

COMMUNITY COALITION, INC.

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Independent Auditor's Report

To the Board of Directors
Community Coalition, Inc.
Miami, Florida

Opinion

We have audited the accompanying financial statements of the Community Coalition, Inc. (a nonprofit organization) (the Coalition), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of the Community Coalition, Inc. as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of the Community Coalition, Inc. as of December 31, 2021 were audited by other auditors whose report dated August 30, 2022, expressed an unmodified opinion on those financial statements. As more fully described in Note 2 to the financial statements, certain summarized comparative information presented herein for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statement information from which it was derived.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Community Coalition, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Community Coalition, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Community Coalition, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Community Coalition, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance, as required by Chapter 10.650, *Rules of the Auditor General* 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 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 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 July 25, 2023 on our consideration of the Community Coalition, Inc.'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Community Coalition, Inc.'s 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 Community Coalition, Inc.'s internal control over financial reporting and compliance.

Templeton & Company, LLP

Fort Lauderdale, Florida
July 25, 2023

COMMUNITY COALITION, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2022 and 2021

ASSETS

	2022	2021
Current assets:		
Cash	\$ 456,104	\$ 520,340
Grants receivable	356,498	350,721
Prepaid expenses	18,183	7,642
Total current assets	830,785	878,703
Right-of-use asset - operating lease	108,142	-
Total assets	\$ 938,927	\$ 878,703

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	\$ 50,841	\$ 44,411
Accrued expenses	31,094	34,199
Current portion of operating lease liability	32,692	-
Total current liabilities	114,627	78,610
Operating lease liability, net of current portion	77,086	-
Total liabilities	191,713	78,610
Net assets:		
Net assets without donor restrictions	747,214	800,093
Total liabilities and net assets	\$ 938,927	\$ 878,703

See accompanying notes to financial statements.

COMMUNITY COALITION, INC.
STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Without donor restrictions:		
Revenues		
Federal awards	\$ 597,692	\$ 758,609
State financial assistance	925,676	945,667
County and local grants	377,650	214,181
Paycheck Protection Program loan forgiveness	<u>-</u>	<u>277,150</u>
Total revenue	<u>1,901,018</u>	<u>2,195,607</u>
Expenses		
Program services:		
Elderly services	54,524	28,156
Refugee employment and training	-	114,487
Training and employment at risk youths	905,958	802,042
Youth enrichment and development	315,256	247,726
WIOA youth programs	566,810	540,223
Management and general	<u>111,349</u>	<u>272,974</u>
Total expenses	<u>1,953,897</u>	<u>2,005,608</u>
Change in net assets	(52,879)	189,999
Net assets - beginning of year	<u>800,093</u>	<u>610,094</u>
Net assets - end of year	<u>\$ 747,214</u>	<u>\$ 800,093</u>

See accompanying notes to financial statements.

COMMUNITY COALITION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended December 31, 2022 and 2021

	<u>Program Services</u>				<u>Total Program Services</u>	<u>Management and general</u>	<u>Total Expenses</u>	<u>2021 Comparative Totals Only</u>
	<u>Elderly Services</u>	<u>Training and Employment at Risk Youths</u>	<u>Youth Enrichment and Development</u>	<u>WIOA Youth Programs</u>				
Salaries and wages	\$ 43,021	\$ 673,992	\$ 258,125	\$ 372,847	\$ 1,347,985	\$ 86,041	\$ 1,434,026	\$ 1,295,826
Payroll taxes and benefits	6,883	107,837	41,299	59,655	215,674	13,766	229,440	254,837
Communications	504	7,903	3,027	4,372	15,806	1,009	16,815	16,008
Equipment costs and rental	793	12,430	4,760	7,970	25,953	493	26,446	35,638
Insurance	195	4,377	-	1,920	6,492	-	6,492	9,400
Travel	-	3,600	-	6,581	10,181	5,585	15,766	1,406
Occupancy	1,315	20,605	7,891	11,398	41,209	2,631	43,840	47,703
Office supplies	912	14,288	-	13,375	28,575	1,824	30,399	32,426
Other	901	-	-	-	901	-	901	7,015
Professional fees	-	17,955	-	11,164	29,119	-	29,119	20,063
Subcontractor services	-	-	154	702	856	-	856	2,000
Support services	-	42,971	-	76,826	119,797	-	119,797	283,286
Total expenses	<u>\$ 54,524</u>	<u>\$ 905,958</u>	<u>\$ 315,256</u>	<u>\$ 566,810</u>	<u>\$ 1,842,548</u>	<u>\$ 111,349</u>	<u>\$ 1,953,897</u>	<u>\$ 2,005,608</u>

See accompanying notes to financial statements.

COMMUNITY COALITION, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ (52,879)	\$ 189,999
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Gain on forgiveness of Paycheck Protection Program loan	-	(277,150)
Changes in operating assets and liabilities:		
Grants receivable	(5,777)	129,704
Prepaid expenses	(10,541)	(1,856)
Accounts payable and accrued expenses	3,325	(25,398)
Right-of-use asset - operating lease, net	1,636	-
Net cash (used in) provided by operating activities	(64,236)	15,299
Net change in cash	(64,236)	15,299
Cash, beginning of year	520,340	505,041
Cash, end of year	\$ 456,104	\$ 520,340

See accompanying notes to financial statements.

COMMUNITY COALITION, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1 – Nature of Activities and Summary of Significant Accounting Policies

Nature of activities

The Community Coalition, Inc. (the Coalition) is a Florida not-for-profit organization established in 1998. Through a variety of federal, state and local agency funded grants and contracts, the Coalition offers the following services:

- Employability and life skills training for at-risk youth ages 14 through 21 that are attending public high school in Miami-Dade County, which also provides for counseling, job search and placement to make sure they stay in school and are crime free.
- Case management and follow-ups for low-income elderly including counseling, transportation, information and referral services. The Coalition's program provides these seniors the ability to continue living independently.
- Work-based learning, internship opportunities, vocational and skills training for out of school youth.
- After-school program and summer camp for elementary school children.

Basis of presentation

The financial statements of the Coalition have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) which requires management to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions – Net assets available for general use in operations and not subject to donor (or certain grantor) restrictions. At times, the governing board can designate, from net assets without donor restrictions, net assets as a board designated endowment or for other purposes.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations, and certain grantors. Some donor restrictions are temporary in nature; these restrictions will be met by actions of the Coalition or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Cash

Cash consists of funds held in demand deposit accounts.

Fair value disclosures

The financial statements provide for fair value disclosures for financial instruments for which it is practicable to estimate fair value. The fair value of the Coalition's cash, receivables, and accounts payable approximate their carrying values due to the short-term nature of their maturities.

Grants receivable

Grants receivable consists of allowable costs under the grant agreements that were incurred prior to year-end, for which payment has not been received. Costs incurred that are recoverable under the grant agreements are stated at the amount management expects to collect on outstanding balances. Management provides for probable uncollectible amounts through a provision for uncollectible grants expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables from grants, contracts, and others.

COMMUNITY COALITION, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 1 – Nature of Activities and Summary of Significant Accounting Policies, Continued

Grants receivable, continued

Balances that are outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the applicable grants receivable. There was no allowance for doubtful collection as of December 31, 2022 and 2021.

Grants and contracts

Federal and state grant programs are subject to review by the grantor agencies, which could result in requests for reimbursement to grantor agencies for disallowed expenditures. Management believes it has adhered to the terms of its grants, and any disallowed expenditures resulting from such reviews would not have a material effect on the financial position of the Coalition.

Allocation of functional expenses

The cost of providing the Coalition's programs and other activities has been summarized on a functional basis in the statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied. The statement of functional expenses presents, by natural classification, the expenses of each program and support service.

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. The most significant estimates relate to collectability of grants receivable and amounts due to third-party payors. Actual results could differ from those estimates.

Income taxes

The Coalition is a tax-exempt, not-for-profit corporation under Internal Revenue Code (IRC) Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Coalition recognizes the tax effects from uncertain tax positions in the financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. Management has determined there are no material uncertain positions that require recognition in the financial statements. Additionally, no provision for income taxes is reflected, and there are no interest or penalties recognized in the statements of activities. The Coalition's tax years subject to examination by tax authorities generally remain open for three (3) years from the date of filing.

Leases

Effective January 1, 2022, the Coalition adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-02, *Leases*, which, as amended, was codified as Accounting Standards Codification (ASC) Topic 842, *Leases* (ASC 842). Pursuant to ASC 842, the Coalition classifies a lease as operating or finance using the classification criteria set forth in ASC 842. Further, the Coalition recognizes a lease right-of-use (ROU) asset and a corresponding lease liability on its statement of financial position as of the lease commencement date based on the present value of the lease payments over the lease term.

COMMUNITY COALITION, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 1 – Nature of Activities and Summary of Significant Accounting Policies, Continued

Leases, continued

The Coalition elected to adopt a practical expedient available to nonpublic entities and utilized a risk-free rate to discount the lease liability since the Coalition's lease does not provide a readily determinable implicit rate. The term of a lease is inclusive of any option to renew, extend, or terminate the lease when it is reasonably certain that the Coalition will exercise such option. Lease expense is recognized on a straight-line basis over the lease term. The Coalition did not have any finance leases during the year ended December 31, 2022. The Coalition also elected a practical expedient to exclude short-term leases with a term of twelve months or less from the measurement of the lease obligations as of the commencement date.

Note 2 – Availability and Liquidity

The following represents the Coalition's financial assets available for general expenditures within one year at December 31, 2022:

Financial assets at year-end:	
Cash	\$ 456,104
Grants receivable	<u>356,498</u>
Total financial assets available for general expenditures within one year	<u>\$ 812,602</u>

Note 3 – Grants Receivable

Grants receivable consist of the following as of December 31:

	2022	2021
South Florida Workforce Investment Board	\$ 131,502	\$ 126,537
Miami-Dade County	-	22,794
Adults Mankind Organization, Inc.	36,618	18,654
The Children's Trust	31,779	16,939
State of Florida Office of the Attorney General	<u>156,600</u>	<u>165,797</u>
	<u>\$ 356,498</u>	<u>\$ 350,721</u>

Note 4 – Paycheck Protection Program Loan

On April 30, 2020, the Coalition received a loan of approximately \$277,000 under the Paycheck Protection Program (PPP) authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) that was signed into law on March 27, 2020. The application of these funds requires the Coalition to, in good faith, certify that the current economic uncertainty made the loan request necessary to support the ongoing operations of the Coalition. This certification further requires the Coalition to take into account its current business activity and its ability to access other sources of liquidity sufficient to support ongoing operations in a manner that is not significantly detrimental to the business.

The receipt of these funds, and the forgiveness of the PPP loan was dependent on the Coalition having initially qualified for the PPP loan and qualifying for the forgiveness of such loan based on its future adherence to the forgiveness criteria. The PPP loan began accruing interest at a rate of 1.00% on the effective date. Principal payments were due in equal monthly installments commencing April 30, 2021. The PPP loan was set to mature on April 30, 2022, at which time all unpaid principal and accrued interest was due.

COMMUNITY COALITION, INC.

NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 4 – Paycheck Protection Program Loan, Continued

The Coalition was granted forgiveness on May 4, 2021, in the amount of \$277,150, and all conditions of the PPP loan were explicitly waived. The PPP Loan forgiveness was \$277,150 and included in grant income within the accompanying statement of activities for the year ended December 31, 2021

Note 5 – Concentrations

The Coalition maintains its deposit accounts with high credit quality financial institutions. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) and the Coalition has not experienced any losses in such accounts. As of December 31, 2022 and 2021, cash did not exceed federally insured limits.

For the years ended December 31, 2022 and 2021, the Coalition received 80% and 85%, respectively, of its revenue and support from two grantors. A material reduction in the level of this support could have a significant effect on the Coalition's services and activities.

Note 6— Leases

The Coalition leases its office pursuant to a non-cancellable operating lease agreement which expires in March 2026. The Coalition evaluates whether a contractual arrangement that provides it with control over the use of an asset is, or contains, a lease at the inception date. The term of a lease is inclusive of any option to renew, extend, or terminate the lease when it is reasonably certain that the Coalition will exercise such option. Variable lease payments that depend on an index or a rate are included in the determination of ROU assets and lease liabilities using the index or rate at the lease commencement date. Variable lease payments that do not depend on an index or rate or result from changes in an index or rate after the lease commencement date are recorded as lease expense in the period in which the obligation for the payment is incurred. The Coalition's lease does not contain any material residual value guarantees or restrictive covenants.

As of December 31, 2022, the Coalition's operating lease ROU asset is included as a noncurrent asset, its operating lease liability as lease liability – operating lease, net included as a long-term liability, and the current portion of the lease liability – operating lease as a current liability in the Coalition's statement of financial position.

The following table presents the Coalition's operating lease ROU asset and lease liability as of December 31, 2022:

ROU asset - operating lease	<u>\$ 108,142</u>
Lease liability - operating lease	<u>\$ 109,778</u>

For the year ended December 31, 2022, the Coalition's operating lease expense is recorded within general and administrative expenses and program expenses in the accompanying statement of activities. The following table represents the components of lease expense for the year ended December 31, 2022:

<u>Operating leases:</u>	
Operating lease expense	\$ 33,967
Short-term lease	<u>12,899</u>
Total lease expense	<u>\$ 46,866</u>

COMMUNITY COALITION, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 6 – Leases, Continued

The following table presents a maturity analysis of the Coalition's operating lease liability as of December 31, 2022:

Year Ending December 31,	Minimum Lease Payments
2023	\$ 33,301
2024	34,300
2025	35,329
2026	<u>9,097</u>
Total minimum payments	112,027
Less: imputed interest	<u>(2,249)</u>
Present value of minimum lease payments	<u>\$ 109,778</u>

The following table presents the weighted average remaining lease term (in years) and discount rate of the Coalition's operating lease as of December 31, 2022:

Weighted average remaining lease term (years)	3.25
Weighted average discount rate	1.27 %

The following table presents supplemental disclosure of cash flow information associated with the Coalition's operating lease for the year ended December 31, 2022:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows	<u>\$ 32,331</u>
ROU assets and lease liabilities recognized on adoption of ASC 842	<u>\$ 140,542</u>

Note 7 – Retirement Plan

The Coalition sponsors a Simple IRA Plan covering all employees who elect to participate. Under the plan, the Coalition contributes the lesser of 4% of the employee's wages or the employee's contribution. The Coalition's contribution for each of the years ended December 31, 2022 and 2021 was approximately \$36,000.

Note 8 – Subsequent Events

Management evaluated events occurring subsequent to December 31, 2022 through July 25, 2023, the date on which the financial statements were available to be issued, for matters that should be recorded in the financial statements or disclosed in the footnotes thereto.

SUPPLEMENTARY INFORMATION

COMMUNITY COALITION, INC.
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
For the Year Ended December 31, 2022

State Grantor Pass-Through Grantor, State Project or Cluster Title	State Assistance Listing Number	Pass-Through Entity Identifying Number	Total State Expenditures
State Financial Assistance:			
State of Florida Department of Legal Affairs and Attorney General			
Minority Communities Crime Prevention Program - Community Coalition	41.006	N/A	\$ 477,595
Minority Communities Crime Prevention Program - Community Coalition	41.006	N/A	<u>448,081</u>
Total Expenditures of State Financial Assistance			<u>\$ 925,676</u>

See accompanying notes to financial statements.

COMMUNITY COALITION, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

Note 1 – Basis of Presentation

The purpose of the accompanying schedule of expenditures of state financial assistance (the Schedule) is to present, in summary form, total state financial assistance of the Community Coalition, Inc. (the Coalition) for the year ended December 31, 2022 which have been financed under the various State financial projects. The Schedule is presented in accordance with the requirements of Chapter 10.650, *Rules of the State of Florida Auditor General*. Therefore, certain amounts presented in this Schedule may differ from amounts presented in the basic financial statements.

Note 2 – Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Chapter 10.450, *Rules of the State of Florida Auditor General*, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Note 3 – Indirect Cost Rate

The Coalition has elected not to use the 10 percent de minimis indirect cost rate allowed under Chapter 10.450, *Rules of the State of Florida Auditor General* on eligible grants during the year ended December 31, 2022.

Note 4 – Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by those agencies. Any disallowed claims including amounts already received might constitute a liability of the Coalition for the return of those funds. In the opinion of management, all grant expenditures were in compliance with the terms of the grant agreements and applicable laws and regulations.



**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.
Miami, Florida

We have audited, 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, the financial statements of Community Coalition, Inc., a non-profit organization, (the Coalition), which comprise the statement of financial position as of December 31, 2022, 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 July 25, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Coalition's internal control over financial reporting (internal control) as a basis for designing 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 Coalition's internal control. Accordingly, we do not express an opinion on the effectiveness of the Coalition'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 a material weakness. However, material weaknesses or significant deficiencies may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Coalition'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 Coalition'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 Coalition's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Templeton & Company, LLP

Fort Lauderdale, Florida
July 25, 2023



Independent Auditor's Report on Compliance for Each Major State Project and on Internal Control Over Compliance Required by Chapter 10.650, *Rules of the Auditor General*

To the Board of Directors
Community Coalition, Inc.
Miami, Florida

Report on Compliance for Each Major State Project

Opinion on Each Major State Project

We have audited the Community Coalition, Inc.'s (the Coalition) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the requirements described in the Department of Financial Services, State Projects Compliance Support that could have a direct and material effect on each of the Coalition's major State Projects for the year ended December 31, 2022. The Coalition's major State Projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Community Coalition, Inc. 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 State Projects for the year ended December 31, 2022.

Basis for Opinion on Each Major State Project

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 Chapter 10.650, *Rules of the Auditor General*. Our responsibilities under those standards and Chapter 10.650, *Rules of the Auditor General* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Coalition and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major State Project. Our audit does not provide a legal determination of the Coalition's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Coalition's State Projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Coalition's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and Chapter 10.650, *Rules of the Auditor General* will always detect material noncompliance when it exists.

The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Coalition's compliance with the requirements of each major State Project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and Chapter 10.650, *Rules of the Auditor General*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Coalition's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Coalition's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of the Coalition's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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 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 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 audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Templeton & Company, LLP

Fort Lauderdale, Florida
July 25, 2023

COMMUNITY COALITION, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2022

Part I – Summary of Auditor's Results:

Financial statements:

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Reportable condition(s) identified not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

State financial assistance:

Type of auditor's report on compliance for major State Projects	Unmodified
Internal control over compliance for major State Projects:	
Material weaknesses identified?	No
Reportable condition(s) identified not considered to be material weaknesses?	None reported
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.650, <i>Rules of the Auditor General</i> ?	No

Identification of major State Projects:

Dollar threshold used to distinguish Type A and Type B Program	\$750,000
Auditee qualified as low-risk auditee?	Yes

<u>CFSA Number(s)</u>	<u>Name of State Project</u>
41.006 (State)	Minority Communities Crime Prevention Program – Community Coalition

Part II – Financial Statement Findings – Current Year

None.

Part III – State Project Findings and Questioned Costs

Our audit did not disclose any matters required to be reported in accordance with the Uniform Guidance.

Part IV – State Project Findings and Questioned Costs – Prior Year

None.



Management Letter

Board of Directors
Community Coalition, Inc.
Miami, Florida

Report on the Financial Statements

We have audited the financial statements of the Community Coalition, Inc. (the Coalition) as of and for the year ended December 31, 2022, and have issued our report thereon dated July 25, 2023.

Auditor's Responsibility

We conducted our audits 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 Chapter 10.650, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an audit of the financial statements performed in accordance with *Government Auditing Standards*, the report on Compliance for Each Major State Project and on Internal Control over Compliance Required by Chapter 10.650, *Rules of the Auditor General*, and the Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated July 25, 2023, should be considered in conjunction with this management letter.

Additional Matters

Section 10.654(1)(e), Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, applicable management, and the Community Coalition, Inc.'s Board of Directors, and is not intended to be, and should not be, used by anyone other than these specified parties.

Templeton & Company, LLP

Fort Lauderdale, Florida
July 25, 2023