

**ECONOMIC OPPORTUNITIES COUNCIL  
OF INDIAN RIVER COUNTY, INC.  
FINANCIAL STATEMENTS,  
SUPPLEMENTARY DATA,  
AND COMPLIANCE REPORTS  
YEARS ENDED SEPTEMBER 30, 2013 AND 2012**



**ECONOMIC OPPORTUNITIES COUNCIL OF INDIAN RIVER COUNTY, INC.  
FINANCIAL STATEMENTS, SUPPLEMENTARY DATA, AND COMPLIANCE REPORTS  
YEARS ENDED SEPTEMBER 30, 2013 AND 2012**

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the Economic Opportunities Council of Indian River County, Inc., (a non-profit organization) which comprise the statements of financial position as of September 30, 2013 and 2012, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Economic Opportunities Council of Indian River County, Inc., as of September 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

## Other Matters

### *Other Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the *Florida Single Audit Act, Chapter 10.650*, Rules of the State Auditor General, is presented for purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2014 on our consideration of the Economic Opportunities Council of Indian River County, inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Economic Opportunities Council of Indian River County, Inc.'s internal control over financial reporting and compliance.

*L.F. Harris & Associates*

L. F. Harris & Associates, CPA, PA  
Orlando, Florida  
May 31, 2014

 L.F. Harris & Associates, CPA, P.A.  
Certified Public Accountants

# FINANCIAL STATEMENTS



**ECONOMIC OPPORTUNITIES COUNCIL  
OF INDIAN RIVER COUNTY, INC.  
STATEMENTS OF FINANCIAL POSITION  
As of September 30, 2013 and 2012**

<b>ASSETS</b>		
	<b>2013</b>	2012
Current Assets		
Cash and cash equivalents	\$ 175,705	\$ 33,038
Grants receivable	148,893	215,367
Other receivables	185	185
Prepaid expenses	8,647	46,297
Total Current Assets	<b>333,430</b>	294,887
Property and Equipment		
Property and equipment (net of accumulated depreciation of \$1,553,707 and \$1,562,113 respectively)	396,172	405,937
Total Assets	<b>\$ 729,602</b>	\$ 700,824
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts payable	\$ 2,363	\$ 1,031
Accrued expenses	248,994	239,967
Deferred revenue	34,156	8,680
Total Current Liabilities	<b>285,513</b>	249,678
Net Assets		
Unrestricted	444,089	451,146
Total Liabilities and Net Assets	<b>\$ 729,602</b>	\$ 700,824

**ECONOMIC OPPORTUNITIES COUNCIL  
OF INDIAN RIVER COUNTY, INC.  
STATEMENTS OF ACTIVITIES  
For the Years Ended September 30, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
UNRESTRICTED NET ASSETS		
Revenue and Support		
Grant revenue	<b>\$ 4,397,107</b>	\$ 4,507,596
Donated materials and services	<b>167,991</b>	207,250
Contributions	<b>24,437</b>	31,638
Miscellaneous revenue	<b>34,918</b>	21,593
Program income	<b>1,035</b>	2,455
	<hr/>	<hr/>
Total Revenue and Support	<b>4,625,488</b>	4,770,532
	<hr/>	<hr/>
Expenses		
Program services	<b>4,029,436</b>	4,308,500
Management and general	<b>593,382</b>	633,187
Fundraising	<b>9,727</b>	25,409
	<hr/>	<hr/>
Total Expenses	<b>4,632,545</b>	4,967,096
	<hr/>	<hr/>
Increase (Decrease) in Unrestricted Net Assets	<b>(7,057)</b>	(196,564)
Unrestricted Net Assets at Beginning of Year	<b>451,146</b>	647,710
	<hr/>	<hr/>
Unrestricted Net Assets at End of Year	<b><u>\$ 444,089</u></b>	<b><u>\$ 451,146</u></b>

**ECONOMIC OPPORTUNITIES COUNCIL  
OF INDIAN RIVER COUNTY, INC.  
STATEMENTS OF CASH FLOWS  
For the Years Ended September 30, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
Cash Flows from Operating Activities:		
Cash received from grants	\$ 4,489,057	\$ 4,494,970
Cash received from contributions	24,437	31,638
Cash received from other revenue sources	35,953	24,048
Cash paid to suppliers and employees	<u>(4,373,686)</u>	<u>(4,713,232)</u>
Net Cash Provided by(Used in) Operating Activities	<u>175,761</u>	<u>(162,576)</u>
Cash Flows from Investing Activities:		
Cash payments for property and equipment	<u>(33,094)</u>	<u>(24,071)</u>
Net Cash Used in Investing Activities	<u>(33,094)</u>	<u>(24,071)</u>
Net increase (decrease) in cash and equivalents	142,667	(186,647)
Cash and cash equivalents at beginning of year	<u>33,038</u>	<u>219,685</u>
Cash and cash equivalents at end of year	<u>\$ 175,705</u>	<u>\$ 33,038</u>
Reconciliation of Operating Activities to		
Net Cash Provided by (used in) Operating Activities:		
Increase (Decrease) in net assets	\$ (7,057)	\$ (196,564)
Adjustments to reconcile change in net assets		
to net cash provided by operating activities:		
Depreciation and amortization	42,859	55,060
(Increase) decrease in accounts receivable	66,474	(14,924)
(Increase) decrease in prepaid expenses	37,650	(4,339)
Increase (decrease) in accounts payable	1,332	(19,445)
Increase (decrease) in accrued liabilities	9,027	15,338
Increase (decrease) in deferred revenue	<u>25,476</u>	<u>2,298</u>
Net Cash Provided by Operating Activities	<u>\$ 175,761</u>	<u>\$ (162,576)</u>



**ECONOMIC OPPORTUNITIES COUNCIL  
OF INDIAN RIVER COUNTY, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended September 30, 2013**

	PROGRAM SERVICES					Total Program Services	SUPPORT SERVICES		2013
	Community Service Block Grant	VPK	Head Start	Low- Income Energy Assistance	USDA Food Program		Management and General	Fund- raising	Total Program and Support Services
Salaries and fringe benefits	\$ 63,604	\$ 485,812	\$ 1,825,726	\$ 99,867	\$ 24,516	\$ 2,499,525	\$ 394,616		\$ 2,894,141
Accounting services	-	-	-	-	-	-	24,401	-	24,401
Client assistance	101,280	-	-	-	-	101,280	3,224	-	104,504
Contractual services	-	1,461	12,334	-	-	13,795	28,334	-	42,129
Crisis benefits	-	-	-	241,483	-	241,483	-	-	241,483
Depreciation	73	-	24,824	-	-	24,897	17,962	-	42,859
Equipment leasing	1,058	1,810	7,754	1,937	-	12,559	2,488	-	15,047
Food	-	2,575	20,155	-	209,115	231,845	-	-	231,845
Home energy benefits	-	-	-	386,839	-	386,839	-	-	386,839
In-kind expenditures	18,168	-	149,823	-	-	167,991	-	-	167,991
Insurance	-	-	-	-	-	-	56,570	-	56,570
Material and supplies	960	4,550	27,456	1,558	14,647	49,171	3,955	8,462	61,588
Other	561	250	12,492	935	-	14,238	4,640	733	19,611
Rent and occupancy	8,492	829	89,872	6,516	-	105,709	40,427	-	146,136
Repairs and maintenance	568	11,988	30,601	3,093	-	46,250	4,230	-	50,480
Telephone	1,924	65	38,401	2,910	-	43,300	4,162	-	47,462
Training	-	2,478	21,324	-	-	23,802	6,879	-	30,681
Transportation	-	4,405	55,062	227	-	59,694	-	-	59,694
Travel	1,875	1,000	2,303	1,880	-	7,058	1,494	532	9,084
Functional Expense Reported By Function on The Statement of Activities	\$ 198,563	\$ 517,223	\$ 2,318,127	\$ 747,245	\$ 248,278	\$ 4,029,436	\$ 593,382	\$ 9,727	\$ 4,632,545
Overhead Allocated	43,078	92,915	348,362	58,196	-	542,551	(542,551)	-	-
Total Functional Expenses	\$ 241,641	\$ 610,138	\$ 2,666,489	\$ 805,441	\$ 248,278	\$ 4,571,987	\$ 50,831	\$ 9,727	\$ 4,632,545

See accompanying notes to financial statements

**ECONOMIC OPPORTUNITIES COUNCIL  
OF INDIAN RIVER COUNTY, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended September 30, 2012**

	PROGRAM SERVICES						SUPPORT SERVICES		2012
	Community Service Block Grant	VPK	Head Start	Low- Income Energy Assistance	USDA Food Program	Total Program Services	Management and General	Fund- raising	Total Program and Support Services
Salaries and fringe benefits	\$ 56,843	\$ 453,115	\$ 1,937,957	\$ 90,704	\$ 37,791	\$ 2,576,410	\$ 439,302		\$ 3,015,712
Accounting services	-	-	-	-	-	-	25,819	-	25,819
Client assistance	126,293	-	-	-	-	126,293	2,650	-	128,943
Contractual services	-	2,205	20,114	-	-	22,319	25,262	-	47,581
Crisis benefits	-	-	-	217,987	-	217,987	-	-	217,987
Depreciation	439	-	29,212	-	-	29,651	25,409	-	55,060
Equipment leasing	265	500	9,172	2,918	-	12,855	2,728	-	15,583
Food	-	8,082	26,476	-	191,215	225,773	-	7,298	233,071
Home energy benefits	-	-	-	525,505	-	525,505	-	-	525,505
In-kind expenditures	12,128	-	195,122	-	-	207,250	-	-	207,250
Insurance	-	-	-	-	-	-	49,520	-	49,520
Material and supplies	3,212	-	42,029	3,803	13,368	62,412	3,462	7,937	73,811
Other	718	1,336	-	2,337	-	4,391	17,270	2,742	24,403
Rent and occupancy	6,467	-	92,624	13,941	-	113,032	30,375	-	143,407
Repairs and maintenance	675	6,078	41,072	3,645	-	51,470	4,258	7,432	63,160
Telephone	1,635	-	37,110	3,510	-	42,255	3,174	-	45,429
Training	-	207	35,227	-	-	35,434	495	-	35,929
Transportation	-	3,738	45,100	574	-	49,412	2,002	-	51,414
Travel	1,063	-	2,223	2,765	-	6,051	1,461	-	7,512
Functional Expense Reported By Function on The Statement of Activities	\$ 209,738	\$ 475,261	\$ 2,513,438	\$ 867,689	\$ 242,374	\$ 4,308,500	\$ 633,187	\$ 25,409	\$ 4,967,096
Overhead Allocated	42,771	107,616	413,132	69,668	-	633,187	(633,187)	-	-
Total Functional Expenses	\$ 252,509	\$ 582,877	\$ 2,926,570	\$ 937,357	\$ 242,374	\$ 4,941,687	\$ -	\$ 25,409	\$ 4,967,096

See accompanying notes to financial statements -7-

**ECONOMIC OPPORTUNITIES COUNCIL OF INDIAN RIVER COUNTY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEARS ENDED SEPTEMBER 30, 2013 AND 2012**

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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 three classes of net assets:

- Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations;
- Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that can be fulfilled by actions of the Council pursuant to those stipulations or that expire by the passage of time; and
- Permanently restricted net assets – Net assets subject to donor-imposed stipulations that the Council must maintain permanently. Generally, the donors of such assets permit the Council to use all or part of the income earned on the assets.

The Council had no permanently or temporarily restricted net assets as of September 30, 2013 or 2012. 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, 2013 and 2012, there was no allowance for uncollectible accounts as management deemed the entire balance collectible.

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.

**ECONOMIC OPPORTUNITIES COUNCIL OF INDIAN RIVER COUNTY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEARS ENDED SEPTEMBER 30, 2013 AND 2012**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)**

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, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets 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, 2013 and 2012, the Council's cash deposits did not exceed the limits.

Property and Equipment

The Council capitalizes all expenditures in excess of \$1,000 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 restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. 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.

Donated Materials and Services

The value of donated materials included in the financial statements as revenues and expenses for the years ended September 30, 2013 and 2012 are as follows:

	<u>2013</u>	<u>2012</u>
Food	<b>\$ 12,258</b>	\$ 18,804
Rent	<b>137,777</b>	137,777
Supplies/Other	<b>17,956</b>	50,669
Total	<b><u>\$167,991</u></b>	<u>\$207,250</u>

**ECONOMIC OPPORTUNITIES COUNCIL OF INDIAN RIVER COUNTY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEARS ENDED SEPTEMBER 30, 2013 AND 2012**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)**

Donated Materials and Services (continued)

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 \$163,086 and \$117,586 for the years ended September 30, 2013 and 2012, 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 15,677 and 11,208 in volunteer hours for the years ended September 30, 2013 and 2012, 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: \$137,777 each year for the years ended September 30, 2013 and 2012. 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.

**NOTE B - GRANTS RECEIVABLE**

Grants receivable represent reimbursement of allowable costs incurred but not yet received from the grantor. Grants receivable consist of the following as of September 30, 2013 and 2012:

<u>Grants</u>	<u>CFDA/ CSFA #</u>	<u>2013</u>	<u>2012</u>
U.S. Department of Health & Human Services - Head Start Program	93.600	<b>\$ 8,755</b>	\$ 114,808
U.S. Department of Agriculture - Child and Adult Care Food Program	10.558	<b>25,881</b>	26,772
U.S. Department of Energy – Low Income Home Energy Assistance Program	93.568	<b>114,257</b>	56,216
U.S. Department of Community Affairs – Community Service Block Grant	93.569	-	17,571
State of Florida Agency of Workforce Innovation – Voluntary Pre-Kindergarten Education Program	75.007	-	-
		<u><b>\$148,893</b></u>	<u><b>\$215,367</b></u>

**ECONOMIC OPPORTUNITIES COUNCIL OF INDIAN RIVER COUNTY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEARS ENDED SEPTEMBER 30, 2013 AND 2012**

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**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, 2013 and 2012, property and equipment consisted of the following:

	<u>2013</u>	<u>2012</u>
Building	\$ 323,162	\$ 308,972
Building improvements	604,027	604,027
Furniture, furnishings, and equipment	519,829	539,826
Vehicles	502,861	515,225
Total	<u>1,949,879</u>	<u>1,968,050</u>
Less accumulated depreciation	<u>(1,553,707)</u>	<u>(1,562,113)</u>
Net property and equipment	<u>\$396,172</u>	<u>\$405,937</u>

Depreciation of \$42,86042,859 and \$55,060 was charged to expense in the years ended September 30, 2013 and 2012, respectively.

**NOTE D - DEFERRED REVENUE**

The Council records advances on grants deemed to be exchange transactions for accounting purposes as deferred revenue until the related services are performed. The Council had \$34,156 and \$8,680 in advances from grantors at September 30, 2013 and 2012, respectively.

**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 audit. 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 a Head Start Program grant awarded by the U.S. Department of Health and Human Services. Revenues derived from this grant accounted for approximately 55.9% and 58.6% of total revenues each year and amounted to \$2,490,253 and \$2,672,670 for the years ended September 30, 2013 and 2012, respectively.

**NOTE G - CASH FLOW INFORMATION**

Income taxes and Interest paid for the years ended September 30, 2013 and 2012 was \$0.

**ECONOMIC OPPORTUNITIES COUNCIL OF INDIAN RIVER COUNTY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEARS ENDED SEPTEMBER 30, 2013 AND 2012**

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**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 and one year, respectively. The Council's contributions to the plan are determined annually by its Board of Directors. Contributions to the plan were \$64,241 and \$65,433 for the years ended September 30, 2013 and 2012, respectively.

**NOTE I - LEASING ARRANGEMENTS**

The Council's administrative offices are located in a facility which is leased under a three-year non-cancelable operating lease expiring in June, 2014.

Rental expense under all operating leases for the years ended September 30, 2013 and 2012 was \$45,827 and \$45,581, respectively.

Future minimum lease payments as of September 30, 2013 are:

Year Ending September 30,	
2014	\$ 31,500

**NOTE J – SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through May 31, 2014 the date 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 AND STATE FINANCIAL ASSISTANCE  
For the Year Ended September 30, 2013**

Federal/State Agency, Federal Program/State Project	CFDA/ CSFA Number	Grantor Number	Program or Award Amount	Revenue	Federal State Expenditures	Grant Receivable 9/30/13	Deferred Revenue 9/30/13
<b>MAJOR PROGRAMS</b>							
<u>U.S. Department of Health and Human Services:</u>							
Head Start Program	93.600	04CH308146/ 04CH308147	\$5,240,187	\$2,490,253	\$ 2,490,253	\$ 8,755	\$ -
<u>U.S. Department of Energy:</u>							
Passed through State of Florida							
Department of Community Affairs:							
Low Income Home Energy Assistance Program	93.568	13EA-8F-10-40- 04-011	721,804	500,202	500,202		-
Low Income Home Energy Assistance Program	93.568	12EA-0F-10-40- 04-011	935,008	303,235	303,235	114,257	-
<b>NON-MAJOR PROGRAMS</b>							
<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	13SB-FZ-10-40- 04-012	211,745	211,745	211,745	-	-
<u>U.S. Department of Agriculture:</u>							
Passed through State of Florida							
Florida Department of Health:							
Child Care Food Program	10.558	S-729	248,278	248,278	248,278	25,881	-
<b>TOTAL FEDERAL AWARDS</b>			<u>\$7,357,022</u>	<u>\$3,753,713</u>	<u>\$ 3,753,713</u>	<u>\$ 148,893</u>	<u>\$ -</u>
<u>State of Florida Agency of Workforce Innovation:</u>							
Passed through Early Learning Coalition of Indian River, Martin & Okeechobee Counties, Inc.							
Voluntary Pre-Kindergarten Education Program	75.007	AWI-VPK20		659,968	610,138	-	-
<b>TOTAL FEDERAL AND STATE AWARDS</b>			<u>\$7,357,022</u>	<u>\$4,413,681</u>	<u>\$ 4,363,851</u>	<u>\$ 148,893</u>	<u>\$ -</u>
<u>RECONCILIATION TO FINANCIAL STATEMENTS</u>							
				In-kind contributions/expenditures:	167,991	167,991	
				Other:	60,390	46,414	
				Depreciation:	-	42,859	
				Capital Additions:	-	11,490	
			<u>\$4,642,062</u>	<u>\$ 4,632,605</u>	<u>\$ 148,893</u>	<u>\$ -</u>	

See accompanying notes to financial statements  
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**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance include grant activity of the Economic Opportunities Council of Indian River County, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE B – COMMUNITY SERVICE BLOCK GRANT**

Expenditures for the Community Service Block Grant exceeded the award by \$11,655. The excess, which is not included in the expenditure amount on the accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance, was attributable to matching expenditures of \$11,655.

# COMPLIANCE





INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of Economic Opportunities Council of Indian River County, Inc. (a not-for-profit organization), which comprise the statement of financial position as of September 30, 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 31, 2014.

**Internal Control Over Financial Reporting**

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

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

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

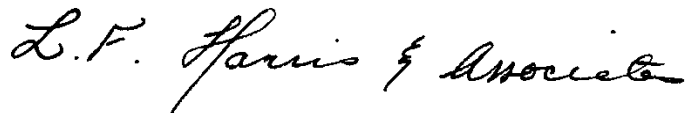
**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Economic Opportunities Council of Indian River County, Inc.'s financial statements are free of material misstatement, we performed tests of its

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

**Purpose of this Report**

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



L.F. Harris & Associates, CPA, P.A.

Orlando, Florida

May 31, 2014



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AWARDS PROGRAM AND STATE FINANCIAL ASSISTANCE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND CHAPTER 10.650, RULES OF THE AUDITOR GENERAL

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

Report on Compliance for Each Major Federal Program and State Financial Assistance Project

We have audited Economic Opportunities Council of Indian River County, Inc. (a not-for-profit organization) (the Council) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on each of its major federal programs or state projects for the year ended September 30, 2013. Economic Opportunities Council of Indian River County, Inc.'s major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Economic Opportunities Council of Indian River County, Inc.'s major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*; and Chapter 10.650, Rules of the Auditor General. Those standards, OMB Circular A-133, and Chapter 10.650, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state financial assistance project occurred. An audit includes examining, on a test basis, evidence about Economic Opportunities Council of Indian River County, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

## Opinion on Each Major Federal Program and State Project

In our opinion, 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 or state financial assistance projects identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended September 30, 2013.

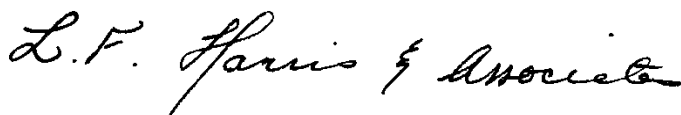
## Report on Internal Control over Compliance

Management of Economic Opportunities Council of Indian River County, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Council's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or state financial assistance project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and state project, and to test and report on internal control over compliance in accordance with OMB A-133 and Chapter 10.650, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Economic Opportunities Council of Indian River County, Inc.'s internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB A-133 and Chapter 10.650. Accordingly, this report is not suitable for any other purpose.



L.F. Harris & Associates, CPA, P.A.  
Orlando, Florida  
May 31, 2014



L.F. Harris & Associates, CPA, P.A.  
Certified Public Accountants

**ECONOMIC OPPORTUNITIES COUNCIL OF INDIAN RIVER COUNTY, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED SEPTEMBER 30, 2013**

**PART I. SUMMARY OF AUDITORS' RESULTS:**

<b>1. Financial Statements</b>	
a) The type of auditors' report issued on the financial statements	Unmodified
b) Internal control over financial reporting:	
i. Material weakness identified?	No
ii. Significant deficiencies identified not considered to be material weaknesses	No
c) Non-compliance that is material to the financial statement reported?	No
d) Internal control over major federal programs and state projects:	
i. Material weakness identified?	No
ii. Significant deficiencies identified not considered to be material weaknesses?	None reported
e) Type of auditors' report issued on compliance for major federal programs and state projects	Unmodified
f) Any audit findings relative to the major federal programs and state projects	No
g) Identification of major federal programs and state projects tested	<u>Federal Programs</u> Head Start CFDA No. 93.600 <u>State Project</u> Voluntary Pre-Kindergarten Education Program CSFA No. 75.007
h) Dollar threshold used to distinguish between type A and B programs and projects	<u>Major Federal Programs</u> \$ 300,000 <u>Major State Projects</u> \$ 183,041
i) Does the auditee qualify as a low-risk auditee?	Yes
j) Management letter required under Section 10.656(3)(e) Rules of the Florida Auditor General?	No



**PART II. FINDINGS - FINANCIAL STATEMENTS**

None.

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

None.

**PART IV. FINDINGS AND QUESTIONED COSTS –MAJOR STATE FINANCIAL ASSISTANCE PROJECTS**

None.

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FOR THE YEAR ENDED SEPTEMBER 30, 2013**

**Prior Audit Findings:**

*Finding 2012-01: Child Care Food Program*

*Statement of Condition:* We were unable to obtain information from the client showing that the debarment/suspension of a vendor had been checked.

*Recommendation:* The auditor recommended that debarment/suspension be checked for each of the vendors used for federal grant programs. In addition, we recommended EOC ensure a process is in place to verify vendors are not suspended or debarred or otherwise excluded.

*Current Status:* The recommendation was adopted in April 2013. The vendor file in question was reviewed and deemed sufficient, and no similar findings were noted in other vendor files reviewed.

**Corrective Action Plan:**

None.



**COMMUNICATION WITH THE AUDIT COMMITTEE  
OF THE BOARD OF DIRECTORS**

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

We have audited the financial statements of the Economic Opportunities Council of Indian River County, Inc. for the year ended September 30, 2013, and have issued our report thereon dated May 31 2014. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards; OMB Circular A-133; and Chapter 10.650, Rules of the Auditor General

As stated in our engagement letter dated October 1, 2012, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered Economic Opportunities Council of Indian River County, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements, and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program or state project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.650, Rules of the Auditor General.

As part of obtaining reasonable assurance about whether the Economic Opportunities Council of Indian River County, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with OMB Circular A-133 and Chapter 10.650, Rules of the Auditor General, we examined, on a test basis, evidence about the Economic Opportunities Council of Indian River County, Inc.'s compliance with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" and in Chapter 10.650, Rules of the Auditor General, applicable to each of its major federal programs and state projects for the purpose of expressing an opinion on the Economic Opportunities Council of Indian River County, Inc.'s compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the Economic Opportunities Council of Indian River County, Inc.'s compliance with those requirements.

## Planned Scope and Timing of the Audit

We performed the audit in accordance with planned scope and timing previously communicated to the Economic Opportunities Council of Indian River County, Inc in our meeting about planning matters in December, 2013.

## Significant Audit Findings

### *Qualitative Aspects of Accounting Practices:*

Management has the responsibility for selection and use of appropriate accounting policies. The significant accounting policies used by the Economic Opportunities Council of Indian River County, Inc. are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2013. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Management has the responsibility for selection and use of appropriate financial statement disclosures in accordance with generally accepted accounting principles. There are no sensitive financial statement disclosures affecting the financial statements.

### *Corrected and Uncorrected Misstatements:*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no material misstatements noted as part of our audit.

### *Difficulties Encountered in Performing the Audit:*

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

### *Disagreements with Management:*

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

### *Management Consultations with Other Independent Accountants:*

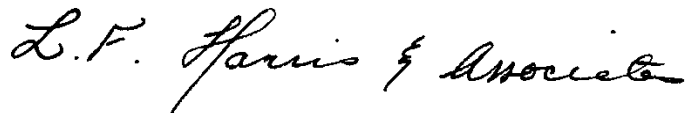
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion", on certain situations. If a consultation involves application of an accounting principle to the organization's financial statements or a determination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

*Other Audit Findings or Issues*

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

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

Very truly yours,



L.F. Harris & Associates, CPA, P.A.

Orlando, Florida.

May 31, 2014