

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

FINANCIAL STATEMENTS,  
SUPPLEMENTARY INFORMATION, AND  
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED  
SEPTEMBER 30, 2021

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## INDEPENDENT AUDITOR'S 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, 2021, 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, 2021, 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, 2022, 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, 2022

**PARENT TO PARENT OF MIAMI, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2021**

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ASSETS

CURRENT ASSETS

Cash	\$ 357,752
Grants receivable, no allowance necessary	74,970
Prepaid expenses	<u>4,758</u>
TOTAL CURRENT ASSETS	437,480

Property and equipment, net 3,444

Other assets 9,680

TOTAL ASSETS \$ 450,604

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$ <u>10,848</u>
TOTAL CURRENT LIABILITIES/ TOTAL LIABILITIES	10,848

NET ASSETS

Without donor restriction	<u>439,756</u>
TOTAL NET ASSETS	<u>439,756</u>

TOTAL LIABILITIES AND NET ASSETS \$ 450,604

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, 2021**

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	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
<b>SUPPORT AND REVENUES</b>			
Grants	\$ 865,972	\$ -	\$ 865,972
United Way	3,303	-	3,303
Contributions	25,059	-	25,059
Special events	25,429	-	25,429
Other income	19,602	-	19,602
Net assets released from restrictions:			
Expiration of program restrictions	30,000	(30,000)	-
<b>TOTAL SUPPORT AND REVENUE</b>	<u>969,365</u>	<u>(30,000)</u>	<u>939,365</u>
<b>EXPENSES</b>			
Program services	863,276	-	863,276
Supporting services	51,918	-	51,918
<b>TOTAL EXPENSES</b>	<u>915,194</u>	<u>-</u>	<u>915,194</u>
<b>CHANGE IN NET ASSETS</b>	54,171	(30,000)	24,171
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>385,585</u>	<u>30,000</u>	<u>415,585</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 439,756</u>	<u>\$ -</u>	<u>\$ 439,756</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, 2021**

FUNCTIONAL EXPENSES	Program Services	Supporting Services	Total Expenses
	Education	General & Administrative	
Salaries	\$ 530,233	\$ 13,779	\$ 544,012
Rent	92,259	493	92,752
Health insurance	51,156	-	51,156
Fringe benefits	39,879	1,243	41,122
Capital equipment	31,632	-	31,632
Financial planners	20,000	-	20,000
Telephone	11,425	1,204	12,629
Dues and fees	6,219	5,070	11,289
Audit	6,000	5,250	11,250
IT support	11,238	-	11,238
Accounting	9,720	1,080	10,800
Office supplies and expenses	7,013	2,812	9,825
Equipment lease/rent	7,069	849	7,918
Payroll fees	5,947	1,037	6,984
Website	6,581	-	6,581
Minor equipment	5,151	1,394	6,545
Insurance-liability/property/bond	4,861	584	5,445
Disability insurance	4,497	-	4,497
Professional fees and consultants	-	4,200	4,200
Legal services	1,700	1,700	3,400
Program supplies	2,827	49	2,876
Fundraising expense	-	2,545	2,545
Special events	-	2,400	2,400
Storage	-	2,089	2,089
Insurance-windstorm	1,600	275	1,875
Marketing	1,437	359	1,796
Insurance-D&O	1,300	235	1,535
Cyber insurance	1,300	178	1,478
Depreciation	-	1,191	1,191
Postage	770	-	770
Background checks	467	257	724
Bank charges/credit card fees	-	663	663
Printing	645	-	645
Miscellaneous	-	525	525
Food and refreshment	-	457	457
Youth participant stipends	350	-	350
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 863,276</b>	<b>\$ 51,918</b>	<b>\$ 915,194</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, 2021**

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CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	<u>\$ 24,171</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	1,191
Increase in grants receivable	(479)
Increase in prepaid expenses	(1,993)
Increase in accounts payable and accrued expenses	<u>5,887</u>
Total adjustments	<u>4,606</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>28,777</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of equipment	<u>(3,799)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(3,799)</u>

NET INCREASE IN CASH 24,978

CASH - BEGINNING OF YEAR 332,774

CASH - END OF YEAR \$ 357,752

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, 2021**

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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.

**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.
- 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. The Organization had no net assets with donor restrictions as of September 30, 2021.

**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.

**PARENT TO PARENT OF MIAMI, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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

**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, 2021.

**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, 2021. Tax years after 2018 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 February 9, 2022, 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, 2021**

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NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND OPERATIONS (Continued)

**New Accounting Pronouncements - Adopted**

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*, as management believes the standard improves the usefulness and understandability of the Organization’s financial reporting. The new standard clarifies and improves guidance about whether a transfer of assets is a contribution or an exchange transaction, as well as clarifying how an entity determines whether a resource provider is participating in an exchange transaction by evaluating whether the resource provider is receiving commensurate value in return for the resources transferred.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*, which supersedes nearly all existing revenue recognition guidance under U.S. GAAP. The core principle of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. ASU 2014-09 defines a five-step process to achieve this core principle and, in doing so, more judgment and estimates may be required within the revenue recognition process than are required under existing U.S. GAAP.

The update was implemented by the Organization beginning October 1, 2020. The adoption of this standard did not have a material effect on the Organization’s financial statements. The Organization transitioned to ASU No. 2014-09 in accordance with the modified retrospective approach. The prior year figures were not adjusted.

**New Accounting Pronouncements – To Be Adopted**

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). This ASU requires a lessee to record, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments. For leases with a lease term of 12 months or less, a practical expedient is available whereby a lessee may elect, by class of underlying asset, not to recognize a right-of-use asset or lease liability. A lessee making this accounting policy election would recognize lease expense over the term of the lease, generally in a straight-line pattern. In June 2020, FASB issued ASU 2020-05 *Revenue from Contracts with Customers* (Topic 606) and *Leases* (Topic 842): *Effective Dates for Certain Entities*, that allows entities to elect to postpone adoption until fiscal years beginning after December 15, 2021. Management has elected this deferral and is currently evaluating the impact of this ASU on its financial statements.

In September 2020, the FASB issued ASU 2020-07, *Not-for-profit Entities* (Topic 958) *Presentation Disclosures by Not-for-profit Entities for Contributed Nonfinancial Assets*, requiring an entity to present contributed financial assets as a separate line item on the statement of activities, apart from contributions of cash and other financial assets. ASU 2020-07 includes additional disclosure requirements about contributed nonfinancial assets for not-for-profit entities, including additional disclosure requirements for recognized contributed services. The standard will be applied on a retrospective basis and will be effective for the fiscal year end September 30, 2022. The Organization does not expect the new standard will impact its financial statements other than additional disclosures.

**PARENT TO PARENT OF MIAMI, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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

Property and equipment, net, at September 30, 2021 consists of the following:

Furniture, fixtures and office equipment	\$ 26,898
Less: accumulated depreciation	<u>(23,454)</u>
Property and equipment, net	<u><u>\$ 3,444</u></u>

Depreciation expense was \$1,191 for 2021. 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, 2021. 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, 2021. The outstanding balance at September 30, 2021 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, 2021, net assets with donor restriction amounted to \$0.

**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, 2021 are as follows:

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

Rent expense for the year-end September 30, 2021 was approximately \$93,000.

**PARENT TO PARENT OF MIAMI, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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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 88% of the Organization's total support and revenue for the year ended September 30, 2021.

**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>2021</u>
Cash	\$ 357,752
Grants receivable, no allowance necessary	<u>74,970</u>
	432,722
Less:	
Donor-imposed time or purpose restrictions	<u>-</u>
	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year:	<u>\$ 432,722</u>

**NOTE 10 – OTHER MATTERS**

As the spread of the COVID-19 coronavirus continues worldwide, economic uncertainties have arisen that are likely to impact the Organization's financial results. While management expects this impact to be temporary, the severity and duration of the impact is uncertain at this time.

## SUPPLEMENTARY INFORMATION



**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***

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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, 2021, 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, 2022.

**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, 2022