

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

FINANCIAL STATEMENTS,  
SUPPLEMENTARY INFORMATION, AND  
INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED  
SEPTEMBER 30, 2020

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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, 2020, 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, 2020, 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 February 9, 2021, 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  
February 9, 2021

**PARENT TO PARENT OF MIAMI, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2020**

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ASSETS

CURRENT ASSETS

Cash (includes \$30,000 in net assets with donor restriction)	\$ 332,774
Grants receivable, no allowance necessary	74,491
Prepaid expenses	2,765
TOTAL CURRENT ASSETS	<u>410,030</u>

Property and equipment, net	836
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Other assets	<u>9,680</u>
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TOTAL ASSETS	<u><u>\$ 420,546</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	<u>\$ 4,961</u>
TOTAL CURRENT LIABILITIES/ TOTAL LIABILITIES	4,961

NET ASSETS

Without donor restriction	385,585
With donor restriction	<u>30,000</u>
TOTAL NET ASSETS	<u>415,585</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 420,546</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, 2020**

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	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
<b>SUPPORT AND REVENUES</b>			
Grants	\$ 779,995	\$ 30,000	\$ 809,995
United Way	1,906	-	1,906
Contributions	16,954	-	16,954
Special events	34,830	-	34,830
Special projects	1,248	-	1,248
Other income	9,769	-	9,769
Net assets released from restrictions:			
Expiration of program restrictions	-	-	-
<b>TOTAL SUPPORT AND REVENUE</b>	<u>844,702</u>	<u>30,000</u>	<u>874,702</u>
<b>EXPENSES</b>			
Program services	763,134	-	763,134
Supporting services	65,120	-	65,120
<b>TOTAL EXPENSES</b>	<u>828,254</u>	<u>-</u>	<u>828,254</u>
<b>CHANGE IN NET ASSETS</b>	16,448	30,000	46,448
<b>NET ASSETS, BEGINNING OF YEAR,</b> as previously reported	369,137	575,199	944,336
<b>PRIOR PERIOD ADJUSTMENT</b>	<u>-</u>	<u>(575,199)</u>	<u>(575,199)</u>
<b>NET ASSETS, BEGINNING OF YEAR,</b> as restated	369,137	-	369,137
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 385,585</u>	<u>\$ 30,000</u>	<u>\$ 415,585</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, 2020**

FUNCTIONAL EXPENSES	Program Services	Supporting Services			Total Expenses
	Education	General & Administrative	Fundraising	Sub-Total	
Salaries	\$ 494,665	\$ 11,825	\$ -	\$ 11,825	\$ 506,490
Fringe benefits	37,315	905	-	905	38,220
Health insurance	36,787	-	-	-	36,787
Disability insurance	3,632	-	-	-	3,632
Rent	96,855	3,237	-	3,237	100,092
Bank charges/credit card fees	-	660	-	660	660
Telephone	9,818	483	-	483	10,301
Postage	1,500	216	-	216	1,716
Storage	-	2,290	-	2,290	2,290
Printing	292	245	-	245	537
Office supplies and expenses	3,453	1,768	-	1,768	5,221
Program supplies	1,033	-	-	-	1,033
Emergency assistance	-	200	-	200	200
Equipment lease/rent	6,912	1,306	-	1,306	8,218
Cyber insurance	1,679	186	-	186	1,865
Insurance-D&O	1,228	310	-	310	1,538
Insurance-liability/property/bond	4,465	834	-	834	5,299
Insurance-windstorm	1,474	260	-	260	1,734
Travel-local	1,396	75	-	75	1,471
Payroll fees	5,558	587	-	587	6,145
Marketing	6,329	459	-	459	6,788
IT support	6,867	234	-	234	7,101
Legal services	6,460	340	-	340	6,800
Audit	6,000	7,200	-	7,200	13,200
Accounting	8,820	2,230	-	2,230	11,050
Website	4,187	-	-	-	4,187
Minor equipment	7,700	560	-	560	8,260
Miscellaneous	2,342	83	-	83	2,425
Dues and fees	6,053	1,826	-	1,826	7,879
Background checks	64	-	-	-	64
Fundraising events	-	-	17,638	17,638	17,638
Special events	-	1,295	-	1,295	1,295
Food and refreshment	-	1,807	-	1,807	1,807
Fundraising expense	-	1,979	-	1,979	1,979
Sponsorships	-	3,300	-	3,300	3,300
Staff development	-	224	-	224	224
Youth participant stipends	250	-	-	-	250
Depreciation	-	558	-	558	558
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 763,134</b>	<b>\$ 47,482</b>	<b>\$ 17,638</b>	<b>\$ 65,120</b>	<b>\$ 828,254</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, 2020**

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CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	<u>\$ 46,448</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	558
Decrease in grants receivable	13,238
Increase in prepaid expenses	(2,765)
Decrease in accounts payable and accrued expenses	<u>(23,431)</u>
Total adjustments	<u>(12,400)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>34,048</u>
 NET INCREASE IN CASH	 34,048
 CASH - BEGINNING OF YEAR	 <u>298,726</u>
 CASH - END OF YEAR	 <u><u>\$ 332,774</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, 2020**

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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. 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.

The Organization has adopted Accounting Standards Update (“ASU”) No. 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)* as management believes the standard improves the usefulness and understandability of the Organization’s financial reporting.

In accordance with ASU 2018-08, the Organization has determined that a previously recognized cost-reimbursable grant should not be reported in the statement of financial position and the statement of activities as an increase in net assets with donor restrictions. (See Note 9)

**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 two 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.

**PARENT TO PARENT OF MIAMI, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND OPERATIONS (Continued)**

**Basis of Accounting and Presentation (Continued)**

- 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**

A portion of the Organization's revenue is derived from cost-reimbursable federal, state and/or local government grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

**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, 2020.

**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, 2020. Tax years after 2017 are subject to examination by taxing authorities; there are no examinations being conducted.

**PARENT TO PARENT OF MIAMI, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND OPERATIONS (Continued)**

**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 February 9, 2021, which is the date the financial statements were available to be issued.

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

Property and equipment, net, at September 30, 2020 consists of the following:

Furniture, fixtures and office equipment	\$ 23,099
Less: accumulated depreciation	<u>(22,263)</u>
Property and equipment, net	<u><u>\$ 836</u></u>

Depreciation expense was \$558 for 2020. 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, 2020. 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, 2020. The outstanding balance at September 30, 2020 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, 2020, net assets with donor restriction amounted to \$30,000 and are included within cash in the accompanying statement of financial position.

**PARENT TO PARENT OF MIAMI, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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**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, 2020 are as follows:

2021	\$	10,200
2022		10,200
2023		2,300
2024		-
2025		-
	\$	<u>22,700</u>

Rent expense for the year-end September 30, 2020 was approximately \$103,000.

**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, 2020.

**NOTE 9- COST REIMBURSABLE GRANT ADJUSTMENT**

In accordance with ASU 2018-08, revenues from cost-reimbursable government grants and contracts were restated in prior periods to conform with the new standard. Previously recorded revenues from cost-reimbursable grants were restated resulting in a \$575,199 decrease of beginning net assets with donor restrictions.

**PARENT TO PARENT OF MIAMI, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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**NOTE 10 – 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>2020</u>
Cash (includes \$30,000 in net assets with donor restriction)	\$ 332,774
Grants receivable, no allowance necessary	<u>74,491</u>
	407,265
Less:	
Donor-imposed time or purpose restrictions	<u>30,000</u>
	<u>30,000</u>
Financial assets available to meet cash needs for general expenditures within one year:	<u><u>\$ 377,265</u></u>

**NOTE 11 – OTHER MATTERS**

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a “Public Health Emergency of International Concern,” which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. While the rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak on the Organization, the outbreak presents uncertainty and risk with respect to the Organization, its performance, and its financial results.

## 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, 2020, 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 February 9, 2021.

**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) 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 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 financial statements. 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  
February 9, 2021