

**PARENT TO PARENT OF MIAMI, INC.**

FINANCIAL STATEMENTS,  
SUPPLEMENTARY INFORMATION, AND  
INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED  
SEPTEMBER 30, 2019

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Parent to Parent of Miami, Inc.  
Miami, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Parent to Parent of Miami, Inc. (the "Organization") (a nonprofit organization), which comprise the statement of financial position as of September 30, 2019, and the related statements of activities, functional expenses and cash flows for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 the Organization as of September 30, 2019, 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.

***Other Matters***

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2020, 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 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 Organization'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 Organization's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
January 8, 2020

**PARENT TO PARENT OF MIAMI, INC.  
STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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ASSETS

CURRENT ASSETS

Cash	\$ 298,726
Grants receivable, no allowance necessary (includes \$575,199 in net assets with donor restriction)	662,928
TOTAL CURRENT ASSETS	<u>961,654</u>

Property and equipment, net	1,394
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Other assets	<u>9,680</u>
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TOTAL ASSETS	<u><u>\$ 972,728</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	<u>\$ 28,392</u>
TOTAL CURRENT LIABILITIES/ TOTAL LIABILITIES	28,392

NET ASSETS

Without donor restriction	369,137
With donor restriction	<u>575,199</u>
TOTAL NET ASSETS	<u>944,336</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 972,728</u></u>
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The accompanying notes are an integral part  
of these financial statements.

**PARENT TO PARENT OF MIAMI, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
<b>SUPPORT AND REVENUES</b>			
Grants	\$ 100,000	\$ 658,801	\$ 758,801
Unspent grants	-	(3,531)	(3,531)
United Way	3,376	-	3,376
Contributions	22,390	-	22,390
Special events	73,710	-	73,710
Special projects	5,360	-	5,360
Other income	4,433	-	4,433
Net assets released from restrictions:			
Expiration of program restrictions	652,860	(652,860)	-
<b>TOTAL SUPPORT AND REVENUE</b>	<u>862,129</u>	<u>2,410</u>	<u>864,539</u>
<b>EXPENSES</b>			
Program services	755,875	-	755,875
Supporting services	91,120	-	91,120
<b>TOTAL EXPENSES</b>	<u>846,995</u>	<u>-</u>	<u>846,995</u>
<b>CHANGE IN NET ASSETS</b>	15,134	2,410	17,544
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>354,003</u>	<u>572,789</u>	<u>926,792</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 369,137</u>	<u>\$ 575,199</u>	<u>\$ 944,336</u>

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

**PARENT TO PARENT OF MIAMI, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

FUNCTIONAL EXPENSES	Program Services	Supporting Services			Total Expenses
	Education	General & Administrative	Fundraising	Sub-Total	
Salaries	\$ 499,132	\$ 10,283	\$ -	\$ 10,283	\$ 509,415
Fringe benefits	37,662	487	-	487	38,149
Health insurance	36,004	-	-	-	36,004
Disability insurance	4,491	-	-	-	4,491
Rent	88,407	7,335	-	7,335	95,742
Bank charges/credit card fees	-	1,664	-	1,664	1,664
Telephone	8,075	767	-	767	8,842
Postage	2,184	93	-	93	2,277
Storage	-	2,128	-	2,128	2,128
Printing	195	-	-	-	195
Office supplies and expenses	3,356	4,934	-	4,934	8,290
Program supplies	2,999	49	-	49	3,048
Emergency assistance	-	650	-	650	650
Equipment lease/rent	6,568	946	-	946	7,514
Insurance-D&O	1,228	307	-	307	1,535
Insurance-liability/property/bond	3,566	892	-	892	4,458
Insurance-windstorm	1,334	333	-	333	1,667
Travel-local	2,199	536	-	536	2,735
Travel-out of town	3,833	1,268	-	1,268	5,101
Payroll fees	4,491	739	-	739	5,230
Professional fees and consultants	855	-	-	-	855
Marketing	16,960	2,110	-	2,110	19,070
IT support	5,585	-	-	-	5,585
Audit	6,000	6,069	-	6,069	12,069
Accounting	8,545	2,255	-	2,255	10,800
Website	5,416	-	-	-	5,416
Minor equipment	-	247	-	247	247
Miscellaneous	2,845	359	-	359	3,204
Dues and fees	3,201	2,037	-	2,037	5,238
Background checks	444	193	-	193	637
Fundraising events	-	-	22,200	22,200	22,200
Special events	-	11,681	-	11,681	11,681
Food and refreshment	-	3,425	-	3,425	3,425
Fundraising expense	-	2,150	-	2,150	2,150
Sponsorships	-	4,350	-	4,350	4,350
Staff development	-	75	-	75	75
Youth participant stipends	300	-	-	-	300
Depreciation	-	558	-	558	558
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 755,875</b>	<b>\$ 68,920</b>	<b>\$ 22,200</b>	<b>\$ 91,120</b>	<b>\$ 846,995</b>

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

**PARENT TO PARENT OF MIAMI, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	<u>\$ 17,544</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	558
Decrease in grants receivable	7,977
Decrease in prepaid expenses	7,620
Decrease in accounts payable and accrued expenses	<u>(925)</u>
Total adjustments	<u>15,230</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>32,774</u>
 NET INCREASE IN CASH	 32,774
 CASH - BEGINNING OF YEAR	 <u>265,952</u>
 CASH - END OF YEAR	 <u><u>\$ 298,726</u></u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Interest paid	<u><u>\$ -</u></u>
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The accompanying notes are an integral part  
of these financial statements.



**PARENT TO PARENT OF MIAMI, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND OPERATIONS**

**Organization**

Parent to Parent of Miami, Inc. (the “Organization”) is a not-for-profit organization whose objective is to provide information, referrals, educational training, peer support, support groups, advocacy and emergency assistance to families who have children and adults with developmental disabilities and other special needs in Miami-Dade and Monroe counties of the State of Florida.

**New Accounting Pronouncement**

The Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The Organization has adjusted the presentation of its financial statements accordingly, applying the changes retrospectively to the comparative period presented. The new standard changes the following aspects of the Organization’s financial statements:

- The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restriction.
- The unrestricted net asset class has been renamed net assets without donor restriction.
- The financial statements include a new disclosure about liquidity and availability of resources.

**Basis of Accounting and Presentation**

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting and in accordance with generally accepted accounting principles in the United States of America.

Resources are classified for accounting and reporting purposes into three classes of net assets, according to externally imposed restrictions:

- **Net assets without donor restriction:** The portion of the net assets of the Organization that can be used subject only to the broad limits resulting from the nature of the organization, the environment in which it operates, and the purposes specified in its articles of incorporation or bylaws. In some cases, the use of these resources is also subject to limits resulting from contractual agreements with suppliers, creditors, and others entered into by the Organization in the course of its business. The Organization has the greatest ability to choose when using these resources.  
Net assets without donor restriction generally result from contributions and support that are not subject to donor-imposed restrictions, and income from investing excess operating cash, reduced by expenses incurred in providing services, raising contributions, and performing administrative functions.
- **Net assets with donor restriction:** The portion of the net assets of the Organization that is subject to either donor imposed time restrictions or donor-imposed purpose restrictions. These restrictions limit the Organization’s choices when using these resources because the Organization has a fiduciary responsibility to its donors to follow the donor’s instructions. Net assets with donor restriction generally result from donor-restricted contributions.

**Revenue Recognition**

It is the policy of the Organization to record the total grant amount at the time of award and recognize the unexpended portion as net assets with donor restriction until earned. Government funds restricted by grantor for operating purposes are deemed to be earned and reported as revenue when the Organization has incurred expenditures in compliance with the specific restrictions. Other funds are recognized as revenue for financial reporting purposes in the year the funds are granted, inasmuch as the funds are, in substance, contributions.

**PARENT TO PARENT OF MIAMI, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND OPERATIONS (Continued)

**Property and Equipment, net**

Property and equipment are recorded at cost. Depreciation is provided for on the straight-line method over the estimated useful lives of the assets. Cost of major additions and improvements are capitalized and expenditures for maintenance and repairs which do not extend the useful life of the assets are expensed. Donated equipment is recorded at fair market value at the date of the gift.

**Grants Receivables**

Grants receivables consist primarily of amounts due from grantor under the Organization's grant agreements. Grants receivables are stated at estimated net realizable value. No allowance for doubtful accounts was recorded as of September 30, 2019.

**Contributed Goods and Services**

Contributed goods and services are reflected in the financial statements at their estimated fair value, if reasonably determinable. The contributions of services are recognized if these services received (a) create or enhance nonfinancial assets, or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

**Restricted Contributions Whose Restrictions Are Met in the Same Reporting Period**

Donor restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction.

**Income Status**

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and has been classified by the Internal Revenue Service as a publicly supported organization. Management has concluded that the Organization has properly maintained their exempt status. In accordance with GAAP, the Organization has concluded that there are no uncertain tax positions and has further concluded that revenue within the statement of activities has been properly classified as exempt for the year ended September 30, 2019. Tax years after 2016 are subject to examination by taxing authorities; there are no examinations being conducted.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**Cash and Cash Equivalents**

The Organization considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

**Subsequent Events**

Management has evaluated subsequent events through January 8, 2020, which is the date the financial statements were available to be issued.

**PARENT TO PARENT OF MIAMI, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE 2 – PROPERTY AND EQUIPMENT, NET**

Property and equipment, net, at September 30, 2019 consists of the following:

Furniture, fixtures and office equipment	\$ 23,099
Less: accumulated depreciation	<u>(21,705)</u>
Property and equipment, net	<u><u>\$ 1,394</u></u>

Depreciation expense was \$558 for 2019. All property and equipment was without donor restriction and available for general program use.

**NOTE 3 – LINE OF CREDIT**

The Organization has a \$75,000 line of credit at September 30, 2019. The line of credit is collateralized by \$75,000 of the Organization’s assets. Monthly interest payments are required bearing a rate of 6.5% as of September 30, 2019. The outstanding balance at September 30, 2019 on this credit line was \$0.

**NOTE 4 – FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**NOTE 5 – NET ASSETS WITH DONOR RESTRICTION**

Net assets with donor restriction consist of amounts received by the Organization whose use was limited by either the passage of time or stipulations set forth by the donor. As of September 30, 2019, net assets with donor restriction amounted to \$575,199 and are included within grants receivable in the accompanying statement of financial position.

**NOTE 6 – COMMITMENTS AND CONTINGENCIES**

The costs and unexpended funds reflected in the accompanying financial statements relating to government funded programs are subject to audit by the respective governmental agencies (funding sources). The possible disallowance by the related governmental agencies of any item charged to the program or request for the return of any unexpended funds cannot be determined at this time. No provision, for any liability that may result, has been made in the financial statements.

**NOTE 7 – OPERATING LEASES**

The Organization leases its office space under a cancellable lease agreement, which expires August 31, 2022. The Organization has the right to terminate the lease at any time after August 31, 2020 if the Organization’s primary funding source withdraws 30% or more of the annual funds. In addition, the Organization is obligated under various equipment leases expiring through December 2023.

Future minimum annual lease payments required under operating leases as of September 30, 2019 are as follows:

2020	\$ 89,700
2021	7,700
2022	7,700
2023	7,000
2024	<u>1,600</u>
	<u><u>\$ 113,700</u></u>

Rent expense for the year end September 30, 2019 was approximately \$103,000.

**PARENT TO PARENT OF MIAMI, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE 8 – ECONOMIC DEPENDENCE**

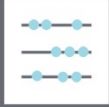
The Organization provides a substantial portion of its program services with funds provided from two sources. A significant reduction in the level of this funding, if this were to occur, may have an effect on the Organization's programs and activities. Revenues received under these contracts represent approximately 68% of the Organization's total support and revenue for the year ended September 30, 2019.

**NOTE 9 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Organization monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Organization has the following financial assets that could readily be made available within one year of the balance sheet to fund expenses without limitations:

	<u>2019</u>
Cash	\$ 298,726
Grants receivable, no allowance necessary (includes \$575,199 in net assets with donor restriction)	<u>662,928</u>
	961,654
Less:	
Donor imposed time or purpose restrictions	<u>575,199</u>
	<u>575,199</u>
Financial assets available to meet cash needs for general expenditures within one year:	<u><u>\$ 386,455</u></u>

## SUPPLEMENTARY INFORMATION



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

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To the Board of Directors of  
Parent to Parent of Miami, Inc.  
Miami, Florida

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 Parent to Parent of Miami, Inc. (the "Organization") (a nonprofit organization), which comprise the statement of financial position as of September 30, 2019, 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 January 8, 2020.

**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.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
January 8, 2020