

Community Council of Greater Dallas

Financial Statements

September 30, 2016 and 2015

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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 statements of financial position – modified cash basis as of September 30, 2016 and 2015, 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.

To the Board of Directors
Community Council of Greater Dallas

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, 2016 and 2015, 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

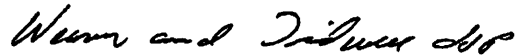
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal and State Awards-Modified Cash Basis is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) 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 March 20, 2017, 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.

To the Board of Directors
Community Council of Greater Dallas

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 20, 2017

Community Council of Greater Dallas
Statements of Financial Position – Modified Cash Basis
September 30, 2016 and 2015

ASSETS	2016	2015
CURRENT ASSETS		
Cash and cash equivalents	\$ 396,010	\$ 246,393
Investments, at fair value	626,851	613,216
Cash held in custodial funds	<u>4,748</u>	<u>4,242</u>
Total current assets	1,027,609	863,851
Equipment, net of accumulated depreciation	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 1,027,609</u></u>	<u><u>\$ 863,851</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Other liabilities	\$ 1,015	\$ 159
Custodial funds held	<u>4,748</u>	<u>4,242</u>
Total current liabilities	<u>5,763</u>	<u>4,401</u>
NET ASSETS		
Unrestricted	822,759	723,486
Temporarily restricted	<u>199,087</u>	<u>135,964</u>
Total net assets	<u>1,021,846</u>	<u>859,450</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,027,609</u></u>	<u><u>\$ 863,851</u></u>

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, 2016

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

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, 2015

	Unrestricted	Temporarily Restricted	Total
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 losses	(43,575)	-	(43,575)
Net assets released from restrictions	8,396,019	(8,396,019)	-
Total public support	10,009,900	73,217	10,083,117
and revenue			
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 Functional Expenses – Modified Cash Basis
For the Year Ended September 30, 2016

	Program Services	
	Aging and Disability Services	Information and Assistance
Salaries and employee benefits	\$ 1,216,887	\$ 1,149,336
Payroll taxes	81,624	77,858
Professional fees 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	-
TOTAL EXPENSES	\$ 6,645,185	\$ 1,362,772

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

Program Services			Supporting Services	Total Expenses
Community and Youth Services	Coalitions and Planning	Total Programs	Management and General	
\$ 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
<u>\$ 778,313</u>	<u>\$ 2,649,384</u>	<u>\$ 11,435,654</u>	<u>\$ 894,898</u>	<u>\$ 12,330,552</u>

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 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	\$ 5,639,824	\$ 1,357,758

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
\$ 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
19,676	28,065	59,350	4,484	63,834
5,944	25,984	78,012	41,059	119,071
-	-	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
<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

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 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.

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, 2016 and 2015.

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.

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.

Community Council of Greater Dallas

Notes to the Financial Statements – Modified Cash Basis

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.

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.

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.

Community Council of Greater Dallas

Notes to the Financial Statements – Modified Cash Basis

Related Parties

For the year ended September 30, 2016 and 2015, the Council disbursed \$72,518 and \$64,072, 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, 2016, the Council had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. As of September 30, 2016, the Council's tax years 2013 and thereafter remain subject to examination.

Note 2. 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, 2016 and 2015, investments are composed of the following:

	2016 Market Value	2015 Market Value
Mutual funds	\$ 626,851	\$ 613,216
Total investments	<u>\$ 626,851</u>	<u>\$ 613,216</u>

Investment income for the periods ending September 30, 2016 and 2015, consists of the following:

	2016	2015
Interest income from savings accounts	\$ 2	\$ 4
Interest/dividend from investments	711	-
Realized and unrealized gain (loss)	<u>93,284</u>	<u>(43,579)</u>
Total investment gain (loss)	<u>\$ 93,997</u>	<u>\$ (43,575)</u>

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:

Community Council of Greater Dallas

Notes to the Financial Statements – Modified Cash Basis

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, 2016.

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.

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

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
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>

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
Total assets at fair value	<u>\$ 613,216</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 613,216</u>

Community Council of Greater Dallas

Notes to the Financial Statements – Modified Cash Basis

Note 4. Equipment

Equipment consists of the following at September 30, 2016 and 2015:

	2016	2015
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
	<u>283,427</u>	<u>283,427</u>
Less accumulated depreciation	<u>(283,427)</u>	<u>(283,427)</u>
	<u>\$ -</u>	<u>\$ -</u>

Depreciation expense for the years ended September 30, 2016 and 2015 was \$0.

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, 2016 and 2015, were \$4,808,932 and \$3,524,999, 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.

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:

	2016
2017	\$ 209,733
2018	213,288
2019	218,264
2020	221,819
2021	226,796
Thereafter	<u>804,094</u>
	<u>\$ 1,893,994</u>

Total rent expense was \$260,406 and \$201,563 for the years ended September 30, 2016 and 2015, respectively. Rent expense includes variable building management expenses.

Community Council of Greater Dallas

Notes to the Financial Statements – Modified Cash Basis

Note 7. Custodial Funds

The Council is the custodian of funds that had the following balances at September 30, 2016 and 2015:

	2016	2015
Employee Remembrance Fund	\$ 4,248	\$ 3,742
Medical Reserve	500	500
Total all funds	<u>\$ 4,748</u>	<u>\$ 4,242</u>

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. 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 \$103,414 and \$98,122 to the plan during the years ended September 30, 2016 and 2015, respectively.

Note 9. Temporarily Restricted Net Assets

Temporarily restricted net assets restricted consisted of the following at September 30, 2016:

	2016	2015
Special programs for the aging	\$ 127,456	\$ 135,964
Coalitions and planning	18,707	-
Information and assistance	52,924	-
Total all funds	<u>\$ 199,087</u>	<u>\$ 135,964</u>

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, 2016 and 2015:

	2016	2015
Aging and Disability Services	\$ 7,045,615	\$ 6,043,269
Community Transportation Network	151,380	170,972
Community and Youth Services	777,552	760,358
Enroll Texas	2,591,203	931,394
CHIPRA	84,762	385,393
MACRA	73,562	-
Coalitions and Planning	87,700	97,717
Information and Assistance	1,284,387	-
Contingency	9,095	6,916
	<hr/>	<hr/>
Total All Funds	<u>\$ 12,105,256</u>	<u>\$ 8,396,019</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 the years ended September 30, 2016 and 2015, 53% and 60%, 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 11. Subsequent Events

The Council has evaluated all events or transactions that occurred after September 30, 2016 through March 20, 2017, 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, 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	<u>\$ 894,898</u>	<u>\$ 1,146,829</u>
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	<u>4,219,005</u>	<u>4,637,628</u>
Computed rate	<u>21.21%</u>	<u>24.73%</u>
Allocation		
Total actual indirect costs	\$ 894,898	
Indirect costs allocated to grants	<u>(640,458)</u>	
Current year under-allocation	254,440	
Prior period under-allocation	<u>1,092,967</u>	
Total cumulative under-allocation	<u>\$ 1,347,407</u>	

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, 2015:

	Actual	Budget
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
	<u>\$ 949,170</u>	<u>\$ 933,165</u>
Total indirect costs		
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>(544,310)</u>	
Current year under-allocation	404,860	
Prior period under-allocation	<u>688,107</u>	
Total cumulative under-allocation	<u>\$ 1,092,967</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- 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, 2016 and 2015, 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 20, 2017.

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

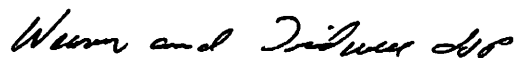
As part of obtaining reasonable assurance about whether the Council's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect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

To the Board of Directors
Community Council of Greater Dallas

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.

A handwritten signature in black ink, appearing to read "Weaver and Tidwell LLP", is positioned above the printed name of the firm.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
March 20, 2017



**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**

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 (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, 2016. 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.

To 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, 2016.

Report on Internal Control over Compliance

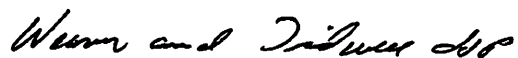
Management of the Council is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Council's internal control over compliance with the types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

To the Board of Directors
Community Council of Greater Dallas

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.

A handwritten signature in black ink, reading "Weaver and Tidwell LLP". The signature is written in a cursive, flowing style.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
March 20, 2017

Community Council of Greater Dallas
Supplementary Schedule of Expenditures of
Federal and State Awards –
Modified Cash Basis
For the Year Ended September 30, 2016

Grantor/ Passed Through Grantor/ Program Title	Federal CFDA Number	Grantor Identifying Number	Expenditures	Indirect Costs	Total	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	\$ 71,309	\$ 13,453	\$ 84,762	\$ -
Medical Access and Chip Reauthorization (MACRA)						
Connecting Kids to Coverage: Outreach and Enrollment Cooperative Agreements	93.767	1ZOCMS331514-01-00	66,601	6,961	73,562	-
U.S. Department of Health and Human Services:						
Cooperative Agreement to Support Navigators in Federally-Facilitated and State Partnership Exchanges	93.332	1NAVCA150254-01-00	2,409,924	181,279	2,591,203	623,064
Administration for Community Living						
Greater Dallas Fort Worth chronic Disease Consortium	93.734	90CS0051-01-000	298,719	31,378	330,097	98,174
Total Direct Programs			2,846,553	233,071	3,079,624	721,238
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	30,249	1,455	31,704	-
Money Follows the Person Rebalancing Demonstration	93.791	AA30248015B	13,660	657	14,317	14,317
State Health Insurance Assistance Program	93.324	AA30248015B	150,089	7,220	157,309	-
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	20,827	1,002	21,829	-
TITLE VII, Long Term Care Ombudsman Services for Older Individuals (OAC)	93.042	AA30248015B	76,606	3,685	80,291	80,291
TITLE III, Part D Disease Prevention and Health Promotion	93.043	AA30248015B	89,134	4,288	93,422	-
TITLE III, Part E National Family Caregiver Support (NFCs)	93.052	AA30248015B	656,277	31,572	687,849	18,000
TITLE III, Part E National Family Caregiver Support (NFCs)	93.052	AA30248015B	11,031	531	11,562	585
Aging Cluster						
TITLE III, Part B Grants for Supportive Services and Senior Centers	93.044	AA30248015B	1,872,189	90,068	1,962,257	486,658
TITLE III, Part B Grants for Supportive Services and Senior Centers	93.044	AA30248014B	177,228	8,526	185,754	109,001
TITLE III, Part C Nutrition Services	93.045	AA30248015B	2,077,005	99,921	2,176,926	1,903,465
TITLE III, Part C Nutrition Services	93.045	AA30248014B	320,252	15,407	335,659	333,216
USDA Nutrition Services Incentive Program	93.053	AA30248015B	351,252	761	352,013	352,013
Total Aging Cluster			4,797,926	214,683	5,012,609	3,184,353
Total Passed Through the Texas Department of Aging and Disability Services			5,845,799	265,093	6,110,892	3,297,546

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
For the Year Ended September 30, 2016

Grantor/ Passed Through Grantor/ Program Title	Federal CFDA Number	Grantor Identifying Number	Expenditures	Indirect Costs	Total	Passed Through to Subrecipients
Passed Through Texas Department of Health and Human Services:						
U.S. Department of Agriculture						
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	529-16-0006-00002	\$ 94,569	\$ 20,909	\$ 115,478	\$ -
U.S. Department of Health and Human Services						
Medical Assistance Program	93.778	529-16-0006-00002	94,569	20,909	115,478	-
Refugee and Entrant Assistance State Administered Programs	93.566	529-16-0006-00002	94,569	20,909	115,478	-
Temporary Assistance for Needy Families	93.558	529-16-0006-00002	94,569	20,909	115,478	-
Childcare & Development Block Grant	93.575	529-16-0006-00002A	149,579	14,964	164,543	-
Children's Health Insurance Program	93.776	529-16-0006-00002	94,569	20,909	115,478	-
Total Passed Through the Texas Department of Health and Human Services			<u>622,424</u>	<u>119,509</u>	<u>741,933</u>	<u>-</u>
Passed Through Texas Department of Family and Protective Services:						
Administration for Children and Families						
TITLE IV, B						
Promoting Safe and Stable Families	93.556	3162029	<u>583,107</u>	<u>-</u>	<u>583,107</u>	<u>396,697</u>
Total Passed Through the Texas Department of Family and Protective Services			<u>583,107</u>	<u>-</u>	<u>583,107</u>	<u>396,697</u>
Total Expenditures of Federal Awards			<u>9,897,883</u>	<u>617,673</u>	<u>10,515,556</u>	<u>4,415,481</u>
STATE OF TEXAS FUNDS RECEIVED:						
Texas Department of Aging and Disability Services						
State General Revenue Funds (SGR)		30248015	468,265	22,784	491,049	393,451
Texas Department of Health and Human Services						
State General Revenue Funds (SGR)		529-16-0006-00002	542,452	-	542,452	-
Texas Department of Family and Protective Services:						
State General Revenue Funds (SGR)		3162029	<u>194,369</u>	<u>-</u>	<u>194,369</u>	<u>-</u>
Total Expenditures of State Awards			<u>1,205,086</u>	<u>22,784</u>	<u>1,227,870</u>	<u>393,451</u>
Total Expenditures of Federal and State Awards			<u>\$ 11,102,969</u>	<u>\$ 640,457</u>	<u>\$ 11,743,426</u>	<u>\$ 4,808,932</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
For the Year Ended September 30, 2016

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 expenses	\$ 11,435,654
Add: Total indirect costs	640,457
Less: Non federal and non state expenses	<u>(332,685)</u>
Per Schedule of Expenditures of Federal and State Awards	<u><u>\$ 11,743,426</u></u>

Community Council of Greater Dallas

Schedule of Findings and Questioned Costs

For the Year Ended September 30, 2016

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 XNo
- Significant deficiencies identified that is not considered to be material weaknesses? ___Yes XNone Reported
- Noncompliance material to financial statements noted? ___Yes XNo

FEDERAL AND STATE AWARDS:

Internal control over major programs:

- Material weakness(es) identified? ___Yes XNo
- Significant deficiencies identified that is (are) not considered to be material weakness(es)? ___Yes XNone 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 XNo

Major programs include:

Federal Programs

<u>CFDA Number(s)</u>	<u>Name of Program or Cluster</u>
93.044, 93.045, 93.053	Department of Health and Human Services- Aging Cluster
93.332	Cooperative Agreement to Support Navigators in Federally Facilitated State Partnership Exchanges

State Programs

<u>Grant Number(s)</u>	<u>Name of Program or Cluster</u>
30248015	Texas Department of Aging and Disability State General Revenue Funds (SGR)
529-16-0006-00002	Texas Department of Health and Human Services

Community Council of Greater Dallas

Schedule of Findings and Questioned Costs

For the Year Ended September 30, 2016

Section I-Summary of Auditor's Results – Continued

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

Federal Programs: \$750,000

State Programs: \$300,000

Auditee qualified as low-risk auditee? ___Yes X No

Community Council of Greater Dallas

Schedule of Findings and Questioned Costs

For the Year Ended September 30, 2016

Section II-Financial Statement Findings

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

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, 2016.

Community Council of Greater Dallas
Summary Schedule of Prior Audit Findings
For the Year Ended September 30, 2015

Findings from the Year Ended September 30, 2015

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

Community Council of Greater Dallas

Insurance Rates Effective January 1, 2017

AG-XZ	Employee Portion	Employer Portion	Total Monthly Premium
\$3,000 Deductible			
United Healthcare			
Employee Only	\$ -	\$ 722.66	\$ 722.66
Employee+Spouse	\$ 1,003.22	\$ 722.66	\$ 1,725.88
Employee+Children	\$ 787.77	\$ 722.66	\$ 1,510.43
Family	\$ 1,713.17	\$ 722.66	\$ 2,435.83
AK-QK			
\$2,500 Deductible			
United Healthcare			
Employee Only	\$ 55.58	\$ 722.66	\$ 778.24
Employee+Spouse	\$ 1,135.96	\$ 722.66	\$ 1,858.62
Employee+Children	\$ 903.94	\$ 722.66	\$ 1,626.60
Family	\$ 1,900.51	\$ 722.66	\$ 2,623.17
Guardian - DHMO			
Employee Only	\$ 7.91	\$ -	\$ 7.91
Employee+Spouse	\$ 13.54	\$ -	\$ 13.54
Employee+Children	\$ 22.09	\$ -	\$ 22.09
Family	\$ 25.51	\$ -	\$ 25.51
Guardian - PPO			
Employee Only	\$ 46.04	\$ -	\$ 46.04
Employee+Spouse	\$ 84.89	\$ -	\$ 84.89
Employee+Children	\$ 113.53	\$ -	\$ 113.53
Family	\$ 152.34	\$ -	\$ 152.34
Guardian - Vision			
Employee Only	\$ 6.75	\$ -	\$ 6.75
Employee+Spouse	\$ 11.36	\$ -	\$ 11.36
Employee+Children	\$ 11.58	\$ -	\$ 11.58
Family	\$ 18.34	\$ -	\$ 18.34

NOTE: The "Employee Portion" is your out of pocket portion of the monthly premium.
The listed rates are "per month", not "per pay period".