

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORTS

CORPORATION TO DEVELOP COMMUNITIES OF TAMPA, INC.
AND SUBSIDIARIES

December 31, 2019

TABLE OF CONTENTS

Independent Auditors' Report	3 - 4
Consolidated Financial Statements	
Consolidated Statement of Financial Position	5
Consolidated Statement of Activities and Changes in Net Assets	6
Consolidated Statement of Cash Flows	7
Consolidated Statement of Functional Expenses	8
Notes to Consolidated Financial Statements	9 - 22
Supplementary Information	23
Schedule of Expenditures of Federal Awards	24 - 26
Notes to Schedule of Expenditures of Federal Awards	27
Consolidating Statement of Financial Position	28 - 29
Consolidating Statement of Activities and Changes in Net Assets	30
Independent Auditors' 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 Audit Standards</i>	31 - 33
Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	34 - 36
Schedule of Findings and Questioned Costs	37 - 38



RIVERO, GORDIMER & COMPANY, P.A.

Member
American Institute of Certified Public Accountants
Florida Institute of Certified Public Accountants

Herman V. Lazzara	Stephen G. Douglas
Marc D. Sasser	Michael E. Helton
Sam A. Lazzara	Christopher F. Terrigino
Kevin R. Bass	James K. O'Connor
Jonathan E. Stein	David M. Bohnsack
Richard B. Gordimer, of Counsel	
Cesar J. Rivero, in Memoriam (1942-2017)	

INDEPENDENT AUDITORS' REPORT

Board of Directors
Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Corporation to Develop Communities of Tampa, Inc. (a nonprofit organization) and Subsidiaries (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2019, and the related consolidated statements of activities and changes in net assets, cash flows and functional expenses for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Corporation to Develop Communities of Tampa, Inc. and Subsidiaries as of December 31, 2019, 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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2018 consolidated financial statements, and our report dated April 30, 2019, expressed an unmodified opinion on those consolidated financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal 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* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Also, the accompanying Consolidating Statement of Financial Position and the Consolidating Statement of Activities and Changes in Net Assets, are presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2020 on our consideration of Corporation to Develop Communities of Tampa, Inc. and Subsidiaries' 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 the 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 Corporation to Develop Communities of Tampa, Inc. and Subsidiaries' internal control over financial reporting and compliance.

Tampa, Florida
April 28, 2020



Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2019
(With comparative total for December 31, 2018)

	Without donor restrictions	With donor restrictions	Total 2019	Total 2018
ASSETS				
Cash and cash equivalents (notes A5 and A15)	\$ 689,193	\$ -	\$ 689,193	\$ 1,058,464
Cash whose use is limited (note B)	1,006,168	-	1,006,168	1,510,787
Accounts receivable				
Grants (note A6)	130,700	-	130,700	99,043
Real estate grant	612,958	-	612,958	-
Other (note A7)	77,936	-	77,936	25,019
Homes under construction (notes E, F and G)	900,450	-	900,450	4,402,153
Prepaid expenses	61,451	-	61,451	59,349
Funds held for others (note J)	737,058	-	737,058	702,717
Total current assets	4,215,914	-	4,215,914	7,857,532
INVESTMENT IN LAND (note E)	70,352	-	70,352	97,653
PROPERTY AND EQUIPMENT, net (notes A8, D and G)	9,594,550	547,723	10,142,273	2,976,220
DEPOSITS	1,655	-	1,655	9,236
TOTAL ASSETS	\$ 13,882,471	\$ 547,723	\$ 14,430,194	\$ 10,940,641
LIABILITIES AND NET ASSETS				
Current portion of long-term debt (note G)	\$ 158,617	\$ -	\$ 158,617	\$ 41,272
Lines of credit (note H)	371,681	-	371,681	382,169
Accounts payable	65,985	-	65,985	57,812
Construction and retainage payables	475,410	-	475,410	307,613
Accrued liabilities	165,794	-	165,794	144,386
Deferred revenue (notes A9 and I)	493,038	-	493,038	703,862
Funds held for others (note J)	724,290	-	724,290	683,866
Total current liabilities	2,454,815	-	2,454,815	2,320,980
LONG-TERM DEBT (note G)	4,112,561	-	4,112,561	2,742,715
DUE TO GOVERNMENTAL AGENCIES (note F)	4,137,191	-	4,137,191	2,462,267
OTHER LIABILITIES (note A10)	5,981	-	5,981	12,506
Total liabilities	10,710,548	-	10,710,548	7,538,468
NET ASSETS (notes K and O)	3,171,923	547,723	3,719,646	3,402,173
TOTAL LIABILITIES AND NET ASSETS	\$ 13,882,471	\$ 547,723	\$ 14,430,194	\$ 10,940,641

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

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended December 31, 2019
(With comparative total for December 31, 2018)

	Without donor restrictions	With donor restrictions	Total 2019	Total 2018
REVENUES AND SUPPORT				
Contributions	\$ 136,919	\$ -	\$ 136,919	\$ 27,245
Federal grants	809,167	-	809,167	652,106
Developer revenue - net (note Q)	394,376	-	394,376	405,722
State and local grants	1,256,154	-	1,256,154	771,966
Private foundation grants	186,500	-	186,500	342,544
United Way	245,329	-	245,329	236,626
Special events, net (note P)	67,642	-	67,642	81,023
Program service fees	38,584	-	38,584	30,914
Rental income	254,696	-	254,696	162,889
Gain on sale of assets	-	-	-	72,514
In-kind contributions	24,553	-	24,553	15,200
Interest income and other	14,965	-	14,965	12,414
Total revenues and support	3,428,885	-	3,428,885	2,811,163
Net assets released from restrictions	-	-	-	-
Total revenues, support and net assets released from restrictions	3,428,885	-	3,428,885	2,811,163
EXPENSES				
Program services				
Youth family center	1,069,869	-	1,069,869	920,483
Workforce center	393,063	-	393,063	394,100
Real estate/housing development	965,966	-	965,966	802,397
Total program services	2,428,898	-	2,428,898	2,116,980
Support services				
Management and general	464,585	-	464,585	306,586
Fundraising	217,929	-	217,929	168,308
Total support services	682,514	-	682,514	474,894
Total expenses	3,111,412	-	3,111,412	2,591,874
CHANGES IN NET ASSETS	317,473	-	317,473	219,289
Net assets at beginning of year	2,854,450	547,723	3,402,173	3,182,884
Net assets at end of year	\$ 3,171,923	\$ 547,723	\$ 3,719,646	\$ 3,402,173

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

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2019
(With comparative total for December 31, 2018)

	2019	2018
Cash flows from operating activities		
Change in net assets	\$ 317,473	\$ 219,289
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities		
Depreciation	221,058	154,988
(Gain) on sale of property	-	(72,514)
(Increase) decrease in accounts receivable	(697,532)	110,039
Decrease (increase) in homes under construction	1,409,211	(1,225,485)
Increase in prepaid expenses	(2,102)	(26,437)
Decrease in funds held for others	6,083	4,964
Decrease in debt reserve	-	157,757
Decrease (increase) in security deposits	7,581	(6,157)
Increase in accounts payable and accrued expenses	197,378	110,502
(Decrease) increase in deferred revenue	(210,824)	70,154
Decrease in deposits payable	(6,525)	(37)
Total adjustments	924,328	(722,226)
Net cash provided (used) by operating activities	1,241,801	(502,937)
Cash flows from investing activities		
Proceeds from sale of assets	-	115,377
Fixed assets additions	(3,592,393)	(82,605)
Note receivable payment	-	405,137
Net cash (used) provided by investing activities	(3,592,393)	437,909
Cash flows from financing activities		
Proceeds from lines of credit	691,354	930,862
Payments on lines of credit	(701,842)	(717,969)
Proceeds from long-term debt	2,827,374	2,506,365
Principal payments on long-term debt	(1,340,184)	(1,805,842)
Net cash provided by financing activities	1,476,702	913,416
Net change in cash and cash equivalents	(873,890)	848,388
Cash and cash equivalents at beginning of year	2,569,251	1,720,863
Cash and cash equivalents at end of year	\$ 1,695,361	\$ 2,569,251
Cash and cash equivalents	\$ 689,193	\$ 1,058,464
Cash whose use is limited	1,006,168	1,510,787
Cash and cash equivalents at end of year	\$ 1,695,361	\$ 2,569,251
Supplemental disclosures of cash flow information		
Cash paid during the year		
Interest	\$ 71,205	\$ 74,575
Taxes	\$ -	\$ -

Supplemental disclosures of non-cash flow investing and financing activities

In 2019, the Organization invested \$1,674,924 in homes under construction which was financed by Hillsborough County and the City of Tampa. Additionally \$7,311,430 of homes under construction was transferred to fixed assets

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

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2019
(With comparative total for December 31, 2018)

	Program Services				Support Services				
	Youth Family Center	Workforce Center	Real Estate/ Housing Development	Total Program Services	Management and General	Fundraising	Total Support Services	Total 2019	Total 2018
Salaries and benefits	\$ 583,693	\$ 258,615	\$ 446,588	\$ 1,288,896	\$ 372,463	\$ 50,497	\$ 422,960	\$ 1,711,856	\$ 1,507,920
Advertising and marketing	10,756	6,289	3,442	20,487	1,881	353	2,234	22,721	20,521
Business meetings & food	15,566	1,848	833	18,247	1,276	86	1,362	19,609	14,832
Repairs and maintenance	4,011	3,008	51,456	58,475	2,005	430	2,435	60,910	50,737
Materials and supplies	171,310	8,665	66,112	246,087	2,808	527	3,335	249,422	180,155
Insurance	8,515	4,508	27,315	40,338	4,007	751	4,758	45,096	38,685
Memberships and subscriptions	3,256	2,095	2,772	8,123	1,529	287	1,816	9,939	6,077
Licenses and permits	61	3,306	649	4,016	550	-	550	4,566	4,366
Occupancy costs	44,595	18,849	77,305	140,749	13,805	2,825	16,630	157,379	141,834
Postage and shipping	833	1,496	687	3,016	379	71	450	3,466	2,296
Professional fees	92,329	17,089	34,977	144,395	17,815	153,534	171,349	315,744	249,160
Staff development	10,437	4,218	8,461	23,116	3,319	622	3,941	27,057	16,584
Participant support	25,627	7,176	-	32,803	-	-	-	32,803	6,108
Travel	18,041	13,358	16,864	48,263	4,534	615	5,149	53,412	40,035
Predevelopment costs	-	-	3,720	3,720	-	-	-	3,720	24,872
Miscellaneous	18,453	9,515	20,264	48,232	8,856	1,826	10,682	58,914	27,579
Temporary labor	8,552	4,527	20,677	33,756	4,024	755	4,779	38,535	30,550
Bad debt expense	-	-	4,000	4,000	-	-	-	4,000	-
Interest	12,745	6,748	44,589	64,082	5,998	1,125	7,123	71,205	74,575
Depreciation	41,089	21,753	135,255	198,097	19,336	3,625	22,961	221,058	154,988
Total expenses	<u>\$ 1,069,869</u>	<u>\$ 393,063</u>	<u>\$ 965,966</u>	<u>\$ 2,428,898</u>	<u>\$ 464,585</u>	<u>\$ 217,929</u>	<u>\$ 682,514</u>	<u>\$ 3,111,412</u>	<u>\$ 2,591,874</u>

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

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A brief description of the organization and a summary of its significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follow:

1. Description of the Organization

The accompanying consolidated financial statements include the accounts of Corporation to Develop Communities of Tampa, Inc. ("CDC") and its wholly-owned subsidiaries, Columbus Arms, LLC; Tampa Vocational Institute, LLC; FKC CDC GP, LLC; and CDCT Gardens, LLC (collectively referred to as the "Organization").

CDC, a not-for-profit corporation formerly known as Lee Davis Neighborhood Development Corporation, was incorporated on May 15, 1992 in the State of Florida. CDC was formed to raise the economic, educational, and social levels of the residents of Hillsborough County, Florida, including members of the minority community, who are substantially unemployed, underemployed, or whose income is below federal poverty guidelines, to foster and promote community-wide interest and concern for the problems of these residents. CDC also expands opportunities available to these residents to own, manage, and operate business enterprises in economically depressed areas, and to obtain adequate low-cost housing accommodations.

During the year ended December 31, 2007, CDC formed Columbus Arms, LLC ("Columbus Arms"), a Florida limited liability company, with CDC as its sole owner, for the purpose of purchasing and running an apartment complex to provide affordable housing.

During the year ended December 31, 2009, CDC formed FKC CDC GP, LLC ("FKC") a Florida limited liability corporation, with CDC as its sole owner, for the purpose of multifamily affordable housing.

During the year ended December 31, 2011, CDC formed Tampa Vocational Institute, LLC ("TVI"), a Florida limited liability corporation, with CDC as its sole owner, for the purpose of vocational and technical job skills training.

During the year ended December 31, 2016, CDC formed CDCT Gardens, LLC, a Florida limited liability corporation, with CDC as its sole owner, for the purpose of the acquisition, financing, construction, and operation of multifamily affordable housing project.

The consolidated financial statements as of and for the year ended December 31, 2019 include the accounts of CDC, Columbus Arms, FKC, TVI, and CDCT Gardens, LLC after elimination of all intercompany accounts and transactions.

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

2. Basis of Presentation

The Organization follows standards of accounting and financial reporting for not-for-profit organizations as described in the American Institute of Certified Public Accountants' *"Industry Guide for Audits of Not-for-Profit Organizations."* Accordingly, the financial statements are prepared on an accrual basis of accounting, which recognizes revenues when earned and expenses when incurred. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

Net assets of the Organization and changes therein are classified and reported as follows:

- With Donor Restriction – Net assets with donor restrictions are net assets subject to donor-imposed stipulations that may be fulfilled by actions of the Organization to meet the stipulations, that may become undesignated by the passage of time, or that require net assets to be permanently maintained, thereby restricting the use of principal.
- Without Donor Restriction – Net assets without donor restrictions are net assets not subject to donor-imposed restrictions or the donor-imposed restrictions have expired. These net assets are available for use at the discretion of the Board of Directors and/or management for general operating purposes.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets.

Contributions received and unconditional promises to give are measured at their fair values at the date of contribution and are reported as increases in net assets. The Organization reports gifts of cash and other assets as restricted support if they are designated for future periods. Donor restricted net assets are reclassified to unrestricted net assets when the restriction expires. Accordingly, the financial statements classify all net assets without donor restriction except those that involve a donor restriction which are classified as with donor restriction.

3. Accounting Pronouncement Adopted

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, Not-for-Profit Entities (Topic 606): Revenue from Contracts with Customers. ASU 2014-09 establishes principles for recognizing revenue upon the transfer of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services. Amendments defer the effective date of ASU 2014-09, clarify the implementation guidance on principal versus agent considerations, and clarify the identification of performance obligations and the licensing implementation guidance.

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made. The new guidance is intended to clarify and improve accounting guidance for contributions received and contributions made. The amendments in ASU 2018-08 should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional.

These new standards are effective for the Organization's year ending December 31, 2019 and thereafter and will be applied on a retrospective basis. The Organization adopted both of the ASU's effective January 1, 2019. Adoption of the ASU's did not result in any reclassifications, restatements, or changes in net assets.

4. Liquidity

Assets and liabilities are presented in the accompanying statement of financial position according to their nearness of conversion to cash and, their maturity and resulting use of cash, respectively. See note C for more information on liquidity and availability of assets.

5. Cash Equivalents

Cash equivalents consist of highly liquid short-term money market instruments with a maturity of three months or less when purchased.

6. Grants Receivable

The Organization receives support from various federal, state, and local grants. None of the amounts receivable at December 31, 2019 are deemed to be uncollectible. Therefore, no provisions for uncollectible amounts have been made in the accompanying consolidated financial statements.

7. Accounts Receivable

Accounts receivable consist of amounts owed to the Organization for program service fees. Accounts receivable includes an allowance for doubtful accounts of \$6,326 for the year ended December 31, 2019. The Organization considers the net accounts receivable to be fully collectible.

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

8. Property and Equipment

Property and equipment are recorded at cost, or if donated, at fair market value at the date of donation. The Organization capitalizes property and equipment additions in excess of \$1,000. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets. Estimated service lives for the Organization's property and equipment range from three to forty years.

Maintenance, repairs and minor renewals are expensed in the year the expense is incurred. Additions, improvements and major renewals are capitalized.

The cost of assets retired or sold, together with the related accumulated depreciation, is removed from the accounts, and any gain or loss is included in operations in the year of disposal.

Property and equipment acquired by the Organization are considered to be owned by the Organization. However, various funding sources ("agencies") maintain an equitable interest in the property and equipment purchased, in whole or part, under a contract funded by the agencies. The agencies have a right to require transfer of the property and equipment (including title) to the agencies upon contract termination for property and equipment having an acquisition cost of \$500 or more.

9. Deferred Revenue

Deferred revenue consists of governmental and private grant funds received in advance of the Organization providing the stipulated service. The Organization recognizes income in the period that the contracted service is performed.

10. Other Liabilities

The Organization leases building space and apartment units to local businesses and individuals for a monthly fee. Security deposits were acquired upon initial lease agreements and will be held, without liability for interest, as security for rental payments. These deposits shall be returned upon expiration of the lease if tenants are not in default of agreements.

11. Donated Goods and Services

Donations of in-kind items used by the Organization are recorded as contributions and as assets or expenses to the extent that an objective basis is available to measure the value of such items. The Organization had approximately \$24,553 of donated goods for the year ended December 31, 2019 related to real estate and special events.

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Contributed services are recorded as contributions and as assets or expenses at their fair value, to the extent they create or enhance nonfinancial assets or require specialized skills, are provided by individuals or organizations possessing these skills, and would typically need to be purchased if not provided by donations. The Organization had no contributed services for the year ended December 31, 2019.

A substantial number of volunteers have contributed a significant amount of time and services to the Organization's program, management and general fundraising activities. However, these services have not been recognized in the consolidated financial statements since they do not meet the requirements of Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958-605.

12. Functional Allocation of Expenses

The statement of functional expenses presents expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Organization are reported as expenses of those functional areas. Expenses that benefit multiple functional areas have been allocated across programs, general and administrative, and fundraising expenses based on the proportion of employee time involved.

13. Income Taxes

Income taxes are not provided for in the consolidated financial statements since the Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state provisions. The Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. Management is not aware of any activities that would jeopardize the Organization's tax exempt status.

The Organization is not aware of any tax positions it has taken that are subject to a significant degree of uncertainty. Tax years after 2016 remain subject to examination by federal and state taxing authorities.

Columbus Arms, LLC, Tampa Vocational Institute, LLC, FKC CDC GP, LLC, and CDCT Gardens are single member limited liability corporations and are disregarded entities for tax reporting purposes. All of their net income or loss is passed through to CDC in fulfillment of its mission.

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

14. Use of Estimates

The preparation of consolidated 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, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

15. Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash and cash equivalents. The Organization manages this risk through the use of high credit worthy financial institutions. Interest bearing and non-interest bearing accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor at each financial institution. Occasionally, deposits exceed amounts insured by the FDIC. The company has not experienced any losses from its deposits.

NOTE B - CASH WHOSE USE IS LIMITED

The Organization has received cash for use on grants and real estate projects. Cash whose use is limited consisted of the following at December 31, 2019:

Gardens at Diana Point - Real Estate Project	\$ 23,613
City of Tampa CHDO Real Estate Projects	439,516
Economic Prosperity Center	10,000
Office of Consumer Services- Real Estate Project	406,560
Youth Programs	32,434
Workforce Programs	25,000
Real Estate Capacity	19,045
Real Estate Improvements	50,000
	<hr/>
	\$ 1,006,168

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019

NOTE C - LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position sheet date, comprise the following at December 31, 2019:

Cash and cash equivalents	\$ 689,193
Accounts receivable	<u>821,594</u>
	<u>\$ 1,510,787</u>

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The Organization's Board of Directors has the ability to designate net assets without donor restrictions that could be made available for current operations if necessary. As of the year ended December 31, 2019, the Board has not elected to designate any of these net assets.

NOTE D - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2019:

Land and improvements	\$ 1,176,769
Buildings and improvements	10,255,873
Furniture and equipment	<u>421,700</u>
	11,854,342
Less accumulated depreciation	<u>(1,712,069)</u>
	<u>\$ 10,142,273</u>

Depreciation expense was \$221,058 for the year ended December 31, 2019.

NOTE E - FAIR VALUE MEASUREMENTS

The Organization adopted Statement of FASB ASC 820-10, "*Fair Value Measurements*." ASC 820-10 establishes a framework for using fair value to measure assets and liabilities and defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) as opposed to the price that would be paid to acquire the asset or received to assume the liability (an entry price).

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019

NOTE E - FAIR VALUE MEASUREMENTS - Continued

Under ASC 820-10, a fair value measure should reflect the assumptions that market participants would use in pricing the asset or liability, including the assumptions about the risk inherent in a particular valuation technique, the effect of a restriction on the sale or use of an asset and the risk of nonperformance. ASC 820-10 requires disclosures that stratify the statement of financial position amounts measured at fair value based on inputs used to derive fair value measurements. These strata include:

- Level 1 inputs, where the valuation is based on quoted market prices for identical assets or liabilities traded in active markets (which include exchanges and over-the counter markets with sufficient volume),
- Level 2 inputs, where the valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market, and
- Level 3 inputs, where the valuation is generated from model-based techniques that use significant assumptions not observable in the market, but observable based on fund-specific data. These unobservable assumptions reflect estimates or assumptions that market participants would use in pricing the asset or liability. Valuation techniques typically include option pricing models, discounted cash flow models and similar techniques, but may also include the use of market prices of assets or liabilities that are not directly comparable to the subject asset or liability.

The following table presents financial assets measured at fair value on a recurring basis as of December 31, 2019:

	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Land held for investment	\$ 70,352	\$ -	\$ 70,352	\$ -
Homes under construction	900,450	-	900,450	-
Total	<u>\$ 970,802</u>	<u>\$ -</u>	<u>\$ 970,802</u>	<u>\$ -</u>

The Organization owns one lot of land in east Tampa on which it plans to or is in the process of constructing single family homes for individuals with low to moderate income which are included in land held for investment.

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019

NOTE F - DUE TO GOVERNMENTAL AGENCIES

Due to governmental agencies consisted of the following at December 31, 2019:

Note payable to Hillsborough County not to exceed \$2,223,055, no interest, collateralized by land, principal due at maturity on April 30, 2048	\$ 2,223,055
Note payable to Hillsborough County not to exceed \$1,914,136, no interest, collateralized by land, principal due at maturity on January 31, 2050	<u>1,914,136</u>
	<u><u>\$ 4,137,191</u></u>

NOTE G - LONG-TERM DEBT

Long-term consisted of the following at December 31, 2019:

Note payable in the amount of \$677,000 at 5.50% interest, monthly payments of principal and interest of \$3,841, principal due at maturity on December 31, 2021, secured by mortgages and assignment of rents and leases.	\$ 607,364
Note payable in the amount of \$1,000,000 for an initial term loan of ten years with a twenty five year amortization payment schedule. This loan was reamortized during 2016 to a fixed rate of 4.0%, monthly principal and interest payments of \$5,343, due June 30, 2024, secured by real estate. In 2019, an additional \$130,052 was borrowed with interest only payments until maturity on October 1, 2021. The \$130,052 advance was added to the December 31, 2018 loan balance of \$841,189.	994,609
Revolving line of credit in the amount of \$2,600,000 at 4.25% interest to finance the construction of affordable multi-family units. Up to \$2,300,000 of the line of credit converts to a fifteen year fixed loan with a thirty year amortization schedule on March 31, 2020 at 5.25% interest, monthly payments of interest and principle of \$12,700, secured by real property.	2,399,257
Non-Revolving line of credit of \$319,948 at 5% interest. Monthly interest only payments with all unpaid interest and principal due October 1, 2021, secured by real property.	<u>269,948</u>
	4,271,178
Less current portion	<u>(158,617)</u>
	<u><u>\$ 4,112,561</u></u>

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019

NOTE G - LONG-TERM DEBT- Continued

Annual maturities on long-term debt are as follows:

<u>Year ending December 31,</u>	
2020	\$ 158,617
2021	1,059,612
2022	68,273
2023	71,519
2024	775,575
Thereafter	<u>2,137,582</u>
	<u><u>\$ 4,271,178</u></u>

NOTE H - LINES OF CREDIT

The Organization obtained a \$1,000,000 revolving line of credit from Neighborworks Capital Corporation for construction or rehabilitation of single family homes. The line of credit bears interest at the fixed rate of 5.5%, with maturity date of April 1, 2020, and was extended to June 1, 2020. The line of credit had an outstanding balance of \$246,337 at December 31, 2019.

The Organization obtained a line of credit from a commercial bank that allows the Organization to borrow up to \$1,000,000 for construction and/or rehabilitation of single family residences. Interest is accrued monthly and is payable upon sale of a single family home at a variable rate of 5.00%, subject to annual renewal. The line of credit is secured by land and improvements of each single family residence. The line of credit had an outstanding balance of \$125,344 at December 31, 2019.

The Organization obtained a line of credit from a commercial bank that allows the Organization to borrow up to \$300,000 for rehabilitation of owner occupied single family residences. The line is subject to interest only payments at the Wall Street Journal prime rate (5.25% at December 31, 2019). All outstanding principal and accrued unpaid interest is due October 1, 2021. The line of credit is unsecured. The line of credit had not yet been drawn on at December 31, 2019

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019

NOTE I - DEFERRED REVENUE

Deferred revenue consisted of the following at December 31, 2019:

Office of Consumer Services - Real Estate Project	\$ 406,560
Economic Prosperity Center	10,000
Youth Programs	32,433
Workforce Programs	25,000
Real Estate	<u>19,045</u>
	<u>\$ 493,038</u>

NOTE J - FUNDS HELD FOR OTHERS

The Organization acts as a fiscal agent for the City of Tampa CHDO funds. Proceeds from the sale of homes constructed using CHDO funds are held for use on future CHDO homes. The total held at December 31, 2019 was \$398,205. These funds are maintained in a separate checking account and the Organization receives authorization from City of Tampa to disburse funds.

The Organization is also a fiscal agent for Safe and Sound Hillsborough funds. Funds held in a separate checking account for the Safe and Sound Program totaled \$338,852 at December 31, 2019 with a corresponding liability of \$326,085.

NOTE K - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are net assets subject to donor-imposed stipulations that may be fulfilled by actions of the Organization to meet the stipulations, that may become undesignated by the passage of time, or that require net assets to be permanently maintained, thereby restricting the use of principal.

Once donor-imposed restrictions are satisfied, the net assets are then released and reclassified to net assets without donor restrictions

The Organization's net assets with donor restrictions consists of the following at December 31, 2019:

Net assets permanently restricted:

Neighborworks America - capital funds	<u>\$ 547,723</u>
---------------------------------------	-------------------

Net assets are released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors.

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019

NOTE L - LEASES

The Organization leases equipment under non-cancelable operating leases. Approximate future minimum payments under the operating lease agreements are as follows:

Year ending December 31,

2020	\$ 38,900
2021	20,500
2022	800
2023	800
2024	600
	<hr/>
	\$ 61,600
	<hr/>

Total rent expense under non-cancelable operating leases for the year ended December 31, 2019 was approximately \$38,000.

NOTE M - EMPLOYEE RETIREMENT BENEFIT PLAN

The Organization participates in a 403(b) retirement plan that covers all employees except on-call and seasonal employees. For each eligible employee covered under the plan, the employer contributes a base contribution of 3% of the employee's eligible wages and up to an additional 2% match for those contributing to the plan. In order to be eligible for employer contributions, the employee must complete one year of service and 1000 hours of service during the first twelve-month period. Additionally, the Organization has a discretionary nonqualified retirement plan. Retirement plan expense was approximately \$57,800 for the year ended December 31, 2019.

NOTE N - ECONOMIC DEPENDENCY

The Organization receives funding from federal, state and local grants. The availability and funding of such grants are subject to change with little or no advance notice.

NOTE O - NEIGHBORWORKS AMERICA GRANTS

The following NeighborWorks America ("NWA") grants were in effect during the year ended December 31, 2019:

Unrestricted Support

The Organization recognized unrestricted support through several discretionary grant funds. The Organization expended \$465,329 during the year ended December 31, 2019.

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019

NOTE O - NEIGHBORWORKS AMERICA GRANTS - Continued

Permanently Restricted Support

As of December 31, 2019, \$547,723 of the capital grant funds had been used for the purchase of land for the construction of the Urban Enterprise Center, purchase of the Columbus Arms Apartments, and for the pre-development of an affordable housing complex, Diana Gardens. In accordance with the NWA's grant agreement with the Organization, this is shown as Permanently Restricted on the Organization's Consolidated Statement of Financial Position.

NOTE P - SPECIAL EVENTS

The Organization conducted a special event during the year ended December 31, 2019 to benefit the Organization. Net special events revenue consisted of the following at December 31, 2019:

Event revenue	\$ 111,200
Direct expenses	<u>43,558</u>
Net proceeds from special events	<u>\$ 67,642</u>

NOTE Q - DEVELOPER REVENUE - NET

The Organization developed single family homes in East Tampa. During year ended December 31, 2019, the Organization sold \$2,362,206 of real estate with a cost of \$1,967,830 for net profit/developer fees of \$394,376.

NOTE R - CONTINGENCIES

Federal, state and local grant programs are subject to financial and compliance audits by grantor agencies which, if instances of material noncompliance are found, may result in disallowed expenditures and affect the Organization's continued participation in specific programs. The amounts, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although the Organization expects such amounts, if any, to be immaterial.

NOTE S - SUBSEQUENT EVENTS

The Organization has evaluated events and transactions occurring subsequent to December 31, 2019 as of April 28, 2020 which is the date the consolidated financial statements were available to be issued. In March 2020, economic uncertainties have arisen that may impact future cash flows and changes in net assets as a result of the coronavirus pandemic (COVID-19). The related financial impact cannot be reasonably estimated at this time.

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019

NOTE S - SUBSEQUENT EVENTS - Continued

Additionally, in April 2020, the Organization obtained a three-month principal and interest loan deferral on all four long term debt notes which amounts to \$23,000 in monthly payments. The Organization also applied for a \$312,000 Small Business Administration Payroll Protection Program loan for organizations who continue to pay their employees during COVID-19 crisis. The Organization can apply for loan forgiveness for the amount used for payroll and other specific costs outlined in the loan agreement for an eight-week period following receipt of loan proceeds. After the eight-week period, the Organization will perform a calculation to determine the amount of debt to be forgiven. Any debt not forgiven will turn into a term loan at 1% interest for two years.

SUPPLEMENTARY INFORMATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
CORPORATION TO DEVELOP COMMUNITIES OF TAMPA, INC. AND SUBSIDIARIES
For the year ended December 31, 2019

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended December 31, 2019

Federal Grantor / Program Title	Federal CFDA	Pass-Through Entity Identifying Number	Loan Balance / Expenditures	Pass-Through Subrecipients
U.S. Department of Housing and Urban Development				
Indirect awards				
Pass-through Nueva Esperanza, Inc.				
Housing Counseling Assistance Program	14.169	HC180011008	\$ 28,546	\$ -
Pass-through Nueva Esperanza, Inc.				
Housing Counseling Assistance Program	14.169	HC190011016	7,219	-
Total Housing Counseling Assistance Program			35,765	-
Pass-through Hillsborough County, Florida				
Community Development Block Grants/Entitlement Grants	14.218	M16-UC-120208	1,914,136	
Pass-through the City of Tampa, Florida				
Community Development Block Grants/Entitlement Grants	14.218	2016-751	38,918	-
Pass-through the City of Tampa, Florida				
Community Development Block Grants/Entitlement Grants	14.218	19-031	10,155	-
Pass-through the City of Tampa, Florida				
Community Development Block Grants/Entitlement Grants	14.218	18-1430	45,000	-
Total Community Development Block Grants			2,008,209	-
Total U.S. Department of Housing and Urban Development			2,043,974	-
U.S. Department of Justice				
Indirect awards				
Florida Department of Juvenile Justice				
Juvenile Justice Delinquency Program	16.540	10547	52,796	-
Total U.S. Department of Justice			52,796	-

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

For the year ended December 31, 2019

Federal Grantor / Program Title	Federal CFDA	Pass-Through Entity Identifying Number	Expenditures	Pass-Through Subrecipients
U.S. Department of Treasury				
Indirect awards				
Pass-through NeighborWorks				
Discretionary Grant-OU	21.000	N/A	225,000	-
CIM	21.000	N/A	7,000	
Business Strengthening	21.000	N/A	13,835	-
SBI	21.000	N/A	12,000	-
Discretionary Grant-Community Leadership Initiative	21.000	N/A	2,000	-
Strategic Investment Fund	21.000	N/A	74,014	
Economic Prosperity Center	21.000	N/A	19,545	
Discretionary Grant- NTI Travel	21.000	N/A	7,900	-
Florida Collaborative	21.000	N/A	15,785	
Disaster Relief	21.000	N/A	25,000	
Solutions Grant	21.000	N/A	8,250	
Real Estate Development	21.000	N/A	55,000	-
Total NeighborWorks			465,329	-
Pass-through Florida Hardest Hit Program	21.xxx	012-2017	4,300	-
Pass through Florida Hardest Hit Program	21.xxx	2013-01-02-006	153,150	-
Total U.S. Department of Treasury			622,779	-
U.S. Department of Labor				
Direct awards				
Occupational Safety and Health - Susan Harwood Training	17.502	SH05119SH9	3,754	-
			3,754	-
Total federal awards			\$ 2,723,303	\$ -

The accompanying notes are an integral part of this schedule.

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

December 31, 2019

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Corporation to Develop Communities of Tampa, Inc. and Subsidiaries under programs of the federal government for the year ended December 31, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Corporation to Develop Communities of Tampa, Inc. and Subsidiaries, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Corporation to Develop Communities of Tampa, Inc. and Subsidiaries.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Corporation to Develop Communities of Tampa, Inc. and Subsidiaries has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - LOANS

The following loan and loan guarantee programs have outstanding balances as of December 31, 2019:

U.S. Department of Housing and Urban Development

Community Development Block Grants/Entitlement Grants	\$	1,914,136
---	----	-----------

NOTE D - CONTINGENCIES

These federal programs are subject to financial and compliance audits by grantor agencies which, if instances of material noncompliance are found, may result in disallowed expenditures and affect the Organization's continued participation in specific programs. The amounts, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although the Organization expects such amounts, if any, to be immaterial.

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2019

	Corporation to Develop Communities of Tampa, Inc.	Tampa Vocational Institute, LLC	Columbus Arms, LLC	FKC CDC GP, LLC	CDCT Gardens, LLC	Eliminations	Total
ASSETS							
Cash and cash equivalents	\$ 564,682	\$ 1,275	\$ 20,331	\$ 89,025	\$ 13,880	\$ -	\$ 689,193
Cash whose use is limited	982,555	-	-	-	23,613	-	1,006,168
Accounts receivable							
Grants	130,700	-	-	-	-	-	130,700
Real estate grant	-	-	-	-	612,958	-	612,958
Other	67,458	-	731	-	9,747	-	77,936
Homes under construction	900,450	-	-	-	-	-	900,450
Prepaid expenses	56,607	-	630	-	4,214	-	61,451
Funds held for others	737,058	-	-	-	-	-	737,058
Total current assets	<u>3,439,510</u>	<u>1,275</u>	<u>21,692</u>	<u>89,025</u>	<u>664,412</u>	<u>-</u>	<u>4,215,914</u>
INVESTMENT IN LAND	<u>70,352</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,352</u>
PROPERTY AND EQUIPMENT, NET	<u>2,179,858</u>	<u>-</u>	<u>708,041</u>	<u>-</u>	<u>7,254,374</u>	<u>-</u>	<u>10,142,273</u>
INVESTMENT IN SUBSIDIARIES	<u>29,615</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(29,615)</u>	<u>-</u>
ACCOUNTS RECEIVABLE-SUBSIDIARIES	<u>1,121,476</u>	<u>15,712</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,137,188)</u>	<u>-</u>
DEPOSITS	<u>1,655</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,655</u>
TOTAL ASSETS	<u>\$ 6,842,466</u>	<u>\$ 16,987</u>	<u>\$ 729,733</u>	<u>\$ 89,025</u>	<u>\$ 7,918,786</u>	<u>\$ (1,166,803)</u>	<u>\$ 14,430,194</u>

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries
CONSOLIDATING STATEMENT OF FINANCIAL POSITION - CONTINUED

December 31, 2019

	Corporation to Develop Communities of Tampa, Inc.	Tampa Vocational Institute, LLC	Columbus Arms, LLC	FKC CDC GP, LLC	CDCT Gardens, LLC	Eliminations	Total
LIABILITIES AND NET ASSETS							
Current portion of long-term debt	\$ 30,216	\$ -	\$ 12,930	\$ -	\$ 115,471	\$ -	\$ 158,617
Lines of credit	371,681	-	-	-	-	-	371,681
Accounts payable	58,996	-	-	-	6,989	-	65,985
Construction and retainage payables	35,258	-	-	-	440,152	-	475,410
Accrued liabilities	153,307	-	-	-	12,487	-	165,794
Deferred revenue	493,038	-	-	-	-	-	493,038
Funds held for others	724,290	-	-	-	-	-	724,290
Total current liabilities	<u>1,866,786</u>	<u>-</u>	<u>12,930</u>	<u>-</u>	<u>575,099</u>	<u>-</u>	<u>2,454,815</u>
LONG-TERM DEBT	<u>1,234,341</u>	<u>-</u>	<u>594,434</u>	<u>-</u>	<u>2,283,786</u>	<u>-</u>	<u>4,112,561</u>
DUE TO GOVERNMENTAL AGENCIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,137,191</u>	<u>-</u>	<u>4,137,191</u>
OTHER LIABILITIES	<u>21,693</u>	<u>-</u>	<u>137,101</u>	<u>-</u>	<u>984,375</u>	<u>(1,137,188)</u>	<u>5,981</u>
Total liabilities	<u>3,122,820</u>	<u>-</u>	<u>744,465</u>	<u>-</u>	<u>7,980,451</u>	<u>(1,137,188)</u>	<u>10,710,548</u>
NET ASSETS	<u>3,719,646</u>	<u>16,987</u>	<u>(14,732)</u>	<u>89,025</u>	<u>(61,665)</u>	<u>(29,615)</u>	<u>3,719,646</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,842,466</u>	<u>\$ 16,987</u>	<u>\$ 729,733</u>	<u>\$ 89,025</u>	<u>\$ 7,918,786</u>	<u>\$ (1,166,803)</u>	<u>\$ 14,430,194</u>

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended December 31, 2019

	Corporation to Develop Communities of Tampa, Inc.	Tampa Vocational Institute, LLC	Columbus Arms, LLC	FKC CDC GP, LLC	CDCT Gardens, LLC	Eliminations	Total
REVENUES AND SUPPORT							
Contributions	\$ 136,919	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 136,919
Federal grants	809,167	-	-	-	-	-	809,167
Developer revenue - net	339,476	-	-	54,900	-	-	394,376
State and local grants	1,256,154	-	-	-	-	-	1,256,154
Private foundation grants	186,500	-	-	-	-	-	186,500
United Way	245,329	-	-	-	-	-	245,329
Special events, net	67,642	-	-	-	-	-	67,642
Program service fees	38,584	-	-	-	-	-	38,584
Rental income	88,424	-	107,542	-	58,730	-	254,696
In-kind contributions	24,553	-	-	-	-	-	24,553
Interest income and other	14,940	-	-	-	25	-	14,965
Total revenues and support	3,207,688	-	107,542	54,900	58,755	-	3,428,885
EXPENSES							
Program services							
Youth family center	1,064,165	5,704	-	-	-	-	1,069,869
Workforce center	393,063	-	-	-	-	-	393,063
Real estate/housing development	761,906	-	113,687	-	90,373	-	965,966
Total program services	2,219,134	5,704	113,687	-	90,373	-	2,428,898
Support services							
Management and general	464,446	-	-	139	-	-	464,585
Fundraising	217,929	-	-	-	-	-	217,929
Total support services	682,375	-	-	139	-	-	682,514
Total expenses	2,901,509	5,704	113,687	139	90,373	-	3,111,412
CHANGES IN NET ASSETS	\$ 306,179	\$ (5,704)	\$ (6,145)	\$ 54,761	\$ (31,618)	\$ -	\$ 317,473

INDEPENDENT AUDITORS' 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 AUDIT STANDARDS*

CORPORATION TO DEVELOP COMMUNITIES OF TAMPA, INC. AND SUBSIDIARIES

December 31, 2019



RIVERO, GORDIMER & COMPANY, P.A.

Member
American Institute of Certified Public Accountants
Florida Institute of Certified Public Accountants

Herman V. Lazzara	Stephen G. Douglas
Marc D. Sasser	Michael E. Helton
Sam A. Lazzara	Christopher F. Terrigino
Kevin R. Bass	James K. O'Connor
Jonathan E. Stein	David M. Bohnsack
Richard B. Gordimer, of Counsel	
Cesar J. Rivero, in Memoriam (1942-2017)	

**INDEPENDENT AUDITORS' 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
Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

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 Corporation to Develop Communities of Tampa, Inc. (a nonprofit organization) and Subsidiaries (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2019, and the related consolidated statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated April 28, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Corporation to Develop Communities of Tampa, Inc. and Subsidiaries' consolidated 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 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 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.

A handwritten signature in black ink that reads "Bueco, Gordinier & Company, P.A." The signature is written in a cursive, flowing style.

Tampa, Florida
April 28, 2020

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

CORPORATION TO DEVELOP COMMUNITIES OF TAMPA, INC. AND SUBSIDIARIES

December 31, 2019



RIVERO, GORDIMER & COMPANY, P.A.

Member
American Institute of Certified Public Accountants
Florida Institute of Certified Public Accountants

Herman V. Lazzara	Stephen G. Douglas
Marc D. Sasser	Michael E. Helton
Sam A. Lazzara	Christopher F. Terrigino
Kevin R. Bass	James K. O'Connor
Jonathan E. Stein	David M. Bohnsack
Richard B. Gordimer, of Counsel	
Cesar J. Rivero, in Memoriam (1942-2017)	

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE**

Board of Directors
Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

Report on Compliance for Each Major Federal Program

We have audited Corporation to Develop Communities of Tampa, Inc. and Subsidiaries' (the "Organization") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2019. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization'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 program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

Report on Internal Control Over Compliance

Management of the Organization 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 Corporation to Develop Communities of Tampa, Inc. and Subsidiaries' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal 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 program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 Organization'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 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 compliance requirement of a federal 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 combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit the attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Bruce, Gordon & Company, P.A." The signature is written in a cursive, flowing style.

Tampa, Florida
April 28, 2020

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
CORPORATION TO DEVELOP COMMUNITIES OF TAMPA, INC. AND SUBSIDIARIES
December 31, 2019

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

December 31, 2019

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting

Material weakness(es) identified?

___ yes X no

Significant deficiency(ies) identified?

___ yes X none reported

Noncompliance material to financial statements noted?

___ yes X no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

___ yes X no

Significant deficiency(ies) identified?

___ yes X none reported

Type of auditors' report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?

___ yes X no

Identification of major federal programs:

CFDA Number

14.218

Name of Federal Program

U.S. Department of Housing and Urban Development
Community Development Block Grant

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

\$ 750,000

Auditee qualified as low-risk auditee?

X yes ___ no

Section II - Financial Statement Findings

No matters were reported for the year ended December 31, 2019 and there were no prior year audit findings to be reported.

Section III - Federal Award Findings and Questioned Costs

No matters were reported for the year ended December 31, 2019 and there were no prior year audit findings to be reported.