

**NORTHEAST FLORIDA COMMUNITY
ACTION AGENCY, INC.
FINANCIAL STATEMENTS,
SUPPLEMENTARY DATA,
AND COMPLIANCE REPORTS
For the Year Ended September 30, 2021**

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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, 2021, 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 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, 2021, 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.

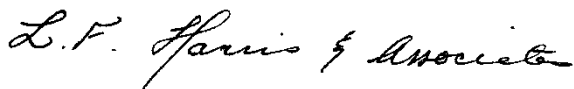
Other Matters

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 March 21, 2022, 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, CPA, PA
Orlando, Florida
March 21, 2022

NORTHEAST FLORIDA COMMUNITY ACTION AGENCY, INC.
STATEMENT OF FINANCIAL POSITION
As of September 30, 2021

ASSETS

| | |
|--|---------------------|
| Current Assets | |
| Cash and cash equivalents | \$ 715,735 |
| Grants receivable | 1,061,859 |
| Other receivable | 27,993 |
| Prepaid expense | 28,889 |
| Deposits | 8,888 |
| Total Current Assets | <u>1,843,364</u> |
| Property and Equipment | |
| Property and equipment (net of accumulated depreciation of \$99,947) | <u>41,226</u> |
| Total Assets | <u>\$ 1,884,590</u> |

LIABILITIES AND NET ASSETS

| | |
|----------------------------------|---------------------|
| Current Liabilities | |
| Accounts payable | \$ 809,513 |
| Deferred support | 185,936 |
| Accrued expenses | <u>254,926</u> |
| Total Current Liabilities | <u>1,250,375</u> |
| Net Assets | |
| Without Donor Restrictions | <u>634,215</u> |
| Total Liabilities and Net Assets | <u>\$ 1,884,590</u> |

See accompanying notes to financial statements

NORTHEAST FLORIDA COMMUNITY ACTION AGENCY, INC.

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2021

| | |
|---|--------------------------|
| Changes in Net Assets Without Donor Restrictions | |
| Grant revenue and contracts | \$ 8,769,997 |
| Donations | 2,716 |
| Other | 2,116 |
| Interest income | <u>82</u> |
| Total Revenues and Support Without Donor Restrictions | <u>8,774,911</u> |
| Expenses | |
| Program Services | 7,943,441 |
| Management and General Administration | 517,256 |
| Fundraising | <u>5,722</u> |
| Total Unrestricted Expenses | <u>8,466,419</u> |
| Increase in Net Assets Without Donor Restrictions | 308,492 |
| Net Assets Beginning of Year | <u>325,723</u> |
| Total Net Assets at End of Year | <u><u>\$ 634,215</u></u> |

See accompanying notes to financial statements

NORTHEAST FLORIDA COMMUNITY ACTION AGENCY, INC.

STATEMENT OF CASH FLOWS

For the Year Ended September 30, 2021

Cash Flows from Operating Activities:

Reconciliation of Operating Activities to

Net Cash Provided by Operating Activities:

| | |
|--|-----------------|
| Increase in net assets | \$ 308,492 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | |
| Depreciation | 5,306 |
| Paycheck Protection Loan Forgiveness | (394,706) |
| Increase in grants receivable | 155,125 |
| Increase in other receivable | (15,515) |
| Decrease in prepaid expenses | 2,262 |
| Decrease in deposits | (2,189) |
| Increase in accounts payable | (93,197) |
| Decrease in deferred support | 471 |
| Increase in accrued expenses | (2,403) |
| Net Cash Provided by Operating Activities | <u>(36,354)</u> |

Investment Activities

| | |
|---|-----------------|
| Purchase of Property and equipment | <u>(40,387)</u> |
| Net Cash (used) by Investing Activities | <u>(40,387)</u> |

Net increase in cash and cash equivalents (76,741)

Cash - Beginning of Year 792,476

Cash - End of Year \$ 715,735

See accompanying notes to financial statements

NORTHEAST FLORIDA COMMUNITY ACTION AGENCY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2021

PROGRAM SERVICES

SUPPORT SERVICES

| | Community Service Block Grant | Low Income Home Energy Assistance Program | Florida Association for Community Action | Weatherization Assistance Program | Other Programs | Total Program Services | Management and General | Fundraising | Total Program and Support Services |
|-----------------------------|----------------------------------|---|---|---|-------------------|---------------------------|---------------------------|-----------------|---------------------------------------|
| Salaries & Fringe Benefits | \$ 874,767 | \$ 823,349 | \$ - | \$ 72,884 | \$ - | \$ 1,771,000 | \$ 275,453 | \$ 22 | \$ 2,046,475 |
| Contractual Services | 54,905 | - | - | 211,726 | - | 266,631 | 24,903 | - | 291,534 |
| Client Assistance | 442,008 | 4,738,643 | 3,470 | 153,722 | 48,055 | 5,385,898 | - | - | 5,385,898 |
| Telephone | 44,092 | 52,049 | - | 2,703 | - | 98,844 | 11,494 | - | 110,338 |
| Depreciation | 5,306 | - | - | - | - | 5,306 | - | - | 5,306 |
| Training | 15,771 | 1,480 | - | 716 | - | 17,967 | 1,018 | 403 | 19,388 |
| Equipment Leasing | 19,657 | 3,010 | - | 1,229 | - | 23,896 | 4,810 | - | 28,706 |
| Insurance | 6,269 | 4,068 | - | 4,153 | - | 14,490 | 73,435 | - | 87,925 |
| Travel | 19,702 | 7,990 | - | 1,012 | - | 28,704 | 14,319 | - | 43,023 |
| Rent and Occupancy | 118,556 | 104,404 | - | 17,714 | - | 240,674 | 65,360 | - | 306,034 |
| Supplies | 40,397 | 21,213 | - | 1,704 | - | 63,314 | 29,592 | - | 92,906 |
| Other | 5,732 | 148 | - | 150 | 1,300 | 7,330 | 11,731 | 5,297 | 24,358 |
| Repairs and Maintenance | 311 | 660 | - | - | - | 971 | 5,141 | - | 6,112 |
| Equipment | 18,416 | - | - | - | - | 18,416 | - | - | 18,416 |
| Functional Expenses | | | | | | | | | |
| Reported By Function on | | | | | | | | | |
| The Statement of Activities | 1,665,889 | 5,757,014 | 3,470 | 467,713 | 49,355 | 7,943,441 | 517,256 | 5,722 | 8,466,419 |
| Total Functional Expenses | <u>\$ 1,665,889</u> | <u>\$ 5,757,014</u> | <u>\$ 3,470</u> | <u>\$ 467,713</u> | <u>\$ 49,355</u> | <u>\$ 7,943,441</u> | <u>\$ 517,256</u> | <u>\$ 5,722</u> | <u>\$ 8,466,419</u> |

See accompanying notes to financial statements

NORTHEAST FLORIDA COMMUNITY ACTION AGENCY, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

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, 2021. 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, 2021

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, 2021, 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, or restricted support, depending on the existence or nature of any donor restrictions. All donor-restricted support is reported as an increase in 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), 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, 2021, 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, 2021

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, 2021:

| | |
|--|--------------------|
| U.S. Department of Health and Human Services: | |
| Passed through Florida Department of Economic Opportunity: | |
| Low Income Energy Assistance Program | \$ 847,620 |
| Community Services Block Grant | 143,178 |
| U.S. Department of Energy: | |
| Passed through Florida Department of Economic Opportunity: | |
| Weatherization Assistance Program | 71,061 |
| Total | <u>\$1,061,859</u> |

NORTHEAST FLORIDA COMMUNITY ACTION AGENCY, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

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, 2021:

| | |
|-------------------------------|-------------------------|
| Vehicles | \$ 125,052 |
| Office Equipment | <u>16,121</u> |
| Total | 141,173 |
| Less accumulated depreciation | <u>(99,947)</u> |
| Net property and equipment | <u><u>\$ 41,226</u></u> |

Depreciation of \$5,306 was charged to expense in the year ended September 30, 2021.

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, 2021:

| | |
|---|-------------------------|
| WAP | \$117,675 |
| LIHEAP | 10,218 |
| Florida Association of Community Action | 38,644 |
| CSBG | <u>19,399</u> |
| Total | <u><u>\$185,936</u></u> |

NOTE E – 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 98% of total revenue this year, and were in the amount of \$7,996,210 for the year ended September 30, 2021.

NOTE F – CASH FLOW INFORMATION

There were no amounts paid for income taxes or interest expense for the year ended September 30, 2021.

NORTHEAST FLORIDA COMMUNITY ACTION AGENCY, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE G – 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, 2021 were set by the Board of Directors at 5.4% of eligible wages and totaled \$75,815.

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, 2021 was \$253,786.

Future minimum lease payments as of September 30, 2021 under these leases are as follows:

Fiscal year ending September 30:

| | |
|------------------------------|-------------------|
| 2022 | \$ 228,269 |
| 2023 | 135,866 |
| 2024 | <u>3,969</u> |
| Total Minimum Lease Payments | <u>\$ 368,104</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 | \$ 715,735 |
| Grants receivable, net | 1,061,859 |
| Other receivable, net | <u>27,993</u> |
| | <u>\$ 1,805,587</u> |

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.

NORTHEAST FLORIDA COMMUNITY ACTION AGENCY, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE K – PPP LOAN FORGIVENESS

NFCAA received a loan from Truist Bank in the amount of \$394,706 under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan is subject to a note dated June 29, 2020. The agency applied for and has been notified that \$394,706 in eligible expenditures for payroll and other expenses described in the CARES Act has been forgiven. Loan forgiveness is reflected in grant revenues in the accompanying statement of activities.

NOTE L – CONTINGENCIES

Grants

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.

COVID 19

In March 2020, the World Health Organization designated COVID -19 as a pandemic. While the Agency has taken various actions in response to the COVID-19 pandemic, the ultimate impact on its results of operations, cash flows, financial condition, and liquidity will depend on (i) the duration and severity of the pandemic, (ii) the effectiveness of vaccines, (iii) the duration and nature of governmental responses to contain the spread of the disease and assist businesses, (iv) business responses to the pandemic, and (v) how quickly and to what extent normal economic conditions can resume. Because of this uncertainty, any estimate of the expected future impact of the COVID-19 pandemic on results of operations, cash flows, financial condition, or liquidity is uncertain.

NOTE M – SUBSEQUENT EVENTS

The agency has evaluated subsequent events through March 21, 2022, 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, 2021

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 | E2013 | \$ 5,911,234 |
| Community Services Block Grant | 93.569 | E2013 | 1,882,041 |
| | | | <u>7,793,275</u> |
| <u>U.S. Department of Energy:</u> | | | |
| Passed through State of Florida | | | |
| Department of Economic Opportunity: | | | |
| Weatherization Assistance Program | 81.042 | E2013 | 487,111 |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | <u>\$ 8,280,386</u> |

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, 2021

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, 2021. 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, 2021.

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, ACTION AGENCY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

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 | None reported |
| 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> Low-Income Home Energy Assistance Program CFDA No. 93.568 |
| 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, 2020

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, 2021, 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 21, 2022.

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
March 21, 2022



**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, 2021.

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, 2021.

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
March 21, 2022



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