

**ECONOMIC OPPORTUNITIES COUNCIL
OF INDIAN RIVER COUNTY, INC.
FINANCIAL STATEMENTS,
SUPPLEMENTARY DATA,
AND COMPLIANCE REPORTS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022**



**ECONOMIC OPPORTUNITIES COUNCIL OF INDIAN RIVER COUNTY, INC.
FINANCIAL STATEMENTS, SUPPLEMENTARY DATA, AND COMPLIANCE REPORTS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

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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, 2023, and 2022, 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, 2023, and 2022, 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.

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.

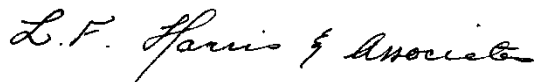
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 26, 2024, 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, CPA, PA
Orlando, Florida
June 26, 2024

FINANCIAL STATEMENTS



**ECONOMIC OPPORTUNITIES COUNCIL
OF INDIAN RIVER COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
As of September 30, 2023 and 2022**

ASSETS		
	<u>2023</u>	<u>2022</u>
Current Assets:		
Cash and cash equivalents	\$ 556,423	\$ 561,791
Grants receivable	348,365	392,997
Other receivables	-	600
Prepaid expenses and other assets	180,247	172,773
Total Current Assets	<u>1,085,035</u>	<u>1,128,161</u>
Property and Equipment:		
Property and equipment (net of accumulated depreciation of \$2,041,602 and \$1,704,995 respectively)	<u>624,426</u>	<u>470,171</u>
Right of Use Assets	218,800	328,976
Less: accumulated amortization	-	-
	<u>218,800</u>	<u>328,976</u>
Total Assets	<u>\$ 1,928,261</u>	<u>\$ 1,927,308</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Deferred Income	\$ 1,000	\$ -
Accounts payable	345,055	267,716
Accrued expenses	229,587	180,562
Lease Liabilities	86,333	80,510
Total Current Liabilities	<u>661,975</u>	<u>528,788</u>
Lease Liabilities	<u>136,183</u>	<u>280,026</u>
Total Liabilities	<u>798,158</u>	<u>808,814</u>
Net Assets:		
Net Assets without donor restrictions	1,130,103	1,118,494
Net Assets with donor restrictions	-	-
Total Net Assets	<u>1,130,103</u>	<u>1,118,494</u>
Total Liabilities and Net Assets	<u>\$ 1,928,261</u>	<u>\$ 1,927,308</u>

See accompanying notes to financial statements

**ECONOMIC OPPORTUNITIES COUNCIL
OF INDIAN RIVER COUNTY, INC.
STATEMENTS OF ACTIVITIES
For the Years Ended September 30, 2023 and 2022**

	2023	2022
Changes In Net Assets Without Donor Restrictions :		
Revenues and Gains:		
Grant Revenue	\$ 7,717,154	\$ 6,775,703
Donated Materials and Services	150,889	162,634
Contributions	188,888	247,238
Miscellaneous Revenue	50,324	60,059
Total Revenues and Gains Without Donor Restrictions	8,107,255	7,245,634
Unrestricted Expenses :		
Program Services	7,597,522	6,321,112
Management and General	498,124	771,934
Total Unrestricted Expenses	8,095,646	7,093,046
Increase in Net Assets Without Donor Restrictions	11,609	152,588
Change in Net Assets	11,609	152,588
Net Assets Beginning of Year-as restated	1,118,494	965,906
Total Net Assets at End of Year	\$ 1,130,103	\$ 1,118,494

See accompanying notes to financial statements

**ECONOMIC OPPORTUNITIES COUNCIL
OF INDIAN RIVER COUNTY, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended September 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities:		
Cash received from grants	\$ 7,762,386	\$ 7,092,009
Cash received from contributions	188,888	247,239
Cash received from other revenue sources	106,247	60,059
Cash paid to suppliers and employees	<u>(7,651,837)</u>	<u>(7,302,734)</u>
Net Cash Provided by (Used in) Operating Activities	<u>405,684</u>	<u>96,573</u>
Cash Flows from Investing Activities:		
Cash payments for property and equipment	<u>(273,032)</u>	<u>(115,574)</u>
Net Cash Used in Investing Activities	<u>(273,032)</u>	<u>(115,574)</u>
Cash Flows from Financing Activities:		
Repayment of long-term debt	<u>(138,020)</u>	<u>-</u>
Net Cash Used in Financing Activities	<u>(138,020)</u>	<u>-</u>
Net increase (decrease) in cash and equivalents	(5,368)	(19,001)
Cash, cash equivalents, Beginning of Year	<u>561,791</u>	<u>580,792</u>
Cash, cash equivalents, End of year	<u>\$ 556,423</u>	<u>\$ 561,791</u>
Reconciliation of Operating Activities to		
Net Cash Provided by (Used in) Operating Activities:		
Increase (Decrease) in net assets	\$ 11,609	\$ 152,588
Adjustments to reconcile change in net assets		
to net cash provided by operating activities:		
Depreciation and amortization	174,030	188,808
Other noncash items	54,923	(65,879)
(Increase) decrease in grants receivable	44,632	333,603
(Increase) decrease in other receivables	600	400
(Increase) decrease in prepaid expenses	(7,474)	(57,368)
Increase (decrease) in deferred revenue	1,000	(17,697)
Increase (decrease) in accounts payable	77,339	131,047
Increase (decrease) in accrued liabilities	49,025	(568,929)
Net Cash Provided by Operating Activities	<u>\$ 405,684</u>	<u>\$ 96,573</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, 2023**

	PROGRAM SERVICES						SUPPORT SERVICES		2023
	Community Service Block Grant	VPK	Head Start	Low- Income Energy Assistance	Low- Income Water Assistance	USDA Food Program	Total Program Services	Management and General	Total Program and Support Services
Salaries and fringe benefits	\$ 95,263	\$ 515,226	\$ 2,936,740	\$ 207,075	\$ 40,264	\$ 80,853	\$ 3,875,421	\$ 235,470	\$ 4,110,891
Accounting services	-	-	-	-	-	-	-	19,450	19,450
Client assistance	117,458	-	1,444	-	-	-	118,902	-	118,902
Contractual services	517	5,997	62,706	1,621	551	-	71,392	19,678	91,070
Crisis benefits	-	-	-	468,880	404,817	-	873,697	-	873,697
COVID-19	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	826	-	-	826	173,204	174,030
Equipment leasing	-	-	7,289	-	841	-	8,130	1,344	9,474
Food	7,449	-	29,591	-	-	133,568	170,608	129	170,737
Home energy benefits	-	-	-	1,387,798	-	-	1,387,798	-	1,387,798
In-kind expenditures	-	-	150,889	-	-	-	150,889	-	150,889
Insurance	955	4,699	72,067	994	128	-	78,843	2,616	81,459
Material and supplies	1,485	2,988	60,929	-	837	17,511	83,750	8,749	92,499
Other	3,558	-	65,871	5,378	711	-	75,518	25,602	101,120
Rent and occupancy	8,431	-	135,402	4,712	420	-	148,965	4,998	153,963
Repairs and maintenance	1,054	-	286,261	9,342	357	-	297,014	-	297,014
Telephone	2,804	-	71,197	3,474	610	-	78,085	1,176	79,261
Training	54	-	36,474	98	98	-	36,724	-	36,724
Transportation	8,061	-	37,812	-	-	-	45,873	-	45,873
Travel	1,024	71,606	20,570	1,887	-	-	95,087	5,708	100,795
Functional Expenses Reported By Function on The Statement of Activities	248,113	600,516	3,975,242	2,092,085	449,634	231,932	7,597,522.00	498,124	8,095,646
Total Functional Expenses	\$ 248,113	\$ 600,516	\$ 3,975,242	\$ 2,092,085	\$ 449,634	\$ 231,932	\$ 7,597,522	\$ 498,124	\$ 8,095,646

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**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 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
COVID-19	-	-	-	-	-	-	-	-	-
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
Total Functional Expenses	\$ 459,224	\$ 378,566	\$ 3,417,168	\$ 1,706,746	\$ 147,580	\$ 211,828	\$ 6,321,112	\$ 771,934	\$ 7,093,046

See accompanying notes to financial statements
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ECONOMIC OPPORTUNITIES COUNCIL OF INDIAN RIVER COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

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, 2023, and 2022.

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 grants 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, 2023, and 2022, 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, 2023 AND 2022

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, 2023, and 2022, the Council had cash deposits in excess of insured limits in the amounts of \$395,722 and \$405,663, 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, 2023 AND 2022

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, 2023, and 2022 are as follows:

	2023	2022
Food	\$ 6,997	\$ 6,884
Rent	134,000	134,000
Supplies/Other	9,892	21,750
Total	<u>\$ 150,889</u>	<u>\$ 162,634</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 \$28,019 and \$40,625 for the years ended September 30, 2023, and 2022, 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 884 and 1,580 in volunteer hours for the years ended September 30, 2023, and 2022, 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 was \$134,000 for the years ended September 30, 2023, and 2022, 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, 2023 AND 2022

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, 2023, and 2022:

<u>Grants</u>	<u>CFDA/ CSFA #</u>	<u>2023</u>	<u>2022</u>
U.S. Department of Health and Human Services - Head Start Program	93.600	\$74,994	\$139,695
U.S. Department of Agriculture - Child and Adult Care Food Program	10.558	21,633	24,350
U.S. Department of Health and Human Services – Low Income Home Energy Assistance Program	93.568	97,194	24,504
U.S. Department of Health and Human Services – Community Service Block Grant	93.569	12,287	62,966
U.S. Department of Health and Human Services – Low Income Household Water Assistance Program	93.499	86,952	56,196
Indian River County – Children Services Advisory Committee Program		-	3,448
Department of Education – Voluntary Pre-Kindergarten Education Program	48.108	55,305	81,838
		<u>\$348,365</u>	<u>\$392,997</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, 2023, and 2022, property and equipment consisted of the following:

	<u>2023</u>	<u>2022</u>
Building	\$ 524,917	\$ 307,087
Building improvements	618,218	618,217
Furniture, furnishings, and equipment	1,165,302	899,266
Software	42,165	35,170
Vehicles	315,426	315,426
Total	2,666,028	2,175,166
Less accumulated depreciation	(2,041,602)	(1,704,995)
Net property and equipment	<u>\$ 624,426</u>	<u>\$ 470,171</u>

- Depreciation and amortization of \$174,030 and \$188,808 were charged to expense in the years ended September 30, 2023, and 2022, respectively.

ECONOMIC OPPORTUNITIES COUNCIL OF INDIAN RIVER COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

NOTE D — NET ASSETS WITH DONOR RESTRICTIONS

During 2023, the Council received no donor restricted funds

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% of total revenues for both years and amounted to \$3,923,887 and \$3,489,532 for the years ended September 30, 2023, and 2022, respectively.

NOTE G — CASH FLOW INFORMATION

Interest paid during the years ended September 30, 2023, and 2022 was \$15,789 and \$22,475, 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 \$68,762 and \$60,237 for the years ended September 30, 2023 and 2022, respectively.

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ECONOMIC OPPORTUNITIES COUNCIL OF INDIAN RIVER COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

NOTE I- LEASES

The Council leases its administrative offices, vehicles, and equipment; the determination of whether an arrangement is a lease is made at the lease's inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Operating leases are included in operating lease right-of-use ("ROU") assets, other current liabilities, and operating lease liabilities in our statements of financial position. Finance leases are included in property and equipment, other current liabilities, and other long-term liabilities in our statements of financial position.

ROU assets represent our right to use an underlying asset for the lease term, and lease liabilities represent our obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Council uses the implicit rate when it is readily determinable. Since most of the Council's leases do not provide an implicit rate, management uses the Council's incremental borrowing rate based on the information available at lease commencement to determine the present value of lease payments. Operating lease ROU assets include any lease payments made and exclude lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Council's lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise the option.

The Council has lease agreements with lease and non-lease components, which are generally accounted for separately. Amounts allocated to the lease and non-lease components are based on stand-alone prices. For certain equipment leases, like vehicles, the Organization accounts for the lease and non-lease components as a single lease.

Certain of our building lease agreements include provisions for variable rent payments, which are adjusted periodically for inflation. None of our lease agreements contain any material residual value guarantees. One of our building lease agreements includes covenants that require us to maintain certain ratios relating to interest coverage and percentage of total debt to equity, which may limit our ability to incur additional financing.

The Council's administrative offices are in a facility leased under a four-year, non-cancelable operating lease expiring on June 30, 2026. The Council also leases vehicles and equipment under operating and finance leases with various terms.

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

Year ended September 30:	Cash	Interest Expense	Minimum Payments Operating Leases	Minimum Payments Finance Leases	Liability Reduction
2024	\$ 93,524	\$7,191	\$ 69,543	\$16,790	\$ 86,333
2025	81,977	3,757	69,918	8,302	78,220
2026	58,736	773	55,117	2,846	57,963
Total	<u>\$234,267</u>	<u>\$11,721</u>	<u>\$194,578</u>	<u>\$27,938</u>	<u>\$222,516</u>

ECONOMIC OPPORTUNITIES COUNCIL OF INDIAN RIVER COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

NOTE I- leases (Continued)

Operating lease costs charged to operations were \$75,307 for the fiscal year ended September 30, 2023

Lease obligations:

	<u>Operating</u>	<u>Finance</u>	<u>Total</u>
Current	\$ 69,543	\$ 16,790	\$ 86,333
Long-Term	125,035	11,148	136,183
Total	<u>\$ 194,578</u>	<u>\$ 27,938</u>	<u>\$ 222,516</u>

Weighted average discount rate Operating & Finance Leases 4%

Weighted average Remaining lease Terms in Months

Operating leases 32.40

Finance Leases 22.80

Leased asset at September 30, 2023:

<u>Lease description</u>	<u>Lease Type</u>	<u>Classification</u>	<u>Net Asset Balance October 1, 2022</u>	<u>Lease Asset Expense</u>	<u>Net Asset Balance September 30, 2023</u>
2455 St Lucie Avenue Vero Beach, Florida	Operating	Building	\$248,261	\$ 62,633	\$185,628
Autos	Operating	Vehicles	10,445	4,707	5,738
Printers & Copiers	Finance	Equipment	46,346	18,912	27,434
Total			<u>\$305,052</u>	<u>\$ 86,252</u>	<u>\$218,800</u>

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>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 556,423	\$ 561,791
Other receivables	-	600
Grants receivable, net	348,365	392,997
	<u>\$ 904,788</u>	<u>\$ 955,388</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.

ECONOMIC OPPORTUNITIES COUNCIL OF INDIAN RIVER COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

NOTE K— SUBSEQUENT EVENTS

The Council has evaluated events through June 26, 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, 2023**

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	04CH01191202	3,584,074	1,131,706
Head Start Program	93.600	04HE00049401C5	102,330	54,121
Head Start Program	93.600	04HE00049401C6	406,810	269,357
Head Start Program	93.600	04CH01191203	3,203,437	2,468,704
Early Head Start Program	93.600	04CH01191203	306,047	133,307
				4,057,194
<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-040042	1,238,521.00	65,032
Low Income Home Energy Assistance Program	93.568	NFA-040215	1,776,314.00	864,967
Low Income Home Energy Assistance Program	93.568	NFA-041215	872,842.00	872,842
Low Income Home Energy Assistance Program	93.568	NFA-042029	56,216.00	56,216
Low Income Home Energy Assistance Program	93.568	NFA-042683	743,526.00	261,592
				2,120,650
<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	84,453
Low Income Household Water Assistance Program	93.499	NFA-041289	293,078.00	260,480
Low Income Household Water Assistance Program	93.499	NFA-042636	217,636.00	108,818
				453,751
<u>U.S. Department of Health and Human Services:</u>				
Passed through State of Florida				
Department of Community Affairs:				
Community Services Block Grant	93.569	NFA-039953	377,362.00	54,440
Community Services Block Grant	93.569	NFA-041182	201,531.00	201,531
Community Services Block Grant	93.569	NFA-042704	196,881.00	13,694
				269,665
<u>U.S. Department of Agriculture:</u>				
Passed through State of Florida				
Florida Department of Health:				
Child Care Food Program	10.558	S-729	231,932.84	231,933
				231,933
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 7,133,193

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, 2023

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, 2023. 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.

NOTE D – INDIRECT COSTS

The Council has elected to use 10% de Minimis cost rate.

NOTE E – NON – CASH ASSISTANCE

The Council did not receive any federal non-cash assistance for the fiscal year ended September 30, 2023.

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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, 2023, and 2022, 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 26, 2024.

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.

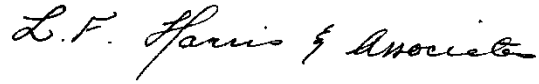
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not 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.

A handwritten signature in cursive script that reads "L. F. Harris & Associates".

L. F. Harris & Associates, CPA, PA
Orlando, Florida
June 26, 2024



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, 2023. 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, 2023.

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.

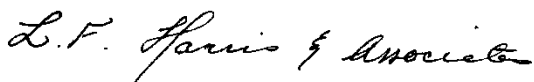
Report on Internal Control over Compliance

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, CPA, P.A.
Orlando, Florida
June 26, 2024

PART I. SUMMARY OF AUDITOR’S RESULTS:

1. Financial Statements	
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 Head Start Assistance Listing No. 93.600
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, 2023

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.