



# EO Companies

## Consolidated Financial Report

June 30, 2025

## EO Companies

### Contents

Independent Auditor's Report .....	1
------------------------------------	---

#### Consolidated Financial Statements

Consolidated Statements of Financial Position .....	4
Consolidated Statements of Activities.....	5
Consolidated Statements of Functional Expenses.....	7
Consolidated Statements of Cash Flows.....	9
Notes to Consolidated Financial Statements.....	10

#### Supplementary Information

Schedule of Expenditures of Federal Awards and State Financial Assistance .....	18
Notes to Schedule of Expenditures of Federal Awards and State .....	19

#### Compliance Section

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Consolidated Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	20
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance .....	22
Schedule of Findings and Questioned Costs .....	25
Summary Schedule of Prior Audit Findings .....	26



## Independent Auditor's Report

To the Board of Directors  
EO Companies  
Abingdon, Virginia

### Opinion

We have audited the accompanying consolidated financial statements of EO Companies (the Organization), which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2025 and 2024, 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 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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



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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 the aggregate, they would influence the judgment made by a reasonable user based on the consolidated 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 consolidated 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 consolidated 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 Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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 consolidated 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 are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied



in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated 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 February 12, 2026, on our consideration of the Organization'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 Organization'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 Organization's internal control over financial reporting and compliance.

*Brown, Edwards & Company, S. L. P.*

CERTIFIED PUBLIC ACCOUNTANTS

Bristol, Tennessee  
February 12, 2026



# **Consolidated Financial Statements**

---

## EO Companies

### Consolidated Statements of Financial Position

June 30, 2025 and 2024

	2025	2024
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 2,856,892	\$ 3,022,881
Current portion of pledges receivable, net	1,315,318	2,270,477
Grants receivable	1,851,815	3,414,122
Other receivables	92,375	77,035
Prepaid expenses	160,185	106,514
Total current assets	6,276,585	8,891,029
<b>NONCURRENT ASSETS</b>		
Restricted cash	588,434	-
Long-term portion of pledges receivable, net	540,954	811,431
Right-of-use financing lease assets	6,729	11,352
Right-of-use operating lease assets	14,613	31,062
Other intangible assets, net	13,093	21,362
Note receivables	8,887,500	-
Construction-in-progress	-	19,025,102
Property and equipment, net	28,529,220	3,374,276
Total noncurrent assets	38,580,543	23,274,585
Total assets	\$ 44,857,128	\$ 32,165,614
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 401,317	\$ 2,906,179
Accrued liabilities	62,786	48,271
Deferred revenue	684,018	678,543
Financing lease liability, current	4,938	4,315
Operating lease liability, current	14,613	16,449
Current portion of long-term debt	1,080,848	36,996
Total current liabilities	2,248,520	3,690,753
<b>NONCURRENT LIABILITIES</b>		
Financing lease liability, noncurrent	2,359	7,598
Operating lease liability, noncurrent	-	14,613
Long-term debt	15,855,029	3,509,641
Total noncurrent liabilities	15,857,388	3,531,852
Total liabilities	18,105,908	7,222,605
<b>NET ASSETS</b>		
Without donor restrictions	23,668,309	1,366,534
With donor restrictions	3,082,911	23,576,475
Total net assets	26,751,220	24,943,009
Total liabilities and net assets	\$ 44,857,128	\$ 32,165,614

**EO Companies**  
**Consolidated Statement of Activities**  
Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
<b>PUBLIC SUPPORT AND OTHER REVENUE SUPPORT</b>			
Contributions	\$ 217,647	\$ 946,024	\$ 1,163,671
Federal, state, and local grants	-	10,417,179	10,417,179
Contract services	-	659,803	659,803
In-kind contributions	1,814,500	-	1,814,500
Total support	<u>2,032,147</u>	<u>12,023,006</u>	<u>14,055,153</u>
<b>OTHER REVENUE</b>			
Miscellaneous	420,409	-	420,409
Interest and dividends	173,005	-	173,005
Unrealized gain on investments	7,222	-	7,222
Net assets released from restrictions	32,516,570	(32,516,570)	-
Total other revenue	<u>33,117,206</u>	<u>(32,516,570)</u>	<u>600,636</u>
Total public support and other revenue	<u>35,149,353</u>	<u>(20,493,564)</u>	<u>14,655,789</u>
<b>OPERATING EXPENSES</b>			
Program expenses:			
Grants and other assistance	6,903,153	-	6,903,153
Community and agency services provided	4,799,474	-	4,799,474
Total program expenses	<u>11,702,627</u>	<u>-</u>	<u>11,702,627</u>
Support services:			
Management and general	677,236	-	677,236
Fundraising	467,715	-	467,715
Total support services expenses	<u>1,144,951</u>	<u>-</u>	<u>1,144,951</u>
Total expenses	<u>12,847,578</u>	<u>-</u>	<u>12,847,578</u>
Changes in net assets	22,301,775	(20,493,564)	1,808,211
<b>NET ASSETS</b>			
Beginning	1,366,534	23,576,475	24,943,009
Ending	<u>\$ 23,668,309</u>	<u>\$ 3,082,911</u>	<u>\$ 26,751,220</u>

**EO Companies**  
**Consolidated Statement of Activities**  
Year Ended June 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>PUBLIC SUPPORT AND OTHER REVENUE SUPPORT</b>			
Contributions	\$ 152,221	\$ 7,607,521	\$ 7,759,742
Federal, state, and local grants	-	17,253,451	17,253,451
Contract services	20,265	3,978,312	3,998,577
In-kind contributions	133	-	133
Total support	<u>172,619</u>	<u>28,839,284</u>	<u>29,011,903</u>
<b>OTHER REVENUE</b>			
Miscellaneous	(231,669)	33	(231,636)
Interest and dividends	163,845	-	163,845
Net assets released from restrictions	13,743,031	(13,743,031)	-
Total other revenue	<u>13,675,207</u>	<u>(13,742,998)</u>	<u>(67,791)</u>
Total public support and other revenue	<u>13,847,826</u>	<u>15,096,286</u>	<u>28,944,112</u>
<b>OPERATING EXPENSES</b>			
Program expenses:			
Grants and other assistance	7,694,966	-	7,694,966
Community and agency services provided	6,565,409	-	6,565,409
Total program expenses	<u>14,260,375</u>	<u>-</u>	<u>14,260,375</u>
Support services:			
Management and general	434,692	-	434,692
Fundraising	479,669	-	479,669
Total support services expenses	<u>914,361</u>	<u>-</u>	<u>914,361</u>
Total expenses	<u>15,174,736</u>	<u>-</u>	<u>15,174,736</u>
Changes in net assets	(1,326,910)	15,096,286	13,769,376
<b>NET ASSETS</b>			
Beginning	2,693,444	8,480,189	11,173,633
Ending	<u>\$ 1,366,534</u>	<u>\$ 23,576,475</u>	<u>\$ 24,943,009</u>

## EO Companies

### Consolidated Statement of Functional Expenses

Year Ended June 30, 2025

	Program Service	Support Expenses		Total
		Management & General	Fundraising	
Grants and other assistance:				
Grants and other assistance	\$ 6,889,553	\$ -	\$ -	\$ 6,889,553
Donated materials and services	13,600	2,125	1,275	17,000
Grants and other assistance	<u>6,903,153</u>	<u>2,125</u>	<u>1,275</u>	<u>6,906,553</u>
Payroll expenses:				
Salaries and wages	2,391,842	228,236	228,236	2,848,314
Employee benefits	324,972	28,674	28,674	382,320
Payroll taxes	182,655	16,116	16,117	214,888
Total payroll expenses	<u>2,899,469</u>	<u>273,026</u>	<u>273,027</u>	<u>3,445,522</u>
Other expenses:				
Management fees	290,733	16,152	16,151	323,036
Legal and accounting	41,803	5,121	5,214	52,138
Advertising and promotion	20,059	2,507	2,508	25,074
Office expenses	76,455	9,556	9,557	95,568
Information technology	128,345	20,054	12,032	160,431
Occupancy	535,556	232,636	66,944	835,136
Travel	38,177	6,363	6,363	50,903
Conferences and meetings	107,176	6,305	12,609	126,090
Depreciation and amortization	596,183	93,154	55,892	745,229
Insurance	5,991	936	562	7,489
Miscellaneous	59,527	9,301	5,581	74,409
Total other expenses	<u>1,900,005</u>	<u>402,085</u>	<u>193,413</u>	<u>2,495,503</u>
Total expenses	<u>\$ 11,702,627</u>	<u>\$ 677,236</u>	<u>\$ 467,715</u>	<u>\$ 12,847,578</u>

## EO Companies

### Consolidated Statement of Functional Expenses

Year Ended June 30, 2024

	Program Service	Support Expenses		Total
		Management & General	Fundraising	
Grants and other assistance:				
Grants and other assistance	\$ 7,694,853	\$ -	\$ -	\$ 7,694,853
Donated materials and services	113	7	13	133
Grants and other assistance	<u>7,694,966</u>	<u>7</u>	<u>13</u>	<u>7,694,986</u>
Payroll expenses:				
Salaries and wages	2,095,852	135,119	176,910	2,407,881
Employee benefits	344,801	19,703	29,554	394,058
Payroll taxes	158,221	9,041	13,562	180,824
Total payroll expenses	<u>2,598,874</u>	<u>163,863</u>	<u>220,026</u>	<u>2,982,763</u>
Other expenses:				
Management fees	3,411,550	189,532	189,554	3,790,636
Legal and accounting	10,206	10,206	-	20,412
Advertising and promotion	29,836	3,978	5,967	39,781
Office expenses	61,164	3,598	7,196	71,958
Information technology	142,538	17,817	17,817	178,172
Occupancy	87,343	17,469	11,646	116,458
Travel	47,620	5,952	5,952	59,524
Conferences and meetings	92,612	5,448	10,896	108,956
Depreciation and amortization	48,398	9,680	6,453	64,531
Insurance	3,709	218	436	4,363
Miscellaneous	31,559	1,856	3,713	37,128
Total other expenses	<u>3,966,535</u>	<u>265,754</u>	<u>259,630</u>	<u>4,491,919</u>
Total operating expenses	<u>14,260,375</u>	<u>429,624</u>	<u>479,669</u>	<u>15,169,668</u>
Unallocated payments to national organization	-	5,068	-	5,068
Total expenses	<u>\$ 14,260,375</u>	<u>\$ 434,692</u>	<u>\$ 479,669</u>	<u>\$ 15,174,736</u>

**EO Companies**  
**Consolidated Statements of Cash Flows**  
Years Ended June 30, 2025 and 2024

	2025	2024
<b>OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 1,808,211	\$ 13,769,376
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	732,337	54,670
Contributions restricted for property	(1,300,000)	(7,607,521)
Grants restricted for property	-	(8,075,000)
Non-cash in-kind property contribution	(1,814,500)	-
Amortization of intangible asset	8,269	-
Amortization of debt issue costs	79,640	-
Amortization of right-of-use assets, financing leases	4,623	4,623
(Increase) decrease in:		
Pledges receivable	1,225,636	147,709
Grants receivable	1,562,307	144,800
Other receivables	(15,340)	(77,035)
Prepaid expenses and other assets	(53,671)	49,452
Increase (decrease) in:		
Accounts payable and accrued liabilities	101,409	(38,078)
Deferred revenue	5,475	(2,920,976)
Net cash provided by (used in) operating activities	2,344,396	(4,547,980)
<b>INVESTING ACTIVITIES</b>		
New market tax credit leverage loan advances	(8,887,500)	-
Transfers from UW SWVA to EO	-	14,536
Purchases of property and equipment	(7,639,435)	(9,398,358)
Net cash used in investing activities	(16,526,935)	(9,383,822)
<b>FINANCING ACTIVITIES</b>		
Proceeds from borrowings	13,964,500	-
Payments of debt issue costs	(610,766)	-
Proceeds from contributions restricted for property	1,300,000	6,525,613
Proceeds from grants restricted for property	-	6,252,723
Principal payments on mortgage note payable	(44,134)	(34,171)
Principal payments of finance lease liabilities	(4,616)	(4,315)
Net cash provided by financing activities	14,604,984	12,739,850
Net increase (decrease) in cash	422,445	(1,191,952)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	3,022,881	4,214,833
End of year	\$ 3,445,326	\$ 3,022,881
<b>RECONCILIATION OF CASH TO STATEMENT OF FINANCIAL POSITION</b>		
Cash and cash equivalents, unrestricted	\$ 2,856,892	\$ 3,022,881
Cash and cash equivalents, restricted	588,434	-
	\$ 3,445,326	\$ 3,022,881
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid for interest	\$ 259,219	\$ 46,605
Noncash activities:		
ROU assets obtained with lease liabilities	\$ -	\$ 36,300
Purchase of property in accounts payable	\$ -	\$ 2,591,756
Financing activity of pledges restricted for investment in property	\$ -	\$ 1,081,908

The Notes to Consolidated Financial Statements are an integral part of these statements.

**EO Companies**  
**Notes to Consolidated Financial Statements**  
June 30, 2025

---

**Note 1 – Organization and Significant Accounting Policies**

---

*Organization*

Effective July 1, 2023, and for the year ended June 30, 2024, the United Way of Southwest Virginia, Inc. (“UW SWVA”) and the United Way of the New River Valley, Inc. (“UW NRV”) operated with common members on their Boards. On December 21, 2023, the UW SWVA and the UW NRV agreed to a reorganization that transferred the name of the UW SWVA to the former UW NRV and then renamed the UW SWVA to EO Companies, effective January 1, 2024. As of July 1, 2024, both EO Companies and UW SWVA have nominated new Board members and operated separately with no common control between the organizations for the fiscal year ended June 30, 2025. In July 2024, as part of a New Market Tax Credits Transaction (“NMTC Transaction”) (see Note 2), EO Companies created EO Holdings, Inc. (“EO Holdings”). The consolidated financial statements include the accounts of EO Companies & EO Holdings. (the “Organization”). All material intercompany transactions have been eliminated.

EO Companies is a Virginia-based nonprofit with a mission to research, pilot, and scale big ideas into solutions that increase quality of life. EO Holdings is a property holding company related to the NMTC transaction.

*Basis of Financial Statement Presentation*

The consolidated financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The consolidated financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, *Presentation of Financial Statements of Not-for-Profit Entities*. Under the provisions of ASC Topic 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

**Net assets without donor restrictions** are amounts currently available for use in the Organization’s operations.

**Net assets with donor restrictions** are limited in use by donor-imposed stipulations that expire either by the passage of time or that can be fulfilled by action of the Organization pursuant to those stipulations. Net assets with donor restrictions also include amounts required by donors to be held in perpetuity; however, the income on these assets is available to meet various restricted and other operating needs.

*Cash and Cash Equivalents*

For the purpose of reporting cash flows, the Organization considers all highly liquid investments purchased with an initial maturity of three months or fewer to be cash equivalents.

Cash is held in banks and is insured by the Federal Deposit Insurance Corporation (FDIC).

*Grants Receivable*

The Organization receives grants from federal and state agencies, as well as from local organizations, to be used for specific purposes. The excess of reimbursable expenditures over cash receipts is included in grants receivable. Any excess of cash receipts over reimbursement expenditures is included in net assets with donor restrictions.

# EO Companies

## Notes to Consolidated Financial Statements

June 30, 2025

### *Property and Equipment*

Property and equipment are carried at cost, or if donated, at fair value at the date of donation, less accumulated depreciation. Depreciation is computed using the straight-line method over their estimated useful lives, which range from 5 to 40 years.

### *Leases*

The Organization recognizes leases as described in ASC 842, *Leases*. Under ASC 842, a lease is defined as a contract, or part of a contract, that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Organization classifies its leases as either finance leases or operating leases at the lease commencement date based on the criteria specified in ASC 842. This classification impacts the subsequent measurement and presentation of the lease on the consolidated financial statements.

Upon commencement of a lease, the Organization recognizes the right-of-use asset and lease liability at the present value of the lease payments over the lease term. The present value is determined using the risk-free rate unless the rate implicit in the lease is readily determinable. The Organization includes contract lease and non-lease components in their determination of lease payments.

Right-of-use assets are subsequently measured at cost, adjusted for lease payments, impairment, and any re-measurements. Lease liabilities are measured at amortized cost using the effective interest method. Lease payments are allocated between the principal reduction and interest expense.

The lease term includes the non-cancellable period of the lease and any optional renewal or termination periods, provided that the Organization is reasonably certain to exercise an option to renew or not to terminate. Short-term leases with an initial term of 12 months or fewer are expensed as incurred.

### *Debt Issuance Costs*

Debt issuance costs are recorded at cost and are amortized over the contractual life of the loan agreement or some shorter period determined by the agreement's terms and features. The unamortized costs are presented as a direct reduction to outstanding debt, and the amortization of debt issuance costs are recorded as interest expense.

Structuring fees related to the tax credit financing agreement as described in Note 2 are included in debt issuance costs and are amortized over seven years, which is the tax credit compliance period.

During the year ended June 30, 2025, the Organization capitalized \$610,766 in debt issuance costs. Amortization of debt issuance costs total \$79,640 for the year ended June 30, 2025.

### *Contract Services*

The Organization recognizes contract service revenue when it earns fees for services provided to other organizations. The Organization provides its expertise in community programs and grant management to help other organizations meet local service needs. For example, the Organization may train program staff, facilitate coordination efforts, or analyze regional trends.

**EO Companies**  
**Notes to Consolidated Financial Statements**  
June 30, 2025

*Donated Services*

A substantial number of volunteers have donated significant amounts of their time to the Organization's program services. However, for financial statement reporting under FASB ASC 958, *Not-for-Profit Entities*, only in-kind income for property, rent and professional services are recorded.

*Contributions*

Contributions, including unconditional promises to give or pledges receivable, are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions, when the donor's commitment is received. Unconditional promises to give without donor restrictions are recognized as operating revenues with donor restrictions unless the donor explicitly stipulates its use to support current period activities. Contributions designated to a third-party agency are excluded from revenue and recognized as liabilities until paid.

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of net assets with donor restrictions class, and a reclassification to net assets without donor restrictions is made to reflect the expiration of such restrictions.

Contributions of land, buildings, and equipment without donor stipulations concerning the use of such long-lived assets, are reported as revenues of the net asset without donor restrictions class. Contributions of cash or other assets to be used to acquire land, buildings, and equipment with such donor stipulations are reported as revenues of the net asset with donor restrictions class; the restrictions are considered to be released at the time such long-lived assets are placed in service, or if the asset has already been placed in service, when the contribution is received.

Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable is provided based upon management's judgment, including such factors as prior collection history, type of contribution, and nature of the fundraising activity.

Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

*Functional Expense Allocation*

In the accompanying statement of functional expenses, all expenses are allocated based upon the functions to which they relate. Expenses were allocated among the functional categories on the basis of specific identification or a defined allocations method. Such expenses include salaries and wages, as well as management fees, which are allocated based on time and effort.

*Advertising Costs*

Advertising costs of the Organization are expensed as incurred. Advertising expenses totaled \$25,074 and \$39,781 in 2025 and 2024, respectively.

*Income Taxes*

The Organization is exempt from income taxes under *Internal Revenue Code* Section 501(c)(3).

**EO Companies**  
**Notes to Consolidated Financial Statements**  
June 30, 2025

*Estimates*

Management uses estimates and assumptions in preparing consolidated financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

*Reclassifications*

Certain reclassifications have been made to the prior year amounts in order to conform to the current year presentation. The change in net assets and net assets, as previously reported, did not change as a result of these reclassifications.

*Adoption of a New Accounting Standard*

Effective July 1, 2023, the Organization adopted Accounting Standard Update (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which expands the information entities are required to consider when estimating credit losses and lowers the threshold for recognized losses on financial instruments not measured at fair value. Under the new model, nonprofit organizations will measure current expected credit losses (rather than probable losses) based on historical experience, current conditions, and reasonable and supportable forecasts. The Organization adopted this new guidance utilizing the modified retrospective transition method. The adoption of this ASU did not have a material impact on the Organization’s consolidated financial statements but did change how the allowance for credit losses is determined.

*Subsequent Events*

Subsequent events were considered through February 12, 2026, the date the consolidated financials were available to be issued.

---

**Note 2 – New Market Tax Credits**

---

The New Market Tax Credit Program (“NMTC Program”) was established by Congress to attract investment capital to low-income communities by permitting investors to receive tax credit incentives for making equity investments in certified Community Development Entities (“CDEs”). Under the program, investors are able to help subsidize eligible projects that meet the NMTC Program requirements.

The Organization’s development of a regional childcare and workforce development center (see Note 6) was eligible for the NMTC Program. To benefit from the NMTC Program, the Organization established EO Holdings and entered into a series of agreements and transactions with two CDEs and an Investment Fund established by an unrelated third-party financial institution. As part of the NMTC Transaction, the Organization loaned \$8,887,500 to the Investment Fund (see Note 5), transferred ownership of the development property to EO Holdings, and subsequently leased the development property back. EO Holdings obtained loans from the CDEs totaling \$12,290,000 (see Note 7) resulting in the Organization securing an additional \$3,402,500 in support of the project before expenses.

The NMTC Program has a seven-year compliance period. Over the compliance period, the loans provided to the Investment Fund and provided by the CDEs require interest payments only. At the end of the compliance period, the tax credit investor may exercise a put option which would require the Organization to purchase 100% of the investor’s equity in the investment fund for \$1,000. If the put is not exercised after a six-month period following the compliance period, the Organization has the option to purchase 100% of the investors equity for fair market value as assessed by an

## EO Companies

### Notes to Consolidated Financial Statements

June 30, 2025

independent appraiser. While it is expected that the put option will be exercised, under either scenario, it is expected that the structure established would be dissolved and related loans forgiven following the compliance period.

Pursuant to the terms of the NMTC Transaction, as of June 30, 2025, the Organization maintained \$588,434 of cash in segregated bank accounts restricted for use toward covering compliance related costs over the compliance period.

#### Note 3 – Financial Assets and Liquidity Resources

Financial assets available within one year of the consolidated statements of financial position for general expenditure were as follows as of June 30:

	2025	2024
<b>Financial assets</b>		
Cash and cash equivalents	\$ 2,856,892	\$ 3,022,881
Grant receivables	1,851,815	3,414,122
Less advanced grant funds	(684,018)	(678,543)
	<u>\$ 4,024,689</u>	<u>\$ 5,758,460</u>

The Organization meets cash needs for expenditures with grants and contributions received throughout the year. Grant funds are either receivables or advances. Receivables reimburse Organization cash expended on grant programs. Advances provide cash which must be expended on grant programs. The Board has not imposed limits on the use of resources without donor restrictions.

#### Note 4 – Pledges Receivable

Pledges receivable consist of the following as of June 30:

	2025	2024
Expected to be collected in		
Less than one year	\$ 1,314,050	\$ 2,300,000
One to five years	600,000	900,000
	1,914,050	3,200,000
Less		
Discount to net present value at 4.0%-4.7%	(57,778)	(118,092)
	<u>\$ 1,856,272</u>	<u>\$ 3,081,908</u>

As of June 30, 2025, 99% of the contributions receivable balance was due from two donors. As of June 30, 2024, approximately 89% of the contributions receivable balance was due from two donors. Of the total net pledges receivable above, \$- and \$3,081,908 are restricted for investment in property as of June 30, 2025 and 2024, respectively.

#### Note 5 – Note Receivable

As part of the tax credit transaction described in Note 2, the Organization provided a loan to DV-EO Companies QEI, LLC (an unrelated entity) on July 31, 2024, in the amount of \$8,887,500. Interest only payments at a rate of 1.00% per annum are due quarterly to the Organization, through 2031. Beginning December 2031, principal and interest payments of \$142,285 are due quarterly until the loan matures in July 2048. The note will likely be paid at the end of the 7-year tax credit compliance period as part of dissolution of the structured tax credit financing agreement as described in Note 2.

Total interest income received on the note was \$81,716 for the years ended June 30, 2025 and 2024, respectively.

**EO Companies**  
**Notes to Consolidated Financial Statements**  
June 30, 2025

**Note 6 – Property and Equipment**

Property and equipment consist of the following at June 30:

	<u>2025</u>	<u>2024</u>
Land	\$ 4,250,438	\$ 2,792,277
Buildings and improvements	23,698,319	672,548
Furniture and equipment	1,250,405	116,614
Leasehold Improvements	180,342	-
Vehicles	102,368	25,652
Total property and equipment	<u>29,481,872</u>	<u>3,607,091</u>
Less accumulated depreciation	(952,652)	(232,815)
Property and equipment, net	<u><u>\$ 28,529,220</u></u>	<u><u>\$ 3,374,276</u></u>

On April 28, 2023, the Organization acquired the former K-Mart facility located at 300 Towne Centre Drive in Abingdon, Virginia. The appraised value of this property totaled \$8,850,000. The Organization financed \$3.0 million of the purchase price and the remaining \$5.85 million was donated as in-kind from the previous owner, Town Centre of Abingdon, LLC. The Organization has refinanced the \$3.0 million loan and expects to pay the loan off by fiscal year 2028 primarily from charitable contributions. The Organization has redeveloped the 87,000 square foot facility into a state-of-the-art regional childcare and workforce development center. This center is part of the Organization’s Ready SWVA initiative to serve as the region’s anchor institution supporting a regional comprehensive economic development strategy to attract and retain talent to the area. In August 2024, the Organization substantially completed the project with a total cost of approximately \$21 million, including purchase of the facility, with funding from charitable contributions. As of June 30, 2025 and 2024, the Organization had a remaining commitment balance of approximately \$0- and \$2.0 million, respectively, to its construction company for renovations.

**Note 7 – Debt**

The Organization’s debt consists of the following at June 30:

	<u>2025</u>	<u>2024</u>
Mortgage note payable – Office building (New Peoples Bank – 3.0% fixed rate, due February 2037)	\$ 512,466	\$ 550,070
Mortgage note payable – Town Centre (New Peoples Bank – variable rate, due July 2027)	3,000,000	3,000,000
Mortgage note payable – Phase II building (New People’s Bank – 6.75% fixed rate, due April 2045)	1,667,970	-
NMTC Note payable – TIF QLICI Loan A, 1.01% fixed rate, due July 2054	4,049,100	-
NMTC Note payable – DVCI QLICI Loan A, 1.01% fixed rate, due July 2054	4,838,400	-
NMTC Note payable – TIF QLICI Loan B, 1.01% fixed rate, due July 2054	1,450,900	-
NMTC Note payable – DVCI QLICI Loan B, 1.01% fixed rate, due July 2054	1,951,600	-
Debt issuance costs	(534,559)	(3,433)
	<u><u>\$ 16,935,877</u></u>	<u><u>\$ 3,546,637</u></u>

**EO Companies**  
**Notes to Consolidated Financial Statements**  
June 30, 2025

On July 29, 2024, the \$3.0 million mortgage note payable was refinanced. Principal payments of \$1.0 million each will be paid annually beginning on July 29, 2025. The initial interest rate is 7.25% per annum and may change on July 29, 2025 and on the same day of each year thereafter, not to exceed 7.75% or be less than 4.75%. Interest is paid quarterly.

See Note 2 for additional information regarding the NMTC note payables.

Debt matures as follows:

Year Ending	
2026	\$ 1,080,848
2027	1,084,999
2028	1,089,392
2029	94,045
2030	98,973
Thereafter	14,022,179
	17,470,436
Debt issuance costs	(534,559)
	\$ 16,935,877

## Note 8 – Leases

### Financing

The Organization entered into two separate financing lease agreements with CIT Bank for copier equipment for use by the Organization throughout various departments beginning on the dates specified below. Monthly payments are due over four years at a fixed interest rate based on the implicit borrowing rate in the lease. These leases are not renewable and the Organization has the option to purchase the equipment at the end of each lease.

Description	Date	Payment terms	Monthly payment amount	Interest rate	Initial lease liability	Balance June 30, 2025	Balance June 30, 2024
Copier	10/5/2022	4 years	\$ 220	6.00%	\$ 9,381	\$ 3,168	\$ 5,543
Copier	3/2/2023	4 years	220	7.50%	9,112	4,129	6,370
					\$ 18,493	\$ 7,297	\$ 11,913

The assets under finance leases have cost and accumulated amortization as follows as of June 30:

	2025	2024
Right-of-use financing lease assets	\$ 18,493	\$ 18,493
Less accumulated amortization	(11,764)	(7,141)
	\$ 6,729	\$ 11,352

Maturities of finance lease obligations are as follows:

Year Ending June 30,	
2026	\$ 5,288
2027	2,424
Total undiscounted lease payments	7,712
Present value	(415)
	\$ 7,297

**EO Companies**  
**Notes to Consolidated Financial Statements**  
June 30, 2025

	<b>Weighted Average Discount Rate</b>	<b>Weighted Average Remaining Lease Term</b>
Finance leases	6.86%	1.48 years

*Operating*

In February 2024, the Organization entered into a lease agreement for office space, which will expire on April 30, 2026. The lease contains one two-year renewal option.

The Organization’s future payments due under the operating lease reconciled to the operating lease liability is as follows:

Year Ending June 30,		
2026	\$	15,000
Present value		(387)
	\$	<b>14,613</b>

	<b>Weighted Average Discount Rate</b>	<b>Weighted Average Remaining Lease Term</b>
Operating leases	700%	0.83 years

**Note 9 – Net Assets**

Net assets with donor restrictions are available for the following purposes or periods as of June 30:

	<b>2025</b>	<b>2024</b>
Capital and program specific projects	\$ 1,226,639	\$ 15,501,475
Time	1,856,272	-
Grant program funds	-	8,075,000
Total net assets with donor restrictions	\$ 3,082,911	\$ 23,576,475

**Note 10 – Retirement Plan**

EO Companies (“EO”) established a SIMPLE IRA plan effective 2009. Employees may elect to contribute a percentage of their compensation on a pre-tax basis. EO contributes matching contributions on a dollar-for-dollar basis between 1% and 3% of the employee’s compensation. Under the plan, EO cannot contribute less than 3% for more than two out of every five years. Retirement expense for the periods ended June 30, 2025 and 2024 was \$67,510 and \$58,101, respectively.



# **Supplementary Information**

---

## EO Companies

### Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2025

Federal Agency/Pass-Through Agency/ Program or Cluster Title	AL Number	Contract/ Grant Number	Expenditures
<b>FEDERAL AWARDS</b>			
<b>APPALACHIAN REGIONAL COMMISSION (ARC)</b>			
Direct Award:			
Appalachian Area Development	23.002	VA-22063-25	\$ 46,136
Total U.S. Department of Agriculture			<u>46,136</u>
<b>U.S. DEPARTMENT OF LABOR</b>			
Direct Award:			
WIOA Dislocated Worker National Reserve Demonstration Grants	17.280	24A60WO000040-01-00	179,424
Total U.S. Department of Labor			<u>179,424</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Pass-through Virginia Early Childhood Foundation:			
Every Student Succeeds Act/Preschool Development Grant	93.434	778-DOE86522-90TP0136.01.00	2,510
Temporary Assistance for Needy Families	93.558	BEN-24-077	99,985
Maternal and Child Health Services Block Grant	93.994	FP00023446_SA002	52,652
Pass-through Cumberland Mountain Community Services:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	839720102	87,293
<i>Child Care and Development Fund Cluster:</i>			
Pass-through Virginia Early Childhood Foundation:			
Child Care and Development Block Grant	93.575	778-APE70171-2402VACCDD	942,099
Child Care and Development Block Grant (ARPA)	93.575	778-DOE86882-2102VACDC6	60,218
Child Care and Development Block Grant	93.575	REQ1355678	286,156
Pass-through Child Development Resources:			
Child Care and Development Block Grant	93.575	ITSN-SWE-23	166,950
<i>Total Child Care and Development Fund Cluster</i>			<u>1,455,423</u>
Total U.S. Department of Health and Human Services			<u>1,697,863</u>
Total federal awards			<u><u>\$ 1,923,423</u></u>

## **EO Companies**

### **Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2025**

---

#### **Note 1 – Basis of Presentation**

---

The accompanying schedule of federal expenditures includes the activity of all federally assisted programs of EO Companies and is presented on the accrual basis of accounting, as described in Note 1 to the financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on this schedule.

---

#### **Note 2 – De Minimis Indirect Cost Rate**

---

The entity elected to use the 10% de minimis indirect cost rate.

---

#### **Note 3 – Outstanding Loan Balances**

---

At June 30, 2025, EO Companies had no outstanding loan balances requiring continuing disclosure.



# Compliance Section





## **Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Consolidated Financial Statements Performed in Accordance with Government Auditing Standards**

To the Honorable Members of the Board of Directors  
EO Companies  
Abingdon, Virginia

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 consolidated financial statements of EO Companies (the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year the ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated February 12, 2026.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered the Organization'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 opinions on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 consolidated 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 have not been identified.**



## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated 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 consolidated 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 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 entity'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.

*Brown, Edwards & Company, L.L.P.*

CERTIFIED PUBLIC ACCOUNTANTS

Bristol, Tennessee  
February 12, 2026



## **Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance**

To the Honorable Members of the Board of Directors  
EO Companies  
Abingdon, Virginia

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

#### *Opinion on Compliance for Each Major Program*

We have audited EO Companies' (the "Organization") 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 the Organization's major federal programs for the year ended June 30, 2025. The Organization'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 Organization 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 June 30, 2025.


#### *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 the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related 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 documentation of the Organization'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 the Organization'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 Organization'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 Organization's compliance 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 risk 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 Organization'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 Organization'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 Organization'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 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 have not been 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.

*Brown, Edwards & Company, S. L. P.*

CERTIFIED PUBLIC ACCOUNTANTS

Bristol, Tennessee  
February 12, 2026

# EO Companies

## Schedule of Findings and Questioned Costs

June 30, 2025

---

### A – Summary of Auditor’s Results

---

1. The auditor’s report expresses an **unmodified opinion** on the consolidated financial statements.
2. **No significant deficiencies and no material weaknesses** relating to the audit of the consolidated financial statements were reported in the Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Consolidated Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. **No instances of noncompliance** material to the consolidated financial statements were disclosed.
4. **No significant deficiencies and no material weaknesses** relating to the audit of the major federal award programs were reported in the Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.
5. The auditor’s report on compliance for the major federal award programs expresses an **unmodified opinion**.
6. The audit disclosed **no audit findings relating to the major programs**.
7. The program tested as major was:

<u>Name of Program</u>	<u>Assistance Listing Number</u>
Child Care and Development Block Grant	93.575

8. The threshold for distinguishing Type A and B programs was **\$750,000**.
9. The Organization was **not** determined to be a **low-risk auditee**.

---

### B – Findings – Consolidated Financial Statement Audit

---

None.

---

### C – Findings and Questioned Costs – Major Federal Award Program Audit

---

None.

---

### D – Findings – Commonwealth of Virginia

---

None.

**EO Companies**  
**Summary Schedule of Prior Audit Findings**  
June 30, 2025

---

**Findings – Consolidated Financial Statement Audit**

---

None.

---

**Findings and Questioned Costs – Major Federal Award Program Audit**

---

*2024-001: Coronavirus State and Local Fiscal Recovery Fund – AL #21.027, Uniform Guidance Procurement Documentation*

Condition The Organization does not have written procurement policies that fully align with requirements in the Uniform Guidance.

Recommendation The Organization should revise procurement procedures to more closely align with Uniform Guidance requirements.

Current Status This finding was not noted in the current year audit.

---

**Findings – Commonwealth of Virginia**

---

None.