

COMMUNITY COALITION, INC.

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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, 2018 and 2017, 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, 2018 and 2017, 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 is presented for purposes of additional analysis as required by 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 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 25, 2019, 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, Ariz & Tama

Miami, Florida
June 25, 2019

COMMUNITY COALITION, INC.

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,

ASSETS	2018	2017
CURRENT ASSETS:		
Cash	\$ 343,843	\$ 361,836
Grants and contracts receivable	354,512	385,017
Prepaid expenses	7,620	-
TOTAL CURRENT ASSETS	705,975	746,853
Other assets	4,701	4,701
TOTAL ASSETS	\$ 710,676	\$ 751,554
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 139,977	\$ 164,469
TOTAL CURRENT LIABILITIES	139,977	164,469
NET ASSETS		
Without donor restrictions	570,699	587,085
TOTAL LIABILITIES AND NET ASSETS	\$ 710,676	\$ 751,554

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

COMMUNITY COALITION, INC.

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31,

	2018	2017
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
REVENUES		
Federal awards	\$ 1,283,862	\$ 1,366,054
State financial assistance	1,192,694	1,188,994
County and local grants	279,459	373,801
TOTAL REVENUES	<u>2,756,015</u>	<u>2,928,849</u>
EXPENSES		
Program services:		
Employment adults/elderly services	298,175	353,899
Refugee employment and training	546,210	743,132
Training and employment at risk youths	885,242	756,937
Youth enrichment and development	183,553	220,562
WIA youth programs	597,665	538,899
Management and general	261,556	264,206
TOTAL EXPENSES	<u>2,772,401</u>	<u>2,877,635</u>
CHANGE IN NET ASSETS	(16,386)	51,214
NET ASSETS, BEGINNING OF YEAR	<u>587,085</u>	<u>535,871</u>
NET ASSETS, END OF YEAR	<u>\$ 570,699</u>	<u>\$ 587,085</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, 2018

	Program Services						Total
	Employment Adults/Elderly Services	Refugee Employment and Training	Training and Employment At Risk Youths	Youth Enrichment and Development	WIA Youth Programs	Management and General	
PERSONNEL COSTS							
Salaries	\$ 117,737	\$ 382,901	\$ 561,185	\$ 141,196	\$ 291,062	\$ 192,799	\$ 1,686,880
Payroll taxes and other personnel costs	23,729	94,926	89,415	23,785	54,185	51,642	337,682
Total personnel costs	141,466	477,827	650,600	164,981	345,247	244,441	2,024,562
OPERATING EXPENSES							
Communications	2,357	5,684	5,024	1,557	3,869	-	18,491
Equipment costs, maintenance and rent	2,712	13,545	515	2,836	7,980	-	27,588
Food	136,655	-	-	-	-	-	136,655
Insurance	1,279	3,828	1,038	-	1,772	-	7,917
Local travel	-	-	4,012	-	10,406	-	14,418
Occupancy	10,905	39,130	19,537	8,030	16,570	-	94,172
Office supplies and services	1,039	5,933	9,667	4,309	22,220	-	43,168
Other	1,762	263	3,810	1,840	389	-	8,064
Professional fees	-	-	-	-	-	17,115	17,115
Subcontract services	-	-	-	-	2,900	-	2,900
Support services	-	-	191,039	-	186,312	-	377,351
Total expenses	\$ 298,175	\$ 546,210	\$ 885,242	\$ 183,553	\$ 597,665	\$ 261,556	\$ 2,772,401

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	Youth Enrichment and Development	WIA Youth Programs	Management and General	
PERSONNEL COSTS							
Salaries	\$ 155,869	\$ 530,821	\$ 444,749	\$ 172,002	\$ 305,730	\$ 205,844	\$ 1,815,015
Payroll taxes and other personnel costs	35,074	146,513	77,016	29,813	74,364	37,362	400,142
Total personnel costs	190,943	677,334	521,765	201,815	380,094	243,206	2,215,157
OPERATING EXPENSES							
Communications	3,116	6,111	3,708	1,248	3,262	-	17,445
Equipment costs, maintenance and rent	5,053	15,484	9,628	2,230	6,270	-	38,665
Food	131,906	-	-	-	-	-	131,906
Insurance	2,327	291	2,835	1,269	1,395	-	8,117
Local travel	-	6,581	4,275	-	10,238	-	21,094
Occupancy	15,626	24,300	25,884	6,433	15,442	-	87,685
Office supplies and services	3,628	13,031	11,692	3,035	13,198	-	44,584
Other	1,300	-	10,384	4,532	2,391	-	18,607
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.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (16,386)	\$ 51,214
Adjustments to reconcile change in unrestricted net assets to net cash (used in) provided by operating activities:		
Changes in operating assets and liabilities:		
Grants and contracts receivable	30,505	149,330
Prepaid expenses	(7,620)	-
Accounts payable and accrued expenses	(24,492)	28,932
TOTAL ADJUSTMENTS	(1,607)	178,262
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(17,993)	229,476
NET (DECREASE) INCREASE IN CASH	(17,993)	229,476
CASH - BEGINNING OF YEAR	361,836	132,360
CASH - END OF YEAR	<u>\$ 343,843</u>	<u>\$ 361,836</u>

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

COMMUNITY COALITION, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

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 accounting standards issued by the Financial Accounting Standards Board ("FASB"). Net assets and revenues, expenses, gains and losses are classified into two classes of net assets based on the existence or absence of donor-imposed restrictions. The two classes of net asset categories are as follows:

Net Assets without Donor Restrictions

Net Assets without Donor Restrictions consists of contributions and other inflows of assets whose use is not subject to donor-imposed restrictions.

Net Assets with Donor Restrictions

Net assets with Donor Restrictions consists of contributions and other inflows or assets whose use is subject to donor-imposed restrictions that are more specific than broad limits reflecting the nature of the Organization, the environment in which the Organization operates, and the purpose specified in the Organization's articles of incorporation or bylaws or comparable documents. Donor-imposed restrictions may be temporary in nature, such as stipulating that resources may be used only after a specified date or limited to specific programs or services. Certain donor-imposed restrictions are perpetual in nature. There were no net assets with donor restrictions as of December 31, 2018 and 2017.

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.

COMMUNITY COALITION, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("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.

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, 2018 and 2017.

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, 2018 and 2017, equipment was fully depreciated.

Prepaid Expenses

Prepaid expenses consist primarily of amounts paid in advance that benefit future periods which includes insurance, rent and program supplies.

Grant and Contract Revenues and Receivables

The Organization receives substantially all of its revenue and grants and contracts receivable 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, 2018 and 2017 are collectible.

One grantor accounted for 66% and 63% of grants and contracts receivable at December 31, 2018 and 2017, respectively. Two grantors accounted for 81% and 79% of total revenues for the years ended December 31, 2018 and 2017, 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.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year's presentation.

COMMUNITY COALITION, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 allocated among the programs and supporting services benefited. Expenses that can be directly identified with the program or supporting service are reported as expenses of those functional areas. Other expenses are allocated among the program and supporting services based on a reasonable basis that is consistently applied. Personnel expenses are allocated on the basis of estimated time and effort.

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, 2018 and 2017.

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 2015.

Adopted Accounting Pronouncement

Presentation of Financial Statements of Not-for-Profit Entities

During the year ended December 31, 2018, the Organization adopted Accounting Standards Update 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update amends the current reporting model for not-for-profit organizations and enhances their required disclosures. The major changes include, but are not limited to: (a) requiring the presentation of two classes of net assets now entitled “net assets without donor restrictions” and “net assets with donor restrictions,” (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations on gifts used to acquire or construct long-lived assets absent explicit donor restrictions otherwise, (d) requiring the presentation of an analysis of expenses by function and nature, (e) requiring the disclosure of information regarding liquidity and availability of resources, and (f) presenting investment return net of external and direct internal investment expenses. In addition, the update removes the requirement that statements of cash flows using the direct method also present a reconciliation consistent with the indirect method. The Organization has applied the update retrospectively to all periods presented and adjusted the presentation of these financial statements accordingly. The adoption of this update has no other material effect on the Organization’s financial position and changes in net assets. In addition, the Organization has elected to continue to present the Statement of Cash Flows using the indirect method and continues to include a separate Statement of Functional Expenses in its financial statements.

COMMUNITY COALITION, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements

Revenue from Contracts with Customers

In May 2014, the FASB issued an accounting standard update which affects the revenue recognition of entities that enter into either (1) certain contracts to transfer goods or services to customers or (2) certain contracts for the transfer of nonfinancial assets. The update indicates an entity should recognize revenue in an amount that reflects the consideration the entity expects to be entitled to in exchange for the goods or services transferred by the entity. The update is to be applied to the beginning of the year of implementation or retrospectively and is effective for annual periods beginning after December 15, 2018 and in interim periods in annual periods beginning after December 15, 2019. Early application is permitted, but no earlier than annual reporting periods beginning after December 15, 2016. The Organization is currently evaluating the effect the update will have on its financial statements.

Lease Accounting

In February 2016, the 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. Also, the FASB has issued amendments to the update with practical expedients related to land easements and lessor accounting. The Organization is currently evaluating the effect the update will have on its financial statements.

The update originally required transition to the new lease guidance using a modified retrospective approach which would reflect the application of the update as of the beginning of the earliest comparative period presented. A subsequent amendment to the update provides an optional transition method that allows entities to initially apply the new lease guidance with a cumulative-effect adjustment to the opening balance of equity in the period of adoption. If this optional transition method is elected, after the adoption of the new lease guidance, the Organization presentation of comparative periods in the financial statements will continue to be in accordance with current lease accounting. The Organization is evaluating the method of adoption it will elect. The update is effective for fiscal years beginning after December 15, 2019, and for interim periods within fiscal years beginning after December 15, 2020, with early application permitted.

Classification of Certain Cash Receipts and Cash Payments

In August 2016, the FASB issued an accounting standards 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.

Clarifying the Interaction between Topic 808 and Topic 606

In November 2018, the FASB issued an accounting standard update to clarify the interaction between Topic 808, Collaborative Arrangements, and Topic 606, Revenue from Contracts with Customers. The update is effective for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021, with early application permitted. The Organization is currently evaluating the potential accounting and disclosure effects the update will have on its financial statements.

Subsequent Events

The Organization has evaluated subsequent events through June 25, 2019, which is the date the financial statements were available to be issued.

COMMUNITY COALITION, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

3. LIQUIDITY MANAGEMENT AND AVAILABILITY OF RESOURCES

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization holds cash in various bank accounts with well-known financial institutions.

The Organization's financial assets available within one year of December 31, 2018 for general expenditures are as follows:

Cash	\$	343,843
Grant and contracts receivable		<u>354,512</u>
Total financial assets available to management for general expenditures within one year	<u>\$</u>	<u>698,355</u>

4. GRANTS AND CONTRACTS RECEIVABLE

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

	<u>2018</u>	<u>2017</u>
South Florida Workforce Investment Board	\$ 234,645	\$ 242,702
Miami Dade County	10,989	16,101
Adults Mankind Organization, Inc.	10,734	30,138
The Children's Trust	35,260	33,449
Alliance for Aging	<u>62,884</u>	<u>62,627</u>
	<u>\$ 354,512</u>	<u>\$ 385,017</u>

5. 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, 2018 and 2017 was \$53,190 and \$40,923, respectively.

6. COMMITMENTS AND CONTINGENCIES

Operating Leases

The Organization leases operating facilities which expire at various dates through May 2020. The Organization also leases office equipment under non-cancelable leases which expire at various dates through June 2021. Rent expense under these operating leases was approximately \$105,000 and \$100,000 for the years ended December 31, 2018 and 2017, respectively.

At December 31, 2018, approximate minimum future rental commitments are as follows for the years ending December 31:

2019	\$	104,000
2020		46,000
2021		<u>1,300</u>
	<u>\$</u>	<u>151,300</u>

SINGLE AUDIT REPORTS



**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, 2018, 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 25, 2019.

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.

A handwritten signature in cursive script that reads "Morrison, Brown, Argiz & Farra".

Miami, Florida
June 25, 2019



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND PROJECT, INTERNAL CONTROL OVER COMPLIANCE AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.650, RULES OF THE AUDITOR GENERAL

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, 2018. 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, 2018.

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

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.

Purpose of this Report

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.

Monison, Brown, Ariz & Fama

Miami, Florida
June 25, 2019

SUPPLEMENTAL INFORMATION

COMMUNITY COALITION, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2018

Federal/State Grantor, Pass-through Grantor, Program/Project Cluster Title	CFDA/ CSFA Number	Contract Award Number	Passed Through to Subrecipients	Total Expenditures
<u>Federal Awards:</u>				
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'17-04-00	\$ -	\$ 520,450
Refugee and Entrant Assistance - Targeted Assistance Grants	93,584	RET-DP-PY'18-04-00	-	94,634
Total Department of Health and Human Services			-	615,084
Department of Labor				
Passed Through South Florida Workforce Investment Board				
WIA Youth Activities:				
WIA Youth Activities (Out Of School Youth)	17,259	WS-YS-OSY-PY'17-10-00	-	424,754
WIA Youth Activities (Out Of School Youth)	17,259	WS-YS-OSY-PY'18-10-00	-	244,024
Total WIA Youth Activities			-	668,778
Total Department of Labor			-	668,778
Total Expenditures of Federal Awards			-	1,283,862
<u>State Financial Assistance:</u>				
State of Florida Department of Legal Affairs and Attorney General				
Minority Communities Crime Prevention Program	41,006	K04151	-	569,040
Minority Communities Crime Prevention Program	41,006	K04356	-	380,000
Total Florida Department of Legal Affairs and Attorney General			-	949,040
Florida Department of Elder Affairs				
Passed Through Alliance for Aging, Inc.				
Local Services Programs	65,009	KL1765	-	128,338
Local Services Programs	65,009	KL1865	-	115,316
Total Florida Department of Elder Affairs			-	243,654
Total Expenditures of State Financial Assistance			-	1,192,694
Total Expenditures of Federal Awards and State Financial Assistance			\$ -	\$ 2,476,556

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, 2018

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, 2018. 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, 2018.

COMMUNITY COALITION, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
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 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>
17.259	WIA Youth Activities (Out Of School Youth)
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	\$ 750,000

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

COMMUNITY COALITION, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2018

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.