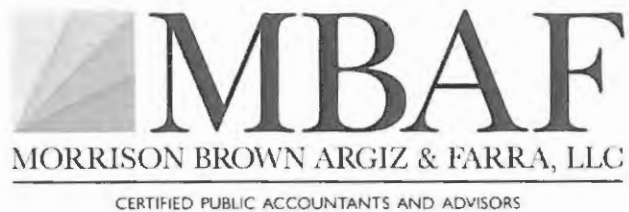


COMMUNITY COALITION, INC.

FINANCIAL STATEMENTS, SINGLE AUDIT
AND SUPPLEMENTARY INFORMATION

DECEMBER 31, 2017 AND 2016



COMMUNITY COALITION, INC.

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5 - 6
Statements of Cash Flows	7
Notes to Financial Statements	8 - 11
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	12
SINGLE AUDIT REPORT AND SUPPLEMENTARY INFORMATION	13
Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and on Internal Control over Compliance In Accordance with the Uniform Guidance and Chapter 10.650, Rules of the Auditor General of the State of Florida	14 - 15
Schedule of Expenditures of Federal Awards and State Financial Assistance	16
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	17
Schedule of Findings and Questioned Costs	18 - 19

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Community Coalition, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Community Coalition, Inc. (the "Organization") (a nonprofit organization), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements based on our audits. We conducted our audits 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Community Coalition, Inc. as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

An independent member of Baker Tilly International

To the Board of Directors
Community Coalition, Inc.
Page Two

Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance, 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 (Uniform Guidance)* and Chapter 10.650, Rules of the Auditor General of the State of Florida, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits 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 and State Financial Assistance is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2018, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Monison, Brown, Aguirre & Jena

Miami, Florida
June 20, 2018

COMMUNITY COALITION, INC.

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,

ASSETS	2017	2016
CURRENT ASSETS		
Cash	\$ 361,836	\$ 132,360
Grants and contracts receivable	<u>385,017</u>	<u>534,347</u>
TOTAL CURRENT ASSETS	746,853	666,707
OTHER ASSETS	<u>4,701</u>	<u>4,701</u>
TOTAL ASSETS	<u>\$ 751,554</u>	<u>\$ 671,408</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ <u>164,469</u>	\$ <u>135,537</u>
TOTAL CURRENT LIABILITIES	164,469	135,537
NET ASSETS, UNRESTRICTED	<u>587,085</u>	<u>535,871</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 751,554</u>	<u>\$ 671,408</u>

The accompanying notes are an integral part of these financial statements.

COMMUNITY COALITION, INC.

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31,

	2017	2016
UNRESTRICTED NET ASSETS:		
REVENUES		
Federal awards	\$ 1,366,054	\$ 1,267,405
State financial assistance	1,188,994	1,177,591
County and local grants and other revenues	<u>373,801</u>	<u>348,533</u>
TOTAL REVENUES	<u>2,928,849</u>	<u>2,793,529</u>
EXPENSES		
Program services:		
Employment adults/elderly services	353,899	385,854
Refugee employment and training	743,132	726,759
Training and employment at risk youths	756,937	777,742
Children's trust	220,562	145,125
WIA youth	538,899	416,106
Management and general	<u>264,206</u>	<u>239,708</u>
TOTAL EXPENSES	<u>2,877,635</u>	<u>2,691,294</u>
INCREASE IN UNRESTRICTED NET ASSETS	51,214	102,235
UNRESTRICTED NET ASSETS, BEGINNING OF YEAR	<u>535,871</u>	<u>433,636</u>
UNRESTRICTED NET ASSETS, END OF YEAR	<u>\$ 587,085</u>	<u>\$ 535,871</u>

The accompanying notes are an integral part of these financial statements.

COMMUNITY COALITION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

	Program Services						Total
	Employment Adults/Elderly Services	Refugee Employment and Training	Training and Employment At Risk Youths	Children's Trust	VMA Youth	Management and General	
PERSONNEL COSTS							
Salaries	\$ 155,869	\$ 462,707	\$ 444,749	\$ 158,087	\$ 245,293	\$ 205,844	\$ 1,672,549
Payroll taxes and other personnel costs	35,074	140,240	77,016	29,813	70,648	37,362	390,153
Total personnel costs	190,943	602,947	521,765	187,900	315,941	243,206	2,062,702
OPERATING EXPENSES							
Communications	3,116	5,549	3,708	511	2,932	-	15,816
Equipment costs, maintenance and rent	5,053	14,699	9,628	1,065	5,814	-	36,259
Food	131,906	-	-	-	-	-	131,906
Indirect costs	-	79,444	5,120	21,923	67,131	-	173,618
Insurance	2,327	291	2,835	-	1,395	-	6,848
Local travel	-	6,581	4,275	-	10,238	-	21,094
Occupancy	15,626	21,134	25,884	2,590	13,597	-	78,831
Office supplies and services	3,628	12,487	11,692	2,041	12,851	-	42,699
Other	1,300	-	5,264	4,532	2,391	-	13,487
Professional fees	-	-	-	-	-	21,000	21,000
Subcontract services	-	-	-	-	2,250	-	2,250
Support services	-	-	166,766	-	104,359	-	271,125
Total expenses	\$ 353,899	\$ 743,132	\$ 756,937	\$ 220,562	\$ 538,899	\$ 264,206	\$ 2,877,635

The accompanying notes are an integral part of these financial statements.

COMMUNITY COALITION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016

	Program Services						Total
	Employment Adults/Elderly Services	Refugee Employment and Training	Training and Employment At Risk Youths	Children's Trust	WIA Youth	Management and General	
PERSONNEL COSTS							
Salaries	\$ 184,990	\$ 462,972	\$ 450,583	\$ 95,593	\$ 239,948	\$ 198,508	\$ 1,632,594
Payroll taxes and other personnel costs	43,355	119,649	65,055	23,709	64,871	19,993	336,632
Total personnel costs	228,345	582,621	515,638	119,302	304,819	218,501	1,969,226
OPERATING EXPENSES							
Communications	3,368	6,030	5,955	777	2,244	-	18,374
Equipment costs, maintenance and rent	4,233	13,754	9,479	1,448	5,273	-	34,187
Food	115,686	-	-	1,857	-	-	117,543
Indirect costs	10,342	80,711	2,401	14,904	45,262	-	153,620
Insurance	44	2,087	4,580	28	1,323	-	8,062
Local travel	-	7,313	10,435	-	10,969	-	28,717
Occupancy	13,564	21,417	25,203	4,384	11,473	-	76,041
Office supplies and services	5,703	12,826	14,814	2,359	8,303	-	44,005
Other	4,569	-	2,475	66	3,575	-	10,685
Professional fees	-	-	-	-	-	21,207	21,207
Subcontract services	-	-	-	-	3,300	-	3,300
Support services	-	-	186,762	-	19,565	-	206,327
Total expenses	\$ 385,854	\$ 726,759	\$ 777,742	\$ 145,125	\$ 416,106	\$ 239,708	\$ 2,691,294

The accompanying notes are an integral part of these financial statements.

COMMUNITY COALITION, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	2017	2016
CASH FLOWS USED IN OPERATING ACTIVITIES:		
Change in unrestricted net assets	\$ 51,214	\$ 102,235
Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Grants and contracts receivable	149,330	15,076
Prepaid expenses	-	378
Accounts payable and accrued expenses	28,932	(40,122)
TOTAL ADJUSTMENTS	178,262	(24,668)
NET CASH PROVIDED BY OPERATING ACTIVITIES	229,476	77,567
NET INCREASE IN CASH	229,476	77,567
CASH - BEGINNING OF YEAR	132,360	54,793
CASH - END OF YEAR	\$ 361,836	\$ 132,360

The accompanying notes are an integral part of these financial statements.

COMMUNITY COALITION, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2017 AND 2016

1. ORGANIZATION

Community Coalition, Inc. (the "Organization") is a Florida Not-For-Profit Corporation established in 1998. Through a variety of federal, state and local agency funded grants and contracts, the Organization offers the following services:

- Employability skills training for at risk-youths (14 to 21 years old) and low income adults, which also provides for counseling, job search and placement.
- Short-term case management for the low income elderly including counseling, transportation, information and referral services.
- Summer job programs for low income youths including screening, placement and supervision at the worksites.
- Job placement and counseling for eligible refugees.
- After-school program for elementary school children.
- Home delivery of meals for at-risk elderly.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted – Net assets which are free of donor-imposed restrictions; all revenues, gains, and losses that are not changes in permanently or temporarily restricted net assets.

Temporarily Restricted – Net assets where the use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or that can be fulfilled or removed by actions of the Organization pursuant to those stipulations. There were no temporarily restricted net assets as of December 31, 2017 and 2016.

Permanently Restricted – Net assets where the use by the Organization is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Organization. There were no permanently restricted net assets as of December 31, 2017 and 2016.

Risk and Uncertainties

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash deposits in excess of the Federal Deposit Insurance Corporation ("FDIC") insured limits and grants and contracts receivable. The Organization limits its exposure by placing its deposits with quality financial institutions. At times, such balances may be in excess of the insurance limits of the FDIC. The Organization has not experienced losses in such accounts.

Grants and contracts receivable credit risk is limited due to the nature of the grants and contracts. The Organization regularly monitors its grants and contracts receivable by investigating delayed payments and differences when payments received do not conform to the amount billed. The Organization considers all grants and contracts receivable as collectible.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

COMMUNITY COALITION, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2017 AND 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash

For the purpose of reporting cash flows, the Organization considers unrestricted money market funds and debt securities purchased with a maturity of ninety days or less to be cash equivalents. There were no cash equivalents at December 31, 2017 and 2016.

Equipment, Net

Equipment is recorded at cost. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets. Repairs and maintenance costs are expensed as incurred. When items are retired or otherwise disposed of, the related costs and accumulated depreciation are removed from the accounts and any resulting gains or losses are credited or charged to operations. The Organization capitalizes all purchases of equipment in excess of \$750. Capitalizable assets purchased with grant funds in which the grantor retains title of the asset are not recorded in the Organization's financial statements. At December 31, 2017 and 2016, equipment was fully depreciated.

Grant and Contract Revenues and Receivables

The Organization receives substantially all of its revenue and grant and contracts receivables from federal, state and local agencies. Revenues from federal, state and local agencies are recorded based upon terms of the grant agreements which generally provide that revenues are earned when the allowable costs of the specific grant provisions have been incurred or the allowable services are provided to program participants.

Grants and contracts receivable primarily consist of receivables from federal, state and local governmental agencies, and not-for-profit organizations, and are stated at estimated net realizable value. The Organization uses the allowance method to determine uncollectible receivables. The allowance is based upon management estimates of current economic factors and analysis of specific accounts. Management believes all outstanding balances at December 31, 2017 and 2016 are collectible.

One grantor accounted for 63% and 73% of grants and contracts receivable at December 31, 2017 and 2016, respectively. Two grantors accounted for 79% and 78% of total revenues for the years ended December 31, 2017 and 2016, respectively. The loss of these funding sources could have an adverse impact on the Organization.

Any funding source may, at its discretion, request return of funds as a result of non-compliance with the terms of the grants. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

Functional Expenses

The cost of providing the various services and other activities has been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been charged to program services or supporting services based on a combination of specific identification and allocation by management.

Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Accordingly, no provision for income taxes has been recorded. Management has determined that there was no unrelated business income for the years ended December 31, 2017 and 2016.

The Organization recognizes and measures tax positions based on their technical merit and assesses the likelihood that the positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. Interest and penalties on tax liabilities, if any, would be recorded in interest expense and other non-interest expense, respectively.

The U.S. Federal jurisdiction is the major tax jurisdictions where the Organization files informational tax returns. The Organization is generally no longer subject to U.S. Federal examinations by tax authorities for years before 2014.

COMMUNITY COALITION, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements

Lease Accounting

In February 2016, the Financial Accounting Standards Board ("FASB") issued an accounting standard update which amends existing lease guidance. The update requires lessees to recognize a right-of-use asset and related lease liability for many operating leases now currently off-balance sheet under current U.S. GAAP. Accounting by lessors remains largely unchanged from current U.S. GAAP. The update is effective using a modified retrospective approach for fiscal years beginning after December 15, 2019, and for interim periods within fiscal years beginning after December 15, 2020, with early application permitted. The Organization is currently evaluating the effect the update will have on its financial statements.

Presentation of Financial Statements of Not-for-Profit Entities

In August 2016, the FASB issued an accounting standard update which aims to improve information provided to creditors, donors, grantors, and others while also reducing complexity and costs. The update is the first phase of a project regarding not-for-profits which aims to improve and simplify net asset classification requirements and improve the information presented and disclosed in financial statements about liquidity, cash flows, and financial performance. The update is effective retrospectively for financial statements issued for fiscal years beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018, with earlier application permitted. The Organization is currently evaluating the effect the update will have on its financial statements.

Classification of Certain Cash Receipts and Cash Payments

In August 2016, the FASB issued an accounting standard update to reduce diversity in practice on eight specific statement of cash flows issues. The update is effective retrospectively for financial statements issued for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019, with early adoption permitted. The Organization is currently evaluating the effect the update will have on its financial statements.

Subsequent Events

The Organization has evaluated subsequent events through June 30, 2018, which is the date the financial statements were available to be issued.

3. GRANTS AND CONTRACTS RECEIVABLE

Grants and contracts receivable consist of the following at December 31,:

	<u>2017</u>	<u>2016</u>
South Florida Workforce Investment Board	\$ 242,702	\$ 390,946
Miami Dade County	16,101	25,739
Adults Mankind Organization, Inc.	30,138	28,818
The Children's Trust	33,449	49,087
Alliance for Aging	62,627	39,757
	<u>\$ 385,017</u>	<u>\$ 534,347</u>

COMMUNITY COALITION, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

4. RETIREMENT PLAN

The Organization sponsors a Simple IRA Plan covering all employees who elect to participate. Under the plan, the Organization contributes the lesser of 3% of the participant's wages or the participant's contribution. The Organization's contribution for the years ended December 31, 2017 and 2016 was \$40,923 and \$35,867, respectively.

5. COMMITMENTS AND CONTINGENCIES

Operating Leases

The Organization leases operating facilities which expire at various dates through April 2019. The Organization also leases office equipment under a non-cancelable lease which expires June 2021. Rent expense under these operating leases was approximately \$100,000 and \$96,000 for the years ended December 31, 2017 and 2016, respectively.

At December 31, 2017, approximate minimum future rental commitments are as follows for the years ending December 31,:

2018	\$	81,000
2019		28,000
2020		15,000
2021		1,000
		<hr/>
	\$	125,000

Litigation and Other Contingencies

The Organization was not involved in any claims or legal actions arising in the ordinary course of business.

By terms of the Organization's grants and contracts, certain funding agencies reserve the right to examine records relating to cost reimbursements. In the event there is a determination of non-qualifying expenditures for which a reimbursement has been made, the funding agency may demand repayment. Management of the Organization does not anticipate any repayments will have to be made for grants or contracts terminated or in process at December 31, 2017 and 2016. Accordingly, no provision for liability has been made in the accompanying financial statements.



**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**

To the Board of Directors
Community Coalition, Inc.

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 Coalition, Inc. (the "Organization") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 20, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the 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 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 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 the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

Morrison, Brown, Argiz & Farra

Miami, Florida
June 20, 2018

SINGLE AUDIT REPORT AND SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE AND CHAPTER 10.650, RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

To the Board of Directors
Community Coalition, Inc.

Report on Compliance for Each Major Federal Program and Major State Project

We have audited Community Coalition, Inc.'s (the "Organization") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget ("OMB") Compliance Supplement* and Chapter 10.650, Rules of the Auditor General of the State of Florida that could have a direct and material effect on each of the Organization's major federal programs and state projects for the year ended December 31, 2017. The Organization's major federal programs and state projects are 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs and state projects 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; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("*Uniform Guidance*"); and Chapter 10.650, Rules of the Auditor General of the State of Florida. Those standards, the Uniform Guidance and Chapter 10.650 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 or state project 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 and state project. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program and Major State Project

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects 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 the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project 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 state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, 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 or state project 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 type of compliance requirement of a federal program or state project 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 or state project 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 and Chapter 10.650. Accordingly, this report is not suitable for any other purpose.

Morrison, Brown, Ariz & Tava

Miami, Florida
June 20, 2018

COMMUNITY COALITION, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2017

Federal/State Grantor, Pass-through Grantor, Program/Project Cluster Title	CFDA/ CSFA Number	Contract Award Number	Passed Through to Subrecipients	Total Expenditures
Federal Awards:				
Department of Health and Human Services				
Passed Through South Florida Workforce Investment Board				
Refugee and Entrant Assistance - Targeted Assistance Grants	93.584	RET-DP-PY'16-04-00	\$ -	\$ 704,302
Refugee and Entrant Assistance - Targeted Assistance Grants	93.584	RET-DP-PY'17-04-00	-	169,720
Total Department of Health and Human Services			-	874,022
Department of Labor				
Passed Through South Florida Workforce Investment Board				
WIA Cluster:				
WIA Youth Activities (Out Of School Youth)	17.259	WS-YS-OSY-PY'16-10-00	-	292,904
WIA Youth Activities (Out Of School Youth)	17.259	WS-YS-OSY-PY'17-10-00	-	199,128
Total WIA Cluster			-	492,032
Total Department of Labor			-	492,032
Total Expenditures of Federal Awards			-	1,366,054
State Financial Assistance:				
State of Florida Department of Legal Affairs and Attorney General				
Minority Communities Crime Prevention Program	41.006	K03885	-	570,000
Minority Communities Crime Prevention Program	41.006	K04151	-	379,360
Total Florida Department of Legal Affairs and Attorney General			-	949,360
Florida Department of Elder Affairs				
Passed Through Alliance for Aging, Inc.				
Local Services Programs	65.009	KL1665	-	118,295
Local Services Programs	65.009	KL1765	-	121,339
Total Florida Department of Elder Affairs			-	239,634
Total Expenditures of State Financial Assistance			-	1,188,994
Total Expenditures of Federal Awards and State Financial Assistance			\$ -	\$ 2,555,048

See accompanying notes to schedule of expenditures of federal awards and state financial assistance.

COMMUNITY COALITION, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2017

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance ("Schedule") presents the activity of all federal and state grants of Community Coalition, Inc. during the year ended December 31, 2017. All federal awards passed through from other governmental agencies and nonprofit agencies are included on the accompanying Schedule.

2. BASIS OF ACCOUNTING

The accompanying Schedule is presented using the accrual basis of accounting. Federal award expenditures are recognized following the cost principles contained in Title 2 U.S Code of Federal Regulations (CFR) 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. State expenditures are recognized in accordance with Chapter 10.650, Rules of the Auditor General of the State of Florida. The amounts reported in the Schedule as expenditures may differ from certain financial reports submitted to Federal funding agencies due to those reports being submitted on either a cash or modified accrual basis of accounting.

3. BASIS OF PRESENTATION

The accompanying Schedule is presented in accordance with the requirements of Uniform Guidance and Chapter 10.650, Rules of the Auditor General of the State of Florida.

4. SUB-RECIPIENTS

There were no federal or state awards provided to sub-recipients.

5. INDIRECT COST RATE

Community Coalition, Inc. has elected to use the de minimis indirect cost rate allowed under the Uniform Guidance during the year ended December 31, 2017.

COMMUNITY COALITION, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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 deficiencies identified that are not considered to be material weaknesses? _____ Yes X None Reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards and State Financial Assistance

Internal control over major programs/projects:

Material weakness(es) identified? _____ Yes X No

Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X None Reported

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

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance and Chapter 10.650? _____ Yes X No

Identification of major federal programs and state projects:

<u>CFDA/CSFA Number</u>	<u>Name of Federal Program or State Project</u>
93.584	Refugee and Entrant Assistance - Targeted Assistance Grants
41.006	Minority Communities Crime Prevention Program

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

Federal Programs	\$ 750,000
State Projects	\$ 300,000

Auditee qualified as low-risk auditee? _____ Yes X No

COMMUNITY COALITION, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2017

SECTION II – FINANCIAL STATEMENT FINDINGS

CURRENT YEAR FINDINGS

None.

PRIOR YEAR FINDINGS

None.

SECTION III – FEDERAL AWARD AND STATE PROJECTS FINDINGS AND QUESTIONED COSTS

CURRENT YEAR FINDINGS

None.

PRIOR YEAR FINDINGS

None.

SECTION IV – OTHER ISSUES

A management letter is not required as there were no findings required to be reported in the management letter.

A Summary Schedule of Prior Audit Findings is not required as there were no findings required to be reported.

A Corrective Action Plan is not required as there were no findings required to be reported.