

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORTS
CORPORATION TO DEVELOP COMMUNITIES OF TAMPA, INC.
AND SUBSIDIARIES

December 31, 2017

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RIVERO, GORDIMER & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Member

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

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Cesar J. Rivero, in Memoriam (1942-2017)	

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, 2017, 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, 2017, 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 2016 consolidated financial statements, and our report dated April 25, 2017, 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, 2016, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

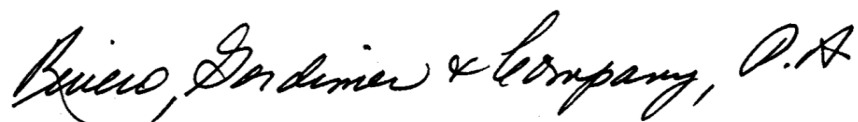
Other Matters

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*, the consolidating statement of financial position and the consolidating 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 10, 2018 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 10, 2018

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2017
(With comparative total for December 31, 2016)

	Unrestricted	Permanently Restricted	Total 2017	Total 2016
ASSETS				
Cash and cash equivalents (notes A3 and A14)	\$ 821,665	\$ -	\$ 821,665	\$ 739,339
Cash whose use is limited (note B)	899,198	-	899,198	839,337
Accounts receivable				
Grants (note A4)	210,317	-	210,317	210,596
Other (note A5)	23,785	-	23,785	4,284
Note receivable - current portion (note C)	53,879	-	53,879	-
Homes under construction (notes E, F and G)	1,310,953	225,000	1,535,953	729,453
Prepaid expenses	32,912	-	32,912	24,859
Funds held for others (note J)	808,587	-	808,587	466,959
Total current assets	4,161,296	225,000	4,386,296	3,014,827
INVESTMENT IN LAND (note E)	152,123	-	152,123	521,388
PROPERTY AND EQUIPMENT, net (notes A6, D and G)	2,768,743	322,723	3,091,466	3,125,332
NOTE RECEIVABLE, net of current portion (note C)	351,258	-	351,258	-
DEBT RESERVE (notes E and I)	157,757	-	157,757	155,501
DEPOSITS	3,079	-	3,079	4,987
TOTAL ASSETS	<u>\$ 7,594,256</u>	<u>\$ 547,723</u>	<u>\$ 8,141,979</u>	<u>\$ 6,822,035</u>
LIABILITIES AND NET ASSETS				
Current portion of long-term debt (note G)	\$ 41,584	\$ -	\$ 41,584	\$ 73,513
Lines of credit (note H)	169,276	-	169,276	23,775
Accounts payable	268,277	-	268,277	106,014
Accrued liabilities	131,032	-	131,032	99,890
Deferred revenue (notes A7 and J)	633,708	-	633,708	536,356
Funds held for others (note K)	784,773	-	784,773	448,031
Total current liabilities	2,028,650	-	2,028,650	1,287,579
LONG-TERM DEBT (note G)	2,041,880	-	2,041,880	2,488,882
DUE TO GOVERNMENTAL AGENCIES (note F)	876,022	-	876,022	-
OTHER LIABILITIES (note A8)	12,543	-	12,543	24,104
Total liabilities	4,959,095	-	4,959,095	3,800,565
NET ASSETS (notes O and P)	2,635,161	547,723	3,182,884	3,021,470
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 7,594,256</u>	<u>\$ 547,723</u>	<u>\$ 8,141,979</u>	<u>\$ 6,822,035</u>

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, 2017
(With comparative total for December 31, 2016)

	Unrestricted	Permanently Restricted	Total 2017	Total 2016
REVENUES AND SUPPORT				
Contributions	\$ 14,802	\$ -	\$ 14,802	\$ 119,522
Federal grants	678,444	-	678,444	864,064
Developer revenue - net (note R)	385,511	-	385,511	137,929
State and local grants	812,990	-	812,990	634,311
Private foundation grants	209,261	-	209,261	100,000
United Way	224,844	-	224,844	211,186
Special events, net (note Q)	90,060	-	90,060	74,552
Program service fees	87,402	-	87,402	92,109
Rental income	146,276	-	146,276	165,391
In-kind contributions	50,027	-	50,027	9,675
Interest income and other	2,929	-	2,929	5,708
Total revenues and support	2,702,546	-	2,702,546	2,414,447
Net assets released from restrictions	-	-	-	-
Total revenues, support and net assets released from restrictions	2,702,546	-	2,702,546	2,414,447
EXPENSES				
Program services				
Youth family center	1,024,973	-	1,024,973	919,685
Career resource center	468,873	-	468,873	486,458
Real estate/housing development	706,905	-	706,905	886,549
Total program services	2,200,751	-	2,200,751	2,292,692
Support services				
Management and general	255,841	-	255,841	201,271
Fundraising	84,540	-	84,540	43,828
Total support services	340,381	-	340,381	245,099
Total expenses	2,541,132	-	2,541,132	2,537,791
CHANGES IN NET ASSETS	161,414	-	161,414	(123,344)
Net assets at beginning of year	2,473,747	547,723	3,021,470	3,144,814
Net assets at end of year	\$ 2,635,161	\$ 547,723	\$ 3,182,884	\$ 3,021,470

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, 2017
(With comparative total for December 31, 2016)

	2017	2016
Cash flows from operating activities		
Change in net assets	\$ 161,414	\$ (123,344)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	154,444	164,672
Loss on sale of property	3,681	-
(Increase) decrease in accounts receivable	(19,222)	29,544
Decrease in homes under construction	129,032	454,386
(Increase) decrease in prepaid expenses	(6,853)	14,143
Increase in funds held for others	(4,886)	(18,928)
Increase in debt reserve	(2,256)	(2,223)
Decrease (increase) in security deposits	708	(44)
Increase in accounts payable and accrued expenses	193,405	82,303
Increase (decrease) in deferred revenue	97,352	(128,374)
Decrease in deposits payable	(11,561)	(1,374)
Total adjustments	533,844	594,105
Net cash provided by operating activities	695,258	470,761
Cash flows from investing activities		
Purchase of property held for development	-	(792,763)
Proceeds from investment in land	309,756	28,612
Fixed assets additions	(124,259)	(45,185)
Note receivable advance	(405,137)	-
Net cash used by investing activities	(219,640)	(809,336)
Cash flows from financing activities		
Proceeds from lines of credit	566,646	118,325
Payments on lines of credit	(421,145)	(195,910)
Proceeds from long-term debt	307,944	723,790
Principal payments on long-term debt	(786,876)	(88,097)
Net cash (used) provided by financing activities	(333,431)	558,108
Net increase in cash and cash equivalents	142,187	219,533
Cash and cash equivalents at beginning of year	1,578,676	1,359,143
Cash and cash equivalents at end of year	\$ 1,720,863	\$ 1,578,676
Cash and cash equivalents	\$ 821,665	\$ 739,339
Cash whose use is limited	899,198	839,337
Cash and cash equivalents at end of year	\$ 1,720,863	\$ 1,578,676
Supplemental disclosures of cash flow information		
Cash paid during the year		
Interest	\$ 71,035	\$ 85,066
Taxes	\$ -	\$ -

Supplemental disclosures of non-cash flow investing and financing activities

In 2017, the Organization invested \$876,022 in homes under construction which was financed by Hillsborough County and the City of Tampa.

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, 2017
(With comparative total for December 31, 2016)

	Program Services				Support Services				
	Youth Family Center	Career Resource Center	Real Estate/ Housing Development	Total Program Services	Management and General	Fundraising	Total Support Services	Total 2017	Total 2016
Salaries and benefits	\$ 546,470	\$ 346,047	\$ 386,340	\$1,278,857	\$ 198,360	\$ 72,711	\$ 271,071	\$1,549,928	\$1,428,400
Advertising and marketing	9,088	2,169	2,860	14,117	958	160	1,118	15,235	23,128
Meals	17,515	441	336	18,292	1,315	26	1,341	19,633	3,488
Repairs and maintenance	3,927	3,299	23,370	30,596	2,199	942	3,141	33,737	40,216
Materials and supplies	142,193	11,410	24,022	177,625	1,685	240	1,925	179,550	160,391
Insurance	13,177	8,785	21,344	43,306	4,392	732	5,124	48,430	45,005
Memberships and subscriptions	1,890	1,260	1,465	4,615	630	105	735	5,350	7,360
Licenses and permits	-	2,640	155	2,795	1,452	-	1,452	4,247	5,033
Occupancy costs	35,355	20,188	69,970	125,513	12,399	4,481	16,880	142,393	117,191
Postage and shipping	811	541	844	2,196	270	45	315	2,511	3,414
Professional fees	157,715	15,701	23,745	197,161	7,851	1,308	9,159	206,320	285,253
Staff development	5,233	3,766	8,273	17,272	1,671	278	1,949	19,221	28,588
Participant support	15,296	6,151	-	21,447	-	-	-	21,447	41,226
Travel	8,479	6,238	8,442	23,159	1,748	159	1,907	25,066	33,800
Predevelopment costs	-	-	8,320	8,320	-	-	-	8,320	50,122
Miscellaneous	10,838	2,247	15,397	28,482	1,916	187	2,103	30,585	14,813
Interest	12,517	8,344	45,306	66,167	4,172	695	4,867	71,034	85,692
Depreciation	43,144	28,763	65,759	137,666	14,381	2,397	16,778	154,444	164,671
Loss on asset disposal	1,325	883	957	3,165	442	74	516	3,681	-
Total expenses	<u>\$ 1,024,973</u>	<u>\$ 468,873</u>	<u>\$ 706,905</u>	<u>\$2,200,751</u>	<u>\$ 255,841</u>	<u>\$ 84,540</u>	<u>\$ 340,381</u>	<u>\$2,541,132</u>	<u>\$2,537,791</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, 2017

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; CDCT Gardens, LLC and CDCT City Edge, 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.

During the year ended December 31, 2017, CDC formed CDCT City Edge, LLC a Florida limited liability corporation, with CDC as its sole owner, for the purpose of multifamily affordable housing. This entity had no activity during the year ended December 31, 2017.

The consolidated financial statements as of and for the year ended December 31, 2017 include the accounts of CDC, Columbus Arms, FKC, TVI, CDCT Gardens, LLC and CDCT City Edge, 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, 2017

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:

- Unrestricted - Net assets that are not subject to donor-imposed stipulations, including restricted contributions whose restrictions are met in the same reporting period.
- Temporarily Restricted - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.
- Permanently Restricted - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific 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.

Gains and losses on assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as unrestricted net assets.

3. Cash Equivalents

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

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2017

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

4. Grants Receivable

The Organization receives support from various federal, state, and local grants. None of the amounts receivable at December 31, 2017 are deemed to be uncollectible. Therefore, no provisions for uncollectible amounts have been made in the accompanying consolidated financial statements.

5. Accounts Receivable

Accounts receivable consist of amounts owed to the Organization for program service fees. Accounts receivable includes an allowance for doubtful accounts of \$2,326 for the year ended December 31, 2017. The Organization considers the net accounts receivable to be fully collectible.

6. 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.

7. 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.

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2017

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

8. 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.

9. 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 \$50,000 of donated goods for the year ended December 31, 2017 related to computer equipment, furniture and real estate.

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, 2017.

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.

10. Functional Allocation of Expenses

The costs of providing the various program services have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the program services benefited.

11. 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 2014 remain subject to examination by federal and state taxing authorities.

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2017

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

Columbus Arms, LLC, Tampa Vocational Institute, LLC, FKC CDC GP, LLC, CDCT Gardens, LLC and CDCT City Edge, LLC 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.

12. 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.

13. Reclassifications

Certain amounts from the December 31, 2016 summarized comparative information have been reclassified to conform to the current year's presentation.

14. 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, 2017:

Beacon Homes - Real Estate Project	\$ 595,745
Gardens at Diana Point - Real Estate Project	19,254
Economic Prosperity Center	94,545
Youth Programs	17,855
Homeownership Programs	51,499
Asset Management	25,000
Real Estate Improvements	88,250
Tenant Deposits	<u>7,050</u>
	<u>\$ 899,198</u>

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2017

NOTE C - NOTE RECEIVABLE

The Organization loaned \$405,137 to Sanwa Growers, Inc. to assist with capital improvements to support creation of sustainable new employment. The funds were previously awarded under a Department of Health and Human Services Grant No.90EE0974101. The five year note has zero interest or payments for the first 12 months followed by 48 monthly payments of \$9,455 including interest of 5.5%. The note is secured by the personal guarantee of the owners of Sanwa Growers, Inc. The total outstanding balance on this note was \$405,137 at December 31, 2017, with \$53,879 due currently, and the remaining \$351,258 due through May 2022.

NOTE D - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2017:

Land and improvements	\$ 124,800
Buildings and improvements	3,952,543
Furniture and equipment	<u>407,746</u>
	4,485,089
Less accumulated depreciation	<u>(1,393,623)</u>
	<u>\$ 3,091,466</u>

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).

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

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2017

NOTE E - FAIR VALUE MEASUREMENTS - Continued

- 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, 2017:

	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Land held for investment	\$ 152,123	\$ -	\$ 152,123	\$ -
Homes under construction	1,535,953	-	1,535,953	-
Debt reserve	<u>157,757</u>	<u>157,757</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,845,833</u>	<u>\$ 157,757</u>	<u>\$ 1,688,076</u>	<u>\$ -</u>

The Organization owns six lots 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.

NOTE F - DUE TO GOVERNMENTAL AGENCIES

Due to governmental agencies consisted of the following at December 31, 2017:

Note payable to City of Tampa not to exceed \$650,000, no interest, collateralized by land, matures after qualified home buyer purchases developed property from the Organization	\$ 278,571
Note payable to Hillsborough County not to exceed \$2,223,055, no interest, collateralized by land, principal due at maturity on April 30, 2048	520,201
Note payable to City of Tampa not to exceed \$480,000, no interest, collateralized by land and buildings, matures after qualified home buyer purchases developed property from the Organization	<u>77,250</u>
	<u>\$ 876,022</u>

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2017

NOTE G - LONG-TERM DEBT

Long-term consisted of the following at December 31, 2017:

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.	\$ 631,566
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.	921,030
Revolving line of credit in the amount of \$2,000,000 at 4.25% interest to finance the construction of affordable multi-family units. At commencement of construction, interest payment drawn from interest reserve. The line of credit converts to a fifteen year fixed loan on January 1, 2019. The loan is secured by real property.	486,150
Note payable in the amount of \$45,229, at 4.95% interest, monthly principal and interest payment of \$356, balloon payment due at maturity on September 30, 2022, secured by assignment of rents and real property.	44,718
	2,083,464
Less current portion	(41,584)
	<u>\$ 2,041,880</u>

Annual maturities on long-term debt are as follows:

<u>Year ending December 31,</u>	
2018	\$ 41,584
2019	43,480
2020	45,468
2021	628,699
2022	68,374
Thereafter	1,255,859
	<u>\$ 2,083,464</u>

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2017

NOTE H - LINES OF CREDIT

The Organization obtained a line of credit from a commercial bank that allows the Organization to borrow up to \$150,000 for construction and/or rehabilitation of single family residences for low to moderate income buyers. The line is payable in interest only at a variable rate of 5.50%, 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 \$40,000 at December 31, 2017.

The Organization obtained a line of credit from a commercial bank that allows the Organization to borrow up to \$200,000 for construction and/or rehabilitation of single family residences for low to moderate income buyers. The line is payable in interest only at a variable rate of 5.50%, 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 \$65,578 at December 31, 2017.

The Organization obtained a \$700,000 line of credit from Neighborhood Lending Partners for construction of single family homes for low to moderate income buyers. The line of credit is repaid at the time the home is sold. The line of credit bears interest at the fixed rate of 5.50%, subject to renewal on May 22, 2018. The line of credit is secured by real property. The line of credit had an outstanding balance of \$63,698 at December 31, 2017.

NOTE I - DEBT RESERVE ACCOUNT

The Organization is required under the terms of a note payable agreement to deposit \$150,000 in a certificate of deposit. These funds must be retained in this account for the remaining life of the loan.

NOTE J - DEFERRED REVENUE

Deferred revenue consisted of the following at December 31, 2017:

Office of Consumer Services - Real Estate Project	\$	406,560
Economic Prosperity Center		94,545
Youth Programs		17,855
Homeownership Programs		51,498
Asset Management		25,000
Real Estate Improvements		38,250
		<hr/>
	\$	<u>633,708</u>

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2017

NOTE K - 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, 2017 was \$149,510. 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 \$659,077 at December 31, 2017 with a corresponding liability of \$635,263.

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, 2017

2018	\$ 37,700
2019	37,700
2020	26,800
2021	<u>19,700</u>
	<u>\$ 121,900</u>

Total rent expense under non-cancelable operating leases for the year ended December 31, 2017 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 \$58,300 for the year ended December 31, 2017.

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.

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2017

NOTE O - NET ASSETS

Temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities and Changes in Net Assets as net assets released from restrictions when a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished.

Permanently restricted net assets of \$547,723 at December 31, 2017 represent restricted funds from the NeighborWorks America grant (see note P).

NOTE P - NEIGHBORWORKS AMERICA GRANTS

The following NeighborWorks America ("NWA") grants were in effect during the year ended December 31, 2017:

Unrestricted Support

The Organization recognized unrestricted support through several discretionary grant funds. The Organization expended \$292,165 during the year ended December 31, 2017.

Permanently Restricted Support

As of December 31, 2017, \$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, College Park, and for the pre-development of an affordable housing complex. 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 Q - SPECIAL EVENTS

The Organization conducted a special event during the year ended December 31, 2017 to benefit the Organization. Net special events revenue consisted of the following at December 31, 2017:

Event revenue	\$ 145,390
Direct expenses	<u>55,330</u>
Net proceeds from special events	<u>\$ 90,060</u>

NOTE R - DEVELOPMENT REVENUE - NET

The Organization developed single family homes in East Tampa. During year ended December 31, 2017, the Organization sold \$1,630,165 of real estate with a cost of \$1,244,645 for a net profit/developer fees of \$385,511.

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2017

NOTE S - 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 T - SUBSEQUENT EVENTS

The Organization has evaluated events and transactions occurring subsequent to December 31, 2017 as of April 10, 2018 which is the date the consolidated financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
CORPORATION TO DEVELOP COMMUNITIES OF TAMPA, INC. AND SUBSIDIARIES
For the year ended December 31, 2017

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended December 31, 2017

Federal Grantor / Program Title	Federal CFDA	Pass-Through Entity Identifying Number	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	HC1600110030	\$ 8,516	\$ -
Pass-through Nueva Esperanza, Inc. Housing Counseling Assistance Program	14.169	HC170011008	24,392	-
Total Housing Counseling Assistance Program			<u>32,908</u>	<u>-</u>
Pass-through the City of Tampa, Florida Community Development Block Grants/Entitlement Grants	14.218	N/A	41,530	-
Pass-through the City of Tampa, Florida Community Development Block Grants/Entitlement Grants	14.218	N/A	23,870	-
Pass-through the City of Tampa, Florida Community Development Block Grants/Entitlement Grants	14.218	2016-751	1,650	-
Total Community Development Block Grants			<u>67,050</u>	<u>-</u>
Pass-through the City of Tampa Home Investment Partnerships Program	14.239	HCD 2015-044	371,429	-
Total U.S. Department of Housing and Urban Development			<u>471,387</u>	<u>-</u>
U.S. Department of Justice				
Indirect awards				
Florida Department of Juvenile Justice Juvenile Justice Delinquency Program	16.540	10263	33,125	-
Juvenile Justice Delinquency Program	16.540	10547	20,476	-
Pass through Tampa Housing Authority BCJI Enhancement Grant	16.xxx	N/A	18,000	-
Total U.S. Department of Justice			<u>71,601</u>	<u>-</u>

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

For the year ended December 31, 2017

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				
Foreclosure Mitigation RD #9 and #10	21.000	N/A	14,288	-
Florida Collaborative	21.000	N/A	54,432	-
Discretionary Grant-OU	21.000	N/A	217,207	-
Housing Counseling	21.000	N/A	4,488	-
Solutions Grant	21.000	N/A	1,750	-
Total NeighborWorks			292,165	-
Pass-through Florida Hardest Hit Program	21.xxx	012-2017	123,115	-
Pass through Florida Hardest Hit Program	21.xxx	2013-01-02-006	25,100	-
Total U.S. Department of Treasury			440,380	-
U.S. Department of Health and Human Services				
Direct awards				
Community Services Block Grant Discretionary Awards	93.570	90-EE-0974	35,000	-
Total U.S. Department of Health and Human Services			35,000	-
U.S. Environmental Protection Agency				
Indirect awards				
Pass through University of South Florida				
Environmental Workforce Development and Job Training				
Cooperative Agreements - Recovery	66.815	Sub Agmt#201-1198-00-F	4,860	-
Environmental Workforce Development and Job Training				
Cooperative Agreements - Recovery	66.815	00D20114	26,645	-
			31,505	-
Total federal awards			\$ 1,049,873	\$ -

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, 2017

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, 2017. 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 - 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.

NOTE D - OTHER

The Organization has included grant revenue of \$371,429 from the City of Tampa Home Investment Partnership Program. This is included in development revenue - net on the Consolidated Statement of Activities and Changes in Net Assets.

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2017

	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	\$ 719,684	\$ 18,305	\$ 32,376	\$ 51,300	\$ -	\$ -	\$ 821,665
Cash whose use is limited	874,094	-	5,850	-	19,254	-	899,198
Accounts receivable							
Grants	210,317	-	-	-	-	-	210,317
Other	23,126	-	659	-	-	-	23,785
Note receivable - current portion	53,879	-	-	-	-	-	53,879
Homes under construction	506,253	-	-	-	1,029,700	-	1,535,953
Prepaid expenses	32,068	-	844	-	-	-	32,912
Funds held for others	808,587	-	-	-	-	-	808,587
Total current assets	3,228,008	18,305	39,729	51,300	1,048,954	-	4,386,296
INVESTMENT IN LAND	152,123	-	-	-	-	-	152,123
PROPERTY AND EQUIPMENT, NET	2,383,327	1,555	706,584	-	-	-	3,091,466
NOTE RECEIVABLE, net of current portion	351,258	-	-	-	-	-	351,258
INVESTMENT IN SUBSIDIARIES	66,704	-	-	-	-	(66,704)	-
ACCOUNTS RECEIVABLE-SUBSIDIARIES	156,234	-	-	-	-	(156,234)	-
DEBT RESERVE	157,757	-	-	-	-	-	157,757
DEPOSITS	3,079	-	-	-	-	-	3,079
TOTAL ASSETS	<u>\$ 6,498,490</u>	<u>\$ 19,860</u>	<u>\$ 746,313</u>	<u>\$ 51,300</u>	<u>\$ 1,048,954</u>	<u>\$ (222,938)</u>	<u>\$ 8,141,979</u>

	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	\$ 29,998	\$ -	\$ 11,586	\$ -	\$ -	\$ -	\$ 41,584
Lines of credit	169,276	-	-	-	-	-	169,276
Accounts payable	268,556	-	(279)	-	-	-	268,277
Accrued liabilities	131,032	-	-	-	-	-	131,032
Deferred revenue	633,708	-	-	-	-	-	633,708
Funds held for others	784,773	-	-	-	-	-	784,773
Total current liabilities	<u>2,017,343</u>	<u>-</u>	<u>11,307</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,028,650</u>
LONG-TERM DEBT	<u>935,749</u>	<u>-</u>	<u>619,981</u>	<u>-</u>	<u>486,150</u>	<u>-</u>	<u>2,041,880</u>
DUE TO GOVERNMENTAL AGENCIES	<u>355,821</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>520,201</u>	<u>-</u>	<u>876,022</u>
OTHER LIABILITIES	<u>6,693</u>	<u>-</u>	<u>119,312</u>	<u>-</u>	<u>42,773</u>	<u>(156,235)</u>	<u>12,543</u>
Total liabilities	<u>3,315,606</u>	<u>-</u>	<u>750,600</u>	<u>-</u>	<u>1,049,124</u>	<u>(156,235)</u>	<u>4,959,095</u>
NET ASSETS	<u>3,182,884</u>	<u>19,860</u>	<u>(4,287)</u>	<u>51,300</u>	<u>(170)</u>	<u>(66,703)</u>	<u>3,182,884</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,498,490</u>	<u>\$ 19,860</u>	<u>\$ 746,313</u>	<u>\$ 51,300</u>	<u>\$ 1,048,954</u>	<u>\$ (222,938)</u>	<u>\$ 8,141,979</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, 2017

	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	\$ 14,802	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,802
Federal grants	640,655	37,789	-	-	-	-	678,444
Developer revenue - net	334,211	-	-	51,300	-	-	385,511
State and local grants	812,990	-	-	-	-	-	812,990
Private foundation grants	192,461	16,800	-	-	-	-	209,261
United Way	224,844	-	-	-	-	-	224,844
Special events, net	90,060	-	-	-	-	-	90,060
Program service fees	51,327	63,730	-	-	-	(27,655)	87,402
Rental income	119,273	-	80,475	-	-	(53,472)	146,276
In-kind contributions	50,027	-	-	-	-	-	50,027
Interest income and other	2,729	200	-	-	-	-	2,929
Total revenues and support	2,533,379	118,519	80,475	51,300	-	(81,127)	2,702,546
EXPENSES							
Program services							
Youth family center	916,925	189,175	-	-	-	(81,127)	1,024,973
Career resource center	468,873	-	-	-	-	-	468,873
Real estate/housing development	640,565	-	66,170	-	170	-	706,905
Total program services	2,026,363	189,175	66,170	-	170	(81,127)	2,200,751
Support services							
Management and general	255,841	-	-	-	-	-	255,841
Fundraising	84,540	-	-	-	-	-	84,540
Total support services	340,381	-	-	-	-	-	340,381
Total expenses	2,366,744	189,175	66,170	-	170	(81,127)	2,541,132
CHANGES IN NET ASSETS	\$ 166,635	\$ (70,656)	\$ 14,305	\$ 51,300	\$ (170)	\$ -	\$ 161,414

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, 2017



RIVERO, GORDIMER & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

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	
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, 2017, 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 10, 2018.

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 "Benicio, Gordinier & Company, P.A." The signature is written in a cursive, flowing style.

Tampa, Florida
April 10, 2018

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, 2017



RIVERO, GORDIMER & COMPANY, P.A.
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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, 2017. 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, 2017.

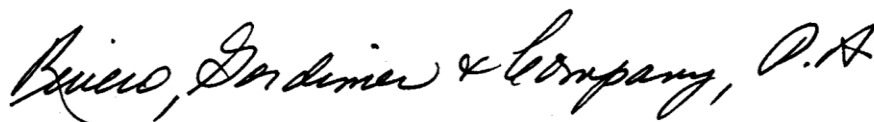
Report on Internal Control Over Compliance

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.



Tampa, Florida
April 10, 2018

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
CORPORATION TO DEVELOP COMMUNITIES OF TAMPA, INC. AND SUBSIDIARIES
December 31, 2017

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

December 31, 2017

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

14.239

Name of Federal Program

U.S. Department of Housing and Urban Development
Home Investment Partnerships Program

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, 2017 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, 2017 and there were no prior year audit findings to be reported.