and 2020, respectively.

The facilities where the Council operates its childcare centers were donated by local governmental agencies which own the real property at the site. Amounts have been recognized as revenues and expenses in the accompanying financial statements for the fair market value of the donated facilities which were \$134,000 and \$134,000 for the years ended September 30, 2021 and 2020, respectively. All operating and maintenance expenses for the facilities are the responsibility of the Council.

Functional Expenses

Expenses are charged to each program based on direct expenditures incurred. Any expenditure not directly chargeable to a particular program is allocated based on the relative benefit provided.

Tax Exempt Status

The Council is a tax-exempt organization under Section 501 (c)(3) of the Internal Revenue Code. The Council has been determined to be other than a private foundation under the meaning of Section 509(a) of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the accompanying financial statements.

ECONOMIC OPPORTUNITIES COUNCIL OF INDIAN RIVER COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE B — GRANTS RECEIVABLE

Grants receivable represents reimbursement of allowable costs incurred but not yet received from the grantor. Grants receivable consists of the following as of September 30, 2021 and 2020:

Grants	CFDA/ CSFA #	2021	2020
U.S. Department of Health and Human Services - Head Start Program	93.600	\$17,697	\$195,480
U.S. Department of Agriculture - Child and Adult Care Food Program	10.558	21,289	13,652
U.S. Department of Health and Human Services – Low Income Home Energy Assistance Program	93.568	612,211	216,550
U.S. Department of Health and Human Services – Community Service Block Grant	93.569	26,686	195,514
Department of Education – Voluntary Pre-Kindergarten Education Program	48.108	48,717	59,105
		<u>\$726,600</u>	<u>\$680,301</u>

NOTE C - PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost, including the cost of additions and significant improvements that materially extend asset lives. At September 30, 2021 and 2020, property and equipment consisted of the following:

	2021	2020
Building	\$ 307,087	\$ 307,087
Building improvements	618,217	618,217
Furniture, furnishings, and equipment	822,035	752,579
Vehicles	553,442	534,086
Total	2,300,781	2,211,969
Less accumulated depreciation	(1,854,813)	(1,753,294)
Net property and equipment	\$ 445,968	\$ 458,675

Depreciation of \$101,519 and \$86,017 was charged to expense in the years ended September 30, 2021 and 2020, respectively.

ECONOMIC OPPORTUNITIES COUNCIL OF INDIAN RIVER COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE D — NET ASSETS WITH DONOR RESTRICTIONS

During 2021, the Council received \$0 with donor restrictions. Donor restrictions require the Council to utilize these contributions to fund expenditures for the two Early Bird classrooms. At September 30, 2021 the balance in net assets with donor restrictions was \$0.

NOTE E — CONTINGENCIES

The Council participates in certain federal, and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives, as well as annual federal and state single audits. Any liability for reimbursement that may arise as the result of these audits is not believed to be material.

NOTE F — ECONOMIC DEPENDENCY

The Council's major source of revenue is from the Head Start Program grant awarded by the U.S. Department of Health and Human Services. Revenues derived from this grant accounted for approximately 55% and 52% of total revenues each year, and amounted to \$3,066,680 and \$3,141,685 for the years ended September 30, 2021 and 2020, respectively.

NOTE G — CASH FLOW INFORMATION

Income taxes and Interest paid for the years ended September 30, 2021 and 2020 were \$0.

NOTE H — RETIREMENT PLAN

The Council has a SEP-IRA retirement plan covering all employees who meet the age and length of service eligibility requirements of twenty-one years of age and one year of service, respectively. The Council's contributions to the plan are determined annually by its Board of Directors. Contributions to the plan were \$84,920 and \$26,830 for the years ended September 30, 2021 and 2020, respectively.

NOTE I — LEASING ARRANGEMENTS

The Council's administrative offices are in a facility which is leased under a five-year non-cancelable operating lease which expires in June 2022.

Rental expense under all operating leases for the years ended September 30, 2021 and 2020 was \$60,545 and \$59,917, respectively. Future minimum lease payments as of September 30, 2021, are as follows:

Years Ending September 30:

2022	\$ 41,436
Total minimum lease payments	<u>\$ 41,436</u>

ECONOMIC OPPORTUNITIES COUNCIL OF INDIAN RIVER COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE J — SUBSEQUENT EVENTS

The Council has evaluated events through May 31, 2021, which is the date which the financial statements were available to be issued. The Council secured an additional \$297,000 in funding to assist the increased demand for assistance offered by the Council due to the Pandemic. There were no other subsequent events requiring adjustment or disclosure in the financial statements.

NOTE K — COVID 19

Mandated requirements and safety precautions to prevent the spread of the novel coronavirus disease (COVID-19) materially impacted our organization's ability to operate and fulfill our mission. EOC began to feel the impact early in March of 2020 as clients began canceling their appointments scheduled for March through September 30, 2020. The company was able to retain the entire staff from March 2020 of fiscal year 2020 through the end of the fiscal year 2021. EOC continues to monitor the events scheduled for the fiscal year 2022 closely. However, due to the severity and duration of the pandemic, the impact on EOC's revenues and operations results is uncertain at this time.

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SUPPLEMENTARY DATA



**ECONOMIC OPPORTUNITIES COUNCIL
OF INDIAN RIVER COUNTY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2021**

Federal Agency, Federal Program	ALN Number	Grantor Number	Program or Award Amount (\$)	Federal Expenditures (\$)
<u>U.S. Department of Health and Human Services:</u>				
Head Start Program	93.600	04CH01031705	2,959,016	776,113
Head Start Program	93.600	04CH01031705C3	298,795	43,168
Head Start Program	93.600	04CH01191201	3,145,447	2,275,850
Head Start Program	93.600	04HE00049401C5	102,330	10,713
Head Start Program	93.600	04HE00049401C6	406,810	24,832
				3,130,676
<u>U.S. Department of Health and Human Services:</u>				
Passed through State of Florida				
Department of Economic Opportunity:				
Low Income Home Energy Assistance Program	93.568	NFA-038064	950,104.00	54,573
Low Income Home Energy Assistance Program	93.568	NFA-038782	558,955.79	310,916
Low Income Home Energy Assistance Program	93.568	NFA-038977	300,804.91	186,597
Low Income Home Energy Assistance Program	93.568	NFA-039737	348,863.21	300,334
Low Income Home Energy Assistance Program	93.568	NFA-039738	631,755.00	631,755
Low Income Home Energy Assistance Program	93.568	NFA-039739	18,200.00	18,200
Low Income Home Energy Assistance Program	93.568	NFA-040042	354,354.00	276,616
Low Income Home Energy Assistance Program	93.568	NFA-040215	903,472.00	58,016
				1,837,007
<u>U.S. Department of Health and Human Services:</u>				
Passed through State of Florida				
Department of Economic Opportunity:				
Community Services Block Grant	93.569	NFA-038585	216,854.23	87,241
Community Services Block Grant	93.569	NFA-039006	295,532.00	1,962
Community Services Block Grant	93.569	NFA-039732	81,768.77	27,836
Community Services Block Grant	93.569	NFA-039953	217,542.00	58,116
				175,155
<u>U.S. Department of Agriculture:</u>				
Passed through State of Florida				
Florida Department of Health:				
Child Care Food Program	10.558	S-729	266,735	194,502
TOTAL EXPENDITURES OF FEDERAL AWARDS				5,337,340

See accompanying notes to financial statements

ECONOMIC OPPORTUNITIES COUNCIL OF INDIAN RIVER COUNTY, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2021

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes grant activity of the Economic Opportunities Council of Indian River County, Inc. for the year ended September 30, 2021. The information in this schedule is presented in accordance with the requirements of OMB Compliance Supplement. Because the Schedule presents only a selected portion of the operations of the Council, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Council.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained at Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C – CONTINGENCY

The grant revenue amounts received are subject to audit and adjustment. If any expenditures are disallowed by a grantor agency as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the Council. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal and state laws and regulations.

(INTENTIONALLY LEFT BLANK)

COMPLIANCE





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
Economic Opportunities Council
of Indian River County, Inc.
Vero Beach, Florida.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of Economic Opportunities Council of Indian River County, Inc. (a non-profit organization), which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 31, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Economic Opportunities Council of Indian River County, Inc.'s internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Economic Opportunities Council of Indian River County, Inc.'s internal control. Accordingly, we do not express an opinion of the effectiveness of Economic Opportunities Council of Indian River County, Inc.'s internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Economic Opportunities Council of Indian River County, Inc.'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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

L.F. Harris & Associates

L.F. Harris & Associates, CPA, P.A.
Orlando, Florida
May 31, 2022



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE.

To the Board of Directors
Economic Opportunities Council
of Indian River County, Inc.
Vero Beach, Florida

Report on Compliance for Each Major Federal Award Program

We have audited Economic Opportunities Council of Indian River County, Inc.'s (a non-profit organization) (the "Council") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal award programs for the year ended September 30, 2021.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Economic Opportunities Council of Indian River County, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 Economic Opportunities Council of Indian River County, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for Economic Opportunities Council of Indian River County, Inc.'s each major federal program. However, our audit does not provide a legal determination of Economic Opportunities Council of Indian River County, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Economic Opportunities Council of Indian River County, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

Report on Internal Control over Compliance

Management of Economic Opportunities Council of Indian River County, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the 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 Economic Opportunities Council of Indian River County, Inc.'s internal control over compliance.

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

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

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

L.F. Harris & Associates

L.F. Harris & Associates, CPA, P.A.
Orlando, Florida
May 31, 2022

**ECONOMIC OPPORTUNITIES COUNCIL OF INDIAN RIVER COUNTY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2021**

PART I. SUMMARY OF AUDITORS' RESULTS:

1. Financial Statements	
a) The type of auditors' report issued on the financial statements	Unmodified
b) Internal control over financial reporting:	
i. Material weakness identified?	No
ii. Significant deficiencies identified not considered to be material weaknesses	No
c) Non-compliance that is material to the financial statement reported?	No
d) Internal control over major federal programs:	
i. Material weakness identified?	No
ii. Significant deficiencies identified not considered to be material weaknesses?	None reported
e) Type of auditors' report issued on compliance for major federal programs	Unmodified
f) Any audit findings relative to the major federal programs	No
g) Identification of major federal programs tested	<u>Federal Programs</u> US DEPT. OF HEALTH & HUMAN SERVICES Head Start Assistance Listing No. 93.600 Community Services Block Assistance Listing No. 93.569
h) Dollar threshold used to distinguish between type A and B programs	<u>Major Federal Programs</u> \$750,000
i) Does the auditee qualify as a low-risk auditee?	Yes

PART II. FINDINGS - FINANCIAL STATEMENTS

None.

PART III. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

None.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FEDERAL AWARDS PROGRAMS FOR THE YEAR ENDED SEPTEMBER 30, 2021

None.



Communication with Those Charged with Governance

To the Board of Directors
Economic Opportunities Council
of Indian River County, Inc.
Vero Beach, Florida

We have audited the financial statements of Economic Opportunities Council of Indian River County, Inc. for the year ended September 30, 2021, and we will issue our report thereon dated May 31, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, Government Auditing Standards and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 17, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Economic Opportunities Council of Indian River County; Inc. are described in Note A to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during fiscal year 2021. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no sensitive estimates affecting financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing the audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 31, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Organization’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues


We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Audit Committee, the Board of Directors, and Management of the Economic Opportunities Council of Indian River County, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



L.F. Harris & Associates, CPA, P.A.
Orlando, Florida
May 31, 2022