

AUDITED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION

**COMMUNITY DEVELOPMENT CENTER**

(A NOT-FOR-PROFIT CORPORATION)

June 30, 2023

## CONTENTS

---

Independent Auditor's Report .....	Page	3
Financial Statements:		
Statement of Financial Position .....		6
Statement of Activities .....		7
Statement of Functional Expenses .....		8
Statement of Cash Flows .....		10
Notes to Financial Statements .....		11
Supplementary Information:		
Schedule of Expenditures of Federal Awards and State Financial Assistance .....		18
Other Information:		
Directory of Officials .....		20
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 <i>Government Auditing Standards</i> .....		21
Schedule of Disposition of Prior Year Findings .....		23

## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Community Development Center  
Shelbyville, Tennessee

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

#### ***Opinion***

We have audited the accompanying financial statements of Community Development Center (a nonprofit corporation), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Development Center as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (Government Auditing Standards). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Community Development Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

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

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

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

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Community Development Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Development Center's ability to continue as a going concern for a reasonable period of time.

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

## ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance on page 18 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## ***Other Information***

Management is responsible for the other information included in the annual report. The other

information comprises the Directory of Officials but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2024, on our consideration of Community Development Center'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Community Development Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community Development Center's internal control over financial reporting and compliance.

*Winnett Associates, PLLC*

Shelbyville, Tennessee  
January 30, 2024

**STATEMENT OF FINANCIAL POSITION**  
**COMMUNITY DEVELOPMENT CENTER**

June 30, 2023

<u>ASSETS</u>			
<u>CURRENT ASSETS</u>			
Cash for general use - Note C	\$	920,655	
Certificates of deposit - Note C		547,334	
Unconditional promises to give - Note E		98,672	
Accounts receivable-net of allowance for doubtful accounts		535,873	
Interest receivable		2,338	
Prepaid expenses		12,651	
		<u>2,117,523</u>	
	TOTAL CURRENT ASSETS		2,117,523
PROPERTY AND EQUIPMENT - Note F		356,922	
	TOTAL ASSETS	\$	<u><u>2,474,445</u></u>
<u>LIABILITIES AND NET ASSETS</u>			
<u>CURRENT LIABILITIES</u>			
Accounts payable	\$	110,881	
Payroll liabilities		79,241	
Accrued leave - Note H		46,816	
		<u>236,938</u>	
	TOTAL LIABILITIES		236,938
<u>NET ASSETS</u>			
Without donor restrictions	\$	2,103,880	
With donor restrictions		133,627	
		<u>2,237,507</u>	
	TOTAL NET ASSETS		2,237,507
	TOTAL LIABILITIES AND NET ASSETS	\$	<u><u>2,474,445</u></u>

The accompanying notes are an integral part of this financial statement.

**STATEMENT OF ACTIVITIES**  
**COMMUNITY DEVELOPMENT CENTER**

Year ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	TOTAL
<b>SUPPORT, REVENUE, AND GAINS:</b>			
Contributions of cash or other financial assets			
Grants	\$ 1,981,113	\$ -	\$ 1,981,113
City and County	-	68,016	68,016
Organizational contributions	15,281	10,900	26,181
Individual contributions	12,042		12,042
Contributions of nonfinancial assets	80,589		80,589
Autism services	443,956		443,956
Employment services	28,527		28,527
Special events	42,258	53,695	95,953
Interest income	5,626		5,626
Miscellaneous	540		540
Net assets released from restrictions:			
Contributions - released from restrictions	126,960	(126,960)	-
<b>TOTAL SUPPORT, REVENUE, AND GAINS</b>	<b>2,736,892</b>	<b>5,651</b>	<b>2,742,543</b>
<b>EXPENSES AND LOSSES:</b>			
Program services:			
Child Day Services	33,061		33,061
Family Support	289,628		289,628
Vendor Contract Services	7,534		7,534
Independent Support	541,630		541,630
Home Community Based Services	844,235		844,235
Children's Center for Autism	564,501		564,501
Employment Services	71,642		71,642
Supporting services:			
Management and general	343,185		343,185
Fund raising	24,410		24,410
<b>TOTAL EXPENSES AND LOSSES</b>	<b>2,719,826</b>		<b>2,719,826</b>
<b>CHANGES IN NET ASSETS</b>	<b>17,066</b>	<b>5,651</b>	<b>22,717</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>2,086,814</b>	<b>127,976</b>	<b>2,214,790</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 2,103,880</b>	<b>\$ 133,627</b>	<b>\$ 2,237,507</b>

The accompanying notes are an integral part of this financial statement.

**STATEMENT OF FUNCTIONAL EXPENSES**  
**COMMUNITY DEVELOPMENT CENTER**

**Year ended June 30, 2023**

	Program Services				
	Early Intervention (EI) Centers	Family Support Services	EI Vendor Contract Services	Independent Support Coordination	Early Intervention Home Community Based Services
Salaries	\$ 729	\$ 32,399	\$ 6,135	\$ 401,270	\$ 617,847
Fringe benefits	-	5,245	1,045	66,628	88,086
TOTAL SALARIES AND FRINGE BENEFITS	729	37,644	7,180	467,898	705,933
Travel	973	151	156	3,035	37,853
Communications	1,192	896	-	10,303	13,362
Utilities	1,028	326	-	6,692	3,243
Postage and shipping	-	193	-	590	-
Professional services	20	75	-	1,295	6,114
Supplies	1,850	113	-	2,123	19,525
Food	-	-	-	596	730
Printing and duplicating	-	-	-	-	313
Maintenance	4,082	468	40	5,807	10,676
Training and seminars	-	-	-	125	1,400
Rent	-	-	-	23,400	-
Insurance	688	368	158	7,632	13,118
In-kind expenses - Note I	19,556	560	-	-	27,209
Dues and subscriptions	-	177	-	4,021	4,667
Materials for Dissemination	-	-	-	-	-
Special events	-	-	-	-	-
Grants and subsidies	-	243,086	-	-	-
Equipment	-	4,600	-	-	-
Depreciation, amortization	2,855	-	-	7,388	92
Uncollectibles	78	453	-	-	-
Miscellaneous	10	518	-	725	-
TOTAL EXPENSES	<u>\$ 33,061</u>	<u>\$ 289,628</u>	<u>\$ 7,534</u>	<u>\$ 541,630</u>	<u>\$ 844,235</u>

The accompanying notes are an integral part of this financial statement.



Program Services		Supporting Services			
Children's Center for Autism	Employment Services	Management and General	Special Events	Total Expenses	
\$ 411,503	\$ 54,960	\$ 242,326	\$ -	\$ 1,767,169	
<u>50,756</u>	<u>8,751</u>	<u>39,270</u>	<u>-</u>	<u>259,781</u>	
462,259	63,711	281,596	-	2,026,950	
132	4,809	4,473	-	51,582	
3,070	986	2,781	-	32,590	
8,187	-	1,292	-	20,768	
15	-	191	-	989	
17,206	277	24,526	-	49,513	
3,435	789	4,924	-	32,759	
27	-	475	-	1,828	
-	-	-	-	313	
9,894	219	1,762	-	32,948	
999	390	942	-	3,856	
-	-	-	-	23,400	
9,699	217	4,044	-	35,924	
33,264	-	-	-	80,589	
2,336	177	2,749	-	14,127	
-	-	4,470	-	4,470	
-	-	-	24,410	24,410	
-	-	-	-	243,086	
-	-	-	-	4,600	
5,726	-	8,480	-	24,541	
8,007	-	-	-	8,538	
245	67	480	-	2,045	
<u>\$ 564,501</u>	<u>\$ 71,642</u>	<u>\$ 343,185</u>	<u>\$ 24,410</u>	<u>\$ 2,719,826</u>	

**STATEMENT OF CASH FLOWS**  
**COMMUNITY DEVELOPMENT CENTER**

Year ended June 30, 2023

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase in net assets	\$	22,717
Adjustments to reconcile increase in net assets to cash provided by operating activities:		
Depreciation and amortization	\$ 24,541	
Changes in operating assets:		
Pledges receivable	(5,820)	
Accounts receivable	11,887	
Interest receivable	(1,838)	
Prepaid expenses	(2,685)	
Changes in operating liabilities:		
Accounts payable	26,084	
Accrued leave	9,128	
Payroll-related liabilities	3,596	
	<u>NET ADJUSTMENTS</u>	<u>64,893</u>
	NET CASH PROVIDED BY OPERATING ACTIVITIES	87,610
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant, and equipment		(8,328)
Short-term investments, net		(13,840)
	NET CASH USED BY INVESTING ACTIVITIES	(22,168)
 <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
	NET CASH PROVIDED BY FINANCING ACTIVITIES	-
	NET INCREASE IN CASH AND CASH EQUIVALENTS	65,442
	BEGINNING CASH AND CASH EQUIVALENTS	855,213
	ENDING CASH AND CASH EQUIVALENTS	<u>\$ 920,655</u>

The accompanying notes are an integral part of this financial statement.

**NOTES TO FINANCIAL STATEMENTS**  
**COMMUNITY DEVELOPMENT CENTER**

**June 30, 2023**

---

**NOTE A - COMMUNITY DEVELOPMENT CENTER**

The Community Development Center (the Center), formerly named Child Development Center, Bedford County, Marshall County and Lincoln County, was incorporated on April 14, 1972, as a Tennessee not-for-profit corporation whose primary purpose is to provide educational and social services to developmentally delayed children.

Since incorporation, the Center has added programs that provide services to families at risk, and to mentally handicapped adults. The Center is funded principally with state grants and contributions from the Cities of Shelbyville, Fayetteville, and Pulaski, the counties of Bedford, Marshall, Lincoln and Giles, civic clubs and private citizens.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(1) Accounting Method**

The financial statements of the Center are prepared on the accrual basis of accounting. Contributions are recognized when a donor makes a promise to give to the Center that is, in substance, unconditional. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Contributions for which donor-imposed conditions or restrictions are met in the same period as the contributions are recognized and reported as increases in net assets without restrictions. Other donor-restricted contributions are reported as increases in assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Revenue from fees for services to clients are recognized at the point in time when the services are provided with estimates made for any anticipated adjustments by third party payors. The Center does not recognize a separate financing component of its collections from clients as contract terms are short-term in nature.

**(2) Property and Equipment**

Property and equipment purchased are stated at cost and donated property and equipment are stated at fair market value on the date contributed, less accumulated depreciation which is computed by the straight-line method over estimated useful lives of the individual assets as follows: furniture and equipment, 5-10 years; car, 4 years; bus, 7 years; building improvements, 5 and 10 years. Disbursements for property and equipment with a per unit cost in excess of \$2,000 are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. All furniture and equipment purchased with grant funds, as well as the proceeds from the disposal of such furniture and equipment, are subject to a reversionary ownership interest by the grantor agency.

**(3) Allowance for Uncollectible Accounts**

Indebtedness to the Center known to be uncollectible has been written off, and adequate provision, based upon a review of the current status of accounts receivable and historical collection experience, has been made for anticipated adjustments and for possible losses in collection of the remaining accounts.

**NOTES TO FINANCIAL STATEMENTS (cont'd)**

**COMMUNITY DEVELOPMENT CENTER**

**June 30, 2023**

---

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(4) Functional Expenses

Functional expenses are allocated between Program Services and Supporting Services based on an analysis of personnel time and space utilized for the respective activities.

(5) 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 the reported amounts of assets and liabilities and 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.

(6) Cash and Cash Equivalents

For purposes of the statement of cash flows, the Center considers highly liquid investments with an initial maturity of three months or less which are neither designated nor restricted for long-term purposes to be cash equivalents.

(7) Contributed Services

The Center records various types of in-kind support, including contributed facilities and services. Contributed services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

The value of in-kind support meeting the requirements for recognition in the financial statements is disclosed in Note I. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services. The Organization reports approximately 400 such volunteer hours per year.

NOTE C - CASH

The following is a summary of unrestricted cash at June 30, 2023:

	Cash, Cash Equivalents	Certificates of Deposit	Total
Cash for general use	\$ 920,655	\$ 547,334	\$1,467,989

**NOTES TO FINANCIAL STATEMENTS (cont'd)**

**COMMUNITY DEVELOPMENT CENTER**

**June 30, 2023**

**NOTE D - CONTRACT RECEIVABLES**

The Center had the following contract receivables as of June 30, 2023 and 2022:

<u>June 30, 2023</u>	<u>June 30, 2022</u>
\$ 60,535	\$ 44,680

**NOTE E - PROMISES TO GIVE**

Unconditional promises to give consist of the following:

City and County funding	\$ 69,032
United Way	10,900
Other	<u>18,740</u>
	<u>\$ 98,672</u>

Amounts due in more than one year are not significant; thus, no discount factor has been applied.

The Center has contractual agreements with multiple State of Tennessee departments for program funding based on the services it provides for individuals. No revenues are recorded until the conditions of the agreements are met.

**NOTE F - PROPERTY AND EQUIPMENT**

Major classifications of property and equipment are as follows:

	<u>Cost</u>			
	<u>Balance</u>			<u>Balance</u>
	<u>July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2023</u>
Equipment	\$ 273,869	\$ 8,328	\$ -	\$ 282,197
Vehicles	82,063	-	13,057	69,006
Land	42,830	-	-	42,830
Software	38,703	-	2,898	35,805
Building, building improvements	<u>721,160</u>	<u>-</u>	<u>-</u>	<u>721,160</u>
	<u>\$ 1,158,625</u>	<u>\$ 8,328</u>	<u>\$ 15,955</u>	<u>\$ 1,150,998</u>
	<u>Accumulated Depreciation</u>			
	<u>Balance</u>			<u>Balance</u>
	<u>July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2023</u>
Equipment	\$ 266,128	\$ 1,974	\$ -	\$ 268,102
Vehicles	82,063	-	13,057	69,006
Software	31,293	3,581	2,898	31,976
Building, building improvements	<u>406,006</u>	<u>18,986</u>	<u>-</u>	<u>424,992</u>
	<u>\$ 785,490</u>	<u>\$ 25,541</u>	<u>\$ 15,965</u>	<u>\$ 794,076</u>

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### COMMUNITY DEVELOPMENT CENTER

June 30, 2023

---

#### NOTE G - LEASES

The Center conducts some of its programs from a building owned by Bedford County and the City of Shelbyville. The Center receives free use of this building.

Lincoln County provides facilities for the Center's Fayetteville operations. In addition to the free use of the facilities, building insurance and utilities are provided free of charge.

The Independent Support program leases facilities in Columbia. The current agreement began November 1, 2018, and ends October 31, 2023. Amounts paid for the Columbia facilities totaled \$23,400 for the year ended June 30, 2023. Future lease payments required under the lease for the Columbia facilities are as follows:

Year ended June 30,	Amount
2024	7,800

Effective July 1, 2022, the Center adopted FASB ASC 842, *Leases*, which requires a determination if an arrangement contains a lease at exception based on whether the lessee has the right to control the asset during the contract period and other facts and circumstances. A package of practical expedients permitted under the transaction guidance within the new standard, allows an entity, among other things, to carry forward its historical lease classification. Another practical expedient allows entities not to apply the recognition requirements in the new standard to leases with a term of twelve months or less. The Center has elected the available practical expedients.

#### NOTE H - ACCRUED ANNUAL LEAVE

This liability, in the amount of \$46,816, represents annual leave earned by employees as of June 30, 2023, but not yet taken.

#### NOTE I - CONTRIBUTED NONFINANCIAL ASSETS

Contributed nonfinancial assets recognized within the statement of activities include:

Use of facilities, including utilities and insurance	\$80,589
--	----------

None of the above contributions had donor-imposed restrictions. Assets contributed were valued at the estimated value of the rental, utilities, and insurance, using amounts obtained from the donor or other sources.

#### NOTE J - SIGNIFICANT CONCENTRATIONS OF CREDIT RISK

From time to time, the Center has on deposit in financial institutions funds that total in excess of the insured maximum of \$250,000. As of June 30, 2023, this risk amount, based on bank balances, was \$309,226. However, this at risk amount is subject to significant daily fluctuations throughout the year.

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### COMMUNITY DEVELOPMENT CENTER

June 30, 2023

---

#### NOTE K - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Center's financial assets at June 30, 2023, totaled \$2,104,872 all of which is available to meet cash needs for general expenditures within one year.

#### NOTE L - RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions at June 30, 2023, are available for the following purposes or periods:

Support of next year's programs	\$132,611
---------------------------------	-----------

#### NOTE M - RETIREMENT PLAN

The Center maintains a defined contribution plan where benefits depend solely on the actual value of contributions at the time of an employee's retirement. The Center matches eligible employees' contributions up to two percent of the employees' annual compensation. Eligible employees include all full-time and regular part-time (20 hours or more per week) employees. The Center has a provision of funds for certain eligible employees to designate for health insurance or the 403(b) retirement plan. The amount of the provision is determined by employment category status. The employer retirement benefit contributions are fixed by the Board of Directors. For the year ended June 30, 2023, the Center's contributions (two percent match and in-lieu-of health insurance) totaled \$83,256. Employees are fully vested for all contributions made to the plan.

#### NOTE N - RELATED ORGANIZATIONS

The Community Development Center Foundation (Foundation) is a nonprofit organization that was established to receive, hold, manage, and transfer property, real or personal, for the Center. The Foundation is also to manage any permanent special funds for the furtherance of the purposes of the agency and distribute funds to the Center to support and enhance programs for which funds are not provided by federal, state, and public sources.

#### NOTE O - FAIR VALUE MEASUREMENTS

Generally accepted accounting principles require that contributions be measured at the fair value of the assets given. The present value of estimated future cash flows using a discount rate commensurate with the risks involved is an appropriate measure of fair value of unconditional promises to give cash. Unconditional promises to give that are expected to be paid in less than one year may be measured at net settlement value because that amount, although not equivalent to the present value of estimated future cash flows, results in a reasonable estimate of fair value.

Assets measured at fair value on a recurring basis using unobservable inputs (Level 3):

Pledges receivable	July 1, 2022	\$ 92,852
	Issuances	96,525
	Settlements	<u>90,705</u>
	June 30, 2023	<u>\$ 98,672</u>

**NOTES TO FINANCIAL STATEMENTS (cont'd)**

**COMMUNITY DEVELOPMENT CENTER**

**June 30, 2023**

---

**NOTE P - COMMITMENTS AND CONTINGENCIES**

The Center receives a major portion of its funding from the Departments of Education, Intellectual and Developmental Disabilities, and Finance and Administration, the Cities of Shelbyville, Pulaski, and Fayetteville, and the Counties of Bedford, Marshall, and Lincoln. A major reduction of funds from these entities, should this occur, could have a significant effect on future operations. Additionally, federal and state programs are subject to agency monitoring and retroactive adjustments which may result in paybacks by the Center in excess of liabilities accrued on an estimated basis in the financial statements.

**NOTE Q - TAX-EXEMPT STATUS**

The Center is exempt from federal income tax under Section 501(c)(3) of the U. S. Internal Revenue Code, is not a private foundation and does not conduct any unrelated business activities. Gifts to the Center are tax deductible as charitable contributions. The Center files information tax returns with the Internal Revenue Service as required. With few exceptions, the Center is no longer subject to examinations by taxing authorities for years prior to 2020.

**NOTE R - SUBSEQUENT EVENTS**

Subsequent events have been evaluated through January 30, 2024, which is the date the financial statements were available to be issued.



## **SUPPLEMENTARY INFORMATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
COMMUNITY DEVELOPMENT CENTER**

Year ended June 30, 2023

Federal Grantor/ Pass-Through Agency	Program/ Cluster Name	Federal Assistance Listing Number	Contract Number	Passed Through to Subrecipient	Expenditures
<b><u>FEDERAL AWARDS</u></b>					
Pass-through Funding:					
U.S. Department of Education <sup>1</sup>	Special Education-Grants for Infants and Families	84.181A	N/A	\$ -	\$ 150,188
U.S. Department of Education <sup>1</sup>	Special Education-Grants for Infants and Families	84.181A	60327	-	2,568
	<i>Total Program 84.181A</i>			-	152,756
Pass-through Funding:					
U.S. Department of Education <sup>2</sup>	Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	Z21-85122	-	710
		84.126	Z21-85123	-	32,500
	<i>Total Program 84.126</i>			-	33,210
			TOTAL FEDERAL AWARDS	-	185,966
<b><u>STATE FINANCIAL ASSISTANCE</u></b>					
TN Department of Intellectual and Developmental Disabilities		N/A	N/A	-	806,424
TN Department of Intellectual and Developmental Disabilities		N/A	33195-00419	-	12,024
TN Department of Intellectual and Developmental Disabilities		N/A	34401-99259	-	284,801
TN Department of Intellectual and Developmental Disabilities		N/A	19-066-00	-	686,897
			TOTAL STATE FINANCIAL ASSISTANCE	-	1,790,146
			TOTAL FEDERAL AND STATE AWARDS	\$ -	\$ 1,976,112

<sup>1</sup> Federal funds passed through the State of Tennessee, Department of Intellectual and Developmental Disabilities

<sup>2</sup> Federal funds passed through the State of Tennessee, Department of Human Services

**Note 1:** The Schedule of Expenditures of Federal Awards and State Financial Assistance summarizes the expenditures of Community Development Center under programs of the federal and state government for the year ended June 30, 2023. The schedule is presented using the accrual basis of accounting.

## **OTHER INFORMATION**

**DIRECTORY OF OFFICIALS**  
**COMMUNITY DEVELOPMENT CENTER**

**June 30, 2023**

---

**DIRECTORS**

Anna Childress	- Chairman
Julie Sanders	- Vice Chairman
Scott Cocanougher	- Financial Secretary
Rick Darling	- Secretary
Sarah Hunt	- Ex-Officio
Joe Hunt	- Ex-Officio
Jane Townes	- Ex-Officio
Marilyn Massengale	- Ex-Officio
Garrett Gordon	- Ch. Emeritus
Paulette Bledsoe	
Andy Bobo	
William Christie	
Whitney Collier	
Marcia Cowan	
Amie Newsom	
Dr. Jeff Jordan	
Ivan Jones	
Jennifer Spray	
Jackie Steele	

See independent auditor's report.

**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**

Board of Directors  
Community Development Center  
Shelbyville, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Community Development Center (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 30, 2024.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Winnett Associates, PLLC*

Shelbyville, Tennessee  
January 30, 2024

**SCHEDULE OF DISPOSITION OF PRIOR YEAR FINDINGS**

**COMMUNITY DEVELOPMENT CENTER**

**June 30, 2023**

---

There were no prior year findings reported.