

WILKINSON CENTER

FINANCIAL STATEMENTS

JUNE 30, 2024





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12222 Merit Drive, Suite 1900
Dallas, TX 75251

 214-296-0900

 972-661-3651

 www.HaynieCPAs.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Wilkinson Center

Opinion

We have audited the accompanying consolidated financial statements of Wilkinson Center (“the Center”) (nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Center as of June 30, 2024 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors’ Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ 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 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.*
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.*
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, no such opinion is expressed.*
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.*
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center'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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 31, 2025, on our consideration of the Center'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 Center'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 Center's internal control over financial reporting and compliance.

Haynie & Company

*Dallas, Texas
March 31, 2025*

Wilkinson Center
Statement of Financial Position
As of June 30, 2024

Assets

<i>Current assets</i>	
Cash	\$ 687,552
Accounts receivable	102,535
Prepaid expenses	<u>47,108</u>
Total current assets	<u>837,195</u>
 <i>Other assets</i>	
Deposits	4,211
Depreciable assets, net	127,597
Right-of-use net assets - operating leases	<u>841,279</u>
Total other assets	<u>973,087</u>
 Total assets	 \$ <u><u>1,810,282</u></u>

Liabilities and Net Assets

<i>Current liabilities</i>	
Accrued liabilities	\$ 78,616
Deferred revenue	212,461
Lease liability - current	<u>126,702</u>
Total current liabilities	<u>417,779</u>
 <i>Noncurrent liabilities</i>	
Lease liability - long-term	<u>766,772</u>
Total noncurrent liabilities	<u>766,772</u>
Total liabilities	<u>1,184,551</u>
 <i>Net assets</i>	
Without donor restrictions	542,679
With donor restrictions	<u>83,052</u>
Total net assets	<u>625,731</u>
 Total liabilities and net assets	 \$ <u><u>1,810,282</u></u>

The accompanying notes are an integral part of these financial statements.

Wilkinson Center
Statement of Activities
For the Year Ended June 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and support			
Government grants	\$ 1,492,666	\$ -	\$ 1,492,666
Contributions	461,278	979,668	1,440,946
Special events, net of expenses	209,601	-	209,601
In-kind donations	-	86,725	86,725
Dividend income	24,237	-	24,237
Miscellaneous income	9,996	-	9,996
Net assets released from restrictions	<u>1,588,451</u>	<u>(1,588,451)</u>	<u>-</u>
 Total revenue and support	 <u>3,786,229</u>	 <u>(522,058)</u>	 <u>3,264,171</u>
 Functional expenses			
Program	2,985,024	-	2,985,024
Management and General	405,629	-	405,629
Fundraising	<u>376,970</u>	<u>-</u>	<u>376,970</u>
 Total Expenses	 <u>3,767,623</u>	 <u>-</u>	 <u>3,767,623</u>
 Change in net assets	 18,606	 (522,058)	 (503,452)
 Net assets, beginning of year	 <u>524,073</u>	 <u>605,110</u>	 <u>1,129,183</u>
 Net assets, end of year	 <u>\$ 542,679</u>	 <u>\$ 83,052</u>	 <u>\$ 625,731</u>

The accompanying notes are an integral part of these financial statements.

Wilkinson Center
Statement of Functional Expenses
For the Year Ended June 30, 2024

	<u>Program</u> <u>Activities</u>	<u>General and</u> <u>Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Bank fees	\$ 175	\$ 2,563	\$ 4,345	\$ 7,083
Depreciation	-	29,693	-	29,693
Food and emergency assistance	220,272	794	20,980	242,046
Insurance	15,690	3,027	(76)	18,641
Dues and subscriptions	25,408	6,023	5,782	37,213
Miscellaneous	10,409	(4,784)	16,937	22,562
Furniture and equipment	-	29,251	(20,812)	8,439
Occupancy	290,264	26,218	(9,895)	306,587
Personnel	2,036,173	206,028	264,986	2,507,187
Postage and delivery	118	40	4,622	4,780
Printing and reproduction	5,642	1,482	19,221	26,345
Professional fees	70,361	86,268	50,764	207,393
Advertising	1,620	9,747	2,453	13,820
In-kind	86,725	-	-	86,725
Shoe drive	-	-	-	-
Interest expense	-	-	-	-
Supplies	31,939	465	4,136	36,540
Telephone and internet	18,020	1,856	741	20,617
Training and seminars	2,263	50	150	2,463
Travel	23,731	417	992	25,140
Curriculum	96,142	-	-	96,142
IT expense	44,620	6,491	11,644	62,755
Outside services	5,452	-	-	5,452
	<u>\$ 2,985,024</u>	<u>\$ 405,629</u>	<u>\$ 376,970</u>	<u>\$ 3,767,623</u>

The accompanying notes are an integral part of these financial statements.

Wilkinson Center
Statement of Cash Flows
For the Year Ended June 30, 2024

<i>Cash flows from operating activities</i>	
<i>Change in net assets</i>	\$ (503,452)
<i>Adjustments to reconcile change in net assets to net cash from operating activities</i>	
<i>Depreciation expense</i>	29,693
<i>Noncash lease expense</i>	2,310
<i>Cash paid for lease payments</i>	(9,650)
<i>Change in:</i>	
<i>Accounts payable</i>	138,646
<i>Prepaid expenditures</i>	10,097
<i>Deposits</i>	4,475
<i>Accrued liabilities</i>	(3,193)
<i>Deferred revenue</i>	<u>137,461</u>
<i>Net cash from operating activities</i>	<u>\$ (193,613)</u>
 <i>Net cash flows from in from investing activities</i>	
<i>Purchase of equipment</i>	<u>(81,783)</u>
<i>Net cash from investing activities</i>	<u>(81,783)</u>
<i>Net change in cash and cash equivalents</i>	(275,396)
<i>Cash and cash equivalents at beginning of year</i>	<u>962,948</u>
<i>Cash and cash equivalents at end of year</i>	<u>\$ 687,552</u>
 <i>Supplemental disclosures of cash flow information:</i>	
<i>Cash paid during the year for:</i>	
<i>In-Kind Donations</i>	<u>\$ 86,725</u>
<i>Interest</i>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

WILKINSON CENTER
Notes to Financial Statements
June 30, 2024

1. Summary of Significant Accounting Policies

Nature of activities

The mission of Wilkinson Center (the "Center") is to transform the lives of Dallas families by promoting pathways to self-sufficiency with dignity and respect. The Center was incorporated under the laws of the State of Texas in 1997. The Center is supported primarily through various donor contributions. The Center responds to a variety of critical needs across Dallas County, concentrating on meeting needs through the following:

- 1) Food and Emergency Services;
- 2) Adult Education (GED study, English as a second language and financial coaching);
- 3) Job readiness training and employment search.

Basis of presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. The Center presents its financial statements in accordance with ASC 958, "Not-for-Profit Entities". Under ASC 958, the Center is required to report information regarding its financial position and activities according to two categories of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Center and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor restrictions. Assets restricted solely through the actions of the Board of Directors (if any) are reported as net assets without donor restrictions, board-designated.

Net assets with donor restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity.

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs for the year ended June 30, 2024, were \$3,544. Advertising costs consist of print and internet advertising.

Cash equivalents

Cash equivalents consist of short-term, highly liquid investments which are readily convertible into cash within ninety (90) days of purchase.

WILKINSON CENTER
Notes to Financial Statements
June 30, 2024

1. Summary of Significant Accounting Policies, continued

Contributions

Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give, due in the next year, are recorded at their net realizable value. Unconditional promises to give, due in subsequent years, are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received.

Compensated absences

Compensated absences cannot be reasonably estimated and are therefore recorded at cost when paid.

Revenue Recognition

Effective September 1, 2019, the Center adopted ASU 2014-09, Revenue from Contracts with Customers (Topic 606) and related amendments, which creates a single source of revenue guidance for all companies in all industries and is more principles-based than previous revenue guidance. Under ASU 2014-09, revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Center expects to be entitled in exchange for those goods and services. The Center adopted the standard using the modified retrospective approach, results for reporting periods beginning after September 1, 2019 are presented under Topic 606.

The Center's revenues consist of contributions and grants. Contributions consist of funds donated to the Academy without donor stipulations. Grant revenue includes funds from private and public entities for a particular purpose. Grants do not require transfer of goods and services in return for the funds and therefore there is no impact of the implementation of FASB ASU 2014-09, as related to grant revenues. As such, the adoption of this standard did not result in significant changes to the Center's accounting policies, business processes, systems or controls, or have an impact on its financial position, results of operations or cash flows. Therefore, prior period financial statements were not recast and there was no cumulative effect adjustment upon adoption.

Income taxes

The Center is exempt from Federal income taxes under Internal Revenue Code Section 501(c)(3) and therefore has made no provision for federal income taxes in the accompanying financial statements. In addition, the Center has been determined by the Internal Revenue Service to be a public charity within the meaning of Section 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code. There was no unrelated business income for 2023-2024.

The Center is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations for years prior to July 1, 2019.

WILKINSON CENTER
Notes to Financial Statements
June 30, 2024

1. Summary of Significant Accounting Policies, continued

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Lease Right-of-Use Assets and Liabilities

The Center has leases for facilities. The Center determines if an arrangement is a lease at inception. Leases as a lessee are included in lease right-of-use assets and operating lease liabilities in the statement of financial position. Right-of-use assets represent the Center's right to use the underlying asset for the lease term. Lease right-of-use assets and related liabilities are recognized at the commencement date based on the net present value of lease payments over the lease term discounted using an appropriate incremental borrowing rate. The Center uses its incremental borrowing rate, which is based on the information available at the commencement date, in determining the present value of lease payments. The Center uses publicly available data for instruments with similar characteristics when calculating its incremental borrowing rates. The value of an option to extend or terminate a lease is reflected to the extent it is reasonably certain management will exercise the option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Date of Management's Review

Subsequent events were evaluated through March 31, 2025, which is the date the financial statements were available to be issued.

2. Liquidity

The following reflects the Center's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

Financial assets, at year-end	\$ 790,087
Less, assets unavailable for general expenditures within one year, due to:	
Net assets with donor restrictions	<u>83,052</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u><u>707,035</u></u>

WILKINSON CENTER
Notes to Financial Statements
June 30, 2024

3. Property and Equipment

The following is a summary of property and equipment as of June 30, 2024:

	<u>Beginning Balance</u>		<u>Additions</u>		<u>Reclass/ Retirement</u>		<u>Ending Balance</u>
Office and computer equipment	\$ 124,842	\$	3,132	\$	(79,122)	\$	48,852
Computer software	132,055		-		(79,871)		52,184
Vehicles	111,743		-		(28,779)		82,964
Office furniture	33,456		13,588		(16,501)		30,543
Food pantry	41,267		21,940		-		63,207
Leasehold improvements	<u>202,616</u>		<u>43,123</u>		<u>-</u>		<u>245,739</u>
 Total property and equipment	 645,979		 81,783		 (204,273)		 523,489
 Less: accumulated depreciation	 <u>570,472</u>		 <u>29,693</u>		 <u>(204,273)</u>		 <u>395,892</u>
 Property and equipment, net	 \$ <u>75,507</u>	\$	 <u>52,090</u>	\$	 <u>-</u>	\$	 <u>127,597</u>

Depreciation expense for the year ended June 30, 2024 was \$29,693.

4. Net Assets with Donor Restrictions

Net Assets with donor restrictions are available for the following purposes at June 30, 2024.

Working Family Success	\$ (113,849)
Private grants	145,353
Scholarships	28,183
Friends of Wilkinson Center	<u>23,365</u>
	 \$ <u>83,052</u>

WILKINSON CENTER
Notes to Financial Statements
June 30, 2024

5. Commitments and Contingencies

The Center leases office spaces at 2 locations in Dallas, Texas under non-cancelable operating leases to incur rent expense under these lease agreements which expire between June 2024 and October 2031. The Center considered the terms of the lease agreements to establish their right-of-use asset and lease liability. The lease does not have any material residual value guarantees or material restrictive covenants. The lease does not provide an implicit rate, therefore the Center uses a risk-free discount rate, using a period comparable with that of the lease term. The Center used the risk-free rate on the later of the lease commencement date or the transition to ASC 842, to determine the present value of the lease payments.

Weighted-average remaining lease term and discount rate for the operating leases are as follows:

Weighted-average remaining lease term	10.5 years
Weighted average discount rate	2.9%

Minimum future lease payments for the years ending June 30 are:

2025	\$	152,193
2026		143,534
2027		123,229
2028		102,924
2029		105,730
Thereafter		<u>372,395</u>
Future lease payments		1,000,005
Imputed interest		<u>(106,531)</u>
Total	\$	<u><u>893,474</u></u>

7. Line of Credit

On October 6, 2017, the Center entered into a line of credit agreement with Frost Bank. The maximum amount of the line of credit was set at \$150,000. It is not secured by collateral. The interest rate was subject to change from time to time based on changes in an independent index which is the prime rate as quoted in the most recently published issue of The Wall Street Journal (US Edition) in the "Money Rates" section. As of June 30, 2024, the Center had no outstanding balance under this line of credit.

WILKINSON CENTER
Notes to Financial Statements
June 30, 2024


8. Credit Concentration, Risk and Contingency


The Center operates entirely within the Dallas, Texas area. The majority of the Center's revenue is from contributions. Therefore, the financial activities of the Center are subject to the economic conditions of the area. Approximately 43% of the Center's total support for the years ended June 30, 2024, were from government grants. Receivables from government grants represented approximately 100% of receivables at June 30, 2024.


The Center maintains cash balances in bank accounts that may, at times, exceed federally insured limits. The Center has not incurred any losses from such accounts, and management considers the risk of loss to be minimal.



12222 Merit Drive, Suite 1900
Dallas, TX 75251

 214-296-0900

 972-661-3651

 www.HaynieCPAs.com

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
Wilkinson Center*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Wilkinson Center (the "Center") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, 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 March 31, 2025.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center'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.


Haynie & Company


Dallas, Texas


March 31, 2025



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Dallas, TX 75251

 214-296-0900

 972-661-3651

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

*To the Board of Directors
Wilkinson Center*

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Wilkinson Center ("the Center") (a nonprofit organization) compliance with the types of compliance requirements identified as a subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the Center's major federal programs for the year ended June 30, 2024. The Center'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 Center 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, 2024.

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 Center and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Center'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 Center's federal programs.

Auditors' 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 Center'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 Center's compliance with the requirements of each major federal program to determine the auditing as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.*
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Center'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 Center'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 Center's internal control over compliance. Accordingly, no such opinion is expressed.*

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

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a

federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described Auditor's Responsibilities for the Audit of Compliance section 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. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

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Haynie & Company

*Dallas, Texas
March 31, 2025*

WILKINSON CENTER
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

PART I – SUMMARY OF AUDITORS’ RESULTS

Financial Statement Section

1. The type of report issued on the general-purpose financial statements: **Unmodified**
2. Significant deficiencies in internal controls were disclosed by the audit of the financial statements: **None reported** Material Weaknesses: **No**
3. Noncompliance that is material to the financial statements: **None identified**.

Federal Awards Section

1. The type of report issued on compliance for major programs: **Unmodified**
2. Significant deficiencies in internal controls were disclosed by the audit of the major programs: **None reported** Material Weaknesses: **No**
3. Any audit findings that are required to be reported under 2 CFR section 200.516(a): **No**
4. Major Programs:

Adult Education – Basic Grants to States	84.002
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5. Dollar threshold used to distinguish between Type A and Type B programs: **\$750,000**
6. Auditee qualified as a low-risk auditee: **No**

PART II – FINDINGS RELATED TO THE FINANCIAL STATEMENTS

None

PART III – FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL AWARD PROGRAMS

None

WILKINSON CENTER
Summary Schedule of Prior Audit Findings and Current Results
Year ended June 30, 2024

There were no prior year findings

Wilkinson Center
Schedule of Expenditures of Federal Awards
June 30, 2024

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal Federal ALN</u>	<u>Agency or Pass-through Number</u>	<u>Federal Expenditures</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Passed through Dallas County Local Workforce Development Board, Inc.</i>			
<i>Adult Education - Basic Grants to States</i>	84.002		\$ <u>1,394,916</u>
Total U.S. Department of Education			<u>1,394,916</u>
Total Federal Awards			\$ <u><u>1,394,916</u></u>

The accompanying notes are an integral part of this schedule

WILKINSON CENTER
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the Federal grant activity of Wilkinson Center ("the Center") and is presented on the accrual basis of accounting. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operation of the Center, it is not intended to and does not present the financial position, changes in net assets, and cash flows of the Center.

2. Summary of Significant Accounting Policies

Expenditures on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Subpart E of the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Commitments and Contingencies

Federal grants received by the Center are subject to review and audit by grantor agencies. The Center's management believes that the results of such audits will not have a material effect on the Schedule.

4. Election To Use 10% De Minimis Indirect Cost Rate

The Center has elected not to use the 10 de minimis indirect cost rate allowed under uniform guidance.

5. Subrecipients

The Center does not participate with any subrecipient organizations for the administration or performance of its federal programs.

6. Reconciliation of Federal Program Revenues and Schedule of Expenditures of Federal Awards:

Total expenditures of federal awards per the Schedule of Expenditures of Federal Awards	\$ 1,394,916
Non federal grants	<u>97,750</u>
Total governmental grants per the Statement of Activities	\$ <u>1,492,666</u>