

T H E
FORDE FIRM
L L C

* YOUR NON-PROFIT PLUS ACCOUNTING FIRM *

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* MEMBER OF
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INSTITUTES OF
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Sample Engagement Letter
HUD Language will not apply to you

July 17, 2020

Board of Directors and Management


We are pleased to confirm our understanding of the services we are to provide for  for the year ended December 31, 2020. We will audit the financial statements of  which comprise the statement(s) of financial position as of December 31, 2020, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements. Also, the schedule of expenditures of federal awards and the supplementary information accompanying the financial statements required by the U.S. Department of Housing and Urban Development (HUD)'s *Uniform Financial Reporting Standards for HUD Housing Programs* will be subjected to the auditing procedures applied in our 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, in accordance with auditing standards generally accepted in the United States of America and we will provide an opinion on it in relation to the financial statements as a whole, [in a separate written report accompanying our auditor's report on the financial statements OR in a report combined with our auditor's report on the financial statements].

AUDIT OBJECTIVES

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the first paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of 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, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our single audit. Our reports will be addressed to the Board of Directors and Management of [REDACTED]

[REDACTED] We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

AUDIT PROCEDURES—GENERAL

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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 will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of cash, receivables, loan balances, and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from the entity's attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

AUDIT PROCEDURES—INTERNAL CONTROL

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial

statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

AUDIT PROCEDURES—COMPLIANCE

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of [REDACTED] compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs. The purpose of these procedures will be to express an opinion on [REDACTED] compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

OTHER SERVICES

We will prepare the [REDACTED] federal IRS Form 990 information return for the year ended December 31, 2020 based on information provided by you. We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the entity in conformity with U.S. generally accepted accounting principles and the Uniform Guidance, and the supplementary information required by HUD's *Uniform Financial Reporting Standards for HUD Housing Programs*, based on information provided by you. These non-audit services do not constitute an audit under *Government Auditing Standards*, and such services will not be conducted in accordance with *Government Auditing Standards*.

We will perform the services in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants. The other services are limited to the financial statements, schedule of expenditures of federal awards, other supplementary information, related notes, and tax services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We will advise management with regard to tax positions taken in the preparation of the tax return, but management must make all decisions with regard to those matters.

MANAGEMENT RESPONSIBILITIES

Management is responsible for (1) designing, implementing, establishing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, the supplementary information required by HUD's *Uniform Financial Reporting*

Standards for HUD Housing Programs, and related notes in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying any significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with: (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified; including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with U.S. generally accepted accounting principles; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. generally accepted accounting principles; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

THE FORDE FIRM, LLC

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Management is also responsible for ensuring that the electronic submission of required financial and compliance data to HUD's Real Estate Assessment Center (REAC) is complete, accurate, and timely, in accordance with your regulatory and contractual obligations to HUD. Performance of the agree-upon procedure required by HUD relating to the electronic submission of your financial information will be included in these services and will be included in our fee stated below.

You agree to assume all management responsibilities relating to the tax services, financial statements, schedule of expenditures of federal awards, other supplementary information, and related notes, and any other non-audit services we provide. You will be required to acknowledge in the management representation letter the tax services provided and our assistance with preparation of the financial statements, schedule of expenditures of federal awards, other supplementary information, and related notes, and that you have evaluated the adequacy of our services and have reviewed and approved the results of the services, the financial statements, schedule of expenditures of federal awards, other supplementary information, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the non-audit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

ENGAGEMENT ADMINISTRATION, FEES, AND OTHER

We may, from time to time and depending on the circumstances, use third-party service providers, such as independent contractors, specialists, or vendors, in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

During the course of our engagement, we may need to electronically transmit confidential information to each other. Email is a fast and convenient way to perform this communication; however, email is not a secure means of communication and thus, confidentiality could be compromised. You agree to the use of email and other electronic methods to transmit and receive information, including confidential information, between The Forde Firm, LLC, the Organization, and third-party service providers engaged.

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing. We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If, for whatever reason, your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines and our report may be delayed. In order to efficiently perform our audit procedures, we will require access to secure and reliable internet access throughout the entirety of our fieldwork. Additionally, we will need you to appoint an audit contact person that will be able to be reached throughout the audit.

Name: _____

Position: _____

Phone Number: _____

Email address: _____

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to the entity; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of The Forde Firm, LLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the Secretary of Housing and Urban Development or designee, the HUD Inspector General, the U.S. Government Accountability Office, or their representatives for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of The Forde Firm, LLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation (hardcopy or electronic) to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of six years after the report release date or for any additional period requested by HUD. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Linda Forde is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit on approximately [REDACTED] and to issue our report no later than [REDACTED]. We expect to complete your information returns no later than [REDACTED]. In order to meet this timeline, we will need a completed trial balance and requested documentation provided to us no later than one week (five business days) prior to scheduled field work dates. Changes to the trial balance during the audit or delays in providing information will delay the delivery of the issued reports. Additionally, natural disasters occurring in either our immediate area or yours may delay the delivery of our issued reports.

Our fees for these services are intended to be a value billing and will not typically vary based on the actual time. We do this in order to give you the best value possible and allow you to fully budget for your audit expense. If the scope of the engagement changes or there are significant difficulties or changes after we begin our process, we will discuss these changes with you in advance of spending additional time and we will agree upon a fee structure for any additional services before beginning those services. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

In the event of nonpayment, we retain the right to (a) suspend the performance of our services, (b) change the payment conditions under this Engagement Letter, or (c) terminate our services. If we elect to suspend our services, such services will not be resumed until your account is paid as agreed. Alternatively, if we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

Our fee for the outlined services will be [REDACTED] the audit and Informational returns, regardless of the amount of time required on our part. Included in our fee for these services, we will provide up to five bound copies of our

THE FORDE FIRM, LLC

report. Additional bound copies may be provided at a cost of \$5 each. Fees for our services can be paid using a credit card for an amount and an additional 3.5 percent processing fee.

Due to independence requirements, your documentation provided to us for the audit is required to be retrieved within two weeks (ten business days) from the date of our report issuance. If documentation is not retrieved, it will be mailed to you at the standard postage rates and billed to you.

With respect to the services and this Engagement Letter, in no event shall the liability of The Forde Firm, LLC and its present, future, and former partners, principals, directors, employees, agents, and contractors for any claim, including, but not limited to The Forde Firm, LLC's own negligence, exceed the fees it receives for the portion of work giving rise to such liability. This limitation shall not apply to the extent that it is finally determined that any claims, losses, or damages are the result of The Forde Firm, LLC's gross negligence or willful misconduct. In addition, The Forde Firm, LLC shall not be liable for any special, consequential, incidental, or exemplary damages or loss (nor any lost profits, interest, taxes, penalties, loss of savings, or lost business opportunity) even if The Forde Firm, LLC was advised in advance of such potential damages. This paragraph shall apply to any type of claim asserted, including contract, statute, tort, or strict liability, whether by the Organization, The Forde Firm, LLC, or others. Further, the Organization shall, upon receipt of written notice, indemnify, defend, and hold harmless The Forde Firm, LLC and its present, future, and former partners, principals, directors, employees, agents, and contractors from and against any liability and damages (including punitive damages), fees, expenses, losses, demands, and costs (including defense costs) associated with any claim arising from or related to the Organization's knowing misrepresentations or false or incomplete information provided to The Forde Firm, LLC. In the event of any controversy or claim against The Forde Firm, LLC arising from or related to the services described herein, The Forde Firm, LLC shall be entitled, at its option, to defend itself from such controversy or claim and to participate in any settlement, administrative, or judicial proceedings.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

The Forde Firm, LLC
The Forde Firm, LLC

RESPONSE:

This letter correctly sets forth the understanding of [REDACTED]

Signature: _____

Title: _____

Date: _____



(A Nonprofit Corporation)

CONSOLIDATED FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION

Years Ended June 30, 2019 and 2018



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You may not have consolidated statements and/
or some supplemental information.

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— T H E —
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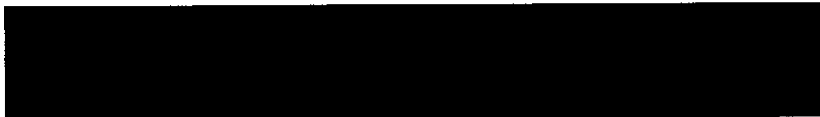
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INSTITUTES OF
CERTIFIED PUBLIC ACCOUNTANTS



INDEPENDENT AUDITORS' REPORT

Board of Directors



Jacksonville, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of 
, (a nonprofit corporation), which comprise the consolidated statements of financial position as of June 30, 2019 and 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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.

Auditors' Responsibility

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

THE FORDE FIRM, LLC

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 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.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of [REDACTED] as of June 30, 2019 and 2018, 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.

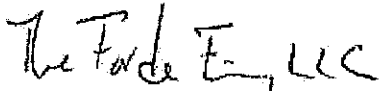
Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) 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 consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2019, on our consideration of [REDACTED] 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 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 [REDACTED] internal control over financial reporting and compliance.



The Forde Firm, LLC
Jacksonville, Florida
December 9, 2019

(A Nonprofit Corporation)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
Cash	\$ 504,681	\$ 373,541
Accounts receivable, net (Note C)	249,222	123,830
Inventory	105,444	70,988
Prepaid expenses	11,616	9,431
Total Current Assets	870,963	577,790
Property, plant and equipment, less accumulated depreciation of \$240,700 and \$221,394, respectively (Note D)	188,479	201,283
Total Assets	\$ 1,059,442	\$ 779,073
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 62,949	\$ 54,845
Total Current Liabilities	62,949	54,845
Net assets without donor restrictions	996,493	724,228
Total Liabilities and Net Assets	\$ 1,059,442	\$ 779,073

See Notes to Consolidated Financial Statements.

(A Nonprofit Corporation)
CONSOLIDATED STATEMENTS OF ACTIVITIES
Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
Support and Other Revenue:		
Government grants and awards	\$ 1,120,446	\$ 1,027,526
Contributions - general public and foundations	128,556	148,780
Interpreter fees	715,548	614,386
Donated services and equipment	141,436	200,494
Interest income	291	29
Other income	<u>8,907</u>	<u>8,565</u>
Total Support and Other Revenue	<u>2,115,184</u>	<u>1,999,780</u>
EXPENSES		
Program services	1,591,812	1,580,167
Support services	231,690	213,783
Fundraising	<u>19,417</u>	<u>14,158</u>
Total Expenses	<u>1,842,919</u>	<u>1,808,108</u>
Increase in Net Assets	272,265	191,672
Net Assets, Beginning of Year	<u>724,228</u>	<u>532,556</u>
Net Assets, End of Year	<u>\$ 996,493</u>	<u>\$ 724,228</u>

See Notes to Consolidated Financial Statements.

(A Nonprofit Corporation)
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSE
Year Ended June 30, 2019

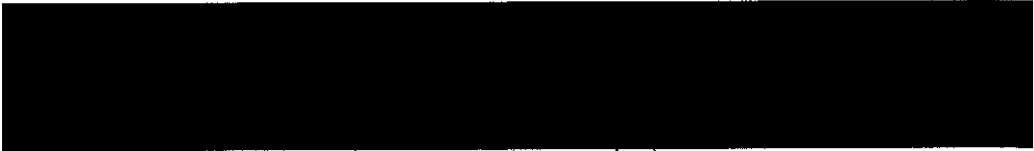
	<u>Program</u> <u>Services</u>	<u>Support</u> <u>Services</u>	<u>Fund</u> <u>Raising</u>	<u>TOTAL</u>
Personnel Expenses:				
Salaries	\$ 756,553	\$ 150,149	\$ -	\$ 906,702
Payroll taxes and benefits	202,167	40,123	-	242,290
Total Personnel Expenses	958,720	190,272	-	1,148,992
Operational Expenses:				
Conferences, conventions, and meetings	19,490	3,868	-	23,358
Insurance	13,075	2,490	-	15,565
Dues and subscriptions	9,963	1,978	-	11,941
Occupancy	20,983	3,997	-	24,980
Postage and shipping	3,720	738	-	4,458
Printing and publications	7,271	1,442	-	8,713
Advertising	3,480	690	-	4,170
Professional fees	322,758	14,459	-	337,217
Rental and maintenance of equipment	24,905	2,442	-	27,347
Supplies	16,213	3,087	-	19,300
Telephone	7,262	1,382	-	8,644
Specific assistance to individuals	117,289	-	-	117,289
Travel and transportation	7,626	1,513	-	9,139
Fund raising	-	-	17,115	17,115
Development	38,765	-	2,302	41,067
Other expenses	4,075	244	-	4,319
Total Operational Expenses	616,875	38,330	19,417	674,622
Depreciation	16,217	3,088	-	19,305
Total Expenses	\$ 1,591,812	\$ 231,690	\$ 19,417	\$ 1,842,919

See Notes to Consolidated Financial Statements.

(A Nonprofit Corporation)
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSE
Year Ended June 30, 2018

	<u>Program Services</u>	<u>Support Services</u>	<u>Fund Raising</u>	<u>TOTAL</u>
Personnel Expenses:				
Salaries	\$ 634,498	\$ 125,926	\$ -	\$ 760,424
Payroll taxes and benefits	194,401	38,582	-	232,983
Total Personnel Expenses	828,899	164,508	-	993,407
Operational Expenses:				
Conferences, conventions, and meetings	19,112	3,793	-	22,905
Insurance	14,876	2,832	-	17,708
Dues and subscriptions	4,123	818	-	4,941
Occupancy	23,645	4,504	-	28,149
Postage and shipping	4,511	895	-	5,406
Printing and publications	5,778	1,145	-	6,923
Advertising	11,243	2,230	-	13,473
Professional fees	408,605	18,304	-	426,909
Rental and maintenance of equipment	24,198	2,373	-	26,571
Supplies	24,822	4,727	-	29,549
Telephone	7,153	1,361	-	8,514
Specific assistance to individuals	155,546	-	-	155,546
Travel and transportation	7,685	1,525	-	9,210
Fund raising	-	-	14,158	14,158
Development	-	-	-	-
Other expenses	21,782	1,304	-	23,086
Total Operational Expenses	733,079	45,811	14,158	793,048
Depreciation	18,189	3,464	-	21,653
Total Expenses	<u>\$ 1,580,167</u>	<u>\$ 213,783</u>	<u>\$ 14,158</u>	<u>\$ 1,808,108</u>

See Notes to Consolidated Financial Statements.


 (A Nonprofit Corporation)
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	\$ 272,265	\$ 191,672
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation	19,305	21,653
(Increase) decrease in:		
Accounts receivable	(125,392)	67,934
Inventory	(34,456)	(70,988)
Prepaid expenses	(2,185)	(4,897)
Increase (decrease) in:		
Accounts payable and accrued expenses	<u>8,104</u>	<u>(29,335)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	137,641	176,039
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of furniture and equipment	<u>(6,501)</u>	<u>(9,407)</u>
NET CASH USED BY INVESTING ACTIVITIES	(6,501)	(9,407)
NET INCREASE (DECREASE) IN CASH	131,140	166,632
CASH AT BEGINNING OF PERIOD	<u>373,541</u>	<u>206,909</u>
CASH AT END OF PERIOD	<u><u>\$ 504,681</u></u>	<u><u>\$ 373,541</u></u>
Interest paid	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Taxes paid	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See Notes to Consolidated Financial Statements.

(A Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

A. Summary of Significant Accounting Policies:

- (1) Nature of Organization [REDACTED] a Florida not-for-profit corporation located in Jacksonville, Florida, was established on [REDACTED] to assist persons with [REDACTED] empower [REDACTED] based consumers in Northeast Florida. Approximately 53% and 51% of the Center's support for the years ended June 30, 2019 and 2018, respectively, came from Federal and State of Florida program grants.
- (2) Basis of Consolidation – The consolidated financial statements include the accounts of the Center and the accounts of [REDACTED] that owns the building the Center uses for operations. The Center has an economic interest in [REDACTED] as well as control through a majority voting interest in the board of [REDACTED]. All significant intercompany balances and transactions have been eliminated.
- (3) Basis of Presentation – The accompanying consolidated financial statements are prepared using the accrual basis of accounting generally accepted in the United States of America. The consolidated financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-For-Profit Organizations" (the Guide). ASC 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Center and changes therein are classified as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Center. The Center's board may designate assets without restrictions for specific operational purposes from time to time.

(A Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

-continued-

(3) Basis of presentation (continued):

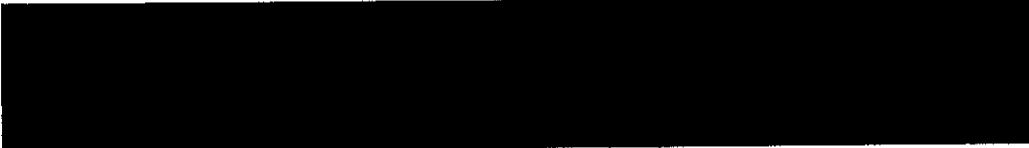
Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Center or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Expenses are generally reported as decreases in net assets without donor restrictions. Expiration of donor-imposed restrictions that simultaneously increase one class of net assets and decrease another are reported as reclassifications between the applicable net assets. The Center had no net assets with donor restrictions at June 30, 2019 and 2018.

- (4) New Accounting Pronouncements – On August 18, 2016, FASB issued ASU 2016-14, Not-For-Profit Entities (Topic 958), Presentation of Financial Statements for Not-For-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The ASU has been applied retrospectively to all periods presented.
- (5) Cash – For the purposes of the Consolidated Statement of Cash Flows, cash represents all demand deposits with commercial banks.
- (6) Accounts Receivable – Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. The allowance for doubtful accounts was \$4,820 at June 30, 2019 and 2018.
- (7) Inventory - [REDACTED] items are valued at cost for purchased items. Donated items are recorded at the fair value on the date of the in-kind donation. The inventory values of \$105,444 and \$70,988 represent the items that have been received, but not yet donated out at June 30, 2019 and 2018, respectively.

(A Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018
-continued-

- (8) Property and Equipment – Property and equipment are recorded at cost for purchased items. Donated items are recorded at fair market value at the date of gift. If the donor stipulates how long the assets must be used, the contributions of property and equipment are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Asset purchases of \$500 or more are capitalized.
- (9) Depreciation – Building and equipment are being depreciated over the estimated useful lives of the individual assets by the straight-line method (building – 40 years, equipment and furniture – 5 to 10 years).
- (10) Fair Values of Financial Instruments - Generally accepted accounting principles require certain financial instruments to be recorded at fair value. Changes in methods of estimation could affect the fair value estimates; however, such changes are not expected to have a material impact on the organization’s financial position, activities or cash flows.
- (11) Contributions and Promises to Give – Contributions are recognized when the donor makes a promise to give to the Center that is, in substance, unconditional. Contributions that are received subject to certain donor stipulations are reported as an increase in net assets with donor restrictions.
- (12) Donated Materials and Services – Donated materials and services are recorded as contributions at their estimated fair values at the date of donation. Contributions of services are recognized in the consolidated financial statements if the services enhance or create non-financial assets or require specialized skills that are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.
- (13) Grant and Contract Revenue and Support – The Center receives funding from government agencies. Any of the funding sources may, at its discretion, request reimbursement for expenses or return of funds, or both, as a result of non-compliance by the Center with the terms of the grants/contracts.



(A Nonprofit Corporation)
 NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018
 -continued-

- (14) Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions, primarily related to the collectability of receivables and the depreciable lives of buildings and improvements that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.
- (15) Income Taxes – The Center has been granted tax exempt status under Section 501(c)(3) of the Internal Revenue Code, is not a private foundation and has no unrelated business taxable income. Management evaluated the Center’s tax positions and concluded that the Center had maintained its exempt status and had taken no uncertain tax positions that require adjustment to the financial statements. Accordingly, no provision of income tax is required. The Center’s Forms 990, *Return of Organization Exempt from Income Tax*, are subject to examination by the IRS for three years after they were filed.
- (16) Functional Expense Allocation – The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on estimates of time and effort.

B. Concentration of Credit Risk Arising from Cash Deposits in excess of Insured Limits

The Center maintains cash deposits in local financial institutions, which may at times exceed Federal Deposit Insurance Corporation (FDIC) limits of \$250,000. The Center believes it is not exposed to any significant credit risk on its cash balances and has not experienced any losses in such accounts. At June 30, 2019 and 2018, there was \$250,118 and \$59,355, respectively, in excess of FDIC insured limits.

C. Accounts Receivable:

Accounts receivable consist of the following:

	<u>2019</u>	<u>2018</u>
Government grants and contracts	\$ 120,244	\$ 102,537
Accounts receivable, other	<u>133,798</u>	<u>26,113</u>
	254,042	128,650
Less allowance for doubtful accounts	<u>(4,820)</u>	<u>(4,820)</u>
	<u>\$ 249,222</u>	<u>\$ 123,830</u>

(A Nonprofit Corporation)
 NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018
 -continued-

D. Property, Plant and Equipment:

Property and equipment is composed of the following:

	<u>2019</u>	<u>2018</u>
Land	\$ 50,200	\$ 50,200
Building and building improvements	252,134	252,134
Furniture	16,620	16,620
Equipment	<u>110,225</u>	<u>103,724</u>
	429,179	422,678
Accumulated depreciation	<u>(240,700)</u>	<u>(221,395)</u>
	<u>\$ 188,479</u>	<u>\$ 201,283</u>

E. Retirement Plan:

The Center sponsors a 401(k) Profit Sharing Plan for all employees fulfilling minimum age and service requirements. Employees are entitled to contribute a percentage of their eligible compensation within limitations established by the Internal Revenue Service. The Center will contribute up to 100% of the participant's deferral up to a limitation of 3% of that participant's compensation. The matching contribution for the years ended June 30, 2019 and 2018 was \$19,052 and \$18,818, respectively.

F. Donated Goods and Services:

Donated services are recognized as unrestricted contributions in accordance with authoritative guidance, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Center. Management estimates the fair value of those services to be \$-0- and \$-0- for the years ended June 30, 2019 and 2018, respectively.



(A Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018
-continued-

G. Operating Leases:

The Center leases certain office equipment under operating leases expiring in 2020. Lease expense for was \$4,347 and \$6,331 for the years ending June 30, 2019 and 2018, respectively.

Future minimum lease payments due under office and equipment lease agreements as of June 30 are as follows:

2020	<u>\$ 4,183</u>
Total	<u>\$ 4,183</u>

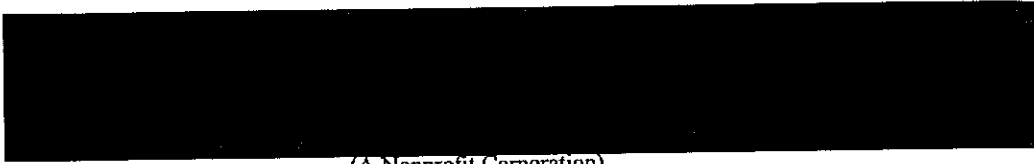
H. Liquidity and Availability of Funds:

Financial assets available for general expenditure without donor restrictions limiting their use within one year of the statement of financial position date consist of the operating bank accounts and accounts receivable, totaling \$753,903 and 497,371 as of June 30, 2019 and 2018, respectively.

I. Subsequent Events:

In preparing these financial statements, the Center evaluated events and transactions for potential recognition or disclosure through December 9, 2019, the date the financial statements were available to be issued. No material subsequent events have occurred since June 30, 2019 that require recognition or disclosure in the financial statements.

ADDITIONAL INFORMATION



(A Nonprofit Corporation)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FUNDING
Year Ended June 30, 2019

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA / CSFA Number</u>	<u>Contract/Grant Number</u>	<u>Expenditures</u>
U.S. Department of Health and Human Services [Redacted]	[Redacted]	[Redacted]	\$ [Redacted]
Total U.S. Department of Health and Human Services			
U.S. Department of Education Passed-Through State of Florida Department of Education [Redacted]	[Redacted]	[Redacted]	[Redacted]
Total U.S. Department of Education			
U.S. Social Security Administration [Redacted]	[Redacted]	[Redacted]	[Redacted]
Total U.S. Social Security Administration			
U.S. Department of Justice [Redacted]	[Redacted]	[Redacted]	[Redacted]
Office of Attorney General [Redacted]	[Redacted]	[Redacted]	[Redacted]
U.S. Department of Justice Passed-Through City of Jacksonville [Redacted]	[Redacted]	[Redacted]	[Redacted]
Total U.S. Department of Justice			
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ [Redacted]
<u>State Grantor/Pass-Through Grantor/Program Title</u>			
Florida Department of Education [Redacted]	[Redacted]	[Redacted]	\$ [Redacted]
TOTAL EXPENDITURES OF STATE FUNDING			\$ [Redacted]

The accompanying notes are an integral part of this schedule.

[REDACTED]
(A Nonprofit Corporation)

NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS
Year Ended June 30, 2019

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of [REDACTED] (the Center). The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule represents only a selected portion of the operations of the Center, it is not intended to and does not present the financial position, change in net assets or cash flows of the Center.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Center has elected not to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.

(A Nonprofit Corporation)
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
Year ended June 30, 2019

	<u>Resource Center</u>	<u>Properties</u>	<u>Eliminations</u>	<u>Total</u>
<u>ASSETS</u>				
Current Assets				
Cash	\$ 435,434	\$ 69,247	\$ -	\$ 504,681
Accounts receivable, net	249,682	-	(460)	249,222
Inventory	105,444	-	-	105,444
Prepaid expenses	11,616	-	-	11,616
Total Current Assets	<u>802,176</u>	<u>69,247</u>	<u>(460)</u>	<u>870,963</u>
Property, plant and equipment, net	<u>41,834</u>	<u>146,645</u>	<u>-</u>	<u>188,479</u>
Total Assets	<u>\$ 844,010</u>	<u>\$ 215,892</u>	<u>\$ (460)</u>	<u>\$ 1,059,442</u>
<u>LIABILITIES AND NET ASSETS</u>				
Current Liabilities:				
Accounts payable and accrued expenses	\$ 62,949	\$ 460	\$ (460)	\$ 62,949
Total Current Liabilities	<u>62,949</u>	<u>460</u>	<u>(460)</u>	<u>62,949</u>
Net assets without donor restrictions	<u>781,061</u>	<u>215,432</u>	<u>-</u>	<u>996,493</u>
Total Liabilities and Net Assets	<u>\$ 844,010</u>	<u>\$ 215,892</u>	<u>\$ (460)</u>	<u>\$ 1,059,442</u>

See Notes to Consolidated Financial Statements.

(A Nonprofit Corporation)
CONSOLIDATING STATEMENT OF ACTIVITIES
Year Ended June 30, 2019

	<u>Resource Center</u>	<u>Properties</u>	<u>Eliminations</u>	<u>Total</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:				
Support and Other Revenue:				
Government grants and awards	\$ 1,120,446	\$ -	\$ -	\$ 1,120,446
Contributions - general public and foundations	246,556	-	(118,000)	128,556
Interpreter fees	715,548	-	-	715,548
Donated services and equipment	141,436	-	-	141,436
Interest income	291	-	-	291
Other income	8,907	118,524	(118,524)	8,907
	<u>2,233,184</u>	<u>118,524</u>	<u>(236,524)</u>	<u>2,115,184</u>
Total Support and Other Revenue				
	2,233,184	118,524	(236,524)	2,115,184
EXPENSES				
Program services	1,702,755	125,581	(236,524)	1,591,812
Support services	231,690	-	-	231,690
Fundraising	19,417	-	-	19,417
	<u>1,953,862</u>	<u>125,581</u>	<u>(236,524)</u>	<u>1,842,919</u>
Total Expenses				
	1,953,862	125,581	(236,524)	1,842,919
Increase (decrease) in Net Assets	279,322	(7,057)	-	272,265
Net Assets, Beginning of Year	<u>501,739</u>	<u>222,489</u>	<u>-</u>	<u>724,228</u>
Net Assets, End of Year	<u>\$ 781,061</u>	<u>\$ 215,432</u>	<u>\$ -</u>	<u>\$ 996,493</u>

See Notes to Consolidated Financial Statements.

— T H E —
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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

Board of Directors

[REDACTED]
Jacksonville, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of [REDACTED] (the Center) (a nonprofit corporation) which comprise the statement of consolidated financial position as of June 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, and have issued our report thereon dated December 9, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center's internal control over financial reporting (internal control) 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 Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a

THE FORDE FIRM, LLC

deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

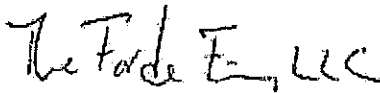
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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



The Forde Firm, LLC
Jacksonville, Florida
December 9, 2019

— T H E —
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors



Jacksonville, Florida

Report on Compliance for Each Major Federal Program

We have audited [REDACTED] (the Center) (a nonprofit 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 programs for the year ended June 30, 2019. The Center's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Center'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 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 Center'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 the Center's compliance.

Opinion on Each Major Federal Program

In our opinion, [REDACTED] complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

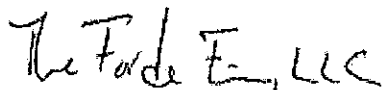
Management of the Center is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Center's internal control over compliance with the types 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 the Center'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.


THE FORDE FIRM, LLC

Our consideration of the 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.

A handwritten signature in black ink that reads "The Forde Firm, LLC". The signature is written in a cursive, slightly slanted style.

The Forde Firm, LLC
Jacksonville, Florida
December 9, 2019


 (A Nonprofit Corporation)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2019

Section I--Summary of Auditors' Results

Financial Statements:

Unmodified auditors' report issued

Internal control over financial reporting:

Material weakness(es) identified?	_____	YES	_____X_____	NO
Significant deficiency(ies) identified?	_____	YES	_____X_____	NO
Noncompliance material to financial statements noted?	_____	YES	_____X_____	NO

Federal Awards:

Internal control over major programs:

Material weakness(es) identified?	_____	YES	_____X_____	NO
Significant deficiency(ies) identified?	_____	YES	_____X_____	NO

Unmodified auditors' report issued on compliance for major programs:

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516	_____	YES	_____X_____	NO
---	-------	-----	-------------	----

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA #'s</u>
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Dollar threshold used to distinguish between type A and type B programs:	\$750,000
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Auditee qualified as low risk auditee?	_____X_____	YES	_____	NO
--	-------------	-----	-------	----

(A Nonprofit Corporation)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2019

Section II--Financial Statement Findings

No reportable findings

Section III--Federal Award Findings and Questioned Costs

Major Federal Award Programs:

None

Section IV--Summary Schedule of Prior Audit Findings

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

Section V--Corrective Action Plan

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

SUPPLEMENTARY INFORMATION

T H E
FORDE FIRM
L L C
• YOUR NON-PROFIT PLUS ACCOUNTING FIRM •

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David R. Forde, Ph.D.

* MEMBER OF
AMERICAN AND FLORIDA
INSTITUTES OF
CERTIFIED PUBLIC ACCOUNTANTS


INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors



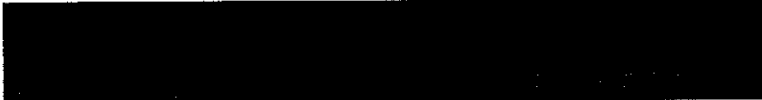
Jacksonville, Florida

Independent Auditor's Report on Supplementary Information

We have audited the consolidated financial statements of  Jacksonville as of and for the year ended June 30, 2019, and have issued our report thereon dated December 9, 2019, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The Schedule of Source and Status of Funds Received from the City of Jacksonville, Florida is presented for the purpose of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the 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.

This report is intended solely for the information and use of the board of directors, management, and the City of Jacksonville and is not intended to be and should not be used by anyone other than those specified parties.

The Forde Firm, LLC
Jacksonville, Florida
December 9, 2019


 (A Nonprofit Corporation)
 SCHEDULE OF SOURCE AND EXPENDITURE OF CITY GRANT FUNDS
 PER ORDINANCE CODE CHAPTER 118.205(e)
 For Audit Year 2018-2019

City FY 2015-
2018 Grant

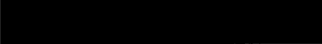
Receipt of City Funds

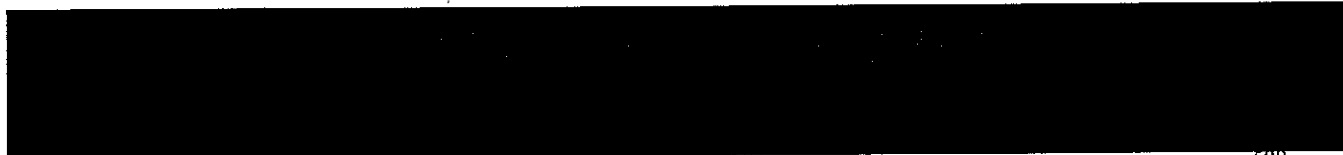
Amount of Award (per City budget ordinance)
 Actual Funds Received from City in Prior Audit Period
 Actual Amount Received This Period
 Amount Remaining to be Distributed

\$ 

 \$ 

Expenditures of City Funds

City FY 2015-2018 Grant 

Item	(Unaudited) Budget	Actual	Actual	Actual	Total Actual	(Unaudited)
		10/1/2015 - 6/30/2018	7/1/2018 - 6/30/2019	7/1/2019 - 9/30/2019		Total Remaining Balance
Salaries	\$ 120,000	\$ 77,611	\$ 10,577	\$ 3,087	\$ 91,275	\$ 28,725
FICA and Med Tax	9,180	6,752	809	236	7,797	1,383
Health Insurance	19,069	10,294	2,983	1,235	14,512	4,557
Retirement	3,600	2,580	-	-	2,580	1,020
Worker's Compensation	2,616	1,503	-	-	1,503	1,113
Disability	944	1,384	-	-	1,384	(440)
Office Supplies	3,600	52	966	-	1,018	2,582
Printing and Duplicating	2,500	-	-	-	-	2,500
Cellular Phone	3,600	1,826	200	-	2,026	1,574
Local Travel / Parking	641	107	579	15	701	(60)
<hr/>						
Laptop Computer	958	958	-	-	958	-
Docking Station	200	200	-	-	200	-
Setup and Support	200	200	-	-	200	-
Wireless Mobile Printer	250	250	-	-	250	-
Portable Hot Spot	1,332	45	-	-	45	1,287
<hr/>						
Readers	3,675	-	-	-	-	3,675
<hr/>						
						
Video Camera	500	-	-	-	-	500
Video Editing Software	200	-	-	-	-	200
Client Local Travel	14,400	784	924	1,348	3,056	11,344
Gift Cards	3,750	-	-	-	-	3,750
Gift Cards Activation Fee	450	-	-	-	-	450
<hr/>						
Total	