

**ECONOMIC OPPORTUNITIES COUNCIL  
OF INDIAN RIVER COUNTY, INC.  
FINANCIAL STATEMENTS,  
SUPPLEMENTARY DATA,  
AND COMPLIANCE REPORTS  
YEARS ENDED SEPTEMBER 30, 2022 AND 2021**



**ECONOMIC OPPORTUNITIES COUNCIL OF INDIAN RIVER COUNTY, INC.  
FINANCIAL STATEMENTS, SUPPLEMENTARY DATA, AND COMPLIANCE REPORTS  
YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of the Economic Opportunities Council of Indian River County, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 2022, and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Economic Opportunities Council of Indian River County, Inc. as of September 30, 2022, and 2021, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Economic Opportunities Council of Indian River County, Inc., and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Change in Accounting Principle***

As discussed in Note I to the financial statements, in 2022, the Economic Opportunities Council of Indian River County, Inc. adopted new accounting guidance, ASC 842, Leases. Our opinions are not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Economic Opportunities Council of Indian River County, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance, and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Economic Opportunities Council of Indian River County, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Economic Opportunities Council of Indian River County, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by 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 schedule of expenditures of federal awards 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 June 4, 2023, on our consideration of the Economic Opportunities Council of Indian River County, 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 solely 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 effectiveness of the Economic Opportunities Council of Indian River County, Inc.'s 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  
June 4, 2023

# FINANCIAL STATEMENTS



**ECONOMIC OPPORTUNITIES COUNCIL  
OF INDIAN RIVER COUNTY, INC.  
STATEMENTS OF FINANCIAL POSITION  
As of September 30, 2022 and 2021**

<b>ASSETS</b>		
	<b>2022</b>	2021
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 561,791	\$ 580,792
Grants receivable	392,997	726,600
Other receivables	600	1,000
Prepaid expenses and other assets	172,773	115,405
Total Current Assets	<b>1,128,161</b>	1,423,797
<b>Property and Equipment:</b>		
Property and equipment (net of accumulated depreciation of \$1,704,995 and \$1,854,813 respectively)	470,171	445,968
Right of Use Assets	426,415	-
Less: accumulated amortization	(97,439)	-
	<b>328,976</b>	-
Total Assets	<b>\$ 1,927,308</b>	\$ 1,869,765
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities:</b>		
Deferred Income	\$ -	\$ 17,697
Accounts payable	267,716	136,669
Accrued expenses	180,562	749,491
Lease Liabilities	80,510	-
Total Current Liabilities	<b>528,788</b>	903,857
Lease Liabilities	<b>280,026</b>	-
Total Liabilities	<b>808,814</b>	<b>903,857</b>
<b>Net Assets:</b>		
Net Assets without donor restrictions	<b>1,118,494</b>	965,908
Total Net Assets	<b>1,118,494</b>	965,908
Total Liabilities and Net Assets	<b>\$ 1,927,308</b>	\$ 1,869,765

*See accompanying notes to financial statements*

**ECONOMIC OPPORTUNITIES COUNCIL  
OF INDIAN RIVER COUNTY, INC.  
STATEMENTS OF ACTIVITIES  
For the Years Ended September 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Changes In Net Assets Without Donor Restrictions :		
Revenues and Gains:		
Grant Revenue	\$ 6,775,703	\$ 5,765,002
Donated Materials and Services	162,634	143,987
Contributions	247,238	451,178
Miscellaneous Revenue	60,059	20,747
Net Assets Released From Restrictions	-	53,669
	<u>7,245,634</u>	<u>6,434,583</u>
Total Revenues and Gains Without Donor Restrictions		
Unrestricted Expenses :		
Program Services	6,321,112	6,105,160
Management and General	771,934	395,878
Total Unrestricted Expenses	<u>7,093,046</u>	<u>6,501,038</u>
Increase in Net Assets Without Donor Restrictions	152,588	(66,455)
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	<u>-</u>	<u>(3,669)</u>
Change in Net Assets	152,588	(70,124)
Net Assets Beginning of Year-as restated	<u>965,906</u>	<u>1,036,030</u>
Total Net Assets at End of Year	<u>\$ 1,118,494</u>	<u>\$ 965,906</u>

*See accompanying notes to financial statements*

**ECONOMIC OPPORTUNITIES COUNCIL  
OF INDIAN RIVER COUNTY, INC.  
STATEMENTS OF CASH FLOWS  
For the Years Ended September 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities:		
Cash received from grants	\$ 7,092,009	\$ 5,735,400
Cash received from contributions	247,239	504,847
Cash received from other revenue sources	60,059	20,747
Cash paid to suppliers and employees	<u>(7,302,734)</u>	<u>(5,895,589)</u>
Net Cash Provided by (Used in) Operating Activities	<u>96,573</u>	<u>365,405</u>
Cash Flows from Investing Activities:		
Cash payments for property and equipment	<u>(115,574)</u>	<u>(88,810)</u>
Net Cash Used in Investing Activities	<u>(115,574)</u>	<u>(88,810)</u>
Net increase (decrease) in cash and equivalents	<b>(19,001)</b>	276,595
Cash, cash equivalents and temporarily restricted cash, Beginning of Year	<u>580,792</u>	<u>304,197</u>
Cash, cash equivalents and temporarily restricted cash, End of year	<u>\$ 561,791</u>	<u>\$ 580,792</u>
Reconciliation of Operating Activities to Net Cash Provided by (Used in) Operating Activities:		
Increase (Decrease) in net assets	\$ 152,588	\$ (70,124)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	188,808	101,519
Other noncash items	(65,879)	-
Increase (decrease) in temporarily restricted cash	-	3,669
(Increase) decrease in accounts receivable	333,603	(46,299)
(Increase) decrease in other receivables	400	(1,000)
(Increase) decrease in prepaid expenses	(57,368)	(108,741)
Increase (decrease) in deferred revenue	(17,697)	17,697
Increase (decrease) in accounts payable	131,047	109,562
Increase (decrease) in accrued liabilities	<u>(568,929)</u>	<u>359,122</u>
Net Cash Provided by Operating Activities	<u>\$ 96,573</u>	<u>\$ 365,405</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, 2022

	PROGRAM SERVICES										SUPPORT SERVICES		2022
	Community Service Block Grant	VPK	Head Start	Low-Income Energy Assistance	Low-Income Household Water Assistance	USDA Food Program	Total Program Services	Management and General	Total Program and Support Services				
Salaries and fringe benefits	\$ 67,907	\$ 372,643	\$ 2,494,479	\$ 122,564	\$ 372	\$ 76,336	\$ 3,134,301	\$ 555,835	\$ 3,690,136				
Accounting services	-	-	-	-	-	-	-	18,950	18,950				
Client assistance	362,682	-	1,695	-	-	-	364,377	-	364,377				
Contractual services	3,108	-	40,377	5,492	-	-	48,977	23,216	72,193				
Crisis benefits	-	-	-	240,877	147,190	-	388,067	-	388,067				
Depreciation	-	-	143,012	45,796	-	-	188,808	-	188,808				
Equipment leasing	1,091	-	-	-	-	-	1,091	10,266	11,357				
Food	2,714	-	47,262	-	-	111,664	161,640	6	161,646				
Home energy benefits	-	-	-	1,271,557	-	-	1,271,557	-	1,271,557				
In-kind expenditures	-	-	162,634	-	-	-	162,634	-	162,634				
Insurance	298	320	40,911	1,389	-	-	42,918	22,939	65,857				
Material and supplies	524	-	52,859	498	2	23,828	77,711	14,217	91,928				
Other	5,160	352	25,410	5,235	-	-	36,157	63,948	100,105				
Rent and occupancy	7,382	-	135,345	3,367	16	-	146,110	15,162	161,272				
Repairs and maintenance	539	-	123,877	2,798	-	-	127,214	9,346	136,560				
Telephone	3,590	-	62,533	7,084	-	-	73,207	14	73,221				
Training	-	5,251	36,378	-	-	-	41,629	17,604	59,233				
Transportation	1,250	-	41,839	-	-	-	43,089	-	43,089				
Travel	2,979	-	8,557	89	-	-	11,625	20,431	32,056				
<b>Total Functional Expenses</b>	<b>\$ 459,224.00</b>	<b>\$ 378,566.00</b>	<b>\$ 3,417,168.00</b>	<b>\$ 1,706,746.00</b>	<b>\$ 147,580.00</b>	<b>\$ 211,828.00</b>	<b>\$ 6,321,112.00</b>	<b>\$ 771,934.00</b>	<b>\$ 7,093,046</b>				

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**

	PROGRAM SERVICES						SUPPORT SERVICES		2021
	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	-	-	4,444	-	-	4,444	2,197	6,641	
<b>Total Functional Expenses</b>	<b>\$ 508,577</b>	<b>\$ 439,847</b>	<b>\$ 3,218,302</b>	<b>\$ 1,771,014</b>	<b>\$ 167,420</b>	<b>\$ 6,105,160</b>	<b>\$ 395,878</b>	<b>\$ 6,501,038</b>	

See accompanying notes to financial statements

**ECONOMIC OPPORTUNITIES COUNCIL OF INDIAN RIVER COUNTY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

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**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 Council 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 did not have Net Assets with Donor Restrictions as of September 30, 2022, and 2021.

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, 2022, and 2021, 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, 2022 AND 2021**

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**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, 2022, and 2021, the Council had cash deposits in excess of insured limits in the amounts of \$405,663 and \$692,502, 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, 2022 AND 2021**

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**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, 2022, and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Food	\$ 6,884	\$ -
Rent	134,000	134,000
Supplies/Other	<u>21,750</u>	<u>9,987</u>
Total	<u>\$ 162,634</u>	<u>\$ 143,987</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 \$40,625 and \$14,048 for the years ended September 30, 2022, and 2021, 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 1,580 and 809 in volunteer hours for the years ended September 30, 2022, and 2021, respectively.

The facilities where the Council operates it's 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 was \$134,000 for the years ended September 30, 2022, and 2021, 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, 2022 AND 2021**

**NOTE B — GRANTS RECEIVABLE**

Grants receivable represent reimbursement of allowable costs incurred but not yet received from the grantor. Grants receivable consists of the following as of September 30, 2022, and 2021:

<u>Grants</u>	<u>CFDA/ CSFA #</u>	<u>2022</u>	<u>2021</u>
U.S. Department of Health and Human Services - Head Start Program	93.600	<b>\$139,695</b>	\$17,697
U.S. Department of Agriculture - Child and Adult Care Food Program	10.558	<b>24,350</b>	21,289
U.S. Department of Health and Human Services – Low Income Home Energy Assistance Program	93.568	<b>24,504</b>	612,211
U.S. Department of Health and Human Services – Community Service Block Grant	93.569	<b>62,966</b>	26,686
U.S. Department of Health and Human Services – Low Income Household Water Assistance Program	93.499	<b>56,196</b>	-
Indian River County – Children Services Advisory Committee Program		<b>3,448</b>	-
Department of Education – Voluntary Pre-Kindergarten Education Program	48.108	<b>81,838</b>	48,717
		<b><u>\$392,997</u></b>	<b><u>\$726,600</u></b>

**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, 2022, and 2021, property and equipment consisted of the following:

	<u>2022</u>	<u>2021</u>
Building	<b>\$ 307,087</b>	\$ 307,087
Building improvements	<b>618,217</b>	618,217
Furniture, furnishings, and equipment	<b>899,266</b>	787,275
Software	<b>35,170</b>	34,760
Vehicles	<b>315,426</b>	553,442
Total	<b>2,175,166</b>	2,300,781
<b>Less accumulated depreciation</b>	<b>(1,704,995)</b>	(1,854,813)
Net property and equipment	<b><u>\$ 470,171</u></b>	<b><u>\$ 445,968</u></b>

- Depreciation and amortization of \$188,808 and \$101,519 were charged to expense in the years ended September 30, 2022, and 2021, respectively.

**ECONOMIC OPPORTUNITIES COUNCIL OF INDIAN RIVER COUNTY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

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**NOTE D — NET ASSETS WITH DONOR RESTRICTIONS**

During 2022, the Council received \$219,417 with donor restrictions. Donor restrictions require the Council to utilize these contributions to fund expenditures for the two Early Bird classrooms. At September 30, 2022, all donor restrictions were satisfied.

**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 52% and 55% of total revenues each year and amounted to \$3,489,532 and \$3,066,680 for the years ended September 30, 2022, and 2021, respectively.

**NOTE G — CASH FLOW INFORMATION**

Interest paid during the years ended September 30, 2022, and 2021 was \$22,475 and \$5,326, respectively.

**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 \$60,237 and \$84,920 for the years ended September 30, 2022 and 2021, respectively.

**ECONOMIC OPPORTUNITIES COUNCIL OF INDIAN RIVER COUNTY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

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**NOTE I- CHANGE IN ACCOUNTING PRINCIPLES**

**Lease commitments**

The Council's administrative offices are in a facility leased under a five-year non-cancelable operating lease expiring in June 2027. The Council also leases vehicles and equipment under operating and finance leases with various terms.

During the fiscal year 2022, the Council implemented FASB Topic 842, Leases. The most significant change in the new leasing guidance is the requirement to recognize right-of-use (ROU) assets and lease liabilities for operating leases on the statement of financial position. The accounting for finance leases remained substantially unchanged. The new guidance establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee must recognize a lease liability and an intangible right-of-use lease asset. However, The Organization has elected to apply the short-term lease exception to all leases with a one-year or less term allowed in the new standards.

This change did not affect the beginning net asset balance reported in the statement of financial position. However, adopting the standard required the Council to recognize \$426,414 in net book value for the intangible right-of-use asset and a lease liability for its facility, vehicles and equipment leases in the October 1, 2021, statement of financial position.

Annual requirements to amortize long-term obligations and the related interest are as follows:

<b>Year ended September 30:</b>	<b>Cash</b>	<b>Interest Expense</b>	<b>Minimum Payments Operating Leases</b>	<b>Minimum Payments Operating Leases</b>	<b>Liability Reduction</b>
2023	\$ 93,500	\$12,266	\$ 66,292	\$14,218	\$ 80,510
2024	93,504	9,664	71,196	11,939	83,135
2025	81,424	6,507	66,616	7,956	74,572
2026	78,291	3,515	71,933	2,846	74,779
2027	48,210	670	47,540	-	47,540
<b>Total</b>	<b>\$394,929</b>	<b>\$32,622</b>	<b>\$323,577</b>	<b>\$36,959</b>	<b>\$360,536</b>

Lease obligations:

	<b>Operating</b>	<b>Finance</b>	<b>Total</b>
Current	\$ 66,292	\$ 14,218	\$ 80,510
Long-Term	257,285	22,741	280,026
<b>Total</b>	<b>\$ 323,577</b>	<b>\$ 36,959</b>	<b>\$ 360,536</b>

Lease terms and discount rates:

Weighted average remaining lease terms and lease terms (Months):

Operating leases	55.24
Finance Leases	33.08
Discount rate	4%



**ECONOMIC OPPORTUNITIES COUNCIL OF INDIAN RIVER COUNTY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

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**NOTE I- CHANGE IN ACCOUNTING PRINCIPLES ( Continued )**

Leased asset at September 30, 2022:

Lease description	Lease Type	Classification	Net Asset Balance October 1, 2021	Accumulated Amortization	Net Asset Balance September 30, 2022
2455 St Lucie Avenue Vero Beach, Florida	Operating	Building	\$349,736	\$ 73,629	\$276,107
Autos	Operating	Vehicles	27,350	9,197	18,153
Printers & Copiers	Finance	Equipment	49,329	14,613	34,716
<b>Total</b>			<b>\$426,415</b>	<b>\$ 97,439</b>	<b>\$328,976</b>

Leased assets are amortized over the term of the lease.

**NOTE J – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Council monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Council has the following financial assets that could readily be made available within one year of the balance sheet to fund expenses without limitations:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 561,791	\$ 580,792
Other receivables	600	1,000
Grants receivable, net	392,997	726,600
	<u>\$ 955,388</u>	<u>\$ 1,308,392</u>

In addition to financial assets being available to meet general expenditures over the year, the Organization historically operated on a balanced budget. It anticipates future operations covering its general expenditures by collecting sufficient revenues and appropriating investments as needed.

**NOTE K— SUBSEQUENT EVENTS**

The Council has evaluated events through June 4, 2023, which is the date on which the financial statements were available to be issued. There were no subsequent events requiring adjustment or disclosure in the financial statements.

# SUPPLEMENTARY DATA



**ECONOMIC OPPORTUNITIES COUNCIL  
OF INDIAN RIVER COUNTY, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended September 30, 2022**

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	04CH01191201	3,145,447.00	904,992
Head Start Program	93.600	04HE00049401C5	102,330.00	34,215
Head Start Program	93.600	04HE00049401C6	406,810.00	97,957
Head Start Program	93.600	04CH01191202	3,584,074.00	2,452,368
				<u>3,489,532</u>
<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-039737	348,863.21	48,530
Low Income Home Energy Assistance Program	93.568	NFA-040042	1,238,521.00	896,873
Low Income Home Energy Assistance Program	93.568	NFA-040215	1,776,314.00	851,048
				<u>1,796,451</u>
<u>U.S. Department of Health and Human Services:</u>				
Passed through State of Florida				
Department of Community Affairs:				
Low Income Household Water Assistance Program	93.499	NFA-041259	232,265.00	148,356
				<u>148,356</u>
<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-039732	81,768.77	53,933
Community Services Block Grant	93.569	NFA-039953	377,362.00	262,159
Community Services Block Grant	93.569	NFA-040527	186,881.00	186,881
				<u>502,973</u>
<u>U.S. Department of Agriculture:</u>				
Passed through State of Florida				
Florida Department of Health:				
Child Care Food Program	10.558	S-729	270,890.00	211,828
				<u>211,828</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<b><u><u>6,149,140</u></u></b>

*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, 2022**

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**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, 2022. 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.

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# COMPLIANCE





**INDEPENDENT AUDITOR'S 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 the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of Economic Opportunities Council of Indian River County, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 2022, and 2021, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated June 4, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Economic Opportunities Council of Indian River County, Inc.'s internal control over financial reporting (internal control) as a basis for designing 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 the Economic Opportunities Council of Indian River County, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on 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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

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

*L.F. Harris & Associates*

L. F. Harris & Associates, CPA, PA  
Orlando, Florida  
June 4, 2023

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

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

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

We have audited Economic Opportunities Council of Indian River County, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Economic Opportunities Council of Indian River County, Inc.'s major federal programs for the year ended September 30, 2022. Economic Opportunities Council of Indian River County, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Economic Opportunities Council of Indian River County, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2022.

***Basis for Opinion on Each Major Federal Program***

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Economic Opportunities Council of Indian River County, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Economic Opportunities Council of Indian River County, Inc.'s compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Economic Opportunities Council of Indian River County, Inc.'s federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Economic Opportunities Council of Indian River County, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on



compliance about the Economic Opportunities Council of Indian River County, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Economic Opportunities Council of Indian River County, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Economic Opportunities Council of Indian River County, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Economic Opportunities Council of Indian River County, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

#### **Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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  
June 4, 2023

**PART I. SUMMARY OF AUDITOR’S RESULTS:**

<b>1. Financial Statements</b>	
a) The type of Auditor’s 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	None reported
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 Auditor’s 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 Low-Income Home Energy Assistance Assistance Listing No. 93.568
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, 2022**

No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings related to Federal Programs.

No Corrective Action Plan is required because there were no findings required to be reported under the Federal Single Audit Act.