

To the Board of Directors
Capital Area Community Action Agency, Inc. and Subsidiary

We are pleased to present this report related to our audit of the financial statements of Capital Area Community Action Agency, Inc. and Subsidiary (the Agency) as of and for the year ended September 30, 2019. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Agency's financial reporting process.

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication with Those Charged with Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial and related compliance reporting process.

<u>Area</u>	<u>Comments</u>
Our Responsibilities With Regard to the Financial Statement Audit	Our responsibilities under auditing standards generally accepted in the United States of America and <i>Government Auditing Standards</i> issued by the Comptroller General of the United States have been described to you in our arrangement letter dated January 8, 2020. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.
Overview of the Planned Scope and Timing of the Financial Statement Audit	We discussed with members of the Board of Directors and the Agency's management various matters about which generally accepted auditing standards require communication. These include matters concerning two-way communication, our independence, the audit planning process, the concept of materiality in planning and executing the audit, our approach to internal control relevant to the audit, and the timing of the audit.

Area	Comments
Accounting Policies and Practices	Adoption of, or Change in, Accounting Policies Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Agency. The Agency did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period. Significant or Unusual Transactions We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.
Management's Judgments and Accounting Estimates	Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events. Management has informed us that they used all the relevant facts available to them at the time to make the best judgments about accounting estimates, and we considered this information in the scope of our audit. Estimates significant to the financial statements include the useful lives of fixed assets and the functional allocation of expenses. The Board of Directors may wish to monitor throughout the year the process used to determine and record these accounting estimates.
Audit Adjustments	Audit adjustments proposed by us and recorded by the Agency are shown on the attached Exhibit A .
Uncorrected Misstatements	There were no uncorrected misstatements that management determined to be immaterial.

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Area	Comments
Disagreements With Management	We encountered no disagreements with management over the application of significant accounting principles, the basis for management’s judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.
Consultations With Other Accountants	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues Discussed With Management	No significant issues arising from the audit were discussed or the subject of correspondence with management.
Significant Difficulties Encountered in Performing the Audit	We did not encounter any significant difficulties in dealing with management during the audit. We received full cooperation and appreciate the assistance provided by the Agency’s financial and accounting personnel.
Letter(s) Communicating Significant Deficiencies and Material Weaknesses in Internal Control Over Financial Reporting	We have separately communicated the significant deficiencies in internal control over financial reporting identified during our audit of the financial statements, and this communication is attached as Exhibit B .
Significant Written Communications Between Management and Our Firm	See Exhibit C for a copy of the representation letter provided to us by the Agency’s management.

This report is intended solely for the information and use of the Board of Directors and management of the Agency and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this letter. We appreciate the opportunity to continue to be of service to Capital Area Community Action Agency, Inc. and Subsidiary.

Tallahassee, Florida
[REPORT DATE]

Capital Area Community Action Agency, Inc. and Subsidiary
 Year End: September 30, 2019
 Trial balance
 Date: 10/1/2018 To 9/30/2019

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss) Amount	Chg	Recurrence	Misstatement
Net Income (Loss) Before Adjustments										
							18,264.00			
AJE #1	9/30/2019	Prepaid Other	1310-7500 FUND	2002	43,791.00					
AJE #1	9/30/2019	Accounts Payable Fringe Pool	2000-7500 FUND	2002		43,791.00				
To remove prepaid expenses out of accounts payable										
					43,791.00	43,791.00	18,264.00	0.00		
AJE #2	9/30/2019	Cash Operating Hancock Bank LI	1010-3461 FUND	0205. 1		193,448.00				
AJE #2	9/30/2019	Cash- SunTrust LIHEAP 2010-11	1015-3461 FUND	0205. 1	193,448.00					
PBC entry to correct accounting error made during the year.										
					193,448.00	193,448.00	18,264.00	0.00		
AJE #3	9/30/2019	Cash Operating Hancock Bank	UE 1010-1464 FUND	0205. 2						
AJE #3	9/30/2019	Cash Operating Hancock Bank	UE 1010-1464 FUND	0205. 2						
AJE #3	9/30/2019	Cash Operating Hancock Bank	1010-3363 FUND	0205. 2						
AJE #3	9/30/2019	Cash Operating Hancock Bank	Fri 1010-7500 FUND	0205. 2		5,059.00				
AJE #3	9/30/2019	Cash Operating Hancock Bank	Int 1010-9000 FUND	0205. 2	7,704.00					
AJE #3	9/30/2019	Grants Receivable USDA / CCFP	1150-1464 FUND	0205. 2						
AJE #3	9/30/2019	Grants Receivable USDA / CCFP	1150-1464 FUND	0205. 2						
AJE #3	9/30/2019	Accrued Expenses - Other Fringe P	2010-7500 FUND	0205. 2	3,737.00					
AJE #3	9/30/2019	Accrued Fringe Benefits Fringe Pcc	2060-7500 FUND	0205. 2	1,323.00					
AJE #3	9/30/2019	Unrestricted Net Assets Microcenter	3000-3363 FUND	0205. 2						
AJE #3	9/30/2019	Operating Transfers In Fringe Pool	5000-7500 FUND	0205. 2	5,059.00					
AJE #3	9/30/2019	Fringe	6110-7500 FUND	0205. 2		3,737.00				
AJE #3	9/30/2019	Indirect Costs Fringe Pool	6210-7500 FUND	0205. 2		1,323.00				
AJE #3	9/30/2019	Operating Transfers Out Indirect C	9000-9000 FUND	0205. 2		7,704.00				
To correct cash balance per reconciliation										
					17,823.00	17,823.00	25,969.00	7,705.00		Factual
AJE #4	9/30/2019	Prepaid Other Community Services	1310-3366 FUND	0205. 3		6,091.00				
AJE #4	9/30/2019	Prepaid Other LIHEAP	1310-3465 FUND	0205. 3		68,609.00				
AJE #4	9/30/2019	Prepaid Other WAP - WEATHERIZ	1310-3514 FUND	0205. 3		27,160.00				
AJE #4	9/30/2019	Contract Advances LIHEAP	2100-3465 FUND	0205. 3	50,793.00					
AJE #4	9/30/2019	Deferred Income LIHEAP	2400-3465 FUND	0205. 3	17,816.00					
AJE #4	9/30/2019	Government Contracts - STATE	Co 4010-3366 FUND	0205. 3	6,091.00					

Capital Area Community Action Agency, Inc. and Subsidiary

Year End: September 30, 2019

Trial balance

Date: 10/1/2018 To 9/30/2019

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Ctg	Recurrence	Misstatement
AJE #4	9/30/2019	Government Contracts - STATE	W/ 4010-3514 FUND	0205. 3	27,160.00					
Entity provided by client to adjust prepaid expenses.										
AJE #5	9/30/2019	Cash Operating Hancock Bank	He 1010-1064 FUND	1001. 3		20,089.00				
AJE #5	9/30/2019	Cash Operating Hancock Bank	UE 1010-1464 FUND	1001. 3	1,500.00					
AJE #5	9/30/2019	Cash Operating Hancock Bank	Cc 1010-3366 FUND	1001. 3	2,039.00					
AJE #5	9/30/2019	Cash Operating Hancock Bank	Lf 1010-3465 FUND	1001. 3	1,658.00					
AJE #5	9/30/2019	Cash Operating Hancock Bank	W/ 1010-3514 FUND	1001. 3	37.00					
AJE #5	9/30/2019	Cash Operating Hancock Bank	Inc 1010-9000 FUND	1001. 3	19,969.00					
AJE #5	9/30/2019	Prepaid Other Head Start	1310-1064 FUND	1001. 3	20,089.00					
AJE #5	9/30/2019	Prepaid USDA/CCEP	1310-1464 FUND	1001. 3	1,500.00					
AJE #5	9/30/2019	Prepaid Other Community Services	1310-3366 FUND	1001. 3	2,039.00					
AJE #5	9/30/2019	Prepaid Other LIHEAP	1310-3465 FUND	1001. 3	1,658.00					
AJE #5	9/30/2019	Prepaid Other WAP - WEATHERIZ	1310-3514 FUND	1001. 3	37.00					
AJE #5	9/30/2019	Prepaid Other	1310-9000 FUND	1001. 3	19,969.00					
To add back suspense items (checks written and cleared before 9/30/19) that related to 2020 and should be recorded as a prepaid expense during 2019.										
AJE #6	9/30/2019	Unrestricted Net Assets	THF 3000 FUND		45,292.00	45,292.00	(7,262.00)	0.00		
AJE #6	9/30/2019	Operating Transfers Out	Indirect C 9000-9000 FUND		40,478.00					
To correct beginning net assets that were adjusted during the year.										
PPA #1	9/30/2019	Accrued Fringe Benefits	Head Start 2060-1064 FUND	6001		31.00				
PPA #1	9/30/2019	Accrued Fringe Benefits	VPK 2012- 2060-1663 FUND	6001	38.00					
PPA #1	9/30/2019	Accrued Fringe Benefits	CSBG 08-1 2060-3359 FUND	6001		146.00				
PPA #1	9/30/2019	Accrued Fringe Benefits	WAP-LIHE 2060-3646 FUND	6001		3.00				
PPA #1	9/30/2019	Accrued Fringe Benefits	Fringe Poc 2060-7500 FUND	6001		2,481.00				
PPA #1	9/30/2019	Accrued SUTA	Fringe Pool 2075-7500 FUND	6001		15,117.00				
PPA #1	9/30/2019	Accrued Health Insurance	Head Stz 2085-1056 FUND	6001	4.00					
PPA #1	9/30/2019	Accrued Health Insurance	Head Stz 2085-1059 FUND	6001		201.00				
PPA #1	9/30/2019	Accrued Health Insurance	USDA F 2085-1457 FUND	6001		1.00				

Capital Area Community Action Agency, Inc. and Subsidiary

Year End: September 30, 2019

Trial balance

Date: 10/1/2018 To 9/30/2019

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence	Misstatement
PPA #1	9/30/2019	Accrued Health Insurance	Voluntian 2085-1656 FUND	6001						
PPA #1	9/30/2019	Accrued Health Insurance	VPK 08-1 2085-1659 FUND	6001	4.00					
PPA #1	9/30/2019	Accrued Health Insurance	VPK 200 2085-1660 FUND	6001		86.00				
PPA #1	9/30/2019	Accrued Health Insurance	VPK 201 2085-1663 FUND	6001		374.00				
PPA #1	9/30/2019	Accrued Health Insurance	CSBG 01 2085-3359 FUND	6001	96.00					
PPA #1	9/30/2019	Accrued Health Insurance	LIHEAP : 2085-3459 FUND	6001		11.00				
PPA #1	9/30/2019	Accrued Health Insurance	WAP-LIF- 2085-3649 FUND	6001		1.00				
PPA #1	9/30/2019	Accrued Health Insurance	CHSP 07 2085-6108 FUND	6001		65.00				
PPA #1	9/30/2019	Accrued Health Insurance	Fringe P: 2085-7500 FUND	6001		5.00				
PPA #1	9/30/2019	Accrued Other Health Insurance	Fringe P: 2087-7500 FUND	6001		47,542.00				
PPA #1	9/30/2019	Accrued Health Insurance	Fringe Pool 2080-7500 FUND	6001		3,272.00				
PPA #1	9/30/2019	Accrued Life Insurance	Fringe Pool 2080-7500 FUND	6001		2,033.00				
PPA #1	9/30/2019	Unrestricted Net Assets	Fringe Poo 3000-7500 FUND	6001	2,622.00					
PPA #1	9/30/2019	Unrestricted Net Assets	Fringe Poo 3000-7500 FUND	6001	15,117.00					
PPA #1	9/30/2019	Unrestricted Net Assets	Fringe Poo 3000-7500 FUND	6001	48,182.00					
PPA #1	9/30/2019	Unrestricted Net Assets	Fringe Poo 3000-7500 FUND	6001	3,272.00					
PPA #1	9/30/2019	Unrestricted Net Assets	Fringe Poo 3000-7500 FUND	6001	2,033.00					
<p>To record impact of PPA 1 on CY - As amounts were withheld from employees' paychecks for health insurance and other nontaxable items but were still paid by CACAA, they should have been recognized as expenses and not liabilities.</p>										
					71,369.00	71,369.00	33,196.00	0.00		Factual
PPA #2	9/30/2019	Prepaid Insurance	WAP - WEATHER 1300-3514 FUND	0205. 5		4,782.00				
PPA #2	9/30/2019	Prepaid Other	WAP - WEATHERIZ/ 1310-3514 FUND	0205. 5		27,160.00				
PPA #2	9/30/2019	Accrued Expenses - Other	WAP - V 2010-3514 FUND	0205. 5	1,185.00					
PPA #2	9/30/2019	Deferred Income	WAP - WEATHER 2400-3514 FUND	0205. 5	89,824.00					
PPA #2	9/30/2019	Unrestricted Net Assets	WAP - WE 3000-3514 FUND	0205. 5		59,067.00				
<p>PBC - To remove stale deferred income from FY 2013-14</p>										
					91,009.00	91,009.00	33,196.00	0.00		Factual
PPA #3	9/30/2019	Accounts Receivable	THF 1100 FUND	0205. 6	136,103.00					
PPA #3	9/30/2019	Unrestricted Net Assets	THF 3000 FUND	0205. 6		136,378.00				
PPA #3	9/30/2019	Due to Dept of Economic Opportunity	2300-9990 FUND	0205. 6	275.00					
<p>To record effect on 2019; PPA to include a receivable for the amounts due</p>										
										Factual

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Capital Area Community Action Agency, Inc. and Subsidiary

Year End: September 30, 2019

Trial balance

Date: 10/1/2018 To 9/30/2019

Numbr	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence	Misstatement
		from the former employee to offset amounts due by CACAA, as amounts are only due back to the extent that they are received.			136,378.00	136,378.00	33,196.00	0.00		
					741,449.00	741,449.00	33,196.00	14,932.00		

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To Management and the Board of Directors
Capital Area Community Action Agency, Inc. and Subsidiary

In planning and performing our audit of the financial statements of Capital Area Community Action Agency, Inc. and Subsidiary (the Agency) as of and for the year ended September 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the Agency'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 Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 deficiency in design exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

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.

Following are descriptions of identified deficiencies in internal control that we determined did not constitute significant deficiencies or material weaknesses:

Accounting and Financial Reporting

Capital Area Community Action Agency's management is responsible for the preparation and fair presentation of financial statements in accordance with accounting principles generally accepted in the United States of America. Additionally, the Agency has a number of grants funded through federal and state agencies and it must comply with federal and state laws and regulations, provisions of grant agreements, and accounting and reporting requirements associated with such grants. Professional auditing standards confine the functionality of the auditor to the audit of, rather than the preparation or determination of year-end balances; therefore, the audit process itself should not be relied upon to identify required adjustments to year-end balances.

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During the audit, several adjusting entries were required to correct ending balances as well as prior period balances. We recommend implementing a review by the Chief Financial Officer on a regular basis to assist the Finance Director in oversight and review. The review should occur at the very least during year-end close with reconciliations or supporting documentation provided to the reviewer to support account balances.

Review and Oversight

It was noted during testing that there may be accounts that require evaluation by the Board for review and write-off if necessary. During our discussions with management, it came to our attention that certain account balances may be stale. These balances should be evaluated by the Board and written off, if necessary.

We also noted that non-governmental grant reporting by management was not agreed to supporting expenditures. We recommend that any grant reporting have supporting documentation and be approved by the Chief Financial Officer prior to submittal.

This communication is intended solely for the information and use of management, the Board of Directors, and others within the organization and is not intended to be, and should not be, used by anyone other than these specified parties.

Tallahassee, Florida
NEED DATE

To Management and the Board of Directors
Capital Area Community Action Agency, Inc. and Subsidiary

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Tallahassee, Florida
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Capital Area Community Action Agency, Inc. and Subsidiary

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During the audit, several adjusting entries were required to correct ending balances as well as prior period balances. Proper accounts are not being used to adequately support the detail activity. For instance, payments related to principal and interest were recorded within the same account and did not have the support needed to separate the amounts. We recommend implementing a review by the Chief Financial Officer on a regular basis to assist the Finance Director in oversight and review. The review should occur at the very least during year-end close with reconciliations or supporting documentation provided to the reviewer to support account balances.

Review and Oversight

It was noted during testing that there may be accounts that require evaluation by the Board for review and write-off if necessary. During our discussions with management, it came to our attention that certain account balances may be stale. These balances should be evaluated by the Board and written off, if necessary.

It was also noted that the budget to actual analysis provided to us for the audit could not be agreed to an approved budget by the Board of Directors, and some known expenses were not budgeted. Management should be using the budget approved by the Board as their basis for determining budget variances. These variances should be regularly reviewed by the Chief Financial Officer and presented to the board for discussion and in some instances, their approval.

Finally, we noted that non-governmental grant reporting was not agreed to supporting expenditures. We recommend that any grant reporting have supporting documentation and be approved by the Chief Financial Officer prior to submittal.

This communication is intended solely for the information and use of management, the Board of Directors, and others within the organization and is not intended to be, and should not be, used by anyone other than these specified parties.

Tallahassee, Florida
NEED DATE

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**Consolidated Financial Statements
and Other Financial Information**

Capital Area Community Action Agency, Inc. and Subsidiary

*Years ended September 30, 2019 and 2018
with Report of Independent Auditors*

Capital Area Community Action Agency, Inc. and Subsidiary

Consolidated Financial Statements
and Other Financial Information

Years ended September 30, 2019 and 2018

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Report of Independent Auditors

The Board of Directors
Capital Area Community Action Agency, Inc. and Subsidiary

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Capital Area Community Action Agency, Inc. and Subsidiary (the Agency) which comprise the consolidated statement of financial position as of September 30, 2019, the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

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Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Capital Area Community Action Agency, Inc. and Subsidiary, as of September 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Prior Period Adjustments

As discussed in Note 13 of the consolidated financial statements, the beginning net assets to the consolidated financial statements have been restated to correct certain overstatements and understatements related to prior years. Accordingly, assets were increased by \$104,161 and liabilities were reduced by \$19,783, resulting in an increase in beginning net assets of \$123,944 to reflect the correction of these misstatements. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

Other auditors have previously audited Capital Area Community Action Agency, Inc. and Subsidiary's 2018 financial statements, and expressed an unmodified audit opinion on those audited financial statements in their report dated June 27, 2019. In our opinion, the summarized comparative information presented in the statement of activities and changes in net assets as of and for the year ended September 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Prior Year Financial Statements

The financial statements of Capital Area Community Action Agency, Inc. and Subsidiary as of and for the year ended September 30, 2018, were audited by other auditors whose report dated June 27, 2019, expressed an unmodified opinion on those statements.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the schedule of findings and questioned costs relating to federal awards are presented for purposes of additional analysis and are not a required part of the financial statements.

Page Three

The schedule of expenditures of federal awards and the schedule of findings and questioned costs relating to federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audits 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 schedule of expenditures of federal awards and the schedule of findings and questioned costs relating to federal awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

The consolidating schedule of financial position, and consolidating schedule of activities and changes in net assets are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such 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 consolidating schedule of financial position, and consolidating schedule of activities and changes in net assets are 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 NEED DATE on our consideration of the Agency'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 Agency'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 Agency's internal control over financial reporting and compliance.

Tallahassee, Florida
NEED DATE

Capital Area Community Action Agency, Inc. and Subsidiary

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Consolidated Statements of Financial Position

	September 30, (Restated)	
	2019	2018
Assets		
Current assets:		
Cash	\$ 527,630	\$ 604,862
Accounts receivable	165,598	138,378
Grants receivable	661,611	714,610
Prepaid expenses and other assets	74,172	5,099
Total current assets	<u>1,429,011</u>	<u>1,462,949</u>
Property and equipment, net	706,881	703,154
Total assets	<u>\$ 2,135,892</u>	<u>\$ 2,166,103</u>
Liabilities and net assets		
Current liabilities:		
Accounts payable	\$ 173,237	\$ 188,339
Accrued expenses	154,838	156,830
Unearned revenue	526,509	535,687
Current maturities of notes payable	14,164	13,299
Total current liabilities	<u>868,748</u>	<u>894,155</u>
Line of credit	49,455	73,290
Micro-enterprise loan	22,993	22,993
Notes payable, less current maturities	511,688	526,128
Total liabilities	<u>1,452,884</u>	<u>1,516,566</u>
Net assets:		
With donor restrictions		
Restricted for time or purpose	35,934	34,304
Without donor restrictions		
Undesignated	647,074	615,233
Total net assets	<u>683,008</u>	<u>649,537</u>
Total liabilities and net assets	<u>\$ 2,135,892</u>	<u>\$ 2,166,103</u>

See accompanying notes.

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Capital Area Community Action Agency, Inc. and Subsidiary
Consolidated Statements of Activities and Changes in Net Assets

	Years ended September 30,			(Restated)
	2019		2018	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Changes in net assets:				
Revenue and other support:				
Grant revenue	\$ 7,028,859	\$ -	\$ 7,028,859	\$ 7,262,206
Contributions and other support	177,493	17,669	195,162	-
In-kind contributions	443,004	-	443,004	423,589
Special events	9,429	-	9,429	3,610
Other revenue	17,752	-	17,752	78,234
Net assets released from restrictions	16,039	(16,039)	-	-
Total revenue and other support	<u>7,692,576</u>	<u>1,630</u>	<u>7,694,206</u>	<u>7,767,639</u>
Expenses:				
Program services:				
Head Start	3,502,589	-	3,502,589	3,383,974
Low-Income Home Energy Assistance Program	1,708,328	-	1,708,328	1,810,875
Weatherization Assistance Program	252,537	-	252,537	315,079
Community Services Block Grant	559,012	-	559,012	703,464
Child Care Food Program	302,722	-	302,722	318,723
Voluntary Pre-K Program	223,002	-	223,002	207,974
Other programs	440,960	-	440,960	245,975
Total program services	<u>6,989,150</u>	<u>-</u>	<u>6,989,150</u>	<u>6,986,064</u>
Support services:				
General and administrative	671,585	-	671,585	645,567
Total expenses	<u>7,660,735</u>	<u>-</u>	<u>7,660,735</u>	<u>7,631,631</u>
Change in net assets	31,841	1,630	33,471	136,008
Net assets at beginning of year	615,233	34,304	649,537	389,585
Prior period adjustment (Note 12)	-	-	-	123,944
Net assets at beginning of year, as restated	615,233	34,304	649,537	513,529
Net assets at end of year, as restated	<u>\$ 647,074</u>	<u>\$ 35,934</u>	<u>\$ 683,008</u>	<u>\$ 649,537</u>

See accompanying notes.

Capital Area Community Action Agency, Inc. and Subsidiary
Consolidated Statement of Functional Expenses

Expense	Years ended September 30,									
	Head Start	Low-Income Home Energy Assistance Program	Weatherization Assistance Program	Community Services Block Grant	Child Care Food Program	Voluntary Pre-K Program	Other Programs	General and Administrative	2019 Total	2018 Summarized Total
Salaries and wages	\$ 1,825,922	\$ 233,158	\$ 79,030	\$ 270,369	\$ 76,323	\$ 103,249	\$ 45,028	\$ 214,031	\$ 2,847,110	\$ 2,695,580
Direct program services	188,912	1,349,470	127,270	100,938	202,015	27,053	310,059	282	2,305,999	2,373,836
Employee benefits	517,173	66,661	22,508	77,178	21,795	25,857	10,356	61,159	802,687	773,237
Professional fees	258,278	14,018	1,377	6,332	-	-	9,044	235,683	524,732	518,504
Occupancy	278,463	18,210	42	17,465	-	562	-	-	314,742	395,635
Repairs and maintenance	115,933	1,936	540	2,693	2,044	12,596	18,754	48,624	203,120	217,157
Utilities	80,845	1,579	614	2,281	-	15,792	750	1,667	103,528	96,081
Supplies	78,340	2,186	1,000	2,110	-	271	429	4,338	88,674	74,451
Telephone	33,486	8,118	1,843	10,176	-	20,803	-	2,810	77,236	76,000
Training and technical assistance	42,451	1,175	4,991	10,789	-	-	6,220	11,460	77,086	84,422
Miscellaneous	29,916	401	854	9,679	-	-	9,880	8,418	59,148	45,932
Vehicles	9,084	90	3,322	29,163	95	15,944	-	128	57,826	52,941
Insurance	26	2,507	3,665	5,130	-	-	26,361	10,399	48,088	46,150
Depreciation	-	-	-	-	-	-	-	33,292	33,292	32,064
Printing	14,768	3,265	692	2,080	-	753	14	3,767	25,339	30,492
Interest	-	-	-	-	-	-	-	-	25,013	26,773
Technology	13,267	433	86	488	-	-	-	25,013	25,013	26,773
Equipment	10,221	2,426	1,153	2,851	-	-	-	5,657	19,931	32,839
Travel	2,870	1,889	3,524	9,073	450	62	155	1,999	18,865	32,573
Board and advisory council	1,794	-	-	-	-	-	-	103	17,971	15,838
Special events	-	-	-	-	-	-	-	2,619	4,413	3,915
Postage and shipping	840	806	26	217	-	-	-	-	3,910	3,810
Total expenses	\$ 3,502,589	\$ 1,708,328	\$ 252,537	\$ 559,012	\$ 302,722	\$ 223,002	\$ 440,960	\$ 671,585	\$ 7,660,735	\$ 7,631,631

See accompanying notes.

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Consolidated Statements of Cash Flows

	Years ended September 30,	
	2019	2018 <i>(Restated)</i>
Operating activities		
Change in net assets	\$ 33,471	\$ 136,008
Adjustment to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	33,292	32,064
Changes in operating assets and liabilities:		
Accounts receivable	(27,220)	(2,000)
Grants and contract receivable	52,999	(56,179)
Prepaid expenses	(69,073)	46,012
Accounts payable	(15,102)	31,886
Accrued expenses	(1,992)	(7,409)
Unearned revenue	(9,178)	(83,357)
Net cash (used in) provided by operating activities	<u>(2,803)</u>	<u>97,025</u>
Investing activities		
Purchases of property, plant, and equipment	(37,019)	-
Net cash used in investing activities	<u>(37,019)</u>	<u>-</u>
Financing activities		
Payments on line of credit	(23,835)	(28,074)
Payments on note payable	(13,575)	(14,594)
Net cash used in financing activities	<u>(37,410)</u>	<u>(42,668)</u>
 (Decrease) increase in cash and cash equivalents	 (77,232)	 54,357
Cash and cash equivalents at beginning of year	604,862	550,505
Cash and cash equivalents at end of year	<u>\$ 527,630</u>	<u>\$ 604,862</u>
 Supplemental disclosure of cash flow:		
Cash paid for interest	\$ 25,013	\$ 26,651

See accompanying notes.

Capital Area Community Action Agency, Inc. and Subsidiary

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Notes to Consolidated Financial Statements

Years ended September 30, 2019 and 2018

1. Summary of Significant Accounting Policies

Capital Area Community Action Agency, Inc. is a non-profit organization engaged in the administration of federal, state, and local grants intended to aid in the reduction of the effects of poverty on the economically disadvantaged. Capital Area Community Action Agency Holdings, Inc. (Holdings) is a wholly-owned subsidiary organized in July 2017 for the purpose of holding real estate. The consolidated financial statements include the Agency's wholly owned subsidiary, Holdings, and present the consolidated financial position, activities, and changes in net assets of Capital Area Community Action Agency, Inc. and its subsidiary (collectively, the Agency).

Basis of Accounting

The Agency uses the accrual basis of accounting. The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Financial Accounting Standards Board.

Principles of Consolidation

The consolidated financial statements include the accounts of Capital Area Community Action Agency, Inc. and its subsidiary as noted above. All significant intercompany accounts and transactions have been eliminated in consolidation.

Cash and Cash Equivalents

Cash and cash equivalents consist of deposits with financial institutions and deposits in highly liquid money market funds. These accounts are insured by the Federal Deposit Insurance Corporation (FDIC) or the Securities Investor Protection Corporation (SIPC). The Agency's financial instruments exposed to concentrations of credit risk consist primarily of its cash and cash equivalents. Deposits with financial institutions are insured by either the FDIC or the SIPC up to \$250,000 per depositor. Bank deposits at times may exceed federally insured limits. The Agency has not experienced any losses in such accounts.

Accounts Receivable

Accounts receivable balances consist of amounts receivable from outside parties as well as amounts receivable from its subsidiary. The Agency provides an allowance for doubtful accounts based upon the anticipated collectibility of each specific account. All receivables are considered by management to be fully collectible. Accordingly, no allowance for doubtful accounts has been recorded.

Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Policies (continued)

Grants Receivable

Grants receivable consist primarily of amounts due from grant agencies and local organizations. All receivables are considered by management to be fully collectible. Accordingly, no allowance for doubtful account has been recorded.

Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation and amortization. Depreciation and amortization are computed on the straight-line method over the estimated useful lives of the related assets. The estimated useful lives are as follows:

	<u>Useful Lives</u>
Building and improvements	39-40 years
Furniture and equipment	5-10 years
Vehicles	5 years

Revenue Recognition

Operating revenues

Operating revenues consist principally of proceeds from cost reimbursement federal grants and fee for service state contracts. Revenues from these sources are recognized during the year in which the terms of the grant or contract are satisfied and the related services are provided. See Note 12 regarding concentrations of revenue.

Contributions

Contributions and grants are recorded as with donor restrictions or without donor restrictions when received, depending on the existence and/or nature of any donor restrictions. Contributions of donated noncash assets are recorded at their fair values in the period received.

Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Contributions and grants of cash and other assets are reported as with donor restrictions if they are received with donor stipulations that limit the use and duration of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of a restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions.

If a restriction expires within the same year in which the restricted contributions are received, these contributions are reported as increases in net assets without donor restrictions.

In-kind Contributions

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Agency. Volunteers also provided tutoring and fundraising services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. The statement of functional expenses presents the natural classification detail of expenses by function and contains certain categories of expenses that are attributable to the program or supporting functions of the Agency. These expenses, such as occupancy, are allocated based on percentage of usage. The department expenses, such as personnel, are allocated based on estimates of time and effort by individual. Other expenses, such as printing and copying, are allocated on a direct method for expenses directly related to the program.

Other Program Expenses

Other program expenses on the consolidated statements of activities represents various smaller grants and contracts, including but not limited to United Way and United Way Neighboring Counties, Community Human Service Partnership, Project Share, Duke Energy Neighbor Fund and Talquin Assistance Program.

Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Policies (continued)**Income Taxes**

Capital Area Community Action Agency, Inc. is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as an other-than-private foundation. Holdings is a not-for-profit corporation that is exempt from income taxes under 509(a)(2) of the Internal Revenue Code. With few exceptions, the Agency is no longer subject to examinations by major tax jurisdictions for years ended September 30, 2015 and prior.

Subsequent Events

The Agency has evaluated subsequent events through NEED DATE, the date the financial statements were available to be issued. During the period from September 30, 2019 to NEED DATE, the Agency did not have any material recognizable subsequent events other than those described in Note 14.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

2. Available Resources and Liquidity

The Agency receives contributions, grants and other income and consider these revenue streams to be without donor restrictions (if unspecified) and available to meet cash needs for general expenditures. The Agency manages its liquidity to meet 180 days of operating expenses. The table below presents financial assets available for general expenditures within one year at September 30, 2019:

	<u>2019</u>	<u>2018</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 527,630	\$ 604,862
Accounts receivable	165,598	138,378
Grants receivable	<u>661,611</u>	<u>714,610</u>
Total financial assets	1,354,839	1,457,850
Net assets with donor restrictions	<u>(35,934)</u>	<u>(34,304)</u>
Financial assets available to meet general expenditure within one year	<u>\$ 1,318,905</u>	<u>\$ 1,423,546</u>

Capital Area Community Action Agency, Inc. and Subsidiary

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Notes to Consolidated Financial Statements

3. Grants Receivable

Grants receivable consist of the following:

	September 30,	
	<u>2019</u>	<u>2018</u>
Low-Income Home Energy Assistance Program	\$ 377,400	\$ 420,383
Weatherization Assistance Program	93,850	76,967
Community Services Block Grant	87,133	108,001
Child Care Food Program	66,931	63,071
Voluntary Pre-K Program	26,464	21,031
HeadStart Community Human Service Partnership	5,724	7,505
Direct Emergency Assistance Program	4,109	3,528
Family Support Services Community Human Services Partnership	-	8,754
School Readiness Program	-	5,370
	<u>\$ 661,611</u>	<u>\$ 714,610</u>

4. Unearned Revenue

Unearned revenue at September 30, 2019 and 2018, consists of the following:

	<u>2019</u>	<u>2018</u>
Low-Income Home Energy Assistance Program	\$ 151,753	\$ 220,361
Fire Disaster Relief	81,114	-
Weatherization Assistance Program	70,915	46,696
SunTrust Foundation	70,532	-
Community Services Block Grant	69,728	68,530
Family Support Services	34,593	23,485
Other	14,111	11,406
Western Union Settlement	8,852	-
Talquin Assistance Program	8,612	-
United Way	8,366	8,790
Head Start	5,392	7,044
Voluntary Pre-K Program	1,750	129,639
Project Share	751	5,224
Chase Financial Literacy Grant	40	-
School Readiness Program	-	14,512
	<u>\$ 526,509</u>	<u>\$ 535,687</u>

Capital Area Community Action Agency, Inc. and Subsidiary

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Notes to Consolidated Financial Statements

5. Property and Equipment

Property and equipment consists of the following:

	September 30,	
	2019	2018
Buildings	\$ 650,486	\$ 650,486
Furniture, equipment, and vehicles	302,608	265,477
Land	<u>125,690</u>	<u>125,690</u>
	1,078,784	1,041,653
Less accumulated depreciation	<u>371,903</u>	<u>338,499</u>
	<u>\$ 706,881</u>	<u>\$ 703,154</u>

Depreciation expense for the years ended September 30, 2019 and 2018 was \$33,292 and \$32,064, respectively.

The U.S. Department of Health and Human Services and the Department of Energy have reversionary interests in assets purchased with their funds, which have a cost of \$5,000 or more and an estimated useful life of two years or more. The cost and net book value of assets with reversionary interests at was \$258,200 and \$175,131, respectively at September 30, 2019 and \$394,040 and \$182,199, respectively, at September 30, 2018.

6. Operating Leases

The Agency leases office space and office equipment under operating leases. Rent expense for the years ended September 30, 2019 and 2018 was \$164,604 and \$187,626, respectively.

Future minimum rental payments under leases with remaining noncancelable terms in excess of one year are as follows:

<u>Year ended</u> <u>September 30,</u>	
2020	\$ 142,691
2021	53,017
2022	<u>21,299</u>
	<u>\$ 217,007</u>

7. Notes Payable

The Agency has a revolving line of credit agreement with a certain bank in which it may borrow up to \$200,000. Borrowings under the line of credit agreement incur interest at the prime rate (5% and 5.25% at September 30, 2019 and 2018, respectively) plus 2.00%, a total of 7% and 7.25% at September 30, 2019 and 2018, respectively. Outstanding borrowings on the line of credit were \$49,455 and \$73,290 at September 30, 2019 and 2018, respectively. The maturity date of the line of credit is August 4, 2022.

Capital Area Community Action Agency, Inc. and Subsidiary

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Notes to Consolidated Financial Statements

7. Notes Payable (continued)

Notes payable at September 30, 2019 and 2018, consists of the following:

	<u>2019</u>	<u>2018</u>
Note payable to financial institution, interest at 4.99% per annum, payable in monthly installments of \$2,786 including principal and interest and a balloon payment of remaining balance due at maturity in August 2027, collateralized by real estate.	\$ 392,693	\$ 405,993
Note payable to Department of Economic Opportunity as a result of embezzlement by a former employee of the Agency. Former employee is required to make restitution payments to the Agency when the employee has available funds. No specified due date.	<u>136,103</u>	<u>136,378</u>
	528,796	542,371
Unamortized debt issuance costs	2,944	2,944
Notes payable, current portion	<u>14,164</u>	<u>13,299</u>
Notes payable, non-current portion	<u>\$ 511,688</u>	<u>\$ 526,128</u>

Loan issuance costs are deducted from the face value of the note and amortized over the life of the loan.

Future maturities on notes payable are as follows:

Year ended September 30,	
2020	\$ 14,164
2021	14,887
2022	65,102
2023	16,446
2024	17,286
Thereafter	<u>314,234</u>
	<u>\$ 442,119</u>

Interest expense for the years ended September 30, 2019 and 2018 was \$25,013 and \$26,773, respectively.

Notes to Consolidated Financial Statements

8. Retirement Plan

The Agency has a 401(k) plan which covers substantially all employees. Participating employees may elect to contribute, on a tax-deferred basis, a portion of their compensation. The Agency matches employee contributions, dollar-for-dollar, not to exceed 3% of employee gross wages. The Agency's contributions to the plan for the years ended September 30, 2019 and 2018 were \$41,988 and \$36,617, respectively.

9. Commitments and Contingencies

The Agency derives the majority of its support from the U.S. Department of Health and Human Services (HHS) and the Florida Department of Economic Opportunity (DEO). All grants are renewable on an annual basis and the Agency is dependent on these grants for continued activity.

Financial awards from federal, state, and local governmental entities in the form of grants are subject to periodic programmatic and compliance audits. Such audits could result in claims against the Agency for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

The Agency assesses potential liabilities in connection with lawsuits and threatened lawsuits under FASB ASC 450. The filing of a suit or formal assertion of a claim or assessment does not automatically indicate that accrual of a loss is appropriate. An accrual would be inappropriate, but disclosure would be required, if an unfavorable outcome is determined to be reasonably possible but not probable or if the amount of loss cannot be reasonably estimated. If an unfavorable outcome is assessed as probable, an accrual would be appropriate if the amount of loss can be reasonably estimated, and disclosure would be required. The Agency is currently a party to arbitrations in the normal course of operations; however, an accrual is not appropriate based on the unknown outcome of the arbitrations.

10. Donated Services and Facilities

Significant services, materials and facilities are donated to the Agency by various individuals and organizations. Donated material and facilities were recorded at fair market value at the date of donation and have been included in revenue and expenses for the year.

In-kind contributions are as follows for the years ended September 30:

	<u>2019</u>	<u>2018</u>
Head Start	\$ 443,004	\$ 423,589

Management estimates the value of contributed volunteer services not recognized as revenue was \$63,512 and \$37,768 for the years ended September 30, 2019 and 2018, respectively.

Capital Area Community Action Agency, Inc. and Subsidiary

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Notes to Consolidated Financial Statements

11. Net Assets with Donor Restrictions

Net assets with donor restrictions are summarized as follows:

	September 30,	
	<u>2019</u>	<u>2018</u>
Family Support Services	\$ 16,761	\$ 17,373
Talqin Assistance Program	10,063	10,063
Duke Energy Neighbor Fund	2,534	3,440
Weatherization Assistance	2,740	2,740
Head Start	1,679	688
School Readiness Program	2,157	-
	<u>\$ 35,934</u>	<u>\$ 34,304</u>

12. Concentrations of Revenue

The Agency received approximately 45% and 44% of its revenue directly from the Federal government during the years ended September 30, 2019 and 2018, respectively. An additional 39% and 41% of the Agency's revenue was received from the Federal government as a pass-through from the state of Florida during the years ended September 30, 2019 and 2018, respectively.

13. Prior Period Adjustments

Prior period adjustments were identified and posted during the year ended September 30, 2019. One prior period adjustment resulted from payroll taxes and benefits being withheld at an incorrect rate and resulted in an adjustment to decrease net assets and increase accrued liabilities at October 1, 2018, by \$71,226. A second adjustment was recorded due to a payment received in a previous year that was recorded twice. The entry posted to correct this was an increase to net assets at October 1, 2018, in the amount of \$59,067, a decrease to deferred income of \$89,824, a decrease to accrued liabilities of \$1,185, and a decrease to prepaid expenses of \$31,942. A third adjustment was made to record a receivable for the amounts owed by a former employee in restitution related to a previous lawsuit and resulted in an adjustment to increase net assets at October 31, 2018, and accounts receivable by \$136,378. The net impact on net assets at October 1, 2018 is an increase of \$123,944.

Notes to Consolidated Financial Statements

14. Subsequent Events

In late 2019, a novel strain of coronavirus was reported in Wuhan, Hubei, China. In March 2020, the World Health Organization determined the resulting outbreak of COVID 19, the disease caused by this novel coronavirus, to be a pandemic. The pandemic is disrupting organizations worldwide as national and local governments implement measures intended to slow the spread of COVID 19. The extent of the impact of COVID 19 on the Agency's operations and its financial performance will depend on certain developments outside of the Agency's control, including the duration and spread of the outbreak; its impact on donors, employees, and vendors; and broader economic conditions, all of which are uncertain and cannot be predicted at this time.

In May 2020, the Agency was granted a loan in the amount of \$711,301 pursuant to the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief and Economic Security Act (CARES Act) enacted on March 27, 2020. Under terms of the PPP, certain amounts of the loan may be forgiven if its proceeds are used for qualifying expenses as described in the CARES Act. The Agency intends to use the entire loan amount for qualifying expenses consistent with the intent of the PPP.

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Other Financial Information

Capital Area Community Action Agency, Inc. and Subsidiary

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Consolidating Schedule of Financial Position

December 31, 2019

	Agency	Holdings	Consolidating and Eliminating Entries	Consolidated Totals
Assets				
Current assets:				
Cash and cash equivalents	\$ 509,865	\$ 17,765	\$ -	\$ 527,630
Accounts receivable	165,398	200	-	165,598
Grant receivable	661,611	-	-	661,611
Prepaid expenses	74,172	-	-	74,172
Intercompany receivables	91,535	-	(91,535)	-
Total current assets	1,502,581	17,965	(91,535)	1,429,011
Property and equipment, net	200,891	505,990	-	706,881
Total assets	\$ 1,703,472	\$ 523,955	\$ (91,535)	\$ 2,135,892
Liabilities and net assets				
Current liabilities:				
Accounts payable	\$ 168,402	\$ 4,835	\$ -	\$ 173,237
Accrued expenses	148,986	5,852	-	154,838
Unearned revenue	526,509	-	-	526,509
Current maturities of debt	-	14,164	-	14,164
Intercompany payables	-	91,535	(91,535)	-
Total current liabilities	843,897	116,386	(91,535)	868,748
Line of credit	49,455	-	-	49,455
Micro-enterprise loan	22,993	-	-	22,993
Notes payable	136,103	375,585	-	511,688
Total liabilities	1,052,448	491,971	(91,535)	1,452,884
Net assets:				
With donor restrictions				
Restricted for purpose or time	35,934	-	-	35,934
Without donor restrictions				
Undesignated net assets	615,090	31,984	-	647,074
Total net assets	651,024	31,984	-	683,008
Total liabilities and net assets	\$ 1,703,472	\$ 523,955	\$ (91,535)	\$ 2,135,892

See report of independent auditors.

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Capital Area Community Action Agency, Inc. and Subsidiary
Consolidating Schedule of Activities and Changes in Net Assets

Year ended December 31, 2019

	Agency	Holdings	Consolidating and Eliminating Entries	Consolidated Totals
Changes in net assets:				
Revenues and other support:				
Grant revenue	\$ 7,028,859	\$ -	\$ -	7,028,859
Contributions and other support	195,162	-	-	195,162
In-kind contributions	443,004	-	-	443,004
Special events	9,429	-	-	9,429
Other revenue	17,752	102,396	(102,396)	17,752
Total revenues and other support	7,694,206	102,396	(102,396)	7,694,206
Expenses:				
Program services	7,091,546	-	(102,396)	6,989,150
Support services	573,730	97,855	-	671,585
Total expenses	7,665,276	97,855	(102,396)	7,660,735
Change in net assets	28,930	4,541	-	33,471
Net assets at beginning of year, as restated	622,094	27,443	-	649,537
Net assets at end of year	\$ 651,024	\$ 31,984	\$ -	\$ 683,008

See report of independent auditors.

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Other Reports

**Report of Independent Auditors 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***

Board of Directors
Capital Area Community Action Agency, Inc. and Subsidiary

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 the Capital Area Community Action Agency, Inc. and Subsidiary (the Agency), which comprise the statement of financial position as of September 30, 2019, the related statements of activities and changes in net assets, functional expenses, and cash flows for the year ended, and the related notes to the financial statements, and have issued our report thereon dated **NEED DATE**.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency'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 the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency'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 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 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Tallahassee, Florida
NEED DATE

Report of Independent Auditors on Compliance for the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

Board of Directors
Capital Area Community Action Agency, Inc. and Subsidiary

Report on Compliance for Each Major Federal Program

We have audited Capital Area Community Action Agency, Inc. and Subsidiary's (the Agency) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Agency's major federal program for the year ended September 30, 2019. The Agency's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Agency's major federal program 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 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). 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 the Agency'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 the major federal program. However, our audit does not provide a legal determination of the Agency's compliance.

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Opinion on the Major Federal Program

In our opinion, the Agency 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 program for the year ended September 30, 2019.

Report on Internal Control Over Compliance

Management of the Agency is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Agency's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 the Agency'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 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 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.

Page Three

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.

Tallahassee, Florida
NEED DATE

Capital Area Community Action Agency, Inc. and Subsidiary

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Schedule of Expenditures of Federal Awards

Year ended September 30, 2019

<u>Grantor and Program Title</u>	<u>CFDA Number</u>	<u>Total Expenditures</u>
<u>Direct Federal Awards</u>		
United States Department of Health and Human Services Head Start	93.600	\$ 3,525,297
Total Expenditures of Direct Federal Awards		<u>3,525,297</u>
<u>Indirect Federal Awards</u>		
United States Department of Agriculture Passed Through: State of Florida, Department of Health Child and Adult Care Food Program	10.558	320,065
United States Department of Health and Human Services Passed Through: State of Florida, Department of Economic Opportunity Low-Income Home Energy Assistance Program	93.568	245,521
Low-Income Home Energy Assistance Program	93.568	1,776,653
United States Department of Health and Human Services Passed Through: State of Florida, Department of Economic Opportunity Community Services Block Grant Program	93.569	641,096
United States Department of Energy Passed Through: State of Florida, Department of Economic Opportunity Weatherization Assistance Program	81.042	30,920
United States Department of Homeland Security Passed Through: Federal Emergency Management Agency Emergency Food and Shelter Program	97.024	2,400
Emergency Food and Shelter Program	97.024	600
Total Expenditures of Indirect Federal Awards		<u>3,017,255</u>
Total Expenditures of Federal Awards		<u>\$ 6,542,552</u>

Note 1 - This Schedule of Expenditures of Federal Awards (the Schedule) includes the Federal grant activity of the Capital Area Community Action Agency, Inc. and Subsidiary for the year ended September 30, 2019, and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Note 2 - Amounts included on this Schedule include only the expenditure of Federal Awards received from an awarding agency. The amounts on the accompanying statements of activities and changes in net assets include additional expenditures associated with other resources committed by the Association for purposes of fulfilling the grant program.

Note 3 - The Organization has not elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.

See report of independent auditors.

Capital Area Community Action Agency, Inc. and Subsidiary

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Schedule of Findings and Questioned Costs
Relating to Federal Awards

Year ended September 30, 2019

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

 Material weakness(es) identified? No

 Significant deficiency(ies) identified not considered to be material weaknesses? No

Noncompliance material to financial statements noted? No

Federal Programs

Type of auditor’s report issued on compliance for major federal programs? Unmodified

Internal control over Federal programs:

 Material weakness(es) identified? No

 Significant deficiency(ies) identified that are not considered to be material weaknesses? None reported

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)? No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
93.600	Head Start

Dollar threshold used to distinguish between Type A and Type B programs: Federal \$750,000

Auditee qualified as low-risk auditee? No

Section II -- Financial Statement Findings

We noted no matters involving internal control over financial reporting and its operation that we considered to be material weaknesses, significant deficiencies, and /or control deficiencies required to be reported in accordance with *Government Auditing Standards* .

Section III - Federal Award Findings and Questioned Costs

We noted no instances of matters involving noncompliance that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200.

Section IV – Other Matters

No prior year findings.

See report of independent auditors.

September 16, 2020

Thomas Howell Ferguson, P.A.
2615 Centennial Blvd, Suite 200
Tallahassee, Florida, 32308

This representation letter is provided in connection with your audit of the consolidated financial statements of Capital Area Community Action Agency, Inc. and Subsidiary (the Agency) which comprise the consolidated statement of financial position as of September 30, 2019 and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

We confirm, to the best of our knowledge and belief, as of the date of this letter:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated January 8, 2020, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility 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.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. All events subsequent to the date of the financial statements, for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.
7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
8. The following have been properly recorded and/or disclosed in the financial statements:
 - a. Guarantees, whether written or oral, under which the Agency is contingently liable.
 - b. Agreements to repurchase assets previously sold.
 - c. Security agreements in effect under the Uniform Commercial Code.

- d. Amounts of contractual obligations for construction and purchase of real property or equipment not included in the liabilities recorded on the books.
 - e. All other liens or encumbrances on assets or revenues or any assets or revenues which were pledged as collateral for any liability or which were subordinated in any way.
 - f. All liabilities that are subordinated to any other actual or possible liabilities of the Agency.
 - g. All leases and material amounts of rental obligations under long-term leases.
 - h. Investments in debt and equity securities.
 - i. Assets and liabilities measured at fair value in accordance with the Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification.
 - j. All recordable contributions, by appropriate net asset class.
 - k. Reclassifications between net asset classes.
 - l. Allocations of functional expenses based on reasonable basis.
 - m. Composition of assets in amounts needed to comply with all donor restrictions.
 - n. Deferred revenue from exchange transactions.
 - o. Refundable advances.
 - p. Board designated unrestricted net assets.
 - q. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, line of credit, or similar arrangements have been properly disclosed.
 - r. Impairment of capital assets.
 - s. Net positions and fund balance classifications.
 - t. All significant estimates and material concentrations known to management that are required to be disclosed in accordance with the Risks and Uncertainties Topic of the FASB Accounting Standards Codification. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets for which events could occur that would significantly disrupt normal finances within the next year.
9. With respect to drafting the financial statements and assessing the impact of new accounting standards services performed in the course of the audit:
- a. We have made all management decisions and performed all management functions;
 - b. We assigned an appropriate individual to oversee the services;
 - c. We evaluated the adequacy and results of the services performed, and made an informed judgment on the results of the services performed;
 - d. We have accepted responsibility for the results of the services; and

- e. We have accepted responsibility for all significant judgments and decisions that were made.

10. We have no knowledge of any uncorrected misstatements in the financial statements.

Information Provided

11. We have provided you with:

- a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
- b. Additional information that you have requested from us for the purpose of the audit;
- c. Unrestricted access to persons within the Agency from whom you determined it necessary to obtain audit evidence; and
- d. Minutes of the meetings of the governing board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.

12. All transactions have been recorded in the accounting records and are reflected in the financial statements.

13. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.

14. We have no knowledge of allegations of fraud or suspected fraud affecting the Agency's financial statements involving:

- a. Management.
- b. Employees who have significant roles in the internal control.
- c. Others where the fraud could have a material effect on the financial statements.

15. We have no knowledge of any allegations of fraud or suspected fraud affecting the Agency's financial statements received in communications from employees, former employees, analysts, regulators, short sellers, or others.

16. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.

17. We are not aware of any pending or threatened litigation and claims whose effects were considered when preparing the financial statements, and we have not consulted legal counsel concerning litigation or claims.

18. We have disclosed to you the identity of the Agency's related parties and all the related-party relationships and transactions of which we are aware.

19. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Agency's ability to record, process, summarize, and report financial data, other than what has been included in the Internal Control letter.

20. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
21. We have no plans or intentions that may materially affect the carrying value or classification of assets. In that regard:
 - a. The Agency has no significant amounts of idle property and equipment or property or equipment.
 - b. The Agency has no plans or intentions to discontinue the operations of any activities or programs or to discontinue any significant operations.
 - c. Provision has been made to reduce applicable assets that have permanently declined in value to their realizable values.
 - d. We have reviewed long-lived assets and certain identifiable intangibles to be held and used for impairment whenever events or changes in circumstances have indicated that the carrying amount of the assets might not be recoverable and have appropriately recorded the adjustment.
22. We are responsible for making the accounting estimates included in the financial statements. Those estimates reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take. In that regard, adequate provisions have been made:
 - a. To reduce receivables to their estimated net collectable amounts.
 - b. To reduce deferred tax assets to amounts that are more likely than not to be realized.
23. There are no:
 - a. Material transactions that have not been properly recorded in the accounting records underlying the financial statements.
 - b. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency. In that regard, we specifically represent that we have not been designated as, or alleged to be, a "potentially responsible party" by the Environmental Protection Agency in connection with any environmental contamination.
 - c. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed.
24. The Agency has satisfactory title to all owned assets.
25. We have received a determination from the Internal Revenue Service that we are exempt from federal income taxes as a Section 501(c)(3) not-for-profit corporation, and we have complied with the IRS regulations regarding this exemption.
26. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

27. With respect to supplementary information presented in relation to the financial statements as a whole:
- a. We acknowledge our responsibility for the presentation of such information.
 - b. We believe such information, including its form and content, is fairly presented in accordance with U.S. GAAP.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.

Compliance Considerations

In connection with your audit conducted in accordance with *Government Auditing Standards*, we confirm that management:

28. Is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.
29. Is responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the auditee.
30. Has identified and disclosed to the auditor all instances that have occurred, or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
31. Has identified and disclosed to the auditor all instances that have occurred, or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that have a material effect on the determination of financial statement amounts.
32. Has identified and disclosed to the auditor all instances that have occurred, or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements.
33. Is responsible 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.
34. Acknowledges its responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud.

35. Has taken timely and appropriate steps to remedy fraud; noncompliance with provisions of laws, regulations, contracts and grant agreements; or abuse that the auditor reports.
36. Has a process to track the status of audit findings and recommendations.
37. Has identified for the auditor previous audits, attestation engagements and other studies related to the audit objectives and whether related recommendations have been implemented.
38. Has provided views on the auditor's reported findings, conclusions and recommendations, as well as management's planned corrective actions, for the report.
39. Acknowledges its responsibilities as it relates to non-audit services performed by the auditor, including a statement that it assumes all management responsibilities; that it oversees the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge or experience; that it evaluates the adequacy and results of the services performed; and that it accepts responsibility for the results of the services.

In connection with your audit of federal awards conducted in accordance with Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), we confirm:

40. Management is responsible for complying, and has complied, with the requirements of the Uniform Guidance.
41. Management is responsible for understanding and complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of its federal programs.
42. Management is responsible for establishing and maintaining, and has established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that the auditee is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award that could have a material effect on its federal programs.
43. Management is responsible for the preparation of the schedule of expenditures of federal awards, acknowledges and understands its responsibility for the presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; believes the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance; asserts that methods of measurement or presentation have not changed from those used in the prior period, or if the methods of measurement or presentation have changed, the reasons for such changes has been communicated; and is responsible for any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.
44. Management has identified and disclosed all of its government programs and related activities subject to the Uniform Guidance compliance audit.

45. Management has identified and disclosed to the auditor the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
46. Management has made available all federal awards (including amendments, if any) and any other correspondence relevant to federal programs and related activities that have taken place with federal agencies or pass-through entities.
47. Management has identified and disclosed to the auditor all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards or stated that there was not such noncompliance.
48. Management believes that the auditee has complied with the direct and material compliance requirements (except for noncompliance it has disclosed to the auditor).
49. Management has made available all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
50. Management has provided to the auditor its interpretations of any compliance requirements that are subject to varying interpretations.
51. Management has disclosed to the auditor any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
52. Management has disclosed to the auditor the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
53. Management is responsible for taking corrective action on audit findings of the compliance audit and has developed a corrective action plan that meets the requirements of the Uniform Guidance.
54. Management has provided the auditor with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
55. Management has disclosed the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.
56. Management has disclosed all known noncompliance with direct and material compliance requirements occurring subsequent to the period covered by the auditor's report or stated that there were no such known instances.
57. Management has disclosed whether any changes in internal control over compliance or other factors that might significantly affect internal control, including any corrective action taken by

management with regard to significant deficiencies and material weaknesses in internal control over compliance, have occurred subsequent to the period covered by the auditor's report.

58. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.
59. The copies of federal program financial reports provided to the auditor are true copies of the reports submitted, or electronically transmitted, to the federal agency or pass-through entity, as applicable.
60. If applicable, management has monitored subrecipients to determine that they have expended pass-through assistance in accordance with applicable laws and regulations and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Uniform Guidance.
61. If applicable, management has issued management decisions for audit findings that relate to federal awards it makes to subrecipients and that such management decisions are issued within six months of acceptance of the audit report by the Federal Audit Clearinghouse (FAC). Additionally, management has followed up to ensure that the subrecipient takes timely and appropriate action on all deficiencies detected through audits, on-site reviews and other means that pertain to the federal award provided to the subrecipient from the pass-through entity.
62. If applicable, management has considered the results of subrecipient monitoring and audits, and has made any necessary adjustments to the auditee's own books and records.
63. Management has charged costs to federal awards in accordance with applicable cost principles.
64. Management is responsible for, and has accurately prepared, the summary schedule of prior audit findings to include all findings required to be included by Uniform Guidance.
65. The reporting package does not contain protected personally identifiable information.
66. Management has accurately completed the appropriate sections of the data collection form.
67. If applicable, management has disclosed all contracts or other agreements with service organizations.
68. If applicable, management has disclosed to the auditor all communications from service organizations relating to noncompliance at those organizations.

Capital Area Community Action Agency, Inc. and Subsidiary

Tim Center
Chief Executive Officer

Keith Dean
Chief Financial Officer

Stephanie Sgouros
Finance Director