

COMMUNITY REBUILDERS

Grand Rapids, Michigan

Additional Reports Required by
the Uniform Guidance

For the year ended December 31, 2018

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COMMUNITY REBUILDERS

For the year ended December 31, 2018

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

July 30, 2019

To the Board of Directors
Community Rebuilders
Grand Rapids, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Community Rebuilders (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 30, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Community Rebuilders' 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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Rebuilders' internal control. Accordingly, we do not express an opinion on the effectiveness of the Community Rebuilders' internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Rebuilders' 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.



Certified Public Accountants
Grand Rapids, Michigan



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

July 30, 2019

To the Board of Directors
Community Rebuilders
Grand Rapids, Michigan

Report on Compliance for Each Major Federal Program

We have audited Community Rebuilders' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Community Rebuilders' major federal program for the year ended December 31, 2018. Community Rebuilders' major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Community Rebuilders' major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* 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 types of 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 Community Rebuilders' 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 the major federal program. However, our audit does not provide a legal determination of Community Rebuilders' compliance.

Opinion on Each Major Federal Program

In our opinion, Community Rebuilders complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect its major federal program for the year ended December 31, 2018.

Report on Internal Control over Compliance

Management of Community Rebuilders 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 Community Rebuilders' internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 Community Rebuilders' 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. 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.

Report On Schedule Of Expenditures Of Federal Awards Required By The Uniform Guidance

We have audited the financial statements of Community Rebuilders as of and for the year ended December 31, 2018 and have issued our report thereon dated July 30, 2019, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



Certified Public Accountants
Grand Rapids, Michigan

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

COMMUNITY REBUILDERS

For the year ended December 31, 2018

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal CFDA Number	Approved Grant Award Amount
U.S. Department of Housing and Urban Development		
Continuum of Care Program:		
LOFT Supportive Services:		
MI0315L5F061505	14.267	\$ 123,748
MI0315L5F061606		<u>123,748</u>
Total LOFT Supportive Services		<u>247,496</u>
HEROES Supportive Services:		
MI0345L5F061504	14.267	130,265
MI0345L5F061605		<u>130,265</u>
Total HEROES Supportive Services		<u>260,530</u>
Housing Solutions:		
MI0412L5F061603	14.267	528,547
MI0412L5F061704		<u>543,864</u>
Total Housing Solutions		<u>1,072,411</u>
Keys First:		
MI0415L5F061603	14.267	840,930
MI0415L5F061704		<u>863,322</u>
Total Keys First		<u>1,704,252</u>
Youth RRH Collaborative:		
MI0505L5F061601	14.267	<u>782,976</u>
Total Youth RRH Collaborative		<u>782,976</u>
First Step Housing:		
MI0578L5F061700	14.267	<u>824,451</u>
Total First Step Housing		<u>824,451</u>

See notes to schedule of expenditures of federal awards.

Accrued (Deferred) Revenue At January 1, 2018	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Passed Through to Sub-recipients	Current Year Receipts (Cash Basis)	Accrued (Deferred) Revenue At December 31, 2018
\$ 1,210	\$ 108,167	\$ 15,581	\$ -	\$ 16,791	\$ -
-	-	111,473	-	98,939	12,534
1,210	108,167	127,054	-	115,730	12,534
(3,566)	90,714	39,551	-	35,985	-
-	-	104,157	-	92,814	11,343
(3,566)	90,714	143,708	-	128,799	11,343
(2,028)	78,107	450,440	-	448,412	-
-	-	103,504	-	40,788	62,716
(2,028)	78,107	553,944	-	489,200	62,716
39,775	150,738	690,192	181,112	729,967	-
-	-	136,905	-	68,751	68,154
39,775	150,738	827,097	181,112	798,718	68,154
80,700	145,657	637,319	145,614	718,019	-
80,700	145,657	637,319	145,614	718,019	-
-	-	16,436	-	-	16,436
-	-	16,436	-	-	16,436

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

COMMUNITY REBUILDERS

For the year ended December 31, 2018

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal CFDA Number	Approved Grant Award Amount
Passed through Kent County		
Shelter Plus Care Program - TRA:	14.267	
MI0173L5F061609		\$ 872,114
MI0173L5F061710		929,379
Total Shelter Plus Care Program - TRA		<u>1,801,493</u>
Shelter Plus Care Program - SRA:	14.267	
MI0174L5F061609		419,310
MI0174L5F061710		446,648
Total Shelter Plus Care Program - SRA		<u>865,958</u>
Total Passed through Kent County		<u>2,667,451</u>
Total Continuum of Care Program		<u>7,559,567</u>
Passed through Kent County		
Kent Together	14.239	
CDBG - Community Development Block Grant		<u>900,000</u>
Total Kent Together		<u>900,000</u>
Total Passed through Kent County		<u>900,000</u>
Passed through Michigan Department of Community Health		
Housing Opportunities for Persons with Aids	14.241	
20180158		155,000
20190022		201,209
Total Housing Opportunities for Persons with Aids		<u>356,209</u>
Total Passed through Michigan Department of Community Health		<u>356,209</u>
Total U.S. Department of Housing and Urban Development		<u>8,815,776</u>

See notes to schedule of expenditures of federal awards.

Accrued (Deferred) Revenue At January 1, 2018	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Passed Through to Sub-recipients	Current Year Receipts (Cash Basis)	Accrued (Deferred) Revenue At December 31, 2018
\$ -	\$ 401,523	\$ 470,591	\$ -	\$ 470,591	\$ -
-	-	452,991	-	492,093	(39,102)
-	401,523	923,582	-	962,684	(39,102)
-	210,663	208,647	-	208,647	-
-	-	234,204	-	249,423	(15,219)
-	210,663	442,851	-	458,070	(15,219)
-	612,186	1,366,433	-	1,420,754	(54,321)
116,091	1,185,569	3,671,991	326,726	3,671,220	116,862
-	80,855	387,238	-	387,238	-
-	80,855	387,238	-	387,238	-
-	80,855	387,238	-	387,238	-
-	33,465	121,535	-	121,535	-
-	-	46,833	-	46,833	-
-	33,465	168,368	-	168,368	-
-	33,465	168,368	-	168,368	-
116,091	1,299,889	4,227,597	326,726	4,226,826	116,862

See notes to schedule of expenditures of federal awards.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

COMMUNITY REBUILDERS

For the year ended December 31, 2018

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal CFDA Number	Approved Grant Award Amount
U.S. Department of Veteran Affairs		
Veteran Heights - Per Diem Supportive Services:	64.024	
07-46-MI		\$ 501,400
07-46-MI		<u>500,400</u>
Total Veteran Heights - Per Diem Supportive Services		<u>1,001,800</u>
Supportive Services for Veteran's Families:	64.033	
14-MI-223		379,950
14-MI-223		<u>387,566</u>
Total Supportive Services for Veteran's Families		<u>767,516</u>
Total U.S. Department of Veteran Affairs		<u>1,769,316</u>
Total Federal Financial Assistance		<u><u>\$ 10,585,092</u></u>

See notes to schedule of expenditures of federal awards.

Accrued (Deferred) Revenue At January 1, 2018	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Passed Through to Sub-recipients	Current Year Receipts (Cash Basis)	Accrued (Deferred) Revenue At December 31, 2018
\$ 65,617	\$ 111,223	\$ 249,785	\$ -	\$ 315,402	\$ -
-	-	76,744	-	28,252	48,492
65,617	111,223	326,529	-	343,654	48,492
11,154	92,994	286,956	-	298,110	-
-	-	101,482	-	68,994	32,488
11,154	92,994	388,438	-	367,104	32,488
76,771	204,217	714,967	-	710,758	80,980
<u>\$ 192,862</u>	<u>\$ 1,504,106</u>	<u>\$ 4,942,564</u>	<u>\$ 326,726</u>	<u>\$ 4,937,584</u>	<u>\$ 197,842</u>

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
PROVIDED TO SUBRECIPIENTS**

COMMUNITY REBUILDERS
For the year ended December 31, 2018

Program Title/Subrecipient	Federal CFDA Number	Approved Grant Award Amount
<i>Keys First Passthrough</i>	14.267	
The Salvation Army		<u>\$ 214,563</u>
Total		<u>214,563</u>
<i>Youth RRH Collaborative Passthrough</i>	14.267	
Arbor Circle		63,100
Grand Rapids HQ		35,600
The Salvation Army		<u>52,000</u>
Total		<u>150,700</u>
Total Federal Awards Passed Through to Subrecipients		<u><u>\$ 365,263</u></u>

See notes to schedule of expenditures of federal awards.

Due to/(from) Subrecipients January 1, 2018	Current Year Cash Transferred to/ (from) Subrecipients	Current Year Expenditures Reported by Subrecipients	Due to/(from) Subrecipients December 31, 2018
\$ -	\$ 181,112	\$ 181,112	\$ -
-	181,112	181,112	-
-	63,100	63,100	-
-	35,600	35,600	-
-	46,914	46,914	-
-	145,614	145,614	-
\$ -	\$ 326,726	\$ 326,726	\$ -

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

COMMUNITY REBUILDERS

For the year ended December 31, 2018

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Community Rebuilders under programs of the federal government for the year ended December 31, 2018. The information in this Schedule is presented in accordance with the audit 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 Community Rebuilders, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Community Rebuilders.

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 audit 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), wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note C – Indirect Cost Rate

Community Rebuilders has elected not to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

COMMUNITY REBUILDERS
For the year ended December 31, 2018

Note E – Federal Income Reconciliation

	Grant Expenditures Per Schedule of Federal Financial Assistance	Federal Revenue Per Financial Statements	Difference
LOFT Supportive Services:	\$ 127,054	\$ 127,054	\$ -
HEROES Supportive Services:	143,708	143,708	-
Housing Solutions:	553,944	553,944	-
Keys First:	827,097	827,097	-
Youth RRH Collaborative:	637,319	637,319	-
First Step Housing:	16,436	16,436	-
Shelter Plus Care Program - TRA:	923,582	923,582	-
Shelter Plus Care Program - SRA:	442,851	442,851	-
Kent Together	387,238	387,238	-
Housing Opportunities for Persons with Aids	168,368	168,368	-
Veteran Heights - Per Diem Supportive Services:	326,529	326,529	-
Supportive Services for Veteran's Families:	388,438	388,438	-
	<u>\$ 4,942,564</u>	<u>\$ 4,942,564</u>	<u>\$ -</u>

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

COMMUNITY REBUILDERS

For the year ended December 31, 2018

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: *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 programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Part 200?

_____ Yes X No

Identification of major programs audited:

 14.267 Continuum of Care Program Cluster

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

COMMUNITY REBUILDERS

For the year ended December 31, 2018

Section I - Summary of Auditor's Results (Continued)

Dollar threshold used to distinguish between
Type A and Type B programs:

\$750,000

Auditee qualified as a low-risk auditee?

X

Yes

 No

Section II - Financial Statements Audit Findings

There were no findings that are required to be reported under *Government Auditing Standards*.

Section III – Major Federal Award Programs Findings and Questioned Costs

There were no findings that are required to be reported under *Government Auditing Standards*.