

**NORTHEAST FLORIDA COMMUNITY  
ACTION AGENCY, INC.  
FINANCIAL STATEMENTS,  
SUPPLEMENTARY DATA,  
AND COMPLIANCE REPORTS  
For the Year Ended September 30, 2020**

**NORTHEAST FLORIDA COMMUNITY  
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FINANCIAL STATEMENTS,  
SUPPLEMENTARY DATA,  
AND COMPLIANCE REPORTS  
For the Year Ended September 30, 2020**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Northeast Florida Community Action Agency, Inc.  
Jacksonville, Florida

We have audited the accompanying financial statements of the Northeast Florida Community Action Agency, Inc. (a non-profit organization) which comprise the statements of financial position as of September 30, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Northeast Florida Community Action Agency, Inc. (the "Agency") as of September 30, 2020, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the agency's basic financial statements. 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 January 25, 2021 on our consideration of the agency's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the agency's internal control over financial reporting and compliance.

*L.F. Harris & Associates*

L. F. Harris & Associates, CPA, PA  
Orlando, Florida  
January 25, 2021



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

**NORTHEAST FLORIDA COMMUNITY ACTION AGENCY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**As of September 30, 2020**

**ASSETS**

Current Assets	
Cash and cash equivalents	\$ 792,476
Grants receivable	1,216,984
Other receivable	12,478
Prepaid expense	31,151
Deposits	6,699
	<hr/>
Total Current Assets	2,059,788
	<hr/>
Property and Equipment	
Property and equipment (net of accumulated depreciation of \$145,750)	6,146
	<hr/>
Total Assets	\$ 2,065,934
	<hr/> <hr/>

**LIABILITIES AND NET ASSETS**

Current Liabilities	
Accounts payable	\$ 902,711
Deferred support	185,465
Accrued expenses	257,329
Payroll protection loan	394,706
Total Current Liabilities	<hr/> 1,740,211
	<hr/>
Net Assets	
Without Donor Restrictions	<hr/> 325,723
	<hr/>
Total Liabilities and Net Assets	\$ 2,065,934
	<hr/> <hr/>

*See accompanying notes to financial statements*

**NORTHEAST FLORIDA COMMUNITY ACTION AGENCY, INC.**

**STATEMENT OF ACTIVITIES**

**For the Year Ended September 30, 2020**

Changes in Net Assets Without Donor Restrictions	
Grant revenue and contracts	<b>\$ 6,813,784</b>
Donations	<b>42,500</b>
Other	<b>1,221</b>
Interest income	<b>130</b>
	<hr/>
Total Revenues and Support Without Donor Restrictions	<b>6,857,635</b>
	<hr/>
Expenses	
Program Services	<b>6,473,639</b>
Management and General Administration	<b>562,525</b>
Fundraising	<b>21,803</b>
Total Unrestricted Expenses	<b>7,057,967</b>
	<hr/>
Increase in Net Assets Without Donor Restrictions	<b>(200,332)</b>
	<hr/>
Net Assets Beginning of Year	<b>526,055</b>
	<hr/>
Total Net Assets at End of Year	<b>\$ 325,723</b>
	<hr/> <hr/>

*See accompanying notes to financial statements*

**NORTHEAST FLORIDA COMMUNITY ACTION AGENCY, INC.**

**STATEMENT OF CASH FLOWS**

**For the Year Ended September 30, 2020**

Cash Flows from Operating Activities:	
Reconciliation of Operating Activities to	
Net Cash Provided by Operating Activities:	
Increase in net assets	\$ (200,332)
Adjustments to reconcile change in net assets	
to net cash provided by operating activities:	
Depreciation	7,292
Increase in grants receivable	(56,098)
Increase in other receivable	(236)
Decrease in prepaid expenses	(7,738)
Decrease in deposits	3,148
Increase in accounts payable	(27,131)
Decrease in deferred support	135,686
Increase in accrued expenses	(79,786)
Net Cash Provided by Operating Activities	<u>(225,195)</u>
Financing Activities	
Proceeds from Notes Payable	<u>394,706</u>
Net Cash (used) by Investing Activities	<u>394,706</u>
Net increase in cash and cash equivalents	169,511
Cash - Beginning of Year	<u>622,965</u>
Cash - End of Year	<u><u>\$ 792,476</u></u>

*See accompanying notes to financial statements*

**NORTHEAST FLORIDA COMMUNITY ACTION AGENCY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended September 30, 2020**

**PROGRAM SERVICES**

**SUPPORT SERVICES**

	<b>Community Service Block Grant</b>	<b>Low Income Home Energy Assistance Program</b>	<b>Florida Association for Community Action</b>	<b>Weatherization Assistance Program</b>	<b>Other Programs</b>	<b>Total Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total Program and Support Services</b>
Salaries & Fringe Benefits	\$ 973,421	\$ 814,825	\$ 1,559	\$ 107,254	\$ -	\$ 1,897,059	\$ 313,345	\$ -	\$ 2,210,404
Contractual Services	1,311	-	-	209,353	-	210,664	33,311	-	243,975
Client Assistance	529,468	3,231,252	5,703	170,120	9,522	3,946,065	-	2,320	3,948,385
Telephone	31,789	51,852	-	2,494	-	86,135	19,196	-	105,331
Depreciation	-	-	-	-	-	-	-	7,292	7,292
Training	9,320	2,460	-	17	-	11,797	2,407	221	14,425
Equipment Leasing	4,774	7,506	-	775	-	13,055	14,436	-	27,491
Insurance	3,758	-	-	2,632	-	6,390	61,506	-	67,896
Travel	7,154	6,935	-	2,494	-	16,583	2,741	269	19,593
Rent and Occupancy	107,859	64,117	-	20,032	-	192,008	62,948	351	255,307
Supplies	55,276	29,024	-	2,362	272	86,934	34,141	993	122,068
Other	3,667	161	-	-	353	4,181	18,494	10,357	33,032
Repairs and Maintenance	133	392	-	615	-	1,140	-	-	1,140
Equipment	1,179	-	-	449	-	1,628	-	-	1,628
Functional Expenses Reported By Function on The Statement of Activities	1,729,109	4,208,524	7,262	518,597	10,147	6,473,639	562,525	21,803	7,057,967
<b>Total Functional Expenses</b>	<b>\$ 1,729,109</b>	<b>\$ 4,208,524</b>	<b>\$ 7,262</b>	<b>\$ 518,597</b>	<b>\$ 10,147</b>	<b>\$ 6,473,639</b>	<b>\$ 562,525</b>	<b>\$ 21,803</b>	<b>\$ 7,057,967</b>

See accompanying notes to financial statements



**NORTHEAST FLORIDA COMMUNITY ACTION AGENCY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2020**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Activities

The Northeast Florida Community Action Agency, Inc. (the "Agency") is a non-profit, non-political, community service agency supported by grants from governmental agencies. The grants received are intended to aid in the reduction of the effects of poverty in the economically disadvantaged in Northeast Florida. The agency is organized on a non-stock basis and is dependent on contributions and grants as its sources of funds.

The agency functions through a Board of Directors representing a cross-section of the public and depends largely on the participation and support of the entire community. The agency is an advocate for the disadvantaged members of our population.

Basis of Presentation

Financial statement presentation follows the recommendations of the Accounting Standards Codification ("ASC") 958, *Not-for-Profit Entities*. Under ASC 958, the agency is required to report information regarding its financial position and activities according to two classes of net assets:

- Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations. Support that is restricted by the donor is reported as an increase in Net Assets Without Restrictions if the restrictions expire in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in Net Assets With Donor Restrictions. When a restriction expires restricted net assets are reclassified to net assets without donor restrictions.
- Net Assets With Donor Restrictions – Net assets subject to donor-imposed stipulations that can be fulfilled by actions of the agency pursuant to those stipulations or that expire by the passage of time.

Net Assets With Donor Restrictions also include net assets subject to donor-imposed stipulations that the agency must maintain permanently. Generally, the donors of such assets will permit the agency to use all or part of the income earned on the assets.

The agency had no restricted net assets as of September 30, 2020. The agency's program expenses are presented in the accompanying Statement of Activities.

**NORTHEAST FLORIDA COMMUNITY ACTION AGENCY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2020**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Grants Receivable

Grants receivable are stated at unpaid balances, less an allowance for doubtful accounts. The agency provides for losses on accounts receivable using the allowance method. Receivables are considered impaired if full payments are not received in accordance with the contractual terms. It is the agency's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. At September 30, 2020, there were no allowances for uncollectible accounts as management deemed the entire receivable balance collectible.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Contributions Including Promises to Give

The agency accounts for contributions, including promises to give received from third parties, in accordance with the recommendations of the Accounting Standards Codification ("ASC") 958. In accordance with ASC 958, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Promises to give may be conditional or unconditional. Unconditional promises to give are recognized as revenue in the period received and as increases in net assets or decreases in liabilities or expenses, depending on the form of the benefits received. Unconditional promises to give are recorded at net realizable value if expected to be collected in one year, and at fair value if expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Cash and Cash Equivalents

The agency considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The agency maintains its cash balances with high quality financial institutions. From time to time, cash balances may exceed the FDIC limit of \$250,000. As of September 30, 2020, the agency had no cash deposits in excess of insured limits.

**NORTHEAST FLORIDA COMMUNITY ACTION AGENCY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2020**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Property and Equipment

The agency capitalizes all expenditures in excess of \$5,000 for property and equipment at cost. Contributed property and equipment is recorded at fair value at the date of the donation. If donors stipulate how long the assets must be used, or restrict their use to a specific program, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Expenditures for repairs and maintenance are expensed as incurred.

Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis.

Donated Materials and Services

The agency receives very little donated materials and services, and as such, these are not material to the Financial Statements.

Functional Expenses

Expenses are charged to each program based on direct expenditures incurred. Any expenditure not directly chargeable to a particular program is allocated based on the relative benefit provided.

Tax Exempt Status

The agency is a tax-exempt organization under Section 501 (c)(3). The agency has been determined to be other than a financial foundation under the meaning of Section 509(a) of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the accompanying financial statements.

**NOTE B – GRANTS RECEIVABLE**

Grants receivable represents reimbursement of allowable costs incurred but not yet received from the grantor. Grants receivable consists of the following as of September 30, 2020:

U.S. Department of Health and Human Services:	
Passed through Florida Department of Economic Opportunity:	
Low Income Energy Assistance Program	\$721,531
Community Services Block Grant	457,613
U.S. Department of Energy:	
Passed through Florida Department of Economic Opportunity:	
Weatherization Assistance Program	37,840
Total	<u>\$1,216,984</u>

**NORTHEAST FLORIDA COMMUNITY ACTION AGENCY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2020**

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**NOTE C - PROPERTY AND EQUIPMENT**

Property and equipment are recorded at cost, including the cost of additions and significant improvements that materially extend asset lives. Property and equipment consist of the following as of September 30, 2020:

Vehicles	\$135,776
Office Equipment	<u>16,120</u>
Total	151,896
Less accumulated depreciation	<u>(145,750)</u>
Net property and equipment	<u><u>\$ 6,146</u></u>

Depreciation of \$7,292 was charged to expense in the year ended September 30, 2020.

**NOTE D – DEFERRED SUPPORT**

The agency is the recipient of cost reimbursement grant money. The revenue is recognized as the specified costs described in the grant agreements are incurred. Amounts collected in advance of incurring specified costs are reflected as deferred support which consists of the following as of September 30, 2020:

WAP	\$118,350
Calais Campbell Grant	25,000
Florida Association of Community Action	<u>42,115</u>
Total	<u><u>\$185,465</u></u>

**NOTE E – CONTINGENCIES**

The agency participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives, as well as annual federal and state single audits. Any liability for reimbursement that may arise as a result of these audits is not believed to be material.

**NOTE F – ECONOMIC DEPENDENCY**

The agency's major source of revenues are from Low Income Home Energy Assistance Program Grants and Community Services Block Grants awarded by the U.S. Department of Health and Human Services. Revenues derived from these grants accounted for approximately 90% of total revenue this year, and were in the amount of \$6,221,034 for the year ended September 30, 2020.

**NORTHEAST FLORIDA COMMUNITY ACTION AGENCY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2020**

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**NOTE G – CASH FLOW INFORMATION**

There were no amounts paid for income taxes or interest expense for the year ended September 30, 2020.

**NOTE H – RETIREMENT PLAN**

The agency provides a non-contributory defined contributed pension plan for eligible employees. Contributions are discretionary and are set by the Board of Directors. Contributions for the fiscal year ended September 30, 2020 were set by the Board of Directors at 5.4% of eligible wages and totaled \$78,750.

**NOTE I – LEASING ARRANGEMENTS**

The agency leases office space and equipment under various non-cancelable operating leases. In the event that the agency loses funding for any of its programs, the lease for office space provides the agency with the right to terminate, by written notice to the landlord, its lease of that portion of the space allocable to the program for which funding is lost.

Lease expense under all operating leases for the year ended September 30, 2020 was \$216,736.

Future minimum lease payments as of September 30, 2020 under these leases are as follows:

Fiscal year ending September 30:

2021	\$196,588
2022	182,143
2023	88,349
Total Minimum Lease Payments	<u>\$467,080</u>

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

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

Cash and cash equivalents	<b>\$ 792,476</b>
Grants receivable, net	<b>779,019</b>
Grants receivable, net	<b>450,443</b>
	<u><b>\$ 2,021,938</b></u>

**NORTHEAST FLORIDA COMMUNITY ACTION AGENCY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2020**

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

**NOTE K – PPP Loan**

On June 28, 2020, NFCAA entered into an agreement with Truist Bank whereby the bank extended credit of \$394,706 at 1% interest per annum connected with the CARES Act to be used for occupancy expenses, payroll, and the retention of employees due to the COVID-19 pandemic. This obligation's required payments are principal and interest, with the first payment due November 1, 2020. However, this loan is forgivable if the funds were used for payroll and occupancy costs. The final maturity on this credit facility is December 1, 2025.

**NOTE L– COVID-19**

Mandated requirements and safety precautions to prevent the spread of the novel coronavirus disease (COVID-19) materially impacted our organization's ability to operate and fulfill our mission. NFCAA began to feel the impact early in March of 2020 as clients began canceling their appointments scheduled for March through September 30, 2020. Management obtained \$394,706 in assistance in the form of a forgivable loan from the Paycheck Protection Program "PPP." According to the PPP loan agreement, the loan is forgiven if the funds are used to fund payroll and occupancy costs. The agency has applied for forgiveness and has received preliminary forgiveness approval as of December 18, 2020. The PPP loan funds, along with the use of our resources, allowed us to retain our entire staff from March 17, 2020, through the end of the fiscal year. NFCAA continues to monitor the events scheduled for the fiscal year 2021 closely. However, due to the severity and duration of the pandemic, the impact on NFCAA's revenues and operations results is uncertain at this time.

**NOTE M – SUBSEQUENT EVENTS**

The agency has evaluated subsequent events through January 25, 2021, which is the date on which the financial statements were available to be issued. There were no subsequent events requiring adjustment of disclosures in the financial statements

**NORTHEAST FLORIDA COMMUNITY ACTION AGENCY, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE**  
**For the Year Ended September 30, 2020**

**FEDERAL AWARDS**

Federal/State Agency, Federal Program/State Project	CFDA/ CSFA Number	Grantor Number	Federal Expenditures
<u>U.S. Department of Health and Human Services:</u>			
Passed through State of Florida			
Department of Economic Opportunity:			
Low Income Home Energy Assistance Program	93.568	17EA-OF-12-00-04-020	\$ 4,330,179
Community Services Block Grant	93.569	17SB-OD-12-00-04-118	1,890,855
			<u>6,221,034</u>
<u>U.S. Department of Energy:</u>			
Passed through State of Florida			
Department of Economic Opportunity:			
Weatherization Assistance Program	81.042	17WX-OG-04-26-04-022	542,400
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b><u>\$ 6,763,434</u></b>

*See accompanying notes to schedule*

**NORTHEAST FLORIDA COMMUNITY ACTION AGENCY, INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE**  
**For the Year Ended September 30, 2020**

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**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the "Schedule") includes grant activity of the Northeast Florida Community Action Agency, Inc. for the year ended September 30, 2020. The information in this schedule is presented in accordance with the requirements of OMB Compliance Supplement. Because the Schedule presents only a selected portion of the operations of the agency, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the agency.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained at Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE C – INDIRECT COSTS**

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

**NOTE D – NON – CASH ASSISTANCE**

The agency did not receive any federal non-cash assistance for fiscal year ended September 30, 2020.

**NOTE E – CONTINGENCY**

The grant revenue amounts received are subject to audit and adjustment. If any expenditures are disallowed by a grantor agency as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the agency. In the opinion of management, all grant expenditures comply with the terms of the grant agreements and applicable federal and state laws and regulations.



**NORTHEAST FLORIDA COMMUNITY, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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

**1. Financial Statements**

a) The type of auditors' report issued on the financial statements	Unmodified
b) Internal control over financial reporting:	
i. Material weakness identified?	No
ii. Significant deficiencies identified not considered to be material weaknesses	No
c) Non-compliance that is material to the financial statement reported?	No
d) Internal control over major federal programs and state projects:	
i. Material weakness identified?	No
ii. Significant deficiencies identified not considered to be material weaknesses?	None reported
e) Type of auditors' report issued on compliance for major federal programs and state projects	Unmodified
f) Any audit findings relative to the major federal programs and state projects	No
g) Identification of major federal programs and state projects tested	<u>Federal Programs</u> Community Services Block Grant Assistance Program CFDA No. 93.569
h) Dollar threshold used to distinguish between type A and B programs and projects	<u>Major Federal Programs</u> \$750,000
i) Does the auditee qualify as a low-risk auditee?	Yes

**SECTION II. FINDINGS - FINANCIAL STATEMENTS**

No matters were reported.

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

No matters were reported.

**SECTION IV. SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN OF FEDERAL AWARDS FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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

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



**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  
Northeast Florida Community Action Agency, Inc.  
Jacksonville, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of Northeast Florida Community Action Agency, Inc. (a not-for-profit organization), which comprise the statement of financial position as of September 30, 2020, 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 January 25, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Northeast Florida Community Action Agency, Inc.'s internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Northeast Florida Community Action Agency, Inc.'s internal control. Accordingly, we do not express an opinion of the effectiveness of Northeast Florida Community Action Agency, Inc.'s internal control.

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

*L.F. Harris & Associates*

L.F. Harris & Associates, CPA, P.A.  
Orlando, Florida  
January 25, 2021



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

To the Board of Directors  
Northeast Florida Community Action Agency, Inc.  
Jacksonville, Florida

Report on Compliance for Each Major Federal Award Program

We have audited Northeast Florida Community Action Agency, Inc.'s (a not-for-profit organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal award programs for the year ended September 30, 2020.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Northeast Florida Community Action Agency, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Northeast Florida Community Action Agency, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Northeast Florida Community Action Agency, Inc.'s compliance.

### Opinion on Each Major Federal Program

In our opinion, Northeast Florida Community Action Agency, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020.

### Report on Internal Control over Compliance

Management of Northeast Florida Community Action Agency, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Northeast Florida Community Action Agency, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program, 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Northeast Florida Community Action Agency, Inc.'s internal control over compliance.

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

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

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

*L.F. Harris & Associates*

L.F. Harris & Associates, CPA, P.A.  
Orlando, Florida  
January 25, 2021