

# Community Council of Greater Dallas

Financial Statements

September 30, 2017 and 2016



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## Independent Auditor's Report

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 statements of financial position – modified cash basis as of September 30, 2017 and 2016, 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.

### **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 2; 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.

The Board of Directors  
Community Council of Greater Dallas

**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, 2017 and 2016, and the changes in its net assets for the years then ended are in accordance with the Council's modified cash basis of accounting described in Note 2.

**Basis of Accounting**

We draw attention to Note 2 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and 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 May 8, 2018, 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.

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.

*Weaver and Tidwell, L.L.P.*  
WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
May 8, 2018

**Community Council of Greater Dallas**  
 Statements of Financial Position – Modified Cash Basis  
 September 30, 2017 and 2016

	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 330,237	\$ 396,010
Investments, at fair value	633,790	626,851
Cash held in custodial funds	5,198	4,748
Total current assets	969,225	1,027,609
Equipment, net of accumulated depreciation	116,759	-
<b>TOTAL ASSETS</b>	<b>\$ 1,085,984</b>	<b>\$ 1,027,609</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Other liabilities	\$ 499	\$ 1,015
Custodial funds held	5,198	4,748
Total current liabilities	5,697	5,763
<b>NET ASSETS</b>		
Unrestricted	608,141	822,759
Temporarily restricted	472,146	199,087
Total net assets	1,080,287	1,021,846
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,085,984</b>	<b>\$ 1,027,609</b>

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

# Community Council of Greater Dallas

## Statement of Activities – Modified Cash Basis Year Ended September 30, 2017

	Unrestricted	Temporarily Restricted	Total
<b>PUBLIC SUPPORT:</b>			
Received directly:			
Fees and grants			
from governmental organizations	\$ 84,071	\$ 11,317,638	\$ 11,401,709
Contributions and grants			
from private organizations	62,444	18,663	81,107
Total received directly	146,515	11,336,301	11,482,816
Received indirectly - allocated			
by United Way of Metropolitan Dallas	12,775	56,250	69,025
<b>REVENUE:</b>			
Sales to the public and			
other miscellaneous income	21,187	5	21,192
Net investment earnings	108,239	2,607	110,846
Net assets released from restrictions	11,122,104	(11,122,104)	-
Total public support and revenue	11,410,820	273,059	11,683,879
<b>EXPENSES:</b>			
Program services:			
Aging and disability services	5,829,322	-	5,829,322
Information and assistance	1,356,797	-	1,356,797
Community and youth services	720,219	-	720,219
Coalitions and planning	2,489,596	-	2,489,596
Total program services	10,395,934	-	10,395,934
Supporting services:			
Management and general	1,229,504	-	1,229,504
Total expenses	11,625,438	-	11,625,438
Change in net assets	(214,618)	273,059	58,441
<b>NET ASSETS, beginning of year</b>	822,759	199,087	1,021,846
<b>NET ASSETS, end of year</b>	\$ 608,141	\$ 472,146	\$ 1,080,287

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

**Community Council of Greater Dallas**  
Statement of Activities – Modified Cash Basis  
Year Ended September 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>PUBLIC SUPPORT:</b>			
Received directly:			
Fees and grants			
from governmental organizations	\$ 77,280	\$ 12,092,788	\$ 12,170,068
Contributions and grants			
from private organizations	124,634	7,504	132,138
Total received directly	201,914	12,100,292	12,302,206
Received indirectly - allocated			
by United Way of Metropolitan Dallas	-	67,500	67,500
<b>REVENUE:</b>			
Sales to the public			
and other miscellaneous income	29,245	-	29,245
Net investment losses	93,410	587	93,997
Net assets released from restrictions	12,105,256	(12,105,256)	-
Total public support			
and revenue	12,429,825	63,123	12,492,948
<b>EXPENSES:</b>			
Program services:			
Aging and disability services	6,645,185	-	6,645,185
Information and assistance	1,362,772	-	1,362,772
Community and youth services	778,313	-	778,313
Coalitions and planning	2,649,384	-	2,649,384
Total program services	11,435,654	-	11,435,654
Supporting services:			
Management and general	894,898	-	894,898
Total expenses	12,330,552	-	12,330,552
Change in net assets	99,273	63,123	162,396
<b>NET ASSETS, beginning of year</b>	723,486	135,964	859,450
<b>NET ASSETS, end of year</b>	\$ 822,759	\$ 199,087	\$ 1,021,846

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, 2017

	<b>Program Services</b>	
	<b>Aging and Disability Services</b>	<b>Information and Assistance</b>
Salaries and employee benefits	\$ 1,272,884	\$ 1,147,663
Payroll taxes	92,727	76,773
Professional fees and consultations	42,251	4,218
Supplies	34,446	10,357
Telephone	23,516	22,010
Postage	4,254	108
Occupancy	102,084	64,080
Risk management	3,780	5,542
Printing - external	14,883	599
Local transportation	14,012	973
Conferences and meetings	77,390	8,660
Subscriptions and reference materials	771	5,749
Specific assistance to individuals	731,780	-
Organization dues	3,154	1,928
Office equipment purchase, maintenance and repair	699	5,122
Miscellaneous	6,104	3,015
Funds distributed to other agencies	3,404,587	-
	<hr/>	<hr/>
Total expenses before depreciation	5,829,322	1,356,797
Depreciation expense	-	-
	<hr/>	<hr/>
<b>TOTAL EXPENSES</b>	<u>\$ 5,829,322</u>	<u>\$ 1,356,797</u>

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



<b>Community and Youth Services</b>	<b>Program Services</b>		<b>Supporting Services</b>		<b>Total Expenses</b>
	<b>Coalitions and Planning</b>	<b>Total Programs</b>	<b>Management and General</b>		
\$ 250,666	\$ 1,420,787	\$ 4,092,000	\$ 736,543	\$ 4,828,543	
18,116	98,130	285,746	52,028	337,774	
5,614	30,328	82,411	291,050	373,461	
19,909	42,963	107,675	25,488	133,163	
7,275	50,719	103,520	9,394	112,914	
354	483	5,199	5,034	10,233	
23,722	37,486	227,372	50,579	277,951	
618	8,123	18,063	1,620	19,683	
-	148,609	164,091	2,460	166,551	
22,364	39,163	76,512	4,248	80,760	
2,523	41,440	130,013	12,969	142,982	
232	-	6,752	5,042	11,794	
-	-	731,780	-	731,780	
300	-	5,382	2,699	8,081	
-	11,063	16,884	1,978	18,862	
820	2,817	12,756	20,948	33,704	
367,706	557,485	4,329,778	-	4,329,778	
720,219	2,489,596	10,395,934	1,222,080	11,618,014	
-	-	-	7,424	7,424	
<u>\$ 720,219</u>	<u>\$ 2,489,596</u>	<u>\$ 10,395,934</u>	<u>\$ 1,229,504</u>	<u>\$ 11,625,438</u>	

**Community Council of Greater Dallas**  
Statement of Functional Expenses – Modified Cash Basis  
For the Year Ended September 30, 2016

	<b>Program Services</b>	
	<b>Aging and Disability Services</b>	<b>Information and Assistance</b>
Salaries and employee benefits	\$ 1,216,887	\$ 1,149,336
Payroll taxes	81,624	77,858
Professional fees and and consultations	96,314	2,033
Supplies	35,193	11,462
Telephone	30,040	31,474
Postage	3,907	340
Occupancy	90,540	67,438
Risk management	3,640	5,629
Printing - external	26,764	1,809
Local transportation	14,927	654
Conferences and meetings	90,939	6,777
Subscriptions and reference materials	4,577	4,085
Specific assistance to individuals	1,118,285	-
Organization dues	4,923	1,836
Office equipment purchase, maintenance and repair	13,602	1,356
Miscellaneous	66	685
Refund to funders	23,787	-
Funds distributed to other agencies	3,789,170	-
<b>TOTAL EXPENSES</b>	<b>\$ 6,645,185</b>	<b>\$ 1,362,772</b>

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

<b>Community and Youth Services</b>	<b>Program Services</b>		<b>Supporting Services</b>		<b>Total Expenses</b>
	<b>Coalitions and Planning</b>	<b>Total Programs</b>	<b>Management and General</b>		
\$ 248,108	\$ 1,337,013	\$ 3,951,344	\$ 606,513	\$ 4,557,857	
17,402	90,777	267,661	40,322	307,983	
5,402	96,486	200,235	90,593	290,828	
50,897	63,512	161,064	9,907	170,971	
2,154	40,285	103,953	(9,421)	94,532	
242	1,404	5,893	6,408	12,301	
20,544	30,718	209,240	51,166	260,406	
621	5,343	15,233	406	15,639	
-	220,590	249,163	14,248	263,411	
6,580	56,342	78,503	3,741	82,244	
29,365	41,582	168,663	46,345	215,008	
-	-	8,662	1,727	10,389	
-	-	1,118,285	-	1,118,285	
-	-	6,759	1,144	7,903	
300	42,205	57,463	7,102	64,565	
-	63	814	24,697	25,511	
-	-	23,787	-	23,787	
396,698	623,064	4,808,932	-	4,808,932	
<b>\$ 778,313</b>	<b>\$ 2,649,384</b>	<b>\$ 11,435,654</b>	<b>\$ 894,898</b>	<b>\$ 12,330,552</b>	

# Community Council of Greater Dallas

## Notes to the Financial Statements – Modified Cash Basis

### **Note 1. Nature and Purpose of the Council**

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.

### **Note 2. Summary of Significant Account Policies**

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements are as follows:

#### **Basis of Accounting**

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 Statement 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 the 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.

#### **Basis of Presentation**

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, 2017 and 2016.

All gains and losses arising from the sale, collection, or other disposition of investments and other non-cash assets are recorded as unrestricted, temporarily restricted or permanently restricted depending on the existence or nature of any restrictions. Ordinary income derived from investments, receivables, and the like is recorded as unrestricted, temporarily restricted or permanently restricted depending on the existence or nature of any restrictions.

#### **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. Donor imposed restrictions on contributions that are satisfied during the period are reported as released from restrictions. The Council recognizes revenue from bequests when an unassailable legal right to the gift has been established and the proceeds have been received.

# **Community Council of Greater Dallas**

## Notes to the Financial Statements – Modified Cash Basis

### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates and assumptions are the allocations of functional expenses.

### **Cash and Cash Equivalents**

At September 30, 2017 and 2016 cash and cash equivalents consists of cash on hand, money market accounts, and all highly liquid investments purchased with an initial maturity of three months or less. Cash and cash equivalents are reported at cost which approximates fair value. 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.

### **Revenue Recognition**

Grant revenue is recognized when qualifying costs are incurred for cost-reimbursement grants or contracts. Grant revenue from federal agencies is subject to independent audit under the Uniform Grant Guidance and review by grantor agencies.

### **Functional Allocation of Expenses**

The costs of providing the Council's programs and supporting services are presented on the functional basis in the Statement of Activities. The Statement of Functional Expenses presents the allocation of expenses to program, management and general and development functions. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated amongst various functions benefitted.

### **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.

### **Equipment**

Equipment is stated at cost of acquisition or fair market value as of the date of the donation.

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.

# Community Council of Greater Dallas

## Notes to the Financial Statements – Modified Cash Basis

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, 2017 and 2016, the Council disbursed \$58,164 and \$72,518, respectively, in subcontractor payments to a church whose pastor is a Council staff member's parent.

### 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, 2017, the Council had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

### Note 3. 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 statements of financial position approximate fair value.

As of September 30, 2017 and 2016, investments are composed of the following:

	2017 Market Value	2016 Market Value
Mutual funds	\$ 633,790	\$ 626,851
Total investments	\$ 633,790	\$ 626,851

# Community Council of Greater Dallas

## Notes to the Financial Statements – Modified Cash Basis

Investment income for the periods ending September 30, 2017 and 2016, consists of the following:

	2017	2016
Interest income from savings accounts	\$ -	\$ 2
Interest/dividend from investments	2,607	711
Realized and unrealized gain (loss)	108,239	93,284
Total investment gain (loss)	\$ 110,846	\$ 93,997

### Note 4. 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, 2017.

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

# Community Council of Greater Dallas

## Notes to the Financial Statements – Modified Cash Basis

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.

The following table sets forth by level, within the fair value hierarchy, Council's assets at fair value as of September 30, 2017.

	Level 1	Level 2	Level 3	Total
Mutual funds				
Money market funds	\$ 505	\$ -	\$ -	\$ 505
Large value	105,440	-	-	105,440
Large blend	326,046	-	-	326,046
Mid cap blend	51,547	-	-	51,547
Small blend	71,026	-	-	71,026
Small growth	79,226	-	-	79,226
Total assets at fair value	<u>\$ 633,790</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 633,790</u>

The following table sets forth by level, within the fair value hierarchy, Council's assets at fair value as of September 30, 2016.

	Level 1	Level 2	Level 3	Total
Mutual funds				
Money market funds	\$ 502	\$ -	\$ -	\$ 502
Large value	137,856	-	-	137,856
Large blend	273,862	-	-	273,862
Mid cap blend	40,881	-	-	40,881
Small blend	79,110	-	-	79,110
Small growth	94,640	-	-	94,640
Total assets at fair value	<u>\$ 626,851</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 626,851</u>



# Community Council of Greater Dallas

## Notes to the Financial Statements – Modified Cash Basis

### Note 5. Equipment

Equipment consists of the following at September 30, 2017 and 2016:

	2017	2016
Office equipment	\$ 98,858	\$ 1,731
Computer equipment	225,420	198,363
Audio-visual equipment	10,930	10,930
Furniture and fixtures	41,509	41,510
Telephone system	30,893	30,893
	407,610	283,427
Less accumulated depreciation	(290,851)	(283,427)
	\$ 116,759	\$ -

Depreciation expense for the years ended September 30, 2017 and 2016 was \$7,424 and \$0.

### Note 6. 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, 2017 and 2016, were \$4,329,778 and \$4,808,932, respectively.

### Note 7. 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.

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:

	2017
2018	\$ 219,121
2019	221,051
2020	221,819
2021	226,796
2022	230,351
Thereafter	573,743
	\$ 1,692,881

Total rent expense was \$277,951 and \$260,406 for the years ended September 30, 2017 and 2016, respectively. Rent expense includes variable building management expenses.

**Community Council of Greater Dallas**  
Notes to the Financial Statements – Modified Cash Basis

**Note 8. Custodial Funds**

The Council is the custodian of funds that had the following balances at September 30, 2017 and 2016:

	2017	2016
Employee Remembrance Fund	\$ 5,198	\$ 4,248
Medical Reserve	-	500
	\$ 5,198	\$ 4,748
Total all funds		

**Note 9. 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. The plan is a defined contribution self-directed plan open to all eligible employees. Employees may elect to contribute to the Plan, but are not required to do so. Under this plan, the Council contributes 3.75% of eligible employees' salaries to the plan. The Council contributed \$91,539 and \$103,414 to the plan during the years ended September 30, 2017 and 2016, respectively.

**Note 10. Temporarily Restricted Net Assets**

Temporarily restricted net assets restricted consisted of the following at September 30, 2017:

	2017	2016
Special programs for the aging	\$ 338,558	\$ 127,456
Coalitions and planning	69,259	18,707
Chronic disease	49,289	-
Information and assistance	15,040	52,924
	\$ 472,146	\$ 199,087
Total all funds		

# Community Council of Greater Dallas

## Notes to the Financial Statements – Modified Cash Basis

Temporarily restricted net assets were released for the following programs during the fiscal year ended September 30, 2017 and 2016:

	2017	2016
Aging and Disability Services	\$ 5,818,684	\$ 7,045,615
Community Transportation Network	199,100	151,380
Community and Youth Services	721,444	777,552
Enroll Texas	2,525,333	2,591,203
CHIPRA	-	84,762
MACRA	436,553	73,562
Coalitions and Planning	118,911	87,700
Information and Assistance	1,302,079	1,284,387
Contingency	-	9,095
	\$ 11,122,104	\$ 12,105,256
Total All Funds		

### **Note 11. 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 the years ended September 30, 2017 and 2016, 51% and 53%, respectively, 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 12. Subsequent Events**

The Council has evaluated all events or transactions that occurred after September 30, 2017 through May 8, 2018, 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 13. Schedule of Indirect Costs

The schedule of indirect costs and computation of the indirect cost rate as follows for the year ended September 30, 2017:

	Actual	Budget
Indirect costs		
Personnel, benefits, taxes	\$ 788,571	\$ 867,440
Professional services	291,050	120,297
Supplies	25,488	13,600
Communications	14,428	15,000
Occupancy costs	50,579	51,119
Risk management	1,620	2,210
Printing/reproduction	2,460	1,500
Local travel	4,248	3,450
Meetings/conferences	12,969	20,859
Dues/subscriptions	7,741	4,604
Minor equipment/maintenance	1,978	-
Other	20,948	578
Depreciation expense	7,424	-
Total indirect costs	\$ 1,229,504	\$ 1,100,657
 Basis for allocation		
Direct personnel, benefits, taxes	5,166,317	4,377,695
 Indirect cost rate computations:		
Total indirect costs	1,229,504	1,100,657
Total direct program personnel costs	4,377,746	4,663,228
 Computed rate	28.09%	23.60%
 Allocation		
Total actual indirect costs	\$ 1,229,504	
Indirect costs allocated to grants	(656,013)	
Current year under-allocation	573,491	
 Prior period under-allocation	1,347,407	
 Total cumulative under-allocation	\$ 1,920,898	

# Community Council of Greater Dallas

## Notes to the Financial Statements – Modified Cash Basis

The schedule of indirect costs and computation of the indirect cost rate as follows for the year ended September 30, 2016:

	Actual	Budget
Indirect costs		
Personnel, benefits, taxes	\$ 646,835	\$ 767,170
Professional services	90,593	70,797
Supplies	9,907	15,300
Communications	(3,013)	42,100
Occupancy costs	51,166	51,232
Risk management	406	1,535
Printing/reproduction	14,248	28,500
Local travel	3,741	5,200
Meetings/conferences	46,345	100,758
Dues/subscriptions	2,871	6,671
Minor equipment/maintenance	7,102	7,026
Other	24,697	50,540
Total indirect costs	\$ 894,898	\$ 1,146,829
Basis for allocation		
Direct personnel, benefits, taxes	4,865,840	3,892,464
Indirect cost rate computations:		
Total indirect costs	894,898	1,146,829
Total direct program personnel costs	4,219,005	4,637,628
Computed rate	21.21%	24.73%
Allocation		
Total actual indirect costs	\$ 894,898	
Indirect costs allocated to grants	(640,458)	
Current year under-allocation	254,440	
Prior period under-allocation	1,092,967	
Total cumulative under-allocation	\$ 1,347,407	

# **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**

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-modified cash basis of the Community Council of Greater Dallas (the Council), which comprise the statement of financial position-modified cash basis as of September 30, 2017 and 2016, 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 May 8, 2018.

**Internal Control over Financial Reporting**

Management of the Council is responsible for establishing and maintaining effective 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) as a basis for designing our auditing procedures 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*.

The Board of Directors  
Community Council of Greater Dallas

**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.*

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
May 8, 2018





**Independent Auditor's Report on Compliance for Each Major  
Program and on Internal Control over Compliance in  
Accordance with the Uniform Guidance and with Uniform  
Grant Management Standards**

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 (OMB) 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, 2017. 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 the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State of Texas Single Audit Circular under Chapter IV of the Uniform Grant Management Standards issued by the Governor's Office of Budget and Planning. Those standards and the Uniform Guidance 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.

The Board of Directors  
Community Council of Greater Dallas

**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, 2017.

**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 the Uniform Guidance and the State of Texas Single Audit Circular under Chapter IV of the Uniform Grant Management Standards 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 the Uniform Guidance and UGMS. Accordingly, this report is not suitable for any other purpose.

*Weaver and Tidwell, L.L.P.*  
WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
May 8, 2018

**Community Council of Greater Dallas**  
 Supplementary Schedule of Expenditures of  
 Federal and State Awards –  
 Modified Cash Basis  
 Year Ended September 30, 2017

Grantor/ Passed Through Grantor/ Program Title	Federal CFDA Number	Grantor Identifying Number	Expenditures	Indirect Costs	Total	Passed Through to Subrecipients
<b>Direct Programs</b>						
<b>U.S. Department of Health and Human Services:</b>						
<b>Center for Medicare/Medicaid Services</b>						
Medical Access and Chip Reauthorization (MACRA)						
Connecting Kids to Coverage: Outreach and Enrollment						
Cooperative Agreements						
	93.767	1ZOCMS331514-01-00	394,527	42,733	437,260	-
<b>U.S. Department of Health and Human Services:</b>						
Cooperative Agreement to Support Navigators in						
Federally-Facilitated and State Partnership Exchanges						
	93.332	1NAVCA150254-02-00	2,027,644	149,524	2,177,168	557,485
Administration for Community Living						
Greater Dallas Fort Worth Chronic						
Disease Consortium						
	93.734	90CS0051-01-000	287,703	44,248	331,951	46,425
Total Direct Programs			2,709,874	236,505	2,946,379	603,910
<b>Passed Through Texas Department of Aging and Disability Services:</b>						
<b>U.S. Department of Health and Human Services</b>						
<b>Center for Medicare/Medicaid Services</b>						
[AFC]Medicare Improvements for Patients and Providers						
	93.071	16AATXMAAA	21,789	2,880	24,669	24,453
[CMS]Research Demonstrations and Evaluations						
	93.324	90SAPG0015-01-00	53,154	-	53,154	-
<b>Passed Through Texas Department of Aging and Disability Services:</b>						
<b>U.S. Department of Health and Human Services</b>						
<b>Administration for Community Living</b>						
TITLE VII, Program for Prevention of Elder Abuse, Neglect and						
Exploitation (EAP)						
	93.041	17AATX7EA	19,882	-	19,882	-
TITLE VII, Long Term Care Ombudsman Services for Older Individuals (OAG)						
	93.042	AA30248015B	80,728	-	80,728	80,728
TITLE III, Part D Disease Prevention and Health Promotion						
	93.043	17AATX3PH	71,994	21,896	93,890	-
TITLE III, Part E National Family Caregiver Support (NFCS)						
	93.052	17AATX3FC	588,954	48,286	637,240	6,613
TITLE III, Part E National Family Caregiver Support (NFCS)						
	93.052	16AATX3FC	115,332	-	115,332	-
<b>Aging Cluster</b>						
TITLE III, Part B Grants for Supportive Services and Senior Centers						
	93.044	16AATX3SS	94,089	89,136	183,225	-
TITLE III, Part B Grants for Supportive Services and Senior Centers						
	93.044	17AATX3SS	1,352,776	102,388	1,455,164	721,495
TITLE III, Part C Nutrition Services						
	93.045	16AATX3CM	154,551	1,529	156,080	156,080
TITLE III, Part C Nutrition Services						
	93.045	17AATX3CM	2,030,269	1,498	2,031,767	1,691,710
USDA Nutrition Services Incentive Program						
	93.053	17ABTXNSIP	389,990	-	389,990	389,990
Total Aging Cluster			4,021,675	194,551	4,216,226	2,959,275
Total Passed Through the Texas Department of Aging and Disability Services			4,973,508	267,613	5,241,121	3,071,069

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 – Continued  
 Year Ended September 30, 2017

Grantor/ Passed Through Grantor/ Program Title	Federal CFDA Number	Grantor Identifying Number	Expenditures	Indirect Costs	Total	Passed Through to Subrecipients
<b>Passed Through Texas Department of Health and Human Services:</b>						
<b>U.S. Department of Agriculture</b>						
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	529-16-0006-00002	\$ 107,848	\$ 10,793	\$ 118,641	\$ -
<b>U.S. Department of Health and Human Services</b>						
Medical Assistance Program	93.778	529-16-0006-00002	107,848	10,793	118,641	-
Refugee and Entrant Assistance State Administered Programs	93.566	529-16-0006-00002	107,848	10,793	118,641	-
Temporary Assistance for Needy Families	93.558	529-16-0006-00002	107,848	10,793	118,641	-
Childcare & Development Block Grant	93.575	529-16-0006-00002A	144,943	14,095	159,038	-
Children's Health Insurance Program	93.767	529-16-0006-00002	107,848	10,793	118,641	-
Total Passed Through the Texas Department of Health and Human Services			<u>684,183</u>	<u>68,060</u>	<u>752,243</u>	<u>-</u>
<b>Passed Through Texas Department of Family and Protective Services:</b>						
<b>Administration for Children and Families</b>						
TITLE IV, B						
Promoting Safe and Stable Families	93.556	3162029	539,708	1,806	541,514	367,706
Total Passed Through the Texas Department of Family and Protective Services			<u>539,708</u>	<u>1,806</u>	<u>541,514</u>	<u>367,706</u>
<b>Passed Through United Way of Tarrant County:</b>						
<b>U.S. Department of Health and Human Services</b>						
Falls Assistance	93.761	90FPSG0001-01-00	9,893	1,199	11,092	-
Total Passed Through United Way of Tarrant County			<u>9,893</u>	<u>1,199</u>	<u>11,092</u>	<u>-</u>
<b>Passed Through North Central Texas Council of Governments:</b>						
<b>U.S. Department of Transportation</b>						
Enhance Mobility of Seniors and Individuals with Disabilities	20.513	TX-16-X026-001	199,100	30,211	229,311	61,387
Total Passed Through North Central Texas Council of Governments			<u>199,100</u>	<u>30,211</u>	<u>229,311</u>	<u>61,387</u>
Total Expenditures of Federal Awards			<u><b>9,116,266</b></u>	<u><b>605,394</b></u>	<u><b>9,721,660</b></u>	<u><b>4,104,072</b></u>
<b>STATE OF TEXAS FUNDS RECEIVED:</b>						
<b>Texas Department of Aging and Disability Services</b>						
State General Revenue Funds (SGR)		30248015	482,761	-	482,761	225,706
<b>Texas Department of Health and Human Services</b>						
State General Revenue Funds (SGR)		529-16-0006-00002	505,888	50,619	556,507	-
<b>Texas Department of Family and Protective Services:</b>						
State General Revenue Funds (SGR)		3162029	180,505	-	180,505	-
Total Expenditures of State Awards			<u><b>1,169,154</b></u>	<u><b>50,619</b></u>	<u><b>1,219,773</b></u>	<u><b>225,706</b></u>
Total Expenditures of Federal and State Awards			<u><b>\$ 10,285,420</b></u>	<u><b>\$ 656,013</b></u>	<u><b>\$ 10,941,433</b></u>	<u><b>\$ 4,329,778</b></u>

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 Year Ended September 30, 2017

### 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 2 to the financial statements.

The Council's reporting entity is defined in Note 2 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 2 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 expenses	\$	10,395,934
Add: Total indirect costs		656,013
Less: Non federal and non state expenses		<u>(110,514)</u>
Per Schedule of Expenditures of Federal and State Awards	\$	<u><u>10,941,433</u></u>

# Community Council of Greater Dallas

## Schedule of Findings and Questioned Costs Year Ended September 30, 2017

### 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  No
- Significant deficiencies identified that is not considered to be material weaknesses?  Yes  None Reported
- Noncompliance material to financial statements noted?  Yes  No

#### FEDERAL AND STATE AWARDS:

Internal control over major programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiencies identified that is (are) not considered to be material weakness(es)?  Yes  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 2 CFR 200.516(a)?

Yes  No

Major programs include:

#### **Federal Programs**

CFDA Number(s)

Name of Program or Cluster

93.044, 93.045,  
93.053

Department of Health and Human Services- Aging Cluster

#### **State Programs**

Grant Number(s)

Name of Program or Cluster

529-16-0006-00002

Texas Department of Health and Human Services

# Community Council of Greater Dallas

Schedule of Findings and Questioned Costs  
Year Ended September 30, 2017

## Section I-Summary of Auditor's Results – Continued

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

Federal Programs:	<u>\$750,000</u>
State Programs:	<u>\$300,000</u>

Auditee qualified as low-risk auditee?  Yes  No

# **Community Council of Greater Dallas**

## Schedule of Findings and Questioned Costs Year Ended September 30, 2017

### **Section II-Financial Statement Findings**

There were no audit findings for the fiscal year ended September 30, 2017.

### **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, 2017.



# **Community Council of Greater Dallas**

## Summary Schedule of Prior Audit Findings For the Year Ended September 30, 2016

### **Findings from the Year Ended September 30, 2016**

There were no audit findings for the fiscal year ended September 30, 2016.