

Community Council of Greater Dallas

Financial Statements

September 30, 2018

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Independent Auditor's Report

The Board of Directors of
Community Council of Greater Dallas
Dallas, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of Community Council of Greater Dallas (the Council), which comprise the statement of financial position as of September 30, 2018, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

The Board of Directors of
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, 2018, and the changes in its net assets for the years then ended are in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 13. to the financial statements, the Council changed from the modified cash basis of accounting to the accrual basis of accounting. Beginning net assets has been restated to reflect the change. Our opinions are not modified with respect to this 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 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 are 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 June 13, 2019, 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
June 13, 2019

Community Council of Greater Dallas

Statement of Financial Position

September 30, 2018

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 481,828
Investments, at fair value	469,683
Cash held in custodial funds	42
Accounts receivable	2,780,380
Prepays	<u>120,328</u>

Total current assets 3,852,261

Equipment, net of accumulated depreciation 771,937

TOTAL ASSETS \$ 4,624,198

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 2,463,309
Other liabilities	333,165
Deferred revenue	524,573
Custodial funds held	42
Note payable- due within one year	<u>350,000</u>

Total current liabilities 3,671,089

NET ASSETS

Unrestricted	86,721
Temporarily restricted	<u>866,388</u>

Total net assets 953,109

TOTAL LIABILITIES AND NET ASSETS \$ 4,624,198

Community Council of Greater Dallas

Statement of Activities Year Ended September 30, 2018

	Unrestricted	Temporarily Restricted	Total
PUBLIC SUPPORT:			
Received directly:			
Fees and grants			
from governmental organizations	\$ 155,051	\$ 17,338,636	\$ 17,493,687
Contributions and grants			
from private organizations	210,968	-	210,968
Total received directly	366,019	17,338,636	17,704,655
Received indirectly - allocated			
by United Way of Metropolitan Dallas	-	124,108	124,108
REVENUE:			
Sales to the public and			
other miscellaneous income	53,907	-	53,907
Net investment earnings	77,919	-	77,919
Net assets released from restrictions	17,068,502	(17,068,502)	-
Total public support	17,566,347	394,242	17,960,589
and revenue			
EXPENSES:			
Program services:			
Aging and disability services	7,429,847	-	7,429,847
Information and assistance	47,823	-	47,823
Community and youth services	2,164,386	-	2,164,386
Coalitions and planning	1,985,088	-	1,985,088
Community Block Services	4,126,586	-	4,126,586
Total program services	15,753,730	-	15,753,730
Supporting services:			
Fundraising	97,884	-	97,884
Management and general	1,891,862	-	1,891,862
Total expenses	17,743,476	-	17,743,476
Change in net assets	(177,129)	394,242	217,113
NET ASSETS, beginning of year	608,141	472,146	1,080,287
Cumulative effect in change			
in a change in accounting principle	(344,291)	-	(344,291)
NET ASSETS, end of year	\$ 86,721	\$ 866,388	\$ 953,109

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

Community Council of Greater Dallas

Statement of Functional Expenses

For the Year Ended September 30, 2018

	Program Services					Supporting Services			
	Aging and Disability Services	Information and Assistance	Community and Youth Services	Coalitions and Planning	Community Services Block Grant	Total Programs	Fundraising	Management and General	Total Expenses
Salaries and employee benefits	\$ 1,283,065	\$ 42,060	\$ 1,381,542	\$ 1,367,151	\$ 1,089,765	\$ 5,163,583	\$ 44,591	\$ 924,442	\$ 6,132,616
Payroll taxes	98,164	3,056	102,541	103,620	76,819	384,200	3,647	58,324	446,171
Professional fees and consultations	1,332,372	-	62,721	53,543	978,163	2,426,799	13,432	412,708	2,852,939
Supplies	11,371	-	6,948	43,049	11,317	72,685	16	26,867	99,568
Telephone	19,772	120	21,182	42,761	20,508	104,343	365	10,611	115,319
Postage	3,562	-	498	982	44	5,086	1,523	2,737	9,346
Occupancy	91,083	150	75,304	30,065	100,900	297,502	-	87,456	384,958
Risk management	2,435	112	2,114	1,894	13,818	20,373	86	8,552	29,011
Printing - external	46,031	-	16,879	6,531	5,224	74,665	-	10,971	85,636
Local transportation	46,841	-	12,954	39,560	14,421	113,776	-	1,294	115,070
Conferences and meetings	17,531	-	7,835	4,768	22,606	52,740	150	33,139	86,029
Subscriptions and reference materials	8,022	-	1,195	3,035	7,014	19,266	-	13,567	32,833
Specific assistance to individuals	211,761	2,140	4,638	1,493	487,459	707,491	-	418	707,909
IT Expense	3,151	6	17,972	6,726	523,632	551,487	39	129,845	681,371
Marketing	20,352	-	6,007	30,991	143,020	200,370	35	41,610	242,015
Interest Expense	-	-	-	-	-	-	-	15,963	15,963
Miscellaneous	10,486	179	941	1,957	2,377	15,940	26	33,217	49,183
Fundraising	-	-	-	-	-	-	33,974	-	33,974
Funds distributed to other agencies	4,223,848	-	443,115	246,962	629,499	5,543,424	-	-	5,543,424
Total expenses before depreciation	7,429,847	47,823	2,164,386	1,985,088	4,126,586	15,753,730	97,884	1,811,721	17,663,335
Depreciation expense	-	-	-	-	-	-	-	80,141	80,141
TOTAL EXPENSES	\$ 7,429,847	\$ 47,823	\$ 2,164,386	\$ 1,985,088	\$ 4,126,586	\$ 15,753,730	\$ 97,884	\$ 1,891,862	\$ 17,743,476

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

Community Council of Greater Dallas

Statement of Cash Flows

For the Year Ended September 30, 2018

OPERATING ACTIVITIES

Change in net assets	\$ 217,113
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities	
Depreciation expense	80,141
Interest/dividend from investments	(18,291)
Realized and unrealized losses (gains) on investments	(59,628)
Changes in operating assets and liabilities	
Accounts receivables	(1,886,594)
Prepaid expenses	(54,152)
Accounts payable and other liabilities	1,486,566
Deferred revenues	524,573
	<hr/>
Net cash provided by (used in) operating activities	289,728

INVESTING ACTIVITIES

Purchases of investments	(7,974)
Proceeds from sales and maturities on investments	250,000
Purchases of property and equipment	(735,319)
	<hr/>
Net cash provided by (used in) investing activities	(493,293)

FINANCING ACTIVITIES

Proceeds from the line of credit	350,000
	<hr/>
Net cash provided by (used in) financing activities	350,000
Net increase (decrease) in cash and cash equivalents	146,435

CASH AND CASH EQUIVALENTS, beginning of year	<hr/> 335,435
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CASH AND CASH EQUIVALENTS, end of year	<hr/> <hr/> \$ 481,870
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SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Non-cash donations of goods and services	<hr/> <hr/> \$ 226,532
Cash paid for interest	<hr/> <hr/> \$ 15,963

Community Council of Greater Dallas

Notes to the Financial Statements

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 the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America ("GAAP"). These principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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, 2018.

All gains and losses arising from the sale, collection, or other disposition of investments and other non-cash assets are recorded as without or with donor restrictions depending on the existence or nature of any restrictions. Ordinary income derived from investments, receivables, and the like is recorded as without or with donor restrictions 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

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, 2018 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.

Investments

The Council's investments are stated at fair value in the statements of financial position with all gains and losses included in the statements of activities.

Accounts Receivables and Allowance for Doubtful accounts

The council maintains receivables due from state and government agencies. As of September 30, 2018 an allowance for doubtful accounts was not considered necessary to properly reflect the realizable value of accounts receivable.

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.

Deferred Revenue

Deferred revenue primarily consists of advanced funding related to federal and state grants. These amounts are considered earned and recognized as revenue when the costs associated with the grants are incurred.

Community Council of Greater Dallas

Notes to the Financial Statements

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 have been summarized on the functional basis in the accompanying 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.

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 Net 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 recognizes the cost of compensated absences when the vacation, sick days, and personal days are earned by the employees.

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, 2018, the Council had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

Community Council of Greater Dallas

Notes to the Financial Statements

Recent Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958). This standard fundamentally changes the financial presentation for not-for-profit entities. It reduces net asset classifications to two from the current three, and adds additional disclosures concerning expenses and liquidity, among others. The standard is to be applied on a retrospective basis and is effective for annual reporting periods beginning after December 15, 2018. The Council is currently evaluating the effect that the new standard will have on its financial statements.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606). This standard is intended to provide a more robust framework for addressing revenue issues, improve comparability of revenue recognition practices, and improve disclosure requirements. The amendments in this ASU are effective for interim and annual reporting periods beginning after December 15, 2018 for private entities. This ASU can be applied retrospectively or as a cumulative effect adjustment as of the date of adoption. The Council is currently evaluating the effect that the new standard will have on its financial statements.

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. This ASU clarifies and improves current guidance about whether a transfer of assets, or the reduction, settlement, or cancellation of liabilities, is a contribution or an exchange transaction. It provides criteria for determining whether the resource provider is receiving commensurate value in return for the resources transferred which, depending on the outcome, determines whether the organization follows contribution guidance or exchange transaction guidance in the revenue recognition and other applicable standards. The amendments in this ASU are effective for interim and annual reporting periods beginning after December 15, 2018 for private entities. This ASU can be applied a modified prospective basis or retrospectively. The Council is currently evaluating the effect that the new standard will have on its financial statements.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). This standard requires lessees to recognize assets and liabilities for all leases (with an exception for short-term leases). Under the new standard, there continues to be a differentiation between finance leases (previously referred to as capital leases) and operating leases. However, for both types of leases, a right-of-use asset and lease liability are recognized. The lease liability is measured at the present value of the lease payments under the contract. The amendments in this ASU are effective for annual reporting periods beginning after December 15, 2019 for private entities and can be implemented using a modified retrospective approach, under which its provisions are applied to all applicable leases as of the beginning of the earliest comparative period presented, or at the date of adoption with the recognition of a cumulative effect adjustment to the opening balance of net assets in the period of adoption. The Council is currently evaluating the effect that the new standard will have on its financial statements.

Community Council of Greater Dallas

Notes to 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, 2018, investments are composed of the following:

	<u>Market Value</u>
Mutual funds	<u>\$ 469,683</u>
Total investments	<u><u>\$ 469,683</u></u>

Investment income for the periods ending September 30, 2018, consists of the following:

Interest/dividend from investments	\$ 18,291
Realized and unrealized gain (loss)	<u>59,628</u>
Total investment gain (loss)	<u><u>\$ 77,919</u></u>

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.

Community Council of Greater Dallas

Notes to the Financial Statements

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, 2018.

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.

The following table sets forth by level, within the fair value hierarchy, Council's assets at fair value as of September 30, 2018.

	Level 1	Level 2	Level 3	Total
Mutual funds				
Money market funds	\$ 513	\$ -	\$ -	\$ 513
Large value	117,110	-	-	117,110
Large blend	352,060	-	-	352,060
Total assets at fair value	<u>\$ 469,683</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 469,683</u>

Community Council of Greater Dallas

Notes to the Financial Statements

Note 5. Equipment

Equipment consists of the following at September 30, 2018:

Office equipment	\$	888,033
Computer equipment		253,046
Leasehold improvements		<u>1,850</u>
		1,142,929
Less accumulated depreciation		<u>(370,992)</u>
	\$	<u><u>771,937</u></u>

Depreciation expense for the years ended September 30, 2018 was \$80,141.

Note 6. Notes Payable

The Council entered into a line of credit agreement with a bank in the amount of \$1,000,000 during the fiscal year for the purpose of providing working capital. There were borrowings against the line at September 30, 2018 in the amount of \$350,000. The liability is recognized as notes payable. The line bears interest at 1.25% over the bank's prime lending rate and is set to mature February 1, 2019.

Note 7. 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 year ended September 30, 2018 is \$5,543,424.

Note 8. Commitments and Contingencies

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

Community Council of Greater Dallas

Notes to the Financial Statements

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:

Year Ending September 30	Operating Leases
2019	\$ 218,264
2020	221,819
2021	226,796
2022	230,351
2023	235,327
Thereafter	338,416
	<u>\$ 1,470,973</u>

Total rent expense was \$267,768 for the years ended September 30, 2018, respectively. Rent expense includes variable building management expenses.

Note 9. Custodial Funds

The Council is the custodian of funds that had the following balances at September 30, 2018:

Employee Remembrance Fund	\$ 42
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Note 10. 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 \$117,221 to the plan during the year ended September 30, 2018.

Community Council of Greater Dallas

Notes to the Financial Statements

Note 11. Temporarily Restricted Net Assets

Temporarily restricted net assets restricted consisted of the following at September 30, 2018:

Special programs for the aging	\$ 343,009
Coalitions and planning	14,088
CSBG	<u>509,291</u>
Total all funds	<u>\$ 866,388</u>

Temporarily restricted net assets were released for the following programs during the fiscal year ended September 30, 2018:

Aging and Disability Services	\$ 7,657,107
Community Transportation Network	273,366
Community and Youth Services	791,836
Enroll Texas	1,789,026
MACRA	335,670
Coalitions and Planning	67,913
Information and Assistance	1,610,638
CSBG	<u>4,542,946</u>
Total All Funds	<u>\$ 17,068,502</u>

Note 12. 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 year ended September 30, 2018, 41%, 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 13. Cumulative Effect in a Change in Accounting Principle

The Council moved from the modified cash basis of accounting to the accrual basis of accounting during the fiscal year ended September 30, 2018. Beginning net assets has been decreased in the amount of \$344,291 to reflect the change.

Community Council of Greater Dallas

Notes to the Financial Statements

Note 14. Schedule of Indirect Costs

The schedule of indirect costs and computation of the indirect cost rate as follows for the year ended September 30, 2018:

	Actual	Budget
Indirect costs		
Personnel, benefits, taxes	\$ 1,031,004	\$ 1,081,106
Professional services	426,140	50,158
Supplies	26,883	21,126
Communications	10,976	10,837
Occupancy costs	87,456	118,483
Risk management	8,638	8,517
Printing/reproduction	10,971	10,504
Local travel	1,294	8,100
Meetings/conferences	33,289	8,100
Dues/subscriptions	13,567	1,100
Minor equipment/maintenance	41,645	-
Other	217,742	83,371
Total indirect costs	<u>\$ 1,909,605</u>	<u>\$ 1,401,402</u>
Basis for allocation		
Direct personnel, benefits, taxes	6,578,787	7,961,590
Indirect cost rate computations:		
Total indirect costs	1,909,605	1,401,402
Total direct program personnel costs	<u>5,596,021</u>	<u>6,880,484</u>
Computed rate	<u>34.12%</u>	<u>20.37%</u>
Allocation		
Total actual indirect costs	\$ 1,909,605	
Indirect costs allocated to grants	<u>(1,105,395)</u>	
Current year under-allocation	804,210	
Prior period under-allocation	<u>1,347,407</u>	
Total cumulative under-allocation	<u>\$ 2,151,617</u>	

Community Council of Greater Dallas

Notes to the Financial Statements

Note 15. Subsequent Events

The Council has evaluated all events or transactions that occurred after September 30, 2018 through June 13, 2019, the date the financial statements were issued. During this period the Council extended the line of credit agreement noted in Note 6 through January 13, 2020.

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 of
Community Council of Greater Dallas
Dallas, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Community Council of Greater Dallas (the Council), which comprise the statement of financial position as of September 30, 2018, and the related statement of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated June 13, 2019, which included an emphasis paragraph on the restatement of beginning net assets due to the change in basis of accounting from modified cash to accrual.

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 opinions 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 over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The Board of Directors of
Community Council of Greater of Dallas

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
June 13, 2019

**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 of
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, 2018. 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 federal and state statutes, regulations, and terms and conditions of its federal and state awards 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.

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, 2018.

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, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items that we consider to be a significant deficiency. (2018-001).

The Council's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Council's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

The Board of Directors of
Community Council of Greater of 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.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
June 13, 2019

Community Council of Greater Dallas

Supplementary Schedule of Expenditures of Federal and State Awards Year Ended September 30, 2018

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	1ZOCMS331514-01-00	\$ 335,670	\$ -	\$ 335,670	\$ -
U.S. Department of Health and Human Services: Cooperative Agreement to Support Navigators in Federally-Facilitated and State Partnership Exchanges	93.332	1NAVCA150254-02-00	1,789,026	158,690	1,947,716	246,962
Empowering Older Adults and Adults with Disabilities through Chronic Disease Self-Management Education Programs	93.734	90CS0051-01-000	209,693	-	209,693	36,642
Total Direct Programs			2,334,389	158,690	2,493,079	283,604
Passed Through Texas Department of Aging and Disability Services: U.S. Department of Health and Human Services Center for Medicare/Medicaid Services						
Medicare Enrollment Assistance Program	93.071	16AATXMAAA	20,136	-	20,136	-
State Health Insurance Assistance Program	93.324	90SAPG0015-01-00	155,189	-	155,189	-
Total Passed Through the Texas Department of Aging and Disability Services:			175,325	-	175,325	-
Passed Through Texas Workforce Commission: U.S. Department of Education						
Adult Education- Basic Grants to States	84.002A	CCGD 18	21,316	1,938	23,254	-
Passed Through HCM Strategists, LLC: National Institute of Health						
Trans-NIH Research Support	93.310	OT2OD023206	174,559	12,386	186,945	500
Passed Through Texas Department of Housing and Community Affairs:						
Community Services Block Grant (477 Cluster)	93.569	61170002762	2,316,384	243,876	2,560,260	278,923
Community Services Block Grant (477 Cluster)	93.569	61180002850	2,138,818	147,784	2,286,602	350,577
Total 477 Cluster			4,455,202	391,660	4,846,862	629,500
Total Passed Through the Texas Department of Housing and Community Affairs:			4,455,202	391,660	4,846,862	629,500
Passed Through Texas Department of Aging and Disability Services: U.S. Department of Health and Human Services Administration for Community Living						
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	17AATXT7EA	19,482	-	19,482	-
Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	93.042	AA30248015B	86,275	-	86,275	86,275
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	17AATXT3PH	83,770	-	83,770	-
National Family Caregiver Support TITLE III, Part E	93.052	17AATXT3FC	793,366	27,092	820,458	247,791
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers (Aging Cluster)	93.044	17AATXT3SS	2,345,622	-	2,345,622	812,420
Special Programs for the Aging, TITLE III, Part C Nutrition Services (Aging Cluster)	93.045	17AATXT3CM	2,693,950	304,883	2,998,833	2,385,186
Nutrition Services Incentive Program (Aging Cluster)	93.053	17ABTXNSIP	389,882	-	389,882	389,881
Total Aging Cluster			5,429,454	304,883	5,734,337	3,587,487
Total Passed Through the Texas Department of Aging and Disability Services			6,412,347	331,975	6,744,322	3,921,553

The accompanying notes are an
Integral part of this schedule.

Community Council of Greater Dallas

Supplementary Schedule of Expenditures of Federal and State Awards – Continued Year Ended September 30, 2018

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 (SNAP Cluster)	10.561	529-16-0006-00002	\$ 116,196	\$ -	\$ 116,196	\$ -
U.S. Department of Health and Human Services						
Medical Assistance Program (Medicaid Cluster)	93.778	529-16-0006-00002	116,196	-	116,196	-
Refugee and Entrant Assistance Targeted Assistance Grants	93.566	529-16-0006-00002	116,196	-	116,196	-
Temporary Assistance for Needy Families (TANF Cluster)	93.558	529-16-0006-00002	116,196	-	116,196	-
Childcare & Development Block Grant (CCDF Cluster)	93.575	529-16-0006-00002	167,482	20,591	188,073	-
Children's Health Insurance Program	93.767	529-16-0006-00002	116,196	-	116,196	-
Total Passed Through the Texas Department of Health and Human Services			748,462	20,591	769,053	-
Passed Through Texas Department of Family and Protective Services:						
Administration for Children and Families						
Promoting Safe and Stable Families	93.556	24426933	198,716	13,603	212,319	123,232
Promoting Safe and Stable Families	93.556	24427233	156,954	16,262	173,216	133,180
Total Passed Through the Texas Department of Family and Protective Services			355,670	29,865	385,535	256,412
Passed Through United Way of Tarrant County:						
U.S. Department of Health and Human Services						
Evidence-Based Falls Prevention Programs Financed Solely by Prevention and Public Health Funds	93.761	90FPSG0001-01-00	5,968	-	5,968	-
Total Passed Through United Way of Tarrant County			5,968	-	5,968	-
Passed Through North Central Texas Council of Governments:						
U.S. Department of Transportation						
Enhance Mobility of Seniors and Individuals with Disabilities (Transit Services Programs Cluster)	20.513	TX-16-X026-001	264,615	158,290	422,905	34,727
Total Passed Through North Central Texas Council of Governments			264,615	158,290	422,905	34,727
Total Expenditures of Federal Awards			14,947,853	1,105,395	16,053,248	5,126,296
STATE OF TEXAS FUNDS RECEIVED:						
Texas Department of Aging and Disability Services						
State General Revenue Funds (SGR)		539-16-00027-00001	283,038	-	283,038	61,700
Ombudsman Assisted Living Facility Services		539-16-00027-00001	193,599	-	193,599	193,599
Texas Department of Health and Human Services						
State General Revenue Funds (SGR)		529-16-0006-00002	544,734	-	544,734	-
Texas Department of Family and Protective Services:						
State General Revenue Funds (SGR)		24426933	229,470	-	229,470	131,934
State General Revenue Funds (SGR)		24427233	189,598	-	189,598	29,895
Total Expenditures of State Awards			1,440,439	-	1,440,439	417,128
Total Expenditures of Federal and State Awards			\$ 16,388,292	\$ 1,105,395	\$ 17,493,687	\$ 5,543,424

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 Year Ended September 30, 2018

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 State Awards is presented using the accrual basis of accounting. The accrual basis of accounting is described in Note 2 to the consolidated financial statements.

Note 3. Indirect Cost Rate

The Council has not elected to use the 10% de minimis indirect cost rate.

Community Council of Greater Dallas

Schedule of Findings and Questioned Costs Year Ended September 30, 2018

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

93.052
93.569

National Family Caregiver Support, Title III, Part E
477 Cluster

State Programs

Grant Number(s)

Name of Program or Cluster

24426933/ 24427233

Texas Department of Family and Protective Services- State General
Revenue Funds (SGR)

Community Council of Greater Dallas
Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

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? X Yes No

Community Council of Greater Dallas

Schedule of Findings and Questioned Costs

Year Ended September 30, 2018

Section II-Financial Statement Findings

There were no audit findings for the year ended September 30, 2018.

Section III-Federal and State Awards Findings and Questioned Costs

Finding 2018-001

CFDA#93.052- National Family Caregiver Support, Title III, Part E (Title III); CFDA #93.569- 477 Cluster (CSBG); Grant Number- 24426933/ 24427233- State General Revenue Funds (SGR)

Activities Allowed and Unallowed/Allowable Cost Principles- Significant Deficiency in Internal Controls over Compliance

Criteria – Uniform Guidance and UGMS require entities receiving federal and state awards to retain evidence of internal controls over compliance for each of the direct and material compliance requirements. For the compliance requirements: Activities Allowed and Unallowed and Allowable Cost Principles, internal controls to prevent unallowable activities and costs must be designed and operating effectively. The approval of costs charged to the federal and state programs should be reviewed by individuals with knowledge of activities and costs allowed and unallowed by the programs.

Condition - During our cash disbursement testing, we identified instances of invoices where evidence of approval by someone with direct knowledge of the activities and costs allowed and unallowed by the programs was not retained. During the payroll disbursement testing, we identified instances of timesheets not retained.

Questioned Costs- None

Context- During the review of a sample of 40 cash disbursements, we identified four invoices without evidence of proper approval of the invoices. During the review of a sample of 40 timesheets, we identified six timesheets without the employee or supervisor signature and one timesheets that could not be located.

Cause - While the Council has a review and approval process for invoices and staff timesheets, this process was not consistently followed.

Effect - Without the policy being followed consistently, the Council has exposure to unallowable activities and costs charged to the programs.

Recommendation - We recommend that the Council ensure personnel are adequately trained and understand the importance of written documentation surrounding the approval of costs charged to the federal and state programs and retaining timesheets associated with the federal and state programs.

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN

June 10, 2019

Weaver and Tidwell, L.L.P.
2300 N. Field Street, Suite 1000
Dallas, TX 75201

To Whom It May Concern:

MANAGEMENT RESPONSE REGARDING THE FY 2018 AUDIT FINDING 2018-001:

A total of 40 disbursements were tested and 4 (or 10%) were identified as not being approved by grant-funded personnel. A total of 40 timesheets were selected for testing; 6 (or 15%) were identified as not being approved by the employee, the employee's supervisor or both. One timesheet (or 2.5%) was not provided.

There were no findings for FY 2017.

Management acknowledges that the recent simultaneous implementations of Paycom and Intacct (while continuing many processes that were not yet fully automated) had created some compliance and recordkeeping hurdles during FY 2018. However, this lack of adherence to policy has been limited to a very small percentage of all agency transactions.

Prior to receipt of your finding, we had already identified a number of root causes and countermeasures that form the basis of a Corrective Action Plan. We do believe that these hurdles have now been adequately addressed and will no longer create future exposure for the agency. Furthermore, we have now assigned additional resources to Compliance & Reporting, including a senior-level contracting specialist and a licensed CPA.

The Accounting Staff and/ or the Senior Advisor of Compliance & Reporting will provide any evidence of noncompliance by grant-funded personnel to the Senior Director of Finance. Accountability measures for noncompliance with CCGD's Fiscal Policies and Procedures can include verbal warning(s), written warning(s) and possibly termination.

Please note our progress achieved to date on the following categories:

- TIMESHEET ADHERENCE TO POLICY – 100% adherence to policy is expected by June 14, 2019
- INVOICES APPROVED BY PROGRAMS – 100% adherence to policy is already currently in place

Overview of the Corrective Action Plan Milestones

On February 28, 2019, our Compliance team emailed all directors and above concerning complying with various CFR requirements pertaining to timekeeping records. Then, on April 4, 2019, our Human Resources Manager conducted a training on how to complete timesheets in Paycom for all directors and above.

Since this training session, we have been diligently monitoring compliance with these directives for every payroll cycle. Our most recent cycle (this week) shows 95% compliance and we expect to reach 100% compliance by our next payroll. Noncompliance is addressed by the Human Resources Manager. Consequences for noncompliance can include verbal warning(s), written warning(s) and possibly termination.

Additionally, we have conducted training on the Intacct P.O. module and approval levels on the following dates: September 27, 2018 and May 22 – 23, 2019. Per agency policy, Accounting Staff will not convert POs without proper approval(s).

- POs are automatically routed to the employee's supervisor for review and approval.
- IT-related POs are then routed to the IT Manager for review and approval.
- DAAA-related POs are then routed to the DAAA Compliance Director then DAAA Managing Director for review and approval.
- CSBG-related POs are then routed to the Senior Advisor of Compliance & Reporting for review and approval.

A brief summary of the Corrective Action Plan underway at Community Council is outlined below:

<u>ROOT CAUSE:</u>	<u>COUNTERMEASURES:</u>
Knowledge	<ul style="list-style-type: none">• Additional training for all personnel on timekeeping requirements and approvals required• Additional training for all personnel on program related invoice approvals required
Tools/Systems	<ul style="list-style-type: none">• Specific training on Paycom timesheets and implementation of automated supervisor approvals*• Specific training on Intacct P.O. module and levels of approval required within each department*• Annual Intacct training sessions on various topics as needed for the organization <p>*Note: These trainings are now mandatory for new employees.</p>
Resources	<ul style="list-style-type: none">• Additional internal control resources have been assigned to Finance and Human Resources to provide internal reviews and oversight
Accountability	<ul style="list-style-type: none">• Quarterly reporting on compliance matters to the Audit Committee will be implemented effective June 2019• Consequences for repeated non-conformance to agency policy and funder requirements

For additional information regarding our Corrective Action Plan, please contact:

Ms. Annice Reed, CPA, MBA
Senior Advisor – Compliance & Reporting
Email: areed@ccadvance.org
Direct: 214.500.9525

Compliance remains a priority for the management at Community Council of Greater Dallas.

Please do not hesitate to contact me directly at any time.

Sincerely,

A handwritten signature in blue ink, appearing to read 'LHD', followed by a long horizontal stroke.

Levi H. Davis, Interim CEO

Community Council of Greater Dallas

Summary Schedule of Prior Audit Findings For the Year Ended September 30, 2017

Findings from the Year Ended September 30, 2017

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