

COMMUNITY COUNCIL OF GREATER DALLAS

FINANCIAL STATEMENTS

SEPTEMBER 30, 2015 AND 2014

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Community Council of Greater Dallas
Dallas, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of Community Council of Greater Dallas (the Council), which comprise the statement of financial position – modified cash basis as of September 30, 2015 and 2014, and the related statements of activities-modified cash basis, functional expenses-modified cash basis for the years 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 the Council's modified cash basis of accounting, as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Community Council of Greater Dallas as of September 30, 2015 and 2014, and the changes in its net assets for the years then ended in accordance with the Council's modified cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

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 and State Awards-Modified Cash Basis is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State of Texas Single Audit Circular under Chapter IV of the Uniform Grant Management Standards (UGMS) issued by the Governor's Office of Budget and Planning, 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 and State Awards- Modified Cash Basis is fairly stated, in all material respects, in relation to the financial statements as a whole.

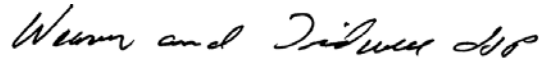
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2016, on our consideration of the Council'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.

Community Council of Greater Dallas

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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 the Council's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Weaver and Tidwell LLP".

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
March 14, 2016

**COMMUNITY COUNCIL OF GREATER DALLAS
STATEMENTS OF FINANCIAL POSITION – MODIFIED CASH BASIS
SEPTEMBER 30, 2015 AND 2014**

	2015	2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 246,393	\$ 47,433
Investments, at fair value	613,216	656,985
Cash held in custodial funds	4,242	20,716
Total current assets	863,851	725,134
Equipment, net of accumulated depreciation	-	-
TOTAL ASSETS	\$ 863,851	\$ 725,134
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Other liabilities	\$ 159	\$ 340
Custodial funds held	4,242	20,716
Total current liabilities	4,401	21,056
NET ASSETS		
Unrestricted	723,486	641,331
Temporarily restricted	135,964	62,747
Total net assets	859,450	704,078
TOTAL LIABILITIES AND NET ASSETS	\$ 863,851	\$ 725,134

The Notes to Financial Statements are an integral part of these statements.

**COMMUNITY COUNCIL OF GREATER DALLAS
STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
PUBLIC SUPPORT:			
Received directly:			
Fees and grants			
from governmental organizations	\$ 1,468,793	\$ 8,394,557	\$ 9,863,350
Contributions and grants			
from private organizations	173,238	9,649	182,887
Total received directly	1,642,031	8,404,206	10,046,237
Received indirectly - allocated			
by United Way of Metropolitan Dallas	-	65,000	65,000
REVENUE:			
Sales to the public and			
other miscellaneous income	15,425	30	15,455
Net investment earnings (losses)	(43,575)	-	(43,575)
Net assets released from restrictions	8,396,019	(8,396,019)	-
Total public support and revenue	10,009,900	73,217	10,083,117
EXPENSES:			
Program services:			
Aging and disability services	5,639,824	-	5,639,824
Information and assistance	1,357,758	-	1,357,758
Community and youth services	761,359	-	761,359
Coalitions and planning	1,219,634	-	1,219,634
Total program services	8,978,575	-	8,978,575
Supporting services:			
Management and general	949,170	-	949,170
Total expenses	9,927,745	-	9,927,745
Change in net assets	82,155	73,217	155,372
NET ASSETS, beginning of year	641,331	62,747	704,078
NET ASSETS, end of year	\$ 723,486	\$ 135,964	\$ 859,450

The Notes to Financial Statements are an integral part of this statement.

**COMMUNITY COUNCIL OF GREATER DALLAS
STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
PUBLIC SUPPORT:			
Received directly:			
Fees and grants			
from governmental organizations	\$ 1,215,445	\$ 8,375,191	\$ 9,590,636
Contributions and grants			
from private organizations	<u>78,319</u>	<u>3,002</u>	<u>81,321</u>
Total received directly	1,293,764	8,378,193	9,671,957
Received indirectly - allocated by United Way of Metropolitan Dallas	-	65,000	65,000
REVENUE:			
Sales to the public and other miscellaneous income	32,745	-	32,745
Net investment earnings (losses)	83,267	-	83,267
Net assets released from restrictions	<u>8,510,299</u>	<u>(8,510,299)</u>	<u>-</u>
Total public support and revenue	<u>9,920,075</u>	<u>(67,106)</u>	<u>9,852,969</u>
EXPENSES:			
Program services:			
Aging and disability services	5,829,276	-	5,829,276
Information and assistance	1,431,639	-	1,431,639
Community and youth services	842,651	-	842,651
Coalitions and planning	<u>1,306,046</u>	<u>-</u>	<u>1,306,046</u>
Total program services	9,409,612	-	9,409,612
Supporting services:			
Management and general	<u>746,021</u>	<u>-</u>	<u>746,021</u>
Total expenses	<u>10,155,633</u>	<u>-</u>	<u>10,155,633</u>
Change in net assets	(235,558)	(67,106)	(302,664)
NET ASSETS, beginning of year	<u>876,889</u>	<u>129,853</u>	<u>1,006,742</u>
NET ASSETS, end of year	<u>\$ 641,331</u>	<u>\$ 62,747</u>	<u>\$ 704,078</u>

The Notes to Financial Statements are an integral part of this statement.

**COMMUNITY COUNCIL OF GREATER DALLAS
STATEMENT OF FUNCTIONAL EXPENSES – MODIFIED CASH BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Program Services	
	Aging and Disability Services	Information and Assistance
Salaries and employee benefits	\$ 1,065,559	\$ 1,123,449
Payroll taxes	77,614	84,492
Professional fees and consultations	43,391	5,281
Supplies	29,238	15,328
Telephone	21,008	18,740
Postage	1,615	796
Occupancy	73,053	54,512
Risk management	4,417	5,491
Printing - external	35,039	30,262
Local transportation	10,790	819
Conferences and meetings	35,852	10,232
Subscriptions and reference materials	801	2,974
Specific assistance to individuals	1,100,907	-
Organization dues	4,945	1,271
Office equipment purchase, maintenance and repair	5,779	3,950
Miscellaneous	15,623	161
Funds distributed to other agencies	3,114,193	-
Total expenses before depreciation	5,639,824	1,357,758
Depreciation expense	-	-
TOTAL EXPENSES	\$ 5,639,824	\$ 1,357,758

The Notes to Financial Statements are an integral part of this statement.

Program Services			Services	
Community and Youth Services	Coalitions and Planning	Total Programs	Management and General	Total Expenses
\$ 242,542	\$ 900,594	\$ 3,332,144	\$ 650,290	\$ 3,982,434
17,848	67,542	247,496	44,764	292,260
5,236	74,932	128,840	64,380	193,220
38,880	31,052	114,498	18,588	133,086
1,813	34,432	75,993	45,076	121,069
721	497	3,629	8,547	12,176
16,758	19,325	163,648	37,915	201,563
919	4,685	15,512	1,228	16,740
216	31,785	97,302	6,012	103,314
11,973	28,065	51,647	4,484	56,131
13,647	25,984	85,715	41,059	126,774
-	-	3,775	2,208	5,983
-	-	1,100,907	-	1,100,907
-	-	6,216	2,029	8,245
-	713	10,442	5,092	15,534
-	28	15,812	17,498	33,310
410,806	-	3,524,999	-	3,524,999
761,359	1,219,634	8,978,575	949,170	9,927,745
-	-	-	-	-
<u>\$ 761,359</u>	<u>\$ 1,219,634</u>	<u>\$ 8,978,575</u>	<u>\$ 949,170</u>	<u>\$ 9,927,745</u>

**COMMUNITY COUNCIL OF GREATER DALLAS
STATEMENT OF FUNCTIONAL EXPENSES – MODIFIED CASH BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Program Services	
	Aging and Disability Services	Information and Assistance
Salaries and employee benefits	\$ 1,020,318	\$ 1,182,440
Payroll taxes	81,290	88,008
Professional fees and consultations	109,367	10,151
Supplies	28,166	11,108
Telephone	28,255	24,539
Postage	8,530	77
Occupancy	79,687	58,759
Risk management	3,314	4,679
Printing - external	68,544	13,601
Local transportation	13,290	705
Conferences and meetings	78,700	13,944
Subscriptions and reference materials	7,785	1,150
Specific assistance to individuals	1,682,222	-
Organization dues	4,902	418
Office equipment purchase, maintenance and repair	38,817	21,030
Miscellaneous	12	907
Funds distributed to other agencies	2,575,798	-
	<hr/>	<hr/>
Total expenses before depreciation	5,828,997	1,431,516
Depreciation expense	279	123
TOTAL EXPENSES	<hr/> \$ 5,829,276 <hr/>	<hr/> \$ 1,431,639 <hr/>

The Notes to Financial Statements are an integral part of this statement.

Program Services			Supporting Services	
Community and Youth Services	Coalitions and Planning	Total Programs	Management and General	Total Expenses
\$ 257,224	\$ 900,690	\$ 3,360,672	\$ 559,620	\$ 3,920,292
19,066	68,098	256,462	37,088	293,550
6,994	140,993	267,505	34,848	302,353
51,985	20,786	112,045	11,435	123,480
7,898	37,911	98,603	7,064	105,667
717	471	9,795	13,224	23,019
20,150	21,288	179,884	36,286	216,170
1,059	3,854	12,906	1,174	14,080
-	50,562	132,707	3,067	135,774
35,542	31,410	80,947	4,215	85,162
47,770	23,732	164,146	10,858	175,004
-	-	8,935	581	9,516
-	-	1,682,222	-	1,682,222
-	-	5,320	4,021	9,341
5,387	5,476	70,710	6,455	77,165
-	663	1,582	16,020	17,602
388,820	-	2,964,618	-	2,964,618
842,612	1,305,934	9,409,059	745,956	10,155,015
39	112	553	65	618
<u>\$ 842,651</u>	<u>\$ 1,306,046</u>	<u>\$ 9,409,612</u>	<u>\$ 746,021</u>	<u>\$ 10,155,633</u>

**COMMUNITY COUNCIL OF GREATER DALLAS
NOTES TO THE FINANCIAL STATEMENTS – MODIFIED CASH BASIS**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The Community Council of Greater Dallas (the Council) is a nonprofit, voluntary, citizen-controlled organization, incorporated to work for human improvement and community betterment. It provides planning for voluntary and governmental health, welfare, recreation, and other programs of human services. Most of the Council's revenues are from federal and state grant and contract sources. Below are certain significant accounting policies selected by management.

Financial Statement Presentation

The accompanying financial statements are prepared on a modified cash basis of accounting. Support, revenue, and related assets are recognized when received rather than when earned; expenses other than depreciation are recognized when paid rather than when the obligations are incurred. Other liabilities which are collected on behalf of others are recorded in the Statements of Financial Position. Investments are recorded at fair market value, and donated materials and equipment are reflected as contributions in the accompanying financial statements at their estimated values at date of receipt. Accordingly, the financial statements do not purport to present the financial position and activities of the Council in accordance with accounting principles generally accepted in the United States of America.

As a not-for-profit organization, the Council maintains its records on a fund accounting basis in order to ensure observance of the limitations and restrictions placed on the use of its resources. The Council has adopted guidance requiring the Council to report information regarding its financial position and activities according to three net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Council had no permanently restricted net assets at September 30, 2015 and 2014.

All gains and losses arising from the sale, collection, or other disposition of investments and other non-cash assets are accounted for in the fund which owned such assets. Ordinary income derived from investments, receivables, and the like is accounted for in the fund owning such assets.

**COMMUNITY COUNCIL OF GREATER DALLAS
NOTES TO THE FINANCIAL STATEMENTS – MODIFIED CASH BASIS**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. The Council reports donor restricted contributions as temporarily or permanently restricted support, whichever the case, and then reclassifies to unrestricted net assets upon expiration of the related restrictions. The Council recognizes revenue from bequests when an unassailable legal right to the gift has been established and the proceeds have been received.

Use of Estimates

The preparation of financial statements in conformity with modified cash basis of accounting requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying disclosures. Accordingly, actual results could differ from those estimates. Significant estimates and assumptions are the allocations of functional expenses.

Cash and Cash Equivalents

The Council considers all highly liquid investments available for current use with an initial maturity of three months or less at the date acquired to be cash equivalents. The Council maintains its cash balances primarily in large financial institutions, which at times may exceed federally insured limits. The Council has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Donated Materials and Services

Donated materials and equipment are reflected as contributions in the accompanying financial statements at their estimated values at date of receipt. A number of volunteers have donated time and effort to the Council. The value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

Property and Equipment

Property and equipment are stated at cost of acquisition or fair market value as of the date of the donation.

**COMMUNITY COUNCIL OF GREATER DALLAS
NOTES TO THE FINANCIAL STATEMENTS – MODIFIED CASH BASIS**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Property and Equipment – Continued

Depreciation is provided for under the straight-line method over the estimated useful life of the assets, generally ten years for office equipment and furniture and fixtures and five years for computer equipment.

The cost of maintenance and repairs is expensed as incurred. The Council capitalizes major improvements and capital expenditures greater than \$1,000.

Equipment does not include certain computer and telephone equipment located at the Council's office that is used in the 2-1-1 Community Help Line program, for which title is retained by granting agencies.

Unrestricted Net Assets

Unrestricted funds represent resources that are available for the support of operations. Contributions and in-kind donations are recognized as revenue when the cash or property is received. All contributions are available for unrestricted use unless specifically restricted by the donor.

Temporarily Restricted Assets

Temporarily restricted funds includes grants, gifts, third-party reimbursements and other program income expendable only for purposes specified or approved by the donor.

Compensated Absences

Employees of the Council are entitled to paid vacation, paid sick days and personal days off, depending on job classification, length of service and other factors. The Council's policy is to recognize the cost of compensated absences when actually paid to employees.

Related Parties

For the year ended September 30, 2015 and 2014, the Council disbursed \$64,072 and \$48,948, respectively, in subcontractor payments to a church whose pastor is a Council staff member's parent.

**COMMUNITY COUNCIL OF GREATER DALLAS
NOTES TO THE FINANCIAL STATEMENTS – MODIFIED CASH BASIS**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Federal Income Taxes

The Council is exempt from federal income taxation under Internal Revenue Code Section 501(c)(3), and contributions to it are tax deductible within the limitations prescribed by law. Accordingly, no provision for federal income tax is reflected in the accompanying financial statements. As of September 30, 2015, the Council had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. As of September 30, 2015, the Council's tax years 2010 and thereafter remain subject to examination.

NOTE 2. MARKETABLE SECURITIES AND INVESTMENTS

In accordance with guidance on certain investments held by not-for-profit organization, investments in equity securities with readily determinable fair values are recorded at fair market value. The carrying values of financial instruments reported on the Council's statement of financial position approximate fair value.

As of September 30, 2015 and 2014, investments are composed of the following:

	<u>2015</u> <u>Market Value</u>	<u>2014</u> <u>Market Value</u>
Mutual funds	<u>\$ 613,216</u>	<u>\$ 656,985</u>
Total investments	<u><u>\$ 613,216</u></u>	<u><u>\$ 656,985</u></u>

Investment income for the periods ending September 30, 2015 and 2014, consists of the following:

	<u>2015</u>	<u>2014</u>
Interest income from savings accounts	<u>\$ 4</u>	<u>\$ 1</u>
Realized and unrealized (loss) gain	<u>(43,579)</u>	<u>83,266</u>
Total investment gain	<u><u>\$ (43,575)</u></u>	<u><u>\$ 83,267</u></u>

COMMUNITY COUNCIL OF GREATER DALLAS
NOTES TO THE FINANCIAL STATEMENTS – MODIFIED CASH BASIS

NOTE 3. FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) guidance on fair value measurements establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under this guidance are described below:

Level 1 inputs: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active market that Council has the ability to access.

Level 2 inputs: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 inputs: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2015.

Mutual Funds: Reported as level 1 are determined by reference to quoted market prices in principle active markets for identical assets as of the valuation date.

The methods used for fair value calculations may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Council believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumption to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**COMMUNITY COUNCIL OF GREATER DALLAS
NOTES TO THE FINANCIAL STATEMENTS – MODIFIED CASH BASIS**

NOTE 3. FAIR VALUE MEASUREMENTS – CONTINUED

The following table sets forth by level, within the fair value hierarchy, Council's assets at fair value as of September 30, 2015.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds				
Money market funds	\$ 500	\$ -	\$ -	\$ 500
Large value	117,476	-	-	117,476
Large blend	240,761	-	-	240,761
Mid cap blend	37,871	-	-	37,871
Small blend	68,812	-	-	68,812
Small growth	83,428	-	-	83,428
Energy	64,368	-	-	64,368
	<u>613,216</u>	<u>-</u>	<u>-</u>	<u>613,216</u>
Total assets at fair value	<u>\$ 613,216</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 613,216</u>

The following table sets forth by level, within the fair value hierarchy, Council's assets at fair value as of September 30, 2014.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds				
Money market funds	\$ 500	\$ -	\$ -	\$ 500
Large value	120,924	-	-	120,924
Large blend	247,641	-	-	247,641
Mid cap blend	38,067	-	-	38,067
Small blend	68,917	-	-	68,917
Small growth	83,602	-	-	83,602
Energy	97,334	-	-	97,334
	<u>656,985</u>	<u>-</u>	<u>-</u>	<u>656,985</u>
Total assets at fair value	<u>\$ 656,985</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 656,985</u>

**COMMUNITY COUNCIL OF GREATER DALLAS
NOTES TO THE FINANCIAL STATEMENTS – MODIFIED CASH BASIS**

NOTE 4. PROPERTIES AND EQUIPMENT

Properties and equipment consists of the following at September 30, 2015 and 2014:

	2015	2014
Office equipment	\$ 1,731	\$ 1,731
Computer equipment	198,363	198,363
Audio-visual equipment	10,930	10,930
Furniture and fixtures	41,510	41,510
Telephone system	30,893	30,893
	283,427	283,427
Less accumulated depreciation	(283,427)	(283,427)
	\$ -	\$ -

Depreciation expense for the years ended September 30, 2015 and 2014, was \$0 and \$618 respectively.

NOTE 5. FUNDS DISTRIBUTED TO OTHER AGENCIES

The Council receives funds from various sources, which are distributed to other agencies. The Council and the other agencies mutually determine the agencies to which these funds are distributed, the projects to be funded and the amount of the distributions. The funds distributed during the years ended September 30, 2015 and 2014, were \$3,524,999 and \$2,964,618, respectively.

NOTE 6. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Council may become party to various claims, litigation, and assessments. Management is unaware of any such matters that have a material impact on the financial statements in the event of an unfavorable outcome.

**COMMUNITY COUNCIL OF GREATER DALLAS
NOTES TO THE FINANCIAL STATEMENTS – MODIFIED CASH BASIS**

NOTE 6. COMMITMENTS AND CONTINGENCIES – CONTINUED

In the normal course of business, the Council holds various non-cancelable operating leases for office space, copier equipment, and a mailing system. The required minimum payments for these leases are as follows:

	2015
2016	\$ 201,756
2017	209,733
2018	213,288
2019	218,264
2020	221,819
Thereafter	931,356
	\$ 1,996,216

Total rent expense was \$201,563 and \$216,170 for the years ended September 30, 2015 and 2014, respectively.

NOTE 7. CUSTODIAL FUNDS

The Council is the custodian of funds that had the following balances at September 30, 2015 and 2014:

	2015	2014
Employee Remembrance Fund	\$ 3,742	\$ 2,660
Friends of Senior Affairs	-	17,556
Medical Reserve	500	500
Total all funds	\$ 4,242	\$ 20,716

NOTE 8. EMPLOYEE BENEFIT PLAN

Effective January 1, 1993, the Council established a 403(b) retirement plan for all full-time employees of the Council with one or more years of service at that date. Under this plan, the Council contributes 3.75% of eligible employees' salaries to the plan. The Council contributed \$98,122 and \$88,953 to the plan during the years ended September 30, 2015 and 2014, respectively.

**COMMUNITY COUNCIL OF GREATER DALLAS
NOTES TO THE FINANCIAL STATEMENTS – MODIFIED CASH BASIS**

NOTE 9. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets restricted for the Special Programs for the Aging were \$135,964 and \$62,747 at September 30, 2015 and 2014, respectively.

Temporarily restricted net assets were released for the following programs during the fiscal year ended September 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Aging and Disability Services	\$ 6,043,269	6,096,384
Community Transportation Network	170,972	110,872
Community and Youth Services	760,358	842,612
Navigator Program	931,394	905,845
CHIPRA	385,393	460,893
Coalitions and Planning	97,717	86,912
Contingency	<u>6,916</u>	<u>6,781</u>
Total All Funds	<u>\$ 8,396,019</u>	<u>\$ 8,510,299</u>

NOTE 10. CREDIT CONCENTRATION AND ECONOMIC DEPENDENCY

The Council operates entirely within the North Texas area. Therefore, results of operations are subject to the economic conditions of the area.

A significant portion of support and revenue is received from the Texas Department of Aging and Disability Services. For both of the years ended September 30, 2015 and 2014, 60% of the total revenue was received from the Texas Department of Aging and Disability Services. Continued funding from these sources at current levels is dependent upon various factors. Such factors include economic conditions, compliance with grant provisions, continued Government approval, new legislation, donor satisfaction and public perception of mission effectiveness and relative importance.

NOTE 11. SUBSEQUENT EVENTS

The Council has evaluated all events or transactions that occurred after September 30, 2015 through March 14, 2016, the date the financial statements were issued. During this period there were no subsequent events requiring disclosure.

**COMMUNITY COUNCIL OF GREATER DALLAS
NOTES TO THE FINANCIAL STATEMENTS – MODIFIED CASH BASIS**

NOTE 12. SCHEDULE OF INDIRECT COSTS

The schedule of indirect costs and computation of the indirect cost rate as follows for the year ended September 30, 2015:

	<u>Actual</u>	<u>Budget</u>
Indirect costs		
Personnel, benefits, taxes	\$ 695,054	\$ 745,163
Professional services	64,380	13,963
Supplies	18,588	13,112
Communications	53,623	24,352
Occupancy costs	37,915	28,926
Risk management	1,228	1,542
Printing/reproduction	6,012	10,346
Local travel	4,484	5,730
Meetings/conferences	41,059	84,387
Dues/subscriptions	4,237	5,104
Minor equipment/maintenance	5,092	-
Other	17,498	540
Total indirect costs	<u>\$ 949,170</u>	<u>\$ 933,165</u>
Basis for allocation		
Direct personnel, benefits, taxes	4,274,694	3,892,464
Indirect cost rate computations:		
Total indirect costs	949,170	933,165
Total direct program personnel costs	<u>3,579,640</u>	<u>4,637,628</u>
Computed rate	<u>26.52%</u>	<u>20.12%</u>
Allocation		
Total actual indirect costs	\$ 949,170	
Indirect costs allocated to grants	<u>(670,452)</u>	
Current year under-allocation	278,718	
Prior period under-allocation	<u>688,107</u>	
Total cumulative under-allocation	<u>\$ 966,825</u>	

**COMMUNITY COUNCIL OF GREATER DALLAS
NOTES TO THE FINANCIAL STATEMENTS – MODIFIED CASH BASIS**

NOTE 12. SCHEDULE OF INDIRECT COSTS – CONTINUED

The schedule of indirect costs and computation of the indirect cost rate as follows for the year ended September 30, 2014:

	<u>Actual</u>	<u>Budget</u>
Indirect costs		
Personnel, benefits, taxes	\$ 596,708	\$ 629,673
Professional services	34,848	30,385
Supplies	11,435	3,919
Communications	20,288	22,739
Occupancy costs	36,286	37,242
Risk management	1,174	1,438
Printing/reproduction	3,067	4,400
Local travel	4,215	4,333
Meetings/conferences	10,858	18,152
Dues/subscriptions	4,602	4,255
Minor equipment/maintenance	6,455	6,000
Other	16,020	789
Total indirect costs	<u>\$ 745,956</u>	<u>\$ 763,325</u>
Basis for allocation		
Direct personnel, benefits, taxes	4,213,842	3,574,514
Indirect cost rate computations:		
Total indirect costs	745,956	763,325
Total direct program personnel costs	<u>3,617,134</u>	<u>3,771,183</u>
Computed rate	<u>20.62%</u>	<u>20.24%</u>
Allocation		
Total actual indirect costs	\$ 745,956	
Indirect costs allocated to grants	<u>(681,128)</u>	
Current year under-allocation	64,828	
Prior period under-allocation	<u>623,279</u>	
Total cumulative under-allocation	<u>\$ 688,107</u>	

FEDERAL AND STATE FINANCIAL ASSISTANCE



**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 Council of Greater Dallas
Dallas, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Community Council of Greater Dallas (the Council), which comprise the statements of financial position-modified cash basis as of September 30, 2015 and 2014, and the related statements of activities-modified cash basis, and functional expenses-modified cash basis for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated March 14, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council'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.

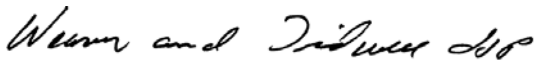
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of 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 Council'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 Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
March 14, 2016



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133 AND WITH UNIFORM GRANT
MANAGEMENT STANDARDS**

To the Board of Directors
Community Council of Greater Dallas
Dallas, Texas

Report on Compliance for Each Major Federal and State Programs

We have audited the Community Council of Greater Dallas' (the Council) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget Circular A-133 Compliance Supplement and the State of Texas Single Audit Circular under Chapter IV of the Uniform Grant Management Standards (UGMS) issued by the Governor's Office of Budget and Planning that could have a direct and material effect on each of the Council's major federal and state programs for the year ended September 30, 2015. The Council's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Council's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State of Texas Single Audit Circular under Chapter IV of the Uniform Grant Management Standards (UGMS) issued by the Governor's Office of Budget and Planning. Those standards and OMB Circular A-133 and UGMS 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 and state program occurred. An audit includes examining, on a test basis, evidence about the Council'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 and state program. However, our audit does not provide a legal determination of the Council's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Council 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 and state programs for the year ended September 30, 2015.

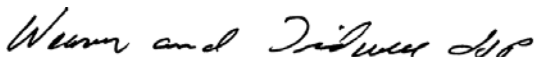
Report on Internal Control Over Compliance

Management of the Council is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Council's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the State of Texas Single Audit Circular under Chapter IV of the Uniform Grant Management Standards (UGMS) issued by the Governor's Office of Budget and Planning, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Council'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 and state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state 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 and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and UGMS. Accordingly, this report is not suitable for any other purpose.



WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
March 14, 2016

**COMMUNITY COUNCIL OF GREATER DALLAS
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS –
MODIFIED CASH BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

Grantor/ Passed Through Grantor/ Program Title	Federal CFDA Number	Grantor Identifying Number	EXPENDITURES	Passed Through to Subrecipients
Direct Programs				
U.S. Department of Health and Human Services: Center for Medicare/Medicaid Services				
Children's Health Insurance Program	93.767	529-14-0144-00001-A	\$ 385,394	\$ -
U.S. Department of Health and Human Services: Cooperative Agreement to support Navigators in Federally-Facilitated and State Partnership Exchanges				
	93.750	1NAVCA150254-01-00	\$ 39,790	\$ -
Total Direct Programs			\$ 425,184	\$ -
Passed through United Way of Tarrant County: U.S. Department of Health and Human Services Center for Medicare/Medicaid Services				
PPHF Cooperative Agreement to support Navigators in Federally-facilitated and State Partnership Exchanges	93.750		\$ 891,563	\$ -
Total Passed Through United Way of Tarrant County			\$ 891,563	\$ -
Passed Through Texas Department of Aging and Disability Services: U.S. Department of Health and Human Services Center for Medicare/Medicaid Services				
(AFC)Medicare Improvements for Patients and Providers	93.518	AA30248015B	\$ 31,571	\$ -
Money Follows the Person Rebalancing Demonstration	93.791	AA30248015B	\$ 14,627	\$ 14,627
State Health Insurance Assistance Program	93.324	AA30248015B	\$ 72,824	\$ -
Passed Through Texas Department of Aging and Disability Services: U.S. Department of Health and Human Services Administration for Community Living				
TITLE VII, Program for Prevention of Elder Abuse, Neglect and Exploitation (EAP)	93.041	AA30248015B	\$ 20,899	
TITLE VII, Long Term Care Ombudsman Services for Older individuals (OAG)	93.042	AA30248015B	\$ 79,596	\$ 79,596
TITLE III, Part D Disease Prevention and Health Promotion	93.043	AA30248015B	\$ 89,340	
TITLE III, Part E National Family Caregiver Support (NFCS)	93.052	AA30248015B	\$ 604,161	\$ 4,385
TITLE III, Part E National Family Caregiver Support (NFCS)	93.052	AA30248014B	\$ 32,579	\$ -
Aging Cluster				
TITLE III, Part B Grants for Supportive Services and Senior Centers	93.044	AA30248015B	\$ 1,683,200	\$ 395,441
TITLE III, Part B Grants for Supportive Services and Senior Centers	93.044	AA30248014B	\$ 358,347	\$ 223,320
TITLE III, Part C Nutrition Services	93.045	AA30248015B	\$ 1,791,760	\$ 1,520,235
TITLE III, Part C Nutrition Services	93.045	AA30248014B	\$ 413,138	\$ 197,679
USDA Nutrition Services Incentive Program	93.053	AA30248015B	\$ 372,899	\$ 372,899
Total Aging Cluster			\$ 4,619,344	\$ 2,709,574
Total Passed Through the Texas Department of Aging and Disability Services			\$ 5,564,941	\$ 2,808,182

The accompanying notes are an integral part of this schedule.

**COMMUNITY COUNCIL OF GREATER DALLAS
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS –
MODIFIED CASH BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

Passed Through Texas Department of Family and Protective Services:

U.S. Department of Health and Human Services

Administration for Children and Families

TITLE IV, B

Promoting Safe and Stable Families	93.556	3162029	\$ 569,543	\$ 308,105
Total Passed Through the Texas Department of Family and Protective Services			\$ 569,543	\$ 308,105
Total Expenditures of Federal Awards			\$ 7,451,231	\$ 3,116,287

STATE OF TEXAS FUNDS RECEIVED:

Texas Department of Aging and Disability Services

State General Revenue Funds (SGR)	30248015	\$ 383,096	\$ 285,498
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Texas Department of Family and Protective Services:

State General Revenue Funds (SGR)	3162029	\$ 189,848	\$ 102,701
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Total Expenditures of State Awards		\$ 572,944	\$ 388,199
Total Expenditures of Federal and State Awards		\$ 8,024,175	\$ 3,504,486

The accompanying notes are an integral part of this schedule.

**COMMUNITY COUNCIL OF GREATER DALLAS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND
STATE AWARDS – MODIFIED CASH BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

NOTE 1. GENERAL

The accompanying Schedule of Expenditures of Federal and State Awards presents the activity of all federal and state awards programs of Community Council of Greater Dallas (the Council). The Council's accounting policies and procedures are defined in the Note 1 to the financial statements.

The Council's reporting entity is defined in Note 1 to the financial statements. All awards received directly from federal and state agencies as well as federal and state awards passed through other government agencies have been included in the accompanying schedule.

NOTE 2. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal and State Awards is presented on the modified cash basis of accounting. The modified cash basis of accounting is described in Note 1 to the financial statements.

NOTE 3. RELATIONSHIP TO FINANCIAL STATEMENTS

Expenditures of federal and state awards are reported in the Council's financial statements as follows:

Total program services and supporting services expenses	\$ 9,927,745
Less: Non federal and non state expenses	<u>1,903,570</u>
Per Schedule of Expenditures of Federal and State Awards	<u>\$ 8,024,175</u>

**COMMUNITY COUNCIL OF GREATER DALLAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

Section I-Summary of Auditor's Results

FINANCIAL STATEMENTS:

An unmodified opinion was issued on the financial statements.

Internal control over financial reporting:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiencies identified that is not considered to be material weaknesses? ___ Yes X None Reported
- Noncompliance material to financial statements noted? ___ Yes X No

FEDERAL AND STATE AWARDS:

Internal control over major programs:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiencies identified that is (are) not considered to be material weakness(es)? ___ Yes X None Reported

An unmodified opinion was issued on compliance for major programs.

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? ___ Yes X No

Major programs include:

Federal Programs

<u>CFDA Numbers</u>	<u>Name of Program or Cluster</u>
93.044, 93.045, 93.053	Department of Health and Human Services- Aging Cluster
93.052	Title III, National Family Caregiver Support
93.767	Children's Health Insurance Program

State Programs

<u>Grant Number</u>	<u>Name of Program or Cluster</u>
30248015	Texas Department of Aging and Disability State General Revenue Funds (SGR)

**COMMUNITY COUNCIL OF GREATER DALLAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

Section I-Summary of Auditor's Results – Continued

Dollar threshold used to distinguish between type A and type B programs:

Federal Programs:	<u>\$300,000</u>
State Programs:	<u>\$300,000</u>

Auditee qualified as low-risk auditee? X Yes ___ No

**COMMUNITY COUNCIL OF GREATER DALLAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

Section II-Financial Statement Findings

There were no audit findings for the fiscal year ended September 30, 2015.

Section III-Federal and State Awards Findings and Questioned Costs

There were no audit findings or questioned costs for federal or state awards for the year ended September 30, 2015.

**COMMUNITY COUNCIL OF GREATER DALLAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Findings from the Year Ended September 30, 2014

There were no audit findings for the fiscal year ended September 30, 2014.