

SUWANNEE RIVER ECONOMIC COUNCIL, INC.

FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

SUWANNEE RIVER ECONOMIC COUNCIL, INC.
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
Suwannee River Economic Council, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of Suwannee River Economic Council, Inc., which comprise the statement of financial position as of September 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Suwannee River Economic Council, Inc. as of September 30, 2020, 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

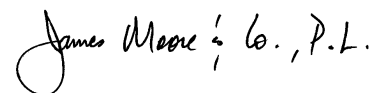
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.650, Rules of the State of Florida, Office of the Auditor General, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and State Financial Assistance is fairly stated in all material respects in relation to the financial statements as a whole.

Emphasis of Matter

As discussed in Note (1)(p) to the financial statements, in the year ended September 30, 2020, the organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, to clarify whether a transaction should be considered a contribution or an exchange transaction and to determine whether a contribution is conditional. The Organization also adopted FASB ASU 2014-09: *Revenue from Contracts with Customers*, to clarify the principles used to recognize revenue for all entities. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2021, on our consideration of Suwannee River Economic Council, Inc.'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 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 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 Suwannee River Economic Council, Inc.'s internal control over financial reporting and compliance.

James Moore & Co., P.L.

Gainesville, Florida
January 26, 2021

SUWANNEE RIVER ECONOMIC COUNCIL, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2020

ASSETS

Current assets	
Cash and cash equivalents	\$ 5,381,647
Grants and contracts receivable	1,888,438
Prepaid expenses	24,491
Inventory	113,145
Total current assets	7,407,721
 Property and equipment, net of accumulated depreciation	 2,035,735
 Total Assets	 \$ 9,443,456

LIABILITIES AND NET ASSETS

Current liabilities	
Accounts payable	\$ 756,964
Accrued expenses	308,979
 Total Liabilities	 1,065,943
 Net assets	
Without donor restrictions	
Undesignated	6,341,778
Property and equipment	2,035,735
Total net assets	8,377,513
 Total Liabilities and Net Assets	 \$ 9,443,456

The accompanying notes to financial statements
are an integral part of this statement.

SUWANNEE RIVER ECONOMIC COUNCIL, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Without donor restrictions

Support and revenues

Support:

Grants and contracts	\$ 9,212,721
Contributions	190,371
In-kind contributions	64,422
Total support	9,467,514

Revenues:

Interest earned	36,043
Other income	4,400
Total revenues	40,443

Total support and revenues	9,507,957
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Expenses

Program services:

Special Programs for the Aging	1,562,399
Low-Income Home Energy Assistance	1,862,349
Transportation Disadvantaged	1,387,866
State Housing Initiatives Partnership	155,574
Community Care for the Elderly	904,156
Community Services Block Grant	493,270
Farmer's Market	9,000
Weatherization	125,629
Emergency Home Energy Assistance	207,194
Emergency Food and Shelter	983
Home Care for the Elderly	64,497
Alzheimer's Disease Initiative	236,218
Total program services	7,009,135

Administrative services	1,089,482
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Total expenses	8,098,617
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Increase in net assets	1,409,340
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Net assets, beginning of year	6,968,173
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Net assets, end of year	\$ 8,377,513
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The accompanying notes to financial statements
are an integral part of this statement.

SUWANNEE RIVER ECONOMIC COUNCIL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Special Programs for the Aging	Low-Income Home Energy Assistance	Transportation Disadvantaged	State Housing Initiatives Partnership	Community Care for the Elderly	Community Services Block Grant	Farmers' Market
Program services							
Personnel	\$ 679,521	\$ 180,047	\$ 748,708	\$ 125,855	\$ 443,267	\$ 212,584	\$ -
Travel	41,704	5,169	2,597	11,342	11,427	8,712	-
Building space	15,444	8,199	11,375	-	12,298	7,853	-
Communication and utilities	40,836	9,277	34,890	9,705	22,248	9,193	-
Printing and supplies	22,342	14,357	12,749	5,137	14,587	15,139	-
Materials and subcontracts	606,219	-	-	-	83,548	-	-
Service contracts	79,678	-	2,465	-	204,563	-	-
Noncapitalizable equipment	-	-	-	-	-	-	-
Program services	20,890	1,635,194	-	755	50,841	227,195	9,000
Other	18,028	10,106	330,324	2,780	7,629	12,594	-
In-kind	10,674	-	-	-	53,748	-	-
Total program services before depreciation	<u>1,535,336</u>	<u>1,862,349</u>	<u>1,143,108</u>	<u>155,574</u>	<u>904,156</u>	<u>493,270</u>	<u>9,000</u>
Depreciation	27,063	-	244,758	-	-	-	-
Total program services	<u>1,562,399</u>	<u>1,862,349</u>	<u>1,387,866</u>	<u>155,574</u>	<u>904,156</u>	<u>493,270</u>	<u>9,000</u>
Allocation of administrative expenses	233,918	77,546	247,493	35,280	163,688	93,399	-
Total expenses	<u><u>\$ 1,796,317</u></u>	<u><u>\$ 1,939,895</u></u>	<u><u>\$ 1,635,359</u></u>	<u><u>\$ 190,854</u></u>	<u><u>\$ 1,067,844</u></u>	<u><u>\$ 586,669</u></u>	<u><u>\$ 9,000</u></u>

The accompanying notes to financial statements
are an integral part of this statement.

SUWANNEE RIVER ECONOMIC COUNCIL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

(Continued)

	<u>Weatherization</u>	<u>Emergency Home Energy Assistance</u>	<u>Emergency Food and Shelter</u>	<u>Home Care for the Elderly</u>	<u>Alzheimer's Disease Initiative</u>	<u>Administrative</u>	<u>Total</u>
Program services							
Personnel	\$ 51,281	\$ 21,123	\$ -	\$ 38,344	\$ 99,682	\$ 700,124	\$ 3,300,536
Travel	277	43	-	1,286	667	1,782	85,006
Building space	138	469	-	1,208	2,315	-	59,299
Communication and utilities	943	1,277	-	2,086	5,233	23,838	159,526
Printing and supplies	796	908	-	1,328	3,171	32,094	122,608
Materials and subcontracts	25,940	-	-	-	-	-	715,707
Service contracts	45,775	-	-	-	117,094	55,090	504,665
Noncapitalizable equipment	-	-	-	-	-	37	37
Program services	-	182,835	983	19,633	6,456	-	2,153,782
Other	479	539	-	612	1,600	230,701	615,392
In-kind	-	-	-	-	-	-	64,422
Total program services before depreciation	<u>125,629</u>	<u>207,194</u>	<u>983</u>	<u>64,497</u>	<u>236,218</u>	<u>1,043,666</u>	<u>7,780,980</u>
Depreciation	-	-	-	-	-	45,816	317,637
Total program services	<u>125,629</u>	<u>207,194</u>	<u>983</u>	<u>64,497</u>	<u>236,218</u>	<u>1,089,482</u>	<u>8,098,617</u>
Allocation of administrative expenses	22,361	7,695	-	14,186	36,787	(932,353)	-
Total expenses	<u>\$ 147,990</u>	<u>\$ 214,889</u>	<u>\$ 983</u>	<u>\$ 78,683</u>	<u>\$ 273,005</u>	<u>\$ 157,129</u>	<u>\$ 8,098,617</u>

The accompanying notes to financial statements
are an integral part of this statement.

SUWANNEE RIVER ECONOMIC COUNCIL, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Cash flows from operating activities	
Cash received from grantors, contractors and programs	\$ 8,880,484
Cash paid to employees and vendors	(7,618,301)
Interest received	36,043
Other income	5,157
Local cash contributions	190,371
Net cash provided by operating activities	1,493,754
 Cash flows from investing activities	
Purchases of property and equipment	(369,225)
Proceeds from the sale of property and equipment	500
Net cash used in investing activities	(368,725)
Net increase in cash and cash equivalents	1,125,029
Cash and cash equivalents, beginning of year	4,256,618
Cash and cash equivalents, end of year	\$ 5,381,647
 Reconciliation of increase in net assets to net cash provided by operating activities	
Increase in net assets	\$ 1,409,340
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	317,637
Loss on sale of fixed asset	757
Changes in assets and liabilities:	
Grants and contracts receivable	(331,253)
Prepaid expenses	(459)
Inventory	(58,376)
Accounts payable and accrued expenses	157,092
Deferred revenue	(984)
Total adjustments	84,414
Net cash provided by operating activities	\$ 1,493,754

The accompanying notes to financial statements
are an integral part of this statement.

SUWANNEE RIVER ECONOMIC COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(1) **Summary of Significant Accounting Policies:**

The following is a summary of the more significant accounting policies and practices of Suwannee River Economic Council, Inc. (the "Organization"), which affect significant elements of the accompanying financial statements:

(a) **Organization and purpose**—The Organization is a not-for-profit corporation formed to cooperate with and assist governmental and private agencies in accomplishing the purposes described in the Community Services Act of 1974 and amendments thereto. Its principal activities consist of carrying out community action programs in north Florida under federal, state and private agency grants requiring compliance with specific grant conditions and other special requirements.

(b) **Basis of presentation**—The financial statements have been prepared on the accrual basis of accounting, and accordingly, reflect significant receivables, payables, and other liabilities.

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restriction and with donor restrictions.

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 Organization. The Organization's board may designate assets without restrictions for specific purposes.

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

There are no net assets with donor restrictions at September 30, 2020.

(c) **Revenue recognition**—The Organization receives substantially all of its grant and contract revenue from Federal, State and local agencies. The Organization recognizes contract revenue (up to the contract ceiling) from its contracts over a period which represents the service period for certain contracts, or to the extent of expenses. Revenue recognition varies by the contract.

(d) **Property and equipment**—Property and equipment acquired by the Organization are considered to be owned by the Organization. However, funding sources may maintain an equitable interest in the property purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets. The State of Florida has a reversionary interest in those assets purchased with its funds which have a cost of \$1,000 or more and an estimated useful life of at least one year. The federal government has a reversionary interest in those assets purchased with its funds which have a cost of \$5,000 or more and an estimated useful life of at least one year.

Property and equipment with a value greater than \$5,000 and an estimated useful life of at least one year are recorded at cost when purchased or at estimated fair value when contributed. Depreciation is computed using the straight-line method over the estimated useful life of the assets, ranging from 3 to 39 years.

SUWANNEE RIVER ECONOMIC COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(1) **Summary of Significant Accounting Policies:** (Continued)

(e) **Contributed facilities, services and other support**—The Organization receives contributed materials and supplies which are reported as in-kind contributions and in-kind expense at their estimated fair value in the period in which they are donated.

Contributed property and equipment is recorded at fair value at the date of donation. In the absence of donor-imposed stipulations regarding how long the contributed assets must be used, the Organization has adopted a policy of not implying a time restriction on contributions of such assets; consequently, all contributions of property and equipment, and of the assets contributed to acquire property and equipment, are recorded as net assets without donor restrictions.

The value of donated professional services is included as in-kind contributions and in-kind expense in the financial statements. In addition, donated services with an estimated value of approximately \$95,000 were not recognized in the financial statements because they did not meet the criteria for revenue recognition.

(f) **Functional allocation of expenses**—The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs are allocated between programs and supporting services based on salary expense.

(g) **Income taxes**—The Organization is generally exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the accompanying financial statements.

The Organization files income tax returns in the U.S. Federal jurisdiction. The Organization's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

The Organization has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements.

(h) **Cash and cash equivalents**—For the purpose of reporting cash flows, cash and cash equivalents includes cash on hand, amounts in demand deposits and short-term investments with an original maturity date of ninety days or less.

(i) **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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

SUWANNEE RIVER ECONOMIC COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(1) **Summary of Significant Accounting Policies:** (Continued)

(j) **Contributions**—All contributions are reported as increases in net assets without donor restrictions unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donors for specific purposes are reported as increases in net assets with donor restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the entity reports the support as increase in net assets without donor restrictions.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received.

Amortization of the discounts is included in contribution revenue. It is the Organization's policy to use the direct write-off method for unconditional promises to give deemed to be uncollectible. This method yields substantially the same results as the allowance method. Conditional promises to give are not included as support until the conditions are substantially met.

(k) **Grants and contracts receivable**—Grants and contracts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with grantors and contractors having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial.

(l) **Inventory**—Inventory consists of frozen meals for distribution to program participants. Inventory is recorded at the lower of cost or market.

(m) **Accrued leave**—The Organization compensates its employees for unused vacation and sick leave upon termination of employment. The amount of change in accrued vacation and sick leave for all employees from one year to the next is recorded in personnel expense during the current year.

(n) **Deferred revenue**—The Organization records certain contract receipts as deferred revenue until it is expended for the purpose of the contract, at which time it is recognized as revenue.

(o) **Subsequent events**—The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through January 26, 2021, the date which the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

(p) **Recently issued accounting pronouncements**—The Financial Accounting Standards Board (FASB) issued new or modifications to, or interpretations of, existing accounting guidance during the year ended September 30, 2020. The Organization has considered the new pronouncements that altered accounting principles generally accepted in the United States of America, and other than as disclosed in the notes to the financial statements below, does not believe that any other new or modified principles will have a material impact on the Organization's reported financial position or operations in the near term.

SUWANNEE RIVER ECONOMIC COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(1) **Summary of Significant Accounting Policies:** (Continued)

Adopted changes

In June 2018, the FASB issued Accounting Standards Update 2018-08: Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made, to clarify whether a transaction should be considered a contribution or an exchange transaction and to determine whether a contribution is conditional. The Organization adopted ASU 2018-08 effective for its financial statements as of and for the year ended September 30, 2020. In adopting this ASU, there was no impact to beginning net assets. As such, no retrospective analysis of account balance changes was required.

In May 2014, the FASB issued Accounting Standards Update 2014-09: Revenue from Contracts with Customers, to clarify the principles used to recognize revenue for all entities. The new standard (as amended) is effective for fiscal years beginning after December 15, 2019 and may be adopted early. In adopting this ASU, there was no impact to revenue recognition. As such, no retrospective analysis on account balance changes was required.

Pending changes

In February 2016, the FASB issued Accounting Standards Update 2016-02: Leases (Topic 842), to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The new standard is effective for fiscal years beginning after December 15, 2022 and may be adopted early. The Organization is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

In September 2020, the FASB issued Accounting Standards Update 2020-07: Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 858), to increase transparency and comparability among organizations in reporting nonprofit gifts-in-kind. The new standard is effective for fiscal years beginning after June 15, 2021 and may be adopted early. The Organization is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

(2) **Matching Requirements:**

The Organization receives a portion of its support through grants and contracts. Certain grants and contracts require the Organization to provide specified amounts of matching revenue. For each grant/contract, where applicable, the Organization has met all matching requirements. Also, for each grant/contract that ended on or before September 30, 2020, no obligation remains outstanding to the funding source.

SUWANNEE RIVER ECONOMIC COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(3) **Pension Plan:**

The Organization sponsors a 401(k) plan. The plan covers all eligible employees of the Organization. Employees are considered to be eligible when they are 21 years of age and have one year of service as defined by the plan document. Employees are fully vested following three years of service. The Organization normally makes a contribution of 10% of each eligible employee's gross salary. The level of future funding could affect the Organization's ability to continue the normal contribution. The amount of plan expense for the year ended September 30, 2020, was approximately \$195,000.

(4) **Property and Equipment:**

Property and equipment consists of the following at September 30, 2020:

Land		\$ 154,107
Equipment		2,252,175
Buildings		<u>2,784,467</u>
		5,190,749
Less: accumulated depreciation		<u>(3,155,014)</u>
Total		<u>\$ 2,035,735</u>

(5) **Concentrations of Credit Risk:**

The more significant concentrations of credit risk are as follows:

(a) **Demand deposits**—The Organization maintains demand deposits with one financial institution. The Organization has a policy requiring collateral or other security to support its deposits in excess of FDIC coverage. All demand deposits with banks are insured for amounts in excess of FDIC limits.

(b) **Grants and contracts receivable**—The Organization's receivables are for amounts due under contracts with the Federal, State, and local agencies under cost-reimbursement and service contracts related to health and welfare activities. The Organization has no policy requiring collateral or other security to support its receivables.

(c) **Significant funding sources**—The Organization receives a substantial amount of its funding from the following sources:

U.S. Department of Health and Human Services	51%
U.S. Department of Transportation	11%
State of Florida Department of Elder Affairs	16%
State of Florida Department of Transportation	12%

A significant reduction in the level of this funding, if this were to occur, could have an adverse effect on the Organization's programs and activities.

SUWANNEE RIVER ECONOMIC COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(6) Contingent Liabilities:

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally Federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by grantors cannot be determined at this time although the Organization expects such amounts, if any, to be immaterial.

(7) Liquidity and Availability:

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Financial assets available within one year, at year end:	
Cash and cash equivalents	\$ 5,381,647
Grants and contracts receivable	1,888,438
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 7,270,085</u>

As shown in the table above, the Organization has adequate financial assets available to meet liquidity needs. The Organization receives significant grant funds each year, which are entirely available to meet annual cash needs for general and program expenditures. The Organization is reliant on this grant funding to meet liquidity needs, as discussed in Note 5.

(8) Risks and Uncertainties:

During the year ended September 30, 2020, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the Company as of January 26, 2021, management believes that a material impact on the Company's financial position and results of future operations is reasonably possible.

SUWANNEE RIVER ECONOMIC COUNCIL, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Federal Grantor/Pass-Through Grantor/ State Grantor/Program Title	Federal CFDA Number	State CSFA Number	Pass-Through Entity Identifying Number	Expenditures
FEDERAL AWARDS				
U.S. Department of Transportation				
Passed through Florida Department of Transportation				
COVID-19 Formula Grants for Rural Areas - Bradford	20.509	--	G1M27	\$ 220,198
Formula Grants for Rural Areas - Bradford	20.509	--	G1908	89,632
COVID-19 Formula Grants for Rural Areas - Dixie	20.509	--	G1M26	137,746
Formula Grants for Rural Areas - Dixie	20.509	--	G1909	60,061
COVID-19 Formula Grants for Rural Areas - Gilchrist	20.509	--	G1M40	114,282
Formula Grants for Rural Areas - Gilchrist	20.509	--	G1916	52,935
COVID-19 Formula Grants for Rural Areas - Lafayette	20.509	--	G1M44	69,411
Formula Grants for Rural Areas - Lafayette	20.509	--	G1917	35,443
COVID-19 Formula Grants for Rural Areas - Union	20.509	--	G1M39	140,070
Formula Grants for Rural Areas - Union	20.509	--	G1918	58,211
				<u>977,989</u>
Buses and Bus Facilities Formula, Competitive, and Low or No Emmissions Programs - Bradford	20.526	--	1001-2019-14	<u>75,738</u>
U. S. Department of Energy				
Passed through Florida Department of Economic Opportunity				
Weatherization Assistance for Low-Income Persons	81.042	--	17WX-0G-12-00-17-032	<u>135,256</u>
U.S. Department of Agriculture				
Passed through Mid-Florida Area Agency on Aging, Inc.				
Senior Farmers Market Nutrition Program	10.576	--	M1901-13	<u>9,000</u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

SUWANNEE RIVER ECONOMIC COUNCIL, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(Continued)

Federal Grantor/Pass-Through Grantor/ State Grantor/Program Title	Federal CFDA Number	State CSFA Number	Pass-Through Entity Identifying Number	Expenditures
FEDERAL AWARDS (Continued)				
U.S. Department of Health and Human Services				
Passed through Florida Department of Elder Affairs				
Passed through Mid-Florida Area Agency on Aging, Inc.				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	--	OAA-19-SREC	\$ 153,744
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	--	OAA-20-SREC	266,273
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	--	CA-20-SREC	121,269
				<u>541,286</u>
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	--	OAA-19-SREC	234,942
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	--	OAA-20-SREC	462,554
COVID-19 Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	--	OAA-20-SREC	168,312
COVID-19 Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	--	CA-20-SREC	380,928
				<u>1,246,736</u>
Nutrition Services Incentive Program	93.053	--	OAA-19-SREC	23,383
Nutrition Services Incentive Program	93.053	--	OAA-20-SREC	76,017
				<u>99,400</u>
			Total OAA Cluster	<u>1,887,422</u>
National Family Caregiver Support, Title III, Part E	93.052	--	OAA-19-SREC	53,909
National Family Caregiver Support, Title III, Part E	93.052	--	OAA-20-SREC	46,586
COVID-19 National Family Caregiver Support, Title III, Part E	93.052	--	CA-20-SREC	122,606
				<u>223,101</u>
Passed through Department of Economic Opportunity				
Low-Income Home Energy Assistance	93.568	--	17EA-0F-12-00-04-029	1,934,714
Low-Income Home Energy Assistance	93.568	--	ECA-20-SREC	3,852
Low-Income Home Energy Assistance	93.568	--	EA-20-SREC	207,103
				<u>2,145,669</u>
Passed through Department of Economic Opportunity				
Community Services Block Grant	93.569	--	17SB-0D-12-00-04-126	583,949
				<u>583,949</u>
U.S. Department of Homeland Security				
Passed through United Way of America, Inc.				
Emergency Food and Shelter National Board Program-Suwannee	97.024	--	35-1722-00-002 E9	700
Emergency Food and Shelter National Board Program-Columbia	97.024	--	35-1592-00-002 E9	3,435
				<u>4,135</u>
Total Federal Awards				<u>\$ 6,042,259</u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

SUWANNEE RIVER ECONOMIC COUNCIL, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(Continued)

Federal Grantor/Pass-Through Grantor/ State Grantor/Program Title	Federal CFDA Number	State CSFA Number	Pass-Through Entity Identifying Number	Expenditures
STATE FINANCIAL ASSISTANCE				
Florida Department of Transportation				
Florida Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant Program - Bradford	--	55.001	G1N04	\$ 45,637
Florida Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant Program - Bradford	--	55.001	G1A11	173,546
Florida Commission for the Transportation Disadvantaged (CTD) Innovation and Service Development Program - Bradford	--	55.001	G1G73	2,810
Florida Commission for the Transportation Disadvantaged (CTD) Rural Area Cap Assistance Shirley Conroy Agreement - Bradford	--	55.001	G1G73	72,546
Florida Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant Program - Dixie	--	55.001	G1N62	35,320
Florida Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant Program - Dixie	--	55.001	G1A22	132,088
Florida Commission for the Transportation Disadvantaged (CTD) Rural Area Cap Assistance Shirley Conroy Agreement - Dixie	--	55.001	G1A95	72,546
Florida Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant Program - Gilchrist	--	55.001	G1N62	23,638
Florida Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant Program - Gilchrist	--	55.001	G1A28	134,671
Florida Commission for the Transportation Disadvantaged (CTD) Rural Area Cap Assistance Shirley Conroy Agreement - Gilchrist	--	55.001	G1A98	72,546
Florida Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant Program - Lafayette	--	55.001	G1O04	17,522
Florida Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant Program - Lafayette	--	55.001	G1A38	10,099
Florida Commission for the Transportation Disadvantaged (CTD) Innovation and Service Development Program - Lafayette	--	55.001	G1G83	106,999
Florida Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant Program - Union	--	55.001	G1O49	18,456
Florida Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant Program - Union	--	55.001	G1A66	109,828
Florida Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant Program - Union	--	55.001	G1B06	72,546
				<u>1,100,798</u>
Florida Department of Elder Affairs				
Passed through Mid-Florida Area Agency on Aging, Inc.				
Home Care for the Elderly	--	65.001	HCE-19-SREC	31,333
Home Care for the Elderly	--	65.001	HCE-20-SREC	6,781
				<u>38,114</u>
Passed through Mid-Florida Area Agency on Aging, Inc.				
Alzheimer's Respite Services	--	65.004	ADI-19-SREC	257,968
Alzheimer's Respite Services	--	65.004	ADI-20-SREC	95,615
				<u>353,583</u>
Passed through Mid-Florida Area Agency on Aging, Inc.				
Community Care for the Elderly	--	65.010	CCE-19-SREC	831,551
Community Care for the Elderly	--	65.010	CCE-20-SREC	253,385
				<u>1,084,936</u>
Total State Financial Assistance				<u>2,577,431</u>
Total Federal Awards and State Financial Assistance				<u>\$ 8,619,690</u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

SUWANNEE RIVER ECONOMIC COUNCIL, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) includes the Federal Awards and State Financial Assistance activity of Suwannee River Economic Council, Inc. under programs of the federal and state government for the year ended September 30, 2020, 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) and Chapter 10.650, Rules of the State of Florida, Office of the Auditor General. Because the Schedule presents only a selected portion of the operations of Suwannee River Economic Council, Inc. it is not intended to and does not present the financial position, changes in net assets, or cash flows of Suwannee River Economic Council, Inc.

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 allowed or are limited as to reimbursement.

No amounts were passed through to subrecipients during the year ended September 30, 2020.

Note 3. De Minimis Indirect Cost Rate Election

Suwannee River Economic Council, Inc. has elected not to use the 10 percent de minimis indirect cost rate as allowed under Uniform Guidance.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors,
Suwannee River Economic Council, Inc.:

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Suwannee River Economic Council, Inc., which comprise the statement of financial position as of September 30, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated January 26, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Suwannee River Economic Council, Inc.'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 Suwannee River Economic Council, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Suwannee River Economic Council, Inc.'s internal control.

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

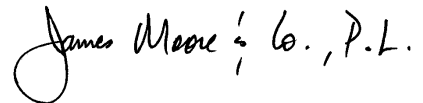
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not 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 Suwannee River Economic Council, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. 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.

James Moore & Co., P.L.

Gainesville, Florida
January 26, 2021

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND STATE PROJECT AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE
UNIFORM GUIDANCE AND CHAPTER 10.650, RULES OF THE
STATE OF FLORIDA, OFFICE OF THE AUDITOR GENERAL**

To the Board of Directors,
Suwannee River Economic Council, Inc.:

Report on Compliance for Each Major Federal Program and Major State Project

We have audited Suwannee River Economic Council, Inc.'s compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* and the *Department of Financial Services* State Projects Compliance Supplement that could have a direct and material effect on each of Suwannee River Economic Council, Inc.'s major federal programs and major state projects for the year ended September 30, 2020. Suwannee River Economic Council, Inc.'s major federal programs and major state projects 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 laws, regulations, contracts, and grants applicable to its federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Suwannee River Economic Council, Inc.'s major federal programs and major state projects 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* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.650, Rules of the Auditor General. Those standards, the Uniform Guidance, and Chapter 10.650, Rules of the Auditor General, 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 or major state project occurred. An audit includes examining, on a test basis, evidence about Suwannee River Economic Council, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and major state project. However, our audit does not provide a legal determination of Suwannee River Economic Council, Inc.'s compliance.

Opinion on Each Major Federal Program and Major State Project

In our opinion, Suwannee River Economic Council, Inc. 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 and major state projects for the year ended September 30, 2020.

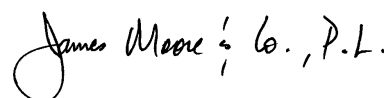
Report on Internal Control over Compliance

Management of Suwannee River Economic Council, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Suwannee River Economic Council, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and major state project 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 major state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, Rules of the Auditor General, 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 Suwannee River Economic Council, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project 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 or state project 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 or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.650. Accordingly, this report is not suitable for any other purpose.



Gainesville, Florida
January 26, 2021

**SUWANNEE RIVER ECONOMIC COUNCIL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

I. Summary of Auditors' Results:

Financial Statements

Type of audit report issued on the financial statements: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major Federal programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

Type of auditor's report issued on compliance for major

Federal programs: *Unmodified*

Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes X no

Identification of major Federal programs:

Federal Program	Federal CFDA Number
Aging Cluster	93.044, 93.045, 93.053
Formula Grant for Rural Areas	20.509
Dollar threshold used to distinguish between type A and type B Federal programs:	\$750,000
Auditee qualified as low-risk auditee?	<u> X </u> yes _____ no

State Projects

Internal control over major state projects:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

SUWANNEE RIVER ECONOMIC COUNCIL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(Continued)

I. Summary of Auditors' Results: (Continued)

Types of auditor's report issued on compliance for major State projects: *Unmodified*

Any audit findings that are required to be reported in accordance with Chapter 10.650, Rules of the State of Florida, Office of the Auditor General? _____ yes X no

Identification of major state projects:

State Project	State CSFA Number
Alzheimer's Respite Services (ADI)	65.004
Community Care for the Elderly (CCE)	65.010
Dollar threshold used to distinguish between type A and type B State projects:	\$750,000

II. Financial Statement Findings:

None.

III. Federal Award Findings and Questioned Costs:

None.

IV. State Financial Assistance Findings and Questioned Costs:

None.

V. Independent Auditors' Management letter required by Chapter 10.650, Rules of the State of Florida, Office of the Auditor General:

Nothing to report.

VI. Federal Award Summary Schedule of Prior Year Findings:

There were no audit findings for the year ended September 30, 2019.

VII. State Financial Assistance Summary Schedule of Prior Year Findings:

There were no audit findings for the year ended September 30, 2019.