

AMIGOS TOGETHER FOR KIDS, INC.
d/b/a AMIGOS FOR KIDS

FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION AND
INDEPENDENT AUDITOR'S REPORT

FOR THE EIGHT MONTHS ENDED
FEBRUARY 29, 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Amigos Together for Kids, Inc.
Miami, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Amigos Together for Kids, Inc. (the "Organization") (a nonprofit organization), which comprise the statement of financial position as of February 29, 2020, and the related statements of activities, functional expenses, and cash flows for the eight months 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 February 29, 2020, and the changes in its net assets and its cash flows for the eight months then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 24, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

A handwritten signature in dark ink, reading "Verónica De Armas Trujillo". The signature is written in a cursive style with a horizontal line above the "i" in "Trujillo".

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
August 24, 2020

AMIGOS TOGETHER FOR KIDS, INC.
STATEMENTS OF FINANCIAL POSITION
FEBRUARY 29, 2020

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 219,561
Restricted cash	64,746
Accounts receivable, net	72,712
Other current assets	15,607
TOTAL CURRENT ASSETS	<u>372,626</u>

PROPERTY AND EQUIPMENT, net	<u>-</u>
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TOTAL ASSETS	<u><u>\$ 372,626</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$ 9,982
Deferred revenues	12,372
TOTAL CURRENT LIABILITIES	<u>22,354</u>

NET ASSETS

Net assets without donor restrictions	297,898
Net assets with donor restrictions	52,374
TOTAL NET ASSETS	<u>350,272</u>

COMMITMENTS

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 372,626</u></u>
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The accompanying notes are an integral part of these financial statements.

AMIGOS TOGETHER FOR KIDS, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE EIGHT MONTHS ENDED FEBRUARY 29, 2020

	Net assets without Donor Restrictions	Net assets with Donor Restrictions	Total
SUPPORT AND REVENUE			
Grant income	\$ 441,437	\$ 75,000	\$ 516,437
Contributions, including in-kind of \$245,880	413,698	-	413,698
Net assets released from restriction	36,279	(36,279)	-
TOTAL SUPPORT AND REVENUE	891,414	38,721	930,135
EXPENSES AND LOSSES			
Expenses:			
Program services	836,014	-	836,014
Supporting activities	116,851	-	116,851
TOTAL EXPENSES AND LOSSES	952,865	-	952,865
CHANGE IN NET ASSETS	(61,451)	38,721	(22,730)
NET ASSETS - Beginning of year	359,349	13,653	373,002
NET ASSETS - End of year	\$ 297,898	\$ 52,374	\$ 350,272

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

AMIGOS TOGETHER FOR KIDS, INC.
STATEMENTS OF CASH FLOWS
FOR THE EIGHT MONTHS ENDED FEBRUARY 29, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

CHANGE IN NET ASSETS	<u>\$ (22,730)</u>
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ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS
TO NET CASH PROVIDED BY OPERATING ACTIVITIES:

Decrease in accounts receivable	100,743
Increase in other current assets	(420)
Decrease in accounts payable and accrued expenses	(28,341)
Decrease in deferred revenue	<u>(1,844)</u>
Total Adjustments	<u>70,138</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>47,408</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS	47,408
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CASH AND CASH EQUIVALENTS - Beginning of year	<u>236,899</u>
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CASH AND CASH EQUIVALENTS - End of year	<u><u>\$ 284,307</u></u>
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Cash and cash equivalents	\$ 219,561
Restricted cash	<u>64,746</u>
	<u><u>\$ 284,307</u></u>

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

AMIGOS TOGETHER FOR KIDS, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE EIGHT MONTHS ENDED FEBRUARY 29, 2020

	Program Activities					Supporting Activities			
	Amigos Strengthens Family and Community	After- School Program	Toy Drive	Other Programs	Programs sub-total	General and Administrativ e	Fundraising	Supporting activities sub-total	Total
EXPENSES									
Salaries, fringes, and payroll taxes	\$ 243,005	\$ 96,612	\$ 3,160	\$ 76,919	\$ 419,696	\$ 20,957	\$ 20,165	\$ 41,122	\$ 460,818
Consultants/Professional fees, including in-kind of \$29,551	15,053	7,824	-	43,650	66,527	14,550	38,800	53,350	119,877
In-kind expenses	-	-	-	216,329	216,329	-	-	-	216,329
Utilities	5,187	475	-	1,295	6,957	353	706	1,059	8,016
Printing/media	-	-	3,567	-	3,567	-	-	-	3,567
Training/travel/meals	17,744	1,146	-	1,611	20,501	276	272	548	21,049
Supplies and materials	12,799	2,416	27,571	5,227	48,013	326	652	978	48,991
Rent	19,533	-	-	5,868	25,401	3,204	4,558	7,762	33,163
Telephone	3,459	450	-	670	4,579	183	366	549	5,128
Insurance	2,775	-	-	2,222	4,997	271	812	1,083	6,080
Other expenses	2,935	514	6,198	9,800	19,447	4,973	5,427	10,400	29,847
TOTAL EXPENSES	\$ 322,490	\$ 109,437	\$ 40,496	\$ 363,591	\$ 836,014	\$ 45,093	\$ 71,758	\$ 116,851	\$ 952,865

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

AMIGOS TOGETHER FOR KIDS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE EIGHT MONTHS ENDED FEBRUARY 29, 2020

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND OPERATIONS

Amigos Together for Kids, Inc. (the “Organization”) is a Florida not-for-profit corporation chartered in 1992. Its purpose is to raise funds in order to help South Florida’s abused, abandoned and less fortunate children and their families through education, prevention and community involvement. The Organization raises funds in the community through fundraising activities, contributions, and grants.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting and in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”). Presented below is a summary of significant accounting principles followed in the preparation of the accompanying financial statements.

New Accounting Pronouncement

In August 2016, 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 restrictions*.
- The unrestricted net asset class has been renamed *net assets without donor restrictions*.
- The financial statements include a new disclosure about liquidity and availability of resources (see Note 11) and expands on the disclosure related to the functional allocation of expenses.

Financial Statement Presentation

The financial statements have been prepared on the accrual basis of accounting and in accordance with the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”). The Organization is required to report information regarding its financial position and activities according to two classes of net assets based on the existence or absence of donor-imposed restrictions on the use of the net assets. The two net asset categories are as follows:

Net Assets Without Donor Restrictions

The portion of the net assets of the Organization that can be used subject 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 normal course of business. The Organization has the greatest ability to choose when using these resources. Net assets without donor restrictions generally result from contributions that are not subject to donor-imposed restrictions.

Net Assets With Donor Restrictions

The portions of 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 restrictions generally result from donor-restricted contributions. There were \$30,564 of net assets with donor restrictions as of February 29, 2020.

Cash and Cash Equivalents

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

AMIGOS TOGETHER FOR KIDS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE EIGHT MONTHS ENDED FEBRUARY 29, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Cash

Restricted cash consists of temporarily restricted cash and unearned revenues received in advance.

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation.

Property and equipment is depreciated over its estimated useful lives using the straight line depreciation method. The Organization estimates the useful lives of these assets as follows:

Computers	5 years
Furniture	7 years
Office Equipment	5 years

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Restricted contributions whose restrictions are met in the same reporting period are recorded as unrestricted contributions.

Functional Allocation of Expenses

The costs of providing programs and other activities have been summarized on a functional basis in the statement of functional expenses. The financial statements report certain categories of expenses that are attributable to the program or supporting function of the Organization, including certain administrative costs, depreciation, interest, and insurance. Allocation of such expenses is based upon the Organization's personnel time and effort. Such estimates are determined by management.

In-Kind Donations

The Organization receives donated goods and services. Donated goods are recognized at their current fair value. The Organization recognizes donated services in accordance with FASB ASC which requires the fair value of donated services to be recognized in the financial statements if the services either (a) create or enhance a non-financial asset or (b) require specialized skills, are provided by entities or persons possessing those skills, and would need to be purchased if they were not donated. If the above criteria are not met, the donated services are not recognized in the financial statements.

Income Taxes

The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

As of February 29, 2020, the tax years that remain subject to examination by taxing authorities are the returns for years ending 2017, 2018, and 2019. Management believes that all positions taken in those returns would be sustained if examined by taxing authorities.

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

AMIGOS TOGETHER FOR KIDS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE EIGHT MONTHS ENDED FEBRUARY 29, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Credit Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk, consist primarily of cash maintained in financial institutions in excess of federally insured limits. The Organization generally limits the amount of credit exposure by maintaining its cash balances under these limits. Although cash balances may exceed federally insured limits at times during the year, the Organization has not experienced and does not expect to incur any losses in such amounts.

Subsequent Events

The Organization has evaluated subsequent events through August 24, 2020, which is the date the financial statements were available to be issued.

NOTE 2 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are composed of amounts received by the Organization whose use was limited either the passage of time or stipulations set forth by the donor. As of February 29, 2020, temporarily restricted net assets consisted of the following:

Parenting	\$ 35,464
After-School	16,910
	<u>\$ 52,374</u>

Funds are held as follows:

Cash	\$ 52,374
	<u>\$ 52,374</u>

NOTE 3 – COMMITMENTS AND CONTINGENCIES

The Organization entered into a lease agreement with the City of Miami to lease the land and facilities known as the Jose Marti Park, located at 353 SW 4th Street, to provide after school programs, recreational programs, cultural activities and facilities to benefit people of various ages living in the area. The term of the lease is for three years with two renewal terms of three years each, commencing on May 2005. The Organization must maintain the leased property and shall not make any structural alterations to the new building without the written consent of the city. The amount payable on the lease is \$1 per month. The City of Miami provided the Organization a letter stating the in-kind value of the space provided and the total of that amount for the eight months ended February 29, 2020 was \$216,174 which is included in grants and contributions on the statement of activities and changes in net assets.

The Organization entered into a lease agreement maturing on May 31, 2021 for office space totaling approximately \$4,069 per month. Total rent expense related to the office and storage space for the eight months ended February 29, 2020 was \$33,163.

The following is a schedule of approximate future minimum lease payments:

<u>February 29,</u>	<u>Amount</u>
2021	\$ 48,617
2022	12,136
	<u>\$ 60,753</u>

AMIGOS TOGETHER FOR KIDS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE EIGHT MONTHS ENDED FEBRUARY 29, 2020

NOTE 4 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table reflects the Organization’s financial assets as of February 29, 2020, reduced by amounts not available for general use within one year as of February 29, 2020 because of contractual or donor-imposed restrictions or internal designations:

Financial assets at year-end:	
Cash and restricted cash	\$ 284,307
Accounts receivable	<u>72,712</u>
Total financial assets	<u>357,019</u>
Less amounts not available to be used within one year:	
Net assets with donor restrictions for purpose	<u>52,374</u>
	<u>52,374</u>
Financial assets available to meet cash needs	
for general expenditures within one year	<u><u>\$ 304,645</u></u>

NOTE 5 – SUBSEQUENT EVENTS

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 coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the Organization, its performance, and its financial results. Subsequent to year end, on May 7, 2020, the Organization received \$107,000 from the Small Business Administration (SBA) under the Paycheck Protection Program (PPP).

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***

Board of Directors
Amigos Together for Kids, 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 Amigos Together for Kids, Inc. (the "Organization") (a nonprofit organization), which comprise the statement of financial position as of February 29, 2020, and the related statements of activities, and cash flows for the eight months then ended, and the related notes to the financial statements, and have issued our report thereon dated August 24, 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.

A handwritten signature in dark ink, reading "Verónica De Armas Trujillo". The signature is written in a cursive, flowing style.

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
August 24, 2020