

**COMMUNITY ACTION AGENCY OF SOMERVILLE, INC.**  
(a nonprofit corporation)

FINANCIAL STATEMENTS

For the Years Ended November 30, 2022 and 2021

# COMMUNITY ACTION AGENCY OF SOMERVILLE, INC.

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For the Years Ended November 30, 2022 and 2021

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Community Action Agency of Somerville, Inc.  
Somerville, MA

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Community Action Agency of Somerville, Inc. ( a nonprofit organization), which comprise the statements of financial position as of November 30, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the respective financial position of Community Action Agency of Somerville, Inc. as of November 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Community Action Agency of Somerville, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Community Action Agency of Somerville, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Community Action Agency of Somerville, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Community Action Agency of Somerville, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **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, as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 9, 2023, on our consideration of Community Action Agency of Somerville, 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 the effectiveness of Community Action Agency of Somerville, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community Action Agency of Somerville, Inc.'s internal control over financial reporting and compliance.

West Chatham, Massachusetts  
May 9, 2023

# COMMUNITY ACTION AGENCY OF SOMERVILLE, INC.

## Statements of Financial Position

For the Years Ended November 30, 2022 and 2021

### ASSETS

	<u>2022</u>	<u>2021</u>
Current Assets:		
Cash and cash equivalents	\$ 955,907	\$ 918,249
Grants and contracts receivable, net	530,097	795,860
Prepaid expenses	<u>199,720</u>	<u>158,448</u>
Total current assets	<u>1,685,724</u>	<u>1,872,558</u>
Noncurrent assets:		
Property and equipment, net of depreciation	1,760,459	1,824,695
Security deposits	<u>16,264</u>	<u>16,264</u>
Total noncurrent assets	<u>1,776,723</u>	<u>1,840,959</u>
Total assets	<u>\$ 3,462,446</u>	<u>\$ 3,713,517</u>

### LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts payable	\$ 89,652	\$ 254,988
Accrued wages and related liabilities	223,680	301,480
Deferred rent	180,331	188,054
Deferred revenue	143,337	522,490
Mortgage payable - current portion	<u>48,682</u>	<u>44,840</u>
Total current liabilities	<u>685,682</u>	<u>1,311,851</u>
Long-Term Liabilities:		
Mortgage payable - less current portion and unamortized deferred financing costs	<u>940,439</u>	<u>988,099</u>
Total long-term liabilities	<u>940,439</u>	<u>988,099</u>
Total liabilities	<u>1,626,121</u>	<u>2,299,950</u>
Net Assets:		
Without donor restrictions	1,717,189	1,308,755
With donor restrictions	<u>119,136</u>	<u>104,812</u>
Total net assets	<u>1,836,325</u>	<u>1,413,567</u>
Total liabilities and net assets	<u>\$ 3,462,446</u>	<u>\$ 3,713,517</u>

The accompanying notes are an integral part of these financial statements

**COMMUNITY ACTION AGENCY OF SOMERVILLE, INC.**

Statement of Activities

Fro the Year Ended November 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and Support:			
Grants and contracts	\$ 8,332,944	\$ 477,140	\$ 8,810,084
Contributions	226,100	-	226,100
In-kind contributions	490,884	-	490,884
Other revenue	9,638	-	9,638
Net assets released from restrictions	462,816	(462,816)	-
Total revenue and support	<u>9,522,382</u>	<u>14,324</u>	<u>9,536,706</u>
Expenses:			
Program services expense			
Head start	6,206,852	-	6,206,852
Advocacy and community services	2,000,334	-	2,000,334
Total program expenses	<u>8,207,186</u>	<u>-</u>	<u>8,207,186</u>
Management and general	694,830	-	694,830
Fundraising	211,932	-	211,932
Total expenses	<u>9,113,948</u>	<u>-</u>	<u>9,113,948</u>
Change in Net Assets	408,434	14,324	422,758
Net Assets, Beginning of Year	1,308,755	104,812	1,413,567
Net Assets, End of Year	<u>\$ 1,717,189</u>	<u>\$ 119,136</u>	<u>\$ 1,836,325</u>

The accompanying notes are an integral part of these financial statements

**COMMUNITY ACTION AGENCY OF SOMERVILLE, INC.**

## Statement of Activities

For the Year Ended November 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Grants and contracts	\$ 5,685,414	\$ 635,210	\$ 6,320,624
Contributions	244,084	-	244,084
In-kind contributions	508,340	-	508,340
Other revenue	3,065	-	3,065
Net assets released from restrictions	783,237	(783,237)	-
Total revenue and support	<u>7,224,140</u>	<u>(148,027)</u>	<u>7,076,113</u>
Expenses:			
Program services expense			
Head start	5,106,233	-	5,106,233
Advocacy and community services	1,379,155	-	1,379,155
Total program expenses	<u>6,485,388</u>	<u>-</u>	<u>6,485,388</u>
Management and general	758,071	-	758,071
Total expenses	<u>7,243,459</u>	<u>-</u>	<u>7,243,459</u>
Change in Net Assets	(19,319)	(148,027)	(167,346)
Net Assets, Beginning of Year	1,328,074	252,839	1,580,913
Net Assets, End of Year	<u>\$ 1,308,755</u>	<u>\$ 104,812</u>	<u>\$ 1,413,567</u>

The accompanying notes are an integral part of these financial statements



**COMMUNITY ACTION AGENCY OF SOMERVILLE, INC.**

Statements of Functional Expenses

For the Years Ended November 30, 2022 and 2021

	2022					
	Program Services					
	Advocacy and Community Services		Total Program	Management and General	Fundraising	Totals
	Head Start					
Expenses:						
Salaries and wages	\$ 2,897,583	\$ 601,639	\$ 3,499,222	\$ 254,162	\$ 111,433	\$ 3,864,817
Employee benefits & payroll taxes	1,818,377	270,389	2,088,766	113,573	49,258	2,251,597
Consultants	222,950	149,729	372,679	196,783	5,834	575,296
Occupancy	727,411	64,411	791,822	39,725	9,054	840,601
Supplies	73,012	30,572	103,584	12,602	8,237	124,423
Other	367,917	46,153	414,070	76,800	28,116	518,986
Interest	22,094	-	22,094	-	-	22,094
Client assistance	13,271	837,441	850,712	1,185	-	851,897
Depreciation	64,237	-	64,237	-	-	64,237
Total expenses	<u>\$ 6,206,852</u>	<u>\$ 2,000,334</u>	<u>\$ 8,207,186</u>	<u>\$ 694,830</u>	<u>\$ 211,932</u>	<u>\$ 9,113,948</u>

	2021					
	Program Services					
	Advocacy and Community Services		Total Program	Management and General	Fundraising	Totals
	Head Start					
Expenses:						
Salaries and wages	\$ 2,326,375	\$ 488,044	\$ 2,814,419	\$ 345,525	\$ -	\$ 3,159,944
Employee benefits & payroll taxes	1,474,202	174,718	1,648,920	109,372	-	1,758,292
Consultants	219,175	154,431	373,606	206,785	-	580,391
Occupancy	713,347	54,369	767,716	51,677	-	819,393
Supplies	120,644	20,020	140,664	7,636	-	148,300
Other	150,719	27,270	177,989	33,272	-	211,261
Interest	28,502	-	28,502	-	-	28,502
Client assistance	7,720	460,303	468,023	3,804	-	471,827
Depreciation	65,549	-	65,549	-	-	65,549
Total expenses	<u>\$ 5,106,233</u>	<u>\$ 1,379,155</u>	<u>\$ 6,485,388</u>	<u>\$ 758,071</u>	<u>\$ -</u>	<u>\$ 7,243,459</u>

The accompanying notes are an integral part of these financial statements

**COMMUNITY ACTION AGENCY OF SOMERVILLE, INC.**

Statements of Cash Flows

For the Years Ended November 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 422,758	\$ (167,346)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	64,237	65,549
Amortization of deferred financing costs	3,567	3,567
(Increase) decrease in:		
Grants and contracts receivable	265,763	(79,200)
Prepaid expenses	(41,272)	25,492
Increase (decrease) in:		
Accounts payable	(165,336)	164,510
Accrued wages and related liabilities	(77,800)	25,113
Deferred revenue	(379,151)	522,491
Deferred rent	<u>(7,723)</u>	<u>17,853</u>
Net Cash provided by operating activities	<u>85,043</u>	<u>578,029</u>
Cash Flows from Financing Activities:		
Principal payments on mortgage payable	<u>(47,385)</u>	<u>(46,129)</u>
Net Cash used in financing activities	<u>(47,385)</u>	<u>(46,129)</u>
Net change in cash and cash equivalents	37,658	531,900
Cash and cash equivalents, beginning of year	<u>918,249</u>	<u>386,349</u>
Cash and cash equivalents, end of year	<u>\$ 955,907</u>	<u>\$ 918,249</u>
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	<u>\$ 22,094</u>	<u>\$ 24,935</u>

The accompanying notes are an integral part of these financial statements

## COMMUNITY ACTION AGENCY OF SOMERVILLE, INC.

### Notes to Financial Statements

For the Years Ended November 30, 2022 and 2021

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

The significant accounting policies followed by the Community Action Agency of Somerville are described below to enhanced the usefulness of the financial statements to the reader.

##### Organization

The Community Action Agency of Somerville, Inc.(the Organization) is a non-profit organization organized to cooperate with and assist governmental and private agencies in accomplishing the purposes described in the Economic Opportunity Act of 1964. Its principal activities consist of carrying out Community Action Programs such as the Head Start program which serves approximately 355 children from low-income families in Somerville and Cambridge each year and the Homelessness Prevention Program (HPP) which provides advocacy and crisis case management to low income Somerville residents at risk of homelessness.

##### Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

##### Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

##### Receivables and Credit Policies

Grants and contracts receivable consists primarily of noninterest-bearing amounts due for program services under federal, state and local government cost-reimbursable contracts and grants. The Organization determines the allowance for uncollectable grants and contracts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Grants and contracts receivable are written off when deemed uncollectable. As of November 30, 2022 and 2021, 100% of the entire receivable balance is due form governmental agencies and expected to be collected in one year or less. As of November 30, 2022 and 2021, management has determined that any allowance would be immaterial.

Receivables from contracts with customers are reported as grants and contracts receivable, net in the statements of financial position. Contract liabilities are reported as deferred revenue in the accompanying statements of financial position.

##### Property and Equipment

Property and equipment are recorded at cost or, if donated, fair value on the date of receipt. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 40 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. It is the Organization's policy is to capitalize expenditures in excess of \$5,000. When assets are sold or otherwise disposed of, the cost and related depreciation or are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

## COMMUNITY ACTION AGENCY OF SOMERVILLE, INC.

### Notes to Financial Statements

For the Years Ended November 30, 2022 and 2021

#### **NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):**

##### Property and Equipment (Continued)

The Organization reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended November 30, 2022 and 2021, respectively.

##### Net assets

*Net assets without donor restrictions:* Net assets available for use in general operations are not subject to donor- (or certain grantor-) imposed restrictions.

*Net assets with donor restrictions:* Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. The Organization reports conditional contributions restricted by donors as increases in net assets without donor restrictions if the restrictions and conditions expire simultaneously in the reporting period. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are released when received and released from restrictions when the assets are placed in service.

##### Revenue and Revenue Recognition

Revenue related to grants that are considered reciprocal transactions or purchases of services, the results of which are turned over to the grantor, is recognized as the work under the contract is performed. Grants that are considered nonreciprocal transactions or contributions that further the programs of the Organization are recorded when the Organization receives notification of the grant award or contribution, or, if conditions for performance are imposed, revenue is recognized when conditions have been met. All goods and services are transferred at a point in time.

A significant portion of the revenue is derived from cost-reimbursable federal, state and local government contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statements of financial position. A total of \$143,338 and \$522,490 have been received in advance under the Organization's federal, state and local government contracts and grants.

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

## COMMUNITY ACTION AGENCY OF SOMERVILLE, INC.

### Notes to Financial Statements

For the Years Ended November 30, 2022 and 2021

#### **NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):**

##### In-Kind Contributions

Contributed nonfinancial assets include donated professional services, donated equipment, and other in-kind contributions which are recorded at the respective fair values of the goods or services received (Note J). The Organization does not sell donated gifts-in-kind. In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the consolidated financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation.

##### Advertising

Advertising costs are expensed as incurred. Total advertising costs were \$46,476 and \$9,025 for the years ended November 30, 2022 and 2021.

##### Functional Allocation of Expenses

The costs of programs and supporting services have been summarized on a functional basis in the statements of activities. The statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited on a reasonable basis that is constantly applied. The expenses that are allocated include occupancy which is allocated on a square footage basis, as well as salaries and wages, employee benefits, payroll taxes, consultants, supplies, client assistance, and other, which are allocated on the basis of estimates of time and effort.

##### Income Taxes

The Organization is organized as a Massachusetts nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC 501(c)(3) qualify for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii), and has been determined not to be a private foundation under IRC Sections 509(a)(1) and (3), respectively. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. The Organization has determined that it is not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

##### Estimates

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

##### Reclassification

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

# COMMUNITY ACTION AGENCY OF SOMERVILLE, INC.

## Notes to Financial Statements

For the Years Ended November 30, 2022 and 2021

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

#### Recent Accounting Guidance

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). This ASU requires that a lease liability and related right-of-use-asset representing the lessee's right to use or control the asset be recorded on the statement of financial position upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As a result, the effect of leases in the statement of activities and changes in net assets and the statement of cash flows will be substantially unchanged from the existing lease accounting guidance. In 2020, the FASB delayed the effective date for nonpublic entities to fiscal years beginning after December 15, 2021. Early adoption is permitted. The Organization is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

#### Amortization

Financing costs of \$89,181 are being amortized over twenty five years, the term of the mortgage note described in Note F. Amortization expense totaled \$3,567 and \$3,567 for the years ended November 30, 2022 and 2021, respectively, and is presented with interest expense on the accompanying statements of functional expenses. Accumulated amortization totaled \$25,151 and \$21,584 as of November 30, 2022 and 2021, respectively. The unamortized portion is shown net of mortgage payable on the accompanying statements of financial position.

### NOTE B - GRANTS AND CONTRACTS:

Grants and contracts receivable consisted of the following at November 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
U.S. Department of Health & Human Services:		
Head Start Grant	\$ 81,337	\$ 223,491
Commonwealth of Massachusetts Supplemental Head Start Grant	51,155	43,283
Other governmental agencies	397,605	529,086
Total grants and contracts receivable	<u>\$ 530,097</u>	<u>\$ 795,860</u>

The major components of grants and contracts revenue for the years ended November 30, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Government		
Direct	\$ 7,938,738	\$ 5,467,386
Indirect	683,884	489,612
Total government	<u>8,622,622</u>	<u>5,956,998</u>
Foundation, corporate, and other		
Direct	187,462	363,626
Total foundation, corporate, and other	<u>187,462</u>	<u>363,626</u>
Total grants and contracts	<u>\$ 8,810,084</u>	<u>\$ 6,320,624</u>

## COMMUNITY ACTION AGENCY OF SOMERVILLE, INC.

### Notes to Financial Statements

For the Years Ended November 30, 2022 and 2021

#### NOTE B - GRANTS AND CONTRACTS (continued):

The Organization receives funding from federal, state and local government agencies for its programs operated under government grants and contracts. The grants and contracts provide for reimbursement of direct and indirect costs. The recovery of indirect costs, also referred to as *administrative costs*, is recognized based on predetermined rates negotiated with the federal government, which are predetermined for each fiscal year.

The Organization's program services are funded primarily by the U.S. Department of Health and Human Services. For the years ended November 30, 2022 and 2021, the Organization received from this department \$5,398,150 and \$4,378,246 or 57% and 62% of its total revenue.

#### NOTE C - FINANCIAL INSTRUMENTS AND CONCENTRATION OF CREDIT RISK:

The Organization manages deposit concentration risk by placing cash with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, the Organization has not experienced any losses. Credit risk associated with grants and contracts receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies and foundations supportive of the Organization's mission.

#### NOTE D - CONTINGENCY:

The Organization's federal and state funded grants and contracts are subject to audit by appropriate governmental agencies which may, at their discretion, request a return of funds as a result of non-compliance with the terms of the grants/contracts or applicable regulations. The amount of such recovery, if any, cannot be determined and accordingly, no provision has been recorded in these financial statements. In management's opinion, liability resulting from such an audit would not have material adverse effect on the Organization's financial position.

#### NOTE E - MORTGAGE PAYABLE:

The Organization has a mortgage loan with East Boston Savings Bank (acquired by Rockland Trust) dated January 25, 2016. The interest rate is fixed at 2.99% for 5 years, then adjusted every 5 years thereafter at the prevailing Federal home Loan Bank (FHLB) 5/20 Amortizing Advance Rate plus 1.20%. The interest rate was adjusted to 2.02% as of January 25, 2021. The term of the loan is 25 years and principle and interest will be due monthly. Payments will be deducted from a designated East Boston Savings Bank account and the loan is secured by first mortgage and assignment of leases and rents on the subject property located at 29-33 Allen Street, Somerville, MA. Interest expense incurred in conjunction with the mortgage loan was \$22,094 and \$24,935, for the years ended November 30, 2022 and 2021, respectively.

The following costs have been presented net in the accompanying statement of financial position:

	2022	2021
Mortgage payable at year end	1,053,151	1,100,535
Less: unamortized deferred financing costs	64,030	67,596
Net	<u>\$ 989,121</u>	<u>\$ 1,032,939</u>

## COMMUNITY ACTION AGENCY OF SOMERVILLE, INC.

### Notes to Financial Statements

For the Years Ended November 30, 2022 and 2021

#### NOTE E - MORTGAGE PAYABLE (continued):

Future maturities of mortgage payable are as follows:

<u>Years Ending November 30,</u>	
2023	48,682
2024	49,675
2025	50,688
2026	51,721
2027	52,775
Thereafter	<u>799,610</u>
	<u><u>\$ 1,053,151</u></u>

The mortgage requires the Organization to be in compliance with certain financial and non-financial covenants.

#### NOTE F- OPERATING LEASES:

The Organization leases equipment, office and classroom space under various operating leases. Rent expense for the year ended November 30, 2022 and 2021, was \$336,427 and \$345,605. Future minimum lease payments are as follows:

<u>Years Ending November 30,</u>	
2023	300,165
2024	285,803
2025	294,377
2026	303,209
2027	312,305
Thereafter	<u>158,490</u>
	<u><u>\$ 1,654,349</u></u>

#### NOTE G- TAX-DEFERRED ANNUITY PLAN:

During the years ended November 30, 2022 and 2021, the Organization maintained tax-deferred annuity plans qualified under Section 403(b) of the Internal Revenue Code. The plans cover full-time employees of the Organization. The Organization contributes 6% of gross salaries for qualified administration employees and 4% of gross salaries for qualified union employees to the plans. Employees may contribute to the plans up to the maximum amount allowed by the Internal Revenue Code. The Organization's contributions to the plan were \$132,348 and \$123,908 for the years ended November 30, 2022 and 2021, respectively.

#### NOTE H - LIQUIDITY AND AVAILABILITY:

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



## COMMUNITY ACTION AGENCY OF SOMERVILLE, INC.

### Notes to Financial Statements

For the Years Ended November 30, 2022 and 2021

#### NOTE H - LIQUIDITY AND AVAILABILITY (continued):

Financial assets at year end:	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 955,907	\$ 918,249
Grants and contracts receivable, net	530,097	795,860
Total financial assets at year end	<u>1,486,004</u>	<u>1,714,109</u>
Less amounts restricted by donors with purpose restrictions	<u>(119,136)</u>	<u>(104,812)</u>
	<u><u>\$ 1,366,868</u></u>	<u><u>\$ 1,609,297</u></u>

The Organization strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. The Organization operates with a balanced budget and anticipates to collect sufficient revenue to cover general expenditures. The Organization's primary sources of revenue are from government grants and contracts. Supplemental sources of revenue include foundation grants and donations. To help manage unanticipated liquidity needs, the Organization has a committed line of credit in the amount of \$100,000 (Note I), which it could draw upon.

#### NOTE I - LINE OF CREDIT:

The Organization has an unsecured \$100,000 line of credit with East Boston Savings Bank. The interest rate of the line of credit is floating at a rate equal to the Prime Rate plus 0.50% (5.25% at November 30, 2022 and 2021). Monthly payments of interest only will be required, with principle due on demand. There were no outstanding balances on the line of credit as of November 30, 2022 and 2021.

#### NOTE J - IN-KIND CONTRIBUTIONS:

For the year ended November 30, 2022, contributed nonfinancial assets recognized within the statement of activities included the following:

	<u>Revenue Recognized</u>	<u>Utilization in Program Activities</u>	<u>Donor Restrictions</u>	<u>Value Techniques and Inputs</u>
Consulting services	\$ 165,010	Head Start	No associated donor	Professional services are valued using current rates for similar services
Office space	294,404	Head Start	No associated donor restriction	Office space is valued using estimated rental rates for similar spaces in the local real estate market.
Supplies	31,470	Head Start	No associated donor	Supplies are valued using U.S. wholesale prices of identical products.
	<u><u>\$ 490,884</u></u>			

**COMMUNITY ACTION AGENCY OF SOMERVILLE, INC.**

Notes to Financial Statements

For the Years Ended November 30, 2022 and 2021

**NOTE J - IN-KIND CONTRIBUTIONS (continued):**

For the year ended November 30, 2021, contributed nonfinancial assets recognized within the statement of activities included the following:

	<u>Revenue Recognized</u>	<u>Utilization in Programs/ Activities</u>	<u>Donor Restrictions</u>	<u>Value Techniques and Inputs</u>
Consulting services	\$ 181,310	Head Start	No associated donor	Professional services are valued using current rates for similar services.
Office space	294,404	Head Start	No associated donor restriction	Office space is valued using estimated rental rates for similar spaces in the local real estate market.
Supplies	<u>32,626</u>	Head Start	No associated donor	Supplies are valued using U.S. wholesale prices of identical products.
	<u>\$ 508,340</u>			

Contributed consulting services are provided by: attorneys who advise on various legal matters, accountants who provide bookkeeping and financial assistance, and specially trained educators and counselors who assist in helping children develop and enhance their skills through group workshops.

**NOTE K - NET ASSETS WITH DONOR RESTRICTIONS:**

Net assets with donor restrictions at November 30, 2022 and 2021 are restricted for the following propose:

	<u>2022</u>	<u>2021</u>
Subject to expenditure for specified purpose:		
Revitalization of low-income communities	\$ 112,703	\$ 31,280
Family emergency fund	6,433	73,532
Homeless prevention	-	-
Total	<u>\$ 119,136</u>	<u>\$ 104,812</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose specified by donors as follows for the years ended November 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Revitalization of low-income communities	\$ 366,733	\$ 72,946
Housing assistance	-	530,398
Family emergency fund	96,083	133,437
Homeless prevention	-	46,456
Total	<u>\$ 462,816</u>	<u>\$ 783,237</u>

## COMMUNITY ACTION AGENCY OF SOMERVILLE, INC.

### Notes to Financial Statements

For the Years Ended November 30, 2022 and 2021

#### NOTE L - DEFERRED REVENUE:

Deferred revenue represents funds received in advance under government cost-reimbursable grants and contracts. These amounts are deferred to the applicable period.

The following table provided information about changes in deferred revenue for the years ended November 30, 2022 and 2021.

	2022	2021
Deferred revenue, beginning of the year	\$ 522,490	\$ -
Revenue recognized that was included in deferred revenue at the beginning of the year	(522,490)	-
Increases in deferred revenue due to cash received during the year	143,337	522,490
Deferred revenue, end of year	<u>\$ 143,337</u>	<u>\$ 522,490</u>

As of November 30, 2022 and 2021, the Organization expects to recognize 100% of its remaining performance obligations under government cost-reimbursable grants and contracts as revenues within one

#### NOTE M - PROPERTY AND EQUIPMENT:

Property and equipment consists of the following at November 30, 2022 and 2021:

	2022	2021
Land	\$ 409,749	\$ 409,749
Building	2,436,224	2,436,224
Furniture, fixtures and equipment	147,693	147,693
Vehicles	34,300	34,300
	<u>3,027,966</u>	<u>3,027,966</u>
Less accumulated depreciation	(1,267,507)	(1,203,271)
	<u>\$ 1,760,459</u>	<u>\$ 1,824,695</u>

#### NOTE N - SICK AND VACATION LEAVE:

Sick leave for full time and temporary employees is accrued at a rate of one and one-quarter days for each month of service and is pro-rated for part-time, benefit-eligible employees. Unused sick leave may be accrued and carried over up to a maximum of forty-five (45) days, but is not reimbursable upon termination of employment. Employees who work fewer than thirty (30) hours per week will accrue one (1) hour of paid sick time for every thirty (30) hours of work. No time in excess of forty (40) hours may be carried over.

Vacation time accrues at a rate not to exceed 20 -25 days per year, based on length of employment. Part time benefit-eligible employees (those who work over thirty [30] hours per week) accrue vacation time on a pro-rated basis. Pursuant to the collective bargaining agreement for unionized employees, Head Start Continuing employees who work less than fifty-two (52) weeks per year may not carry over vacation time from one (1) program year to the next. Other employees may carry over up to ten (10) days of vacation time into a new calendar year; any accruals over ten (10) days will be deleted on December 31.

The balance of accrued vacation and sick leave as of November 30, 2022 and 2021 was \$130,413 and \$120,517, respectively.

**COMMUNITY ACTION AGENCY OF SOMERVILLE, INC.**  
Notes to Financial Statements  
For the Years Ended November 30, 2022 and 2021

**NOTE O - SUBSEQUENT EVENTS:**

The Organization has evaluated subsequent events through May 9, 2023, the date which the financial statements were available to be issued.

**COMMUNITY ACTION AGENCY OF SOMERVILLE, INC.**

Schedule of Expenditures of Federal Awards

For the Year Ended November 30, 2022

<u>Federal Grantor/Pass Through Program or Cluster Title</u>	<u>Federal CFDA #</u>	<u>Pass through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Health and Human Services:</b>			
Head Start Cluster			
Direct Program thru ACF:			
Head Start	93.600	N/A	4,274,224
Head Start - CARES	93.600	N/A	53,074
Head Start - ARPA	93.600	N/A	138,214
Total Head Start Cluster			<u>4,465,512</u>
Passed Through MA DHCD:			
Community Services Block Grant	93.569	OCDSOCOD42001260BG04000	658,407
Community Services Block Grant - CARES	93.569	OCDSOCOD42001260BG04000	274,231
Total CSBG			<u>932,638</u>
Total U.S. Department of Health and Human Services			<u>5,398,150</u>
<b>U.S. Department of Housing and Urban Development</b>			
CDBG- Entitlement Grants-Cluster			
Direct Program			
Community Development Block Grants/Entitlement Grants	14.218	N/A	379,911
Total CDBG-Entitlement Grants Cluster			<u>379,911</u>
Total U.S. Department of Housing and Urban Development			<u>379,911</u>
<b>U.S Department of Agriculture:</b>			
Child Nutrition Cluster			
Passed thru MA DOE:			
National School Lunch Program	10.555	DOESCDOE21758G70532112B	154,997
Total Child Nutrition Cluster			<u>154,997</u>
Child and Adult Care Food Program	10.558	DOESCDOE22758J70532117A	6,360
Total U.S Department of Agriculture			<u>161,357</u>
Total Expenditures of Federal Awards			<u><u>\$ 5,939,418</u></u>

**COMMUNITY ACTION AGENCY OF SOMERVILLE, INC.**

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended November 30, 2022

Type A programs are determined to be the larger of \$750,000 or three (3) percent of total federal awards expended if total awards exceed \$750,000. There were no awards received that were passed through to sub recipients.

Pass-through entity identifying numbers are presented where available.

**NOTE A - BASIS OF PRESENTATION:**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Community Action Agency of Somerville, Inc. under programs of the federal government for the year ended November 30, 2022. 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 of Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of Community Action Agency of Somerville, Inc. it is not intended to and does not present the financial position, changes in net assets, or cash flows of Community Action Agency of Somerville, Inc.

**NOTE B - 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.

**NOTE C - INDIRECT COST RATE:**

Community Action Agency of Somerville, Inc. has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance. Instead, Community Action Agency of Somerville, Inc. has used a negotiated indirect cost rate.



INDEPENDENT AUDITOR'S 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  
Community Action Agency of Somerville, Inc.  
Somerville, MA

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Community Action Agency of Somerville, Inc. (a nonprofit organization), which comprise the statement of financial position as of November 30, 2022, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated May 9, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Community Action Agency of Somerville, 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 Community Action Agency of Somerville, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Community Action Agency of Somerville, 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 or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Community Action Agency of Somerville, 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 statements. 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.

West Chatham, Massachusetts  
May 9, 2023





INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE.

Board of Directors  
Community Action Agency of Somerville, Inc.  
Somerville, MA

**Report on Compliance for Each Major Federal Program**

***Opinion of Each Major Federal Program***

We have audited Community Action Agency of Somerville, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Community Action Agency of Somerville, Inc.'s major federal programs for the year ended November 30, 2022. Community Action Agency of Somerville, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Community Action Agency of Somerville, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended November 30, 2022.

***Basis for Opinion on Each Major Federal Program***

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)*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Community Action Agency of Somerville, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Community Action Agency of Somerville, Inc.'s compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Community Action Agency of Somerville, Inc.'s federal programs.

## ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Community Action Agency of Somerville, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Community Action Agency of Somerville, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Community Action Agency of Somerville, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Community Action Agency of Somerville, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Community Action Agency of Somerville, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

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

**Report on Internal Control Over Compliance (continued):**

Our consideration of the internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in the internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Giving these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

West Chatham, Massachusetts  
May 9, 2023

**COMMUNITY ACTION AGENCY OF SOMERVILLE, INC.**  
 Schedule of Findings and Questioned Costs  
 For the Year Ended November 30, 2022

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____ 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 with major federal programs: Unmodified

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

Identification of Major Federal Programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.600	Head Start Cluster/Head Start

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

Auditee qualified for low risk auditee: \_\_\_\_\_ yes \_\_\_\_\_ X \_\_\_\_\_ no

**SECTION II - FINANCIAL STATEMENTS FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS.**

None

**COMMUNITY ACTION AGENCY OF SOMERVILLE, INC.**  
Schedule of Findings and Questioned Costs  
For the Year Ended November 30, 2022

**SECTION III - AUDIT FINDINGS RELATED TO FEDERAL AWARDS AND QUESTIONED COSTS.**

None