

AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

COMMUNITY DEVELOPMENT CENTER

(A NOT-FOR-PROFIT CORPORATION)

June 30, 2012

WINNETT
Associates, PLLC

Certified Public Accountants and Consultants

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Community Development Center
Shelbyville, Tennessee

We have audited the accompanying statement of financial position of Community Development Center (a not-for-profit corporation) as of June 30, 2012, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Center's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2012, 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 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* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards and state financial assistance on pages 16 and 17 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements of Community Development Center. The other information presented on page 19 is presented for purposes of additional analysis and is not a required part of the financial statements. This information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Winnett Associates, PLLC

October 31, 2012

STATEMENT OF FINANCIAL POSITION
COMMUNITY DEVELOPMENT CENTER

June 30, 2012

ASSETS

CURRENT ASSETS

Cash for general use - Note C	\$ 794,841
Certificates of deposit - Note C	481,550
Unconditional promises to give - Note E	38,606
Accounts receivable - Note B(3)	323,219
Other receivable	20
Interest receivable	401
Prepaid expenses	15,502
Deposits	600
TOTAL CURRENT ASSETS	<u>1,654,739</u>

CASH RESTRICTED TO ENDOWMENT	500
PROPERTY AND EQUIPMENT - Note G	669,277
TOTAL ASSETS	<u><u>\$ 2,324,516</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 51,310
Payroll taxes	1,651
Accrued leave - Note I	38,057
TOTAL LIABILITIES	<u>91,018</u>

NET ASSETS

Unrestricted	\$ 2,198,002
Temporarily restricted - Note D	34,996
Permanently restricted	500
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 2,324,516</u></u>

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

STATEMENT OF ACTIVITIES
COMMUNITY DEVELOPMENT CENTER

Year ended June 30, 2012

	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
SUPPORT AND REVENUE:				
Support:				
Grants	\$ 1,879,773	\$ -	\$ -	\$ 1,879,773
City and County	102,340			102,340
In-kind - Note J	77,140			77,140
Organizational contributions	21,186	34,996		56,182
Individual contributions	7,214			7,214
TOTAL SUPPORT	2,087,653	34,996		2,122,649
Revenue:				
Mother's Day Out	2,637			2,637
Early intervention	61,694			61,694
Special events	94,495			94,495
	158,826			158,826
Interest income	6,937			6,937
Gain on sale of assets	9,941			9,941
Miscellaneous	136			136
TOTAL REVENUE	175,840			175,840
NET ASSETS RELEASED FROM RESTRICTIONS:				
Contributions - released from restrictions	25,356	(25,356)		-0-
TOTAL SUPPORT AND REVENUE	2,288,849	9,640		2,298,489
TOTAL EXPENSES AND LOSSES				
Expenses:				
Program services:				
Child Day Services	337,064			337,064
Family Support	260,795			260,795
Child Care Resource and Referral	228,973			228,973
Independent Support	731,619			731,619
Home Community Based Services	347,197			347,197
Supporting services:				
Management and general	246,919			246,919
Fund raising	26,262			26,262
TOTAL EXPENSES	2,178,829			2,178,829
CHANGES IN NET ASSETS	110,020	9,640		119,660
NET ASSETS AT BEGINNING OF YEAR	2,087,982	25,356	500	2,113,838
NET ASSETS AT END OF YEAR	\$ 2,198,002	\$ 34,996	\$ 500	\$ 2,233,498

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

STATEMENT OF FUNCTIONAL EXPENSES
COMMUNITY DEVELOPMENT CENTER

Year ended June 30, 2012

	Program Services		
	Child Day Services	Family Support Services	Child Care Resource & Referral
Salaries	\$ 141,358	\$ 25,354	\$ 139,798
Fringe benefits	29,331	5,683	31,175
TOTAL SALARIES AND FRINGE BENEFITS	170,689	31,037	170,973
Travel	1,253	566	15,916
Communications	4,099	1,523	3,589
Utilities	5,665	-	-
Postage and shipping	301	500	282
Professional services	1,967	-	155
Supplies	44,349	506	6,211
Food	1,944	-	257
Maintenance	12,567	723	4,424
Training and seminars	674	-	420
Rent	-	-	17,294
Insurance	3,499	220	25
In-kind expenses - Note J	50,077	560	-
Dues and subscriptions	675	-	1,536
Special events	-	-	-
Grants and subsidies	-	224,178	-
Uncollectible pledges	832	680	-
Miscellaneous	438	74	702
TOTAL EXPENSES BEFORE DEPRECIATION AND AMORTIZATION	299,029	260,567	221,784
Depreciation	38,035	228	7,189
TOTAL EXPENSES	\$ 337,064	\$ 260,795	\$ 228,973

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

Program Services		Supporting Services		
Independent Support	Home Community Based Services	Management and General	Special Events	Total Expenses
\$ 510,840	\$ 183,480	\$ 167,606	\$ -	\$ 1,168,436
110,529	38,386	29,569	-	244,673
621,369	221,866	197,175	-	1,413,109
17,456	16,266	840	-	52,297
11,664	6,879	5,697	-	33,451
4,421	5,144	1,861	-	17,091
1,158	372	841	-	3,454
2,343	1,908	14,936	-	21,309
8,113	37,695	3,311	-	100,185
905	224	729	-	4,059
15,359	17,747	6,723	-	57,543
-	3,436	1,376	-	5,906
25,210	-	-	-	42,504
4,986	2,762	1,698	-	13,190
-	26,503	-	-	77,140
50	5,823	1,232	-	9,316
-	-	-	26,262	26,262
-	-	-	-	224,178
-	-	-	-	1,512
1,394	169	718	-	3,495
714,428	346,794	237,137	26,262	2,106,001
17,191	403	9,782	-	72,828
\$ 731,619	\$ 347,197	\$ 246,919	\$ 26,262	\$ 2,178,829

STATEMENT OF CASH FLOWS
COMMUNITY DEVELOPMENT CENTER

Year ended June 30, 2012

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase in net assets		\$ 119,660
Adjustments to reconcile increase in net assets to cash used by operating activities:		
Depreciation and amortization	\$ 72,828	
Gain on sale of assets	(9,941)	
Increase (decrease) in operating assets:		
Pledges receivable	(8,640)	
Accounts receivable	97,576	
Other receivable	(20)	
Interest receivable	404	
Prepaid expenses	(7,929)	
Increase (decrease) in operating liabilities:		
Accounts payable	8,109	
Accrued leave and wages	(6,833)	
Accrued payroll taxes	(197)	
	NET ADJUSTMENTS	145,357
	NET CASH PROVIDED BY OPERATING ACTIVITIES	265,017

CASH FLOWS FROM INVESTING ACTIVITIES:

Short-term investments, net	32,488	
Proceeds from sale of assets	12,356	
Payments for property and equipment	(87,120)	
	NET CASH USED BY INVESTING ACTIVITIES	(42,276)
	NET INCREASE IN CASH AND CASH EQUIVALENTS	222,741
	BEGINNING CASH AND CASH EQUIVALENTS	572,100
	ENDING CASH AND CASH EQUIVALENTS	\$ 794,841

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

NOTES TO FINANCIAL STATEMENTS
COMMUNITY DEVELOPMENT CENTER

June 30, 2012

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, to mentally handicapped adults, and daycare centers. The Center is funded principally with state grants and contributions from the Cities of Shelbyville, Lewisburg and Fayetteville, 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. Under this method, revenues are recognized when they are earned, and expenses are recognized when they are incurred.

Contributions are recognized when a donor makes a promise to give to the Center that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily (or permanently, when applicable) restricted assets. When a restriction expires, restricted net assets are reclassified to unrestricted net assets. The Center has not implied time restrictions on gifts of long-lived assets.

(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; van, 4 years; bus, 7 years; building improvements, 5 and 10 years. Disbursements for property and equipment with a per unit cost in excess of \$500.00 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. For the year ended June 30, 2012, the amount charged to operations was \$1,512.

NOTES TO FINANCIAL STATEMENTS (cont'd)

COMMUNITY DEVELOPMENT CENTER

June 30, 2012

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 J. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Center, but these services do not meet the criteria for recognition as contributed services. The Center receives approximately 1,000 volunteer hours per year.

(8) Subsequent Events

Subsequent events have been evaluated through October 31, 2012, which is the date the financial statements were available to be issued.

NOTE C - CASH

The following is a summary of unrestricted cash at June 30, 2012:

	Cash Equivalents	Certificates of Deposit	Total
Cash for general use	<u>\$ 794,841</u>	<u>\$ 481,550</u>	<u>\$1,276,391</u>

NOTES TO FINANCIAL STATEMENTS (cont'd)

COMMUNITY DEVELOPMENT CENTER

June 30, 2012

NOTE D - RESTRICTIONS ON NET ASSETS

Of the temporarily restricted net assets at June 30, 2012, \$24,996 is United Way funding for the next year, and \$10,000 is Lincoln County funding for next year. Permanently restricted net assets consist of endowment funds to be held indefinitely, the income from which is expendable to support the Center's program services.

NOTE E - PROMISES TO GIVE

Unconditional promises to give consist of the following:

United Way	\$ 24,996
City and County funding	<u>13,610</u>
	<u>\$ 38,606</u>

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

NOTE F - 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.

NOTE G - PROPERTY AND EQUIPMENT

Major classifications of property and equipment are as follows:

	Cost			
	Balance July 1, 2011	Additions	Retirements	Balance June 30, 2012
Equipment	\$ 202,160	\$ 51,892	\$ 3,456	\$ 250,596
Vehicles	199,567	23,631	61,322	161,876
Land	42,830	-0-	-0-	42,830
Building, building improvements	<u>662,202</u>	<u>16,597</u>	<u>-0-</u>	<u>678,799</u>
	<u>\$ 1,106,759</u>	<u>\$ 92,120</u>	<u>\$ 64,778</u>	<u>\$ 1,134,101</u>
	Accumulated Depreciation			
	Balance July 1, 2011	Additions	Retirements	Balance June 30, 2012
Equipment	\$ 149,418	\$ 23,483	\$ -0-	\$ 172,901
Vehicles	150,830	23,477	57,362	116,945
Building, building improvements	<u>150,348</u>	<u>25,418</u>	<u>-0-</u>	<u>175,766</u>
	<u>\$ 450,596</u>	<u>\$ 72,378</u>	<u>\$ 57,362</u>	<u>\$ 465,612</u>

Computer software (net of amortization) in the amount of \$788 is also included in the Center's property and equipment.

NOTES TO FINANCIAL STATEMENTS (cont'd)

COMMUNITY DEVELOPMENT CENTER

June 30, 2012

NOTE H - 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 Child Care Resource and Referral program leases facilities in Fayetteville on a yearly basis. Rental expenses for the facilities totaled \$8,775.

The Independent Support program leases facilities in Columbia. The agreement began December 1, 2011 and ends November 30, 2012. Amounts paid for the Columbia facilities totaled \$25,080. Future lease payments required under the lease for the Columbia facilities are as follows:

Year Ended	
<u>June 30,</u>	<u>Amount</u>
2013	\$ 8,360

NOTE I - ACCRUED ANNUAL LEAVE

This liability, in the amount of \$38,057, represents annual vacation earned by employees as of June 30, 2012, but not yet taken.

NOTE J - IN-KIND REVENUE AND EXPENSES

The Center received in-kind donations that consisted of the following:

Use of facilities, including utilities and insurance	\$77,140
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In-kind revenue and expenses reflected in the financial statements are not actual monies received or expended.

NOTE K - COMMITMENTS AND CONTINGENCIES

The Center receives a major portion of its funding from the Departments of Education, Human Services, and Finance and Administration, the Cities of Shelbyville, Lewisburg and Fayetteville, and the Counties of Bedford, Marshall, Lincoln and Giles. 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.

NOTES TO FINANCIAL STATEMENTS (cont'd)

COMMUNITY DEVELOPMENT CENTER

June 30, 2012

NOTE L - 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 (30.77 hours or more per week) employees. The Center also provides retirement benefits for those employees who elect not to take health insurance coverage. The employer retirement benefit contributions are fixed by the Board of Directors. For the year ended June 30, 2012, the Center's contributions (two percent match and in-lieu-of health insurance) totaled \$83,539. Employees are fully vested for all contributions made to the plan.

NOTE M - RELATED PARTY TRANSACTIONS

The Center obtains insurance coverage through an agency owned by an ex-officio member of the Board of the Directors. During the year ended June 30, 2012, the Center expended \$46,954 to obtain this coverage.

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, 2011	\$ 29,966
	Issuances and settlements (net)	<u>8,640</u>
	June 30, 2012	<u>\$ 38,606</u>

SUPPLEMENTARY INFORMATION

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

Year ended June 30, 2012

CFDA Number	Program Name	Grant Number	Grantor Agency	Balance July 1, 2011
<u>Federal Awards</u>				
84.393A	Early Intervention - ARRA	EDARRA0KR9AAX09	Tennessee Department of Education	\$ (75,063)
84.181A	Early Intervention	ED0000KA10AAX10	Tennessee Department of Education	-
Total Federal Awards				<u>(75,063)</u>
<u>State Financial Assistance</u>				
N/A	Family Support	Z-09-214807-00	Tennessee Department of Finance and Admini- stration Division of Intellectual Disabilities	(63,700)
N/A	Early Intervention	ED00000KD9AAX09	Tennessee Department of Education	(121,837)
N/A	Independent Support Coordination	10-112M	Tennessee Department Of Finance and Admini- stration Division of Intellectual Disabilities	(75,037)
N/A	Early Intervention	DG12-C000013	Tennessee Department of Education	-
N/A	Family Support	GR1235386	Tennessee Department of Intellectual and Developmental Disabilities	-
Total State Awards				<u>(260,574)</u>
Total Federal and State Awards				<u>\$ (335,637)</u>

See independent auditors' report.

Cash Receipts	Other Additions	Amount Earned	Paid To Grantor	Other Deductions	Balance June 30, 2012
\$ 75,063		\$ -			\$ -
112,719		112,719			-
<u>187,782</u>		<u>112,719</u>			<u>-</u>
63,700		-			-
121,837		-			-
893,680		895,106			(76,463)
236,972		329,700			(92,728)
204,987		250,833			(45,846)
<u>1,521,176</u>		<u>1,475,639</u>			<u>(215,037)</u>
<u>\$ 1,708,958</u>		<u>\$ 1,588,358</u>			<u>\$ (215,037)</u>

OTHER INFORMATION

DIRECTORY OF OFFICIALS
COMMUNITY DEVELOPMENT CENTER

June 30, 2012

DIRECTORS

Chesley Enloe	- Chairman	Donna Stone
Barry Childers	- Vice Chairman	Bobby Fox
Kay Rose	- Treasurer	Debra Quarles
Marilyn Massengale	- Secretary	Jim Sanders
Joe Hunt	- Ex-Officio	Bonnie Scheuchenzuber
Jane Townes	- Ex-Officio	Anna Childress
Garrett Gordon	- Ch. Emeritus	Andy Bobo
Beth Salisbury		

See independent auditors' report.

**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 the financial statements of Community Development Center (a not-for-profit-corporation) as of and for the year ended June 30, 2012, and have issued our report thereon dated October 31, 2012. 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.

Internal Control Over Financial Reporting

Management of Community Development Center is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Community Development Center's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Development Center's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over financial reporting.

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.

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 that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Development Center'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*.

This report is intended solely for the information and use of the Board, management and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Winnett Associates, LLC

October 31, 2012