

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

FINANCIAL STATEMENTS,  
SUPPLEMENTARY INFORMATION AND  
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED FEBRUARY 28, 2021

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Verdeja • De Armas • Trujillo

Certified Public Accountants and Advisors

Octavio F. Verdeja, Founder - 1971



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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 28, 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 February 28, 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 Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 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 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 cursive script that reads "Verónica De Armas Trujillo".

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
August 31, 2021

**AMIGOS TOGETHER FOR KIDS, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**FEBRUARY 28, 2021**

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**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 520,026
Restricted cash	267,203
Accounts receivable, net	128,583
Other current assets	10,693
<b>TOTAL CURRENT ASSETS</b>	<b>926,505</b>

**PROPERTY AND EQUIPMENT, net**

-

**TOTAL ASSETS**

**\$ 926,505**

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable and accrued expenses	\$ 21,168
Loan payable - Payroll Protection Program	121,978
Deferred revenues	237,253
<b>TOTAL CURRENT LIABILITIES</b>	<b>380,399</b>

**NET ASSETS**

Net assets without donor restrictions	516,156
Net assets with donor restrictions	29,950
<b>TOTAL NET ASSETS</b>	<b>546,106</b>

**COMMITMENTS**

**TOTAL LIABILITIES AND NET ASSETS**

**\$ 926,505**

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 YEAR ENDED FEBRUARY 28, 2021**

	Net assets without Donor Restrictions	Net assets with Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Grant income	\$ 746,340	\$ 59,675	\$ 806,015
Contributions, including in-kind of \$68,175	511,837	-	511,837
Net assets released from restriction	82,099	(82,099)	-
<b>TOTAL SUPPORT AND REVENUE</b>	<b>1,340,276</b>	<b>(22,424)</b>	<b>1,317,852</b>
<b>EXPENSES AND LOSSES</b>			
Expenses:			
Program services	989,263	-	989,263
Supporting activities	132,755	-	132,755
<b>TOTAL EXPENSES AND LOSSES</b>	<b>1,122,018</b>	<b>-</b>	<b>1,122,018</b>
<b>CHANGE IN NET ASSETS</b>	<b>218,258</b>	<b>(22,424)</b>	<b>195,834</b>
<b>NET ASSETS - Beginning of year</b>	<b>297,898</b>	<b>52,374</b>	<b>350,272</b>
<b>NET ASSETS - End of year</b>	<b>\$ 516,156</b>	<b>\$ 29,950</b>	<b>\$ 546,106</b>

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

**AMIGOS TOGETHER FOR KIDS, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR ENDED FEBRUARY 28, 2021**

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CASH FLOWS FROM OPERATING ACTIVITIES

CHANGE IN NET ASSETS	<u>\$ 195,834</u>
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ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS  
TO NET CASH PROVIDED BY OPERATING ACTIVITIES:

Decrease in accounts receivable	(55,871)
Decrease in other current assets	4,914
Increase in accounts payable and accrued expenses	11,186
Increase in deferred revenue	<u>224,881</u>
Total Adjustments	<u>185,110</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>380,944</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from Payroll Protection Program	<u>121,978</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>121,978</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS	502,922
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CASH AND CASH EQUIVALENTS - Beginning of year	<u>284,307</u>
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CASH AND CASH EQUIVALENTS - End of year	<u><u>\$ 787,229</u></u>
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Cash and cash equivalents	\$ 520,026
Restricted cash	<u>267,203</u>
	<u><u>\$ 787,229</u></u>

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

**AMIGOS TOGETHER FOR KIDS, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED FEBRUARY 28, 2021**

	Program Activities						Supporting Activities			
	Amigos Strengthens Family and Community	Toy Drive	After- School Program	Blue Ribbon Awareness	Other Programs	Programs sub-total	General and Administrative	Fundraising	Supporting activities sub-total	Total
EXPENSES										
Domino event expenses	\$ -	\$ -	\$ -	\$ -	\$ 1,098	\$ 1,098	\$ -	\$ 2,039	\$ 2,039	\$ 3,137
Salaries, fringes, and payroll taxes	354,789	1,423	165,875	-	137,218	659,305	48,491	59,403	107,894	767,198
Consultants/Professional fees	3,500	-	10,906	-	2,407	16,813	802	2,139	2,942	19,755
In-kind expenses	-	28,000	-	14,525	25,650	68,175	-	-	-	68,175
Utilities	4,292	-	1,186	-	172	5,650	47	94	141	5,791
Printing/media	-	10,906	-	-	5,156	16,062	10	29	39	16,101
Training/travel/meals	24,742	459	591	-	20,527	46,319	3	3	7	46,326
Supplies and materials	17,398	14,148	4,569	-	15,609	51,724	102	204	307	52,031
Rent	29,170	-	7,079	-	5,574	41,824	2,473	4,329	6,802	48,626
Telephone	4,500	-	720	-	3,298	8,518	899	1,799	2,698	11,216
Insurance	4,757	-	-	-	3,935	8,693	616	1,848	2,464	11,157
Other expenses	20,620	6,324	12,004	969	25,164	65,082	1,102	6,321	7,423	72,505
TOTAL EXPENSES	<u>\$ 463,769</u>	<u>\$ 61,260</u>	<u>\$ 202,931</u>	<u>\$ 15,494</u>	<u>\$ 245,809</u>	<u>\$ 989,263</u>	<u>\$ 54,547</u>	<u>\$ 78,208</u>	<u>\$ 132,755</u>	<u>\$ 1,122,018</u>

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



**AMIGOS TOGETHER FOR KIDS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED FEBRUARY 28, 2021**

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**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.

**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 \$29,950 of net assets with donor restrictions as of February 28, 2021.

**Cash and Cash Equivalents**

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

**Restricted Cash**

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

**AMIGOS TOGETHER FOR KIDS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED FEBRUARY 28, 2021**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 28, 2021, the tax years that remain subject to examination by taxing authorities are the returns for years ending 2018, 2019, and 2020. 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 YEAR ENDED FEBRUARY 28, 2021**

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**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 31, 2021, 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 28, 2021, temporarily restricted net assets consisted of the following:

The Batchelor Foundation	\$ 10,233
The Kirk Foundation	18,550
Miami Dade-County	1,167
	<u>\$ 29,950</u>

Funds are held as follows:

Cash	\$ 29,950
	<u>\$ 29,950</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 4<sup>th</sup> 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 year ended February 28, 2021 was \$0 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, 2024 for office space totaling approximately \$4,045 per month. Total rent expense related to the office and storage space for the year ended February 28, 2021 was \$48,626.

**AMIGOS TOGETHER FOR KIDS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED FEBRUARY 28, 2021**

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**NOTE 3 – COMMITMENTS AND CONTINGENCIES (Continued)**

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

February 28,	Amount
<u>2022</u>	<u>\$ 48,638</u>
2023	51,121
2024	12,874
	<u>\$ 112,633</u>

**NOTE 4 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following table reflects the Organization’s financial assets as of February 28, 2021, reduced by amounts not available for general use within one year as of February 28, 2021 because of contractual or donor-imposed restrictions or internal designations:

Financial assets at year-end:	
Cash and restricted cash	\$ 787,229
Accounts receivable	128,583
Total financial assets	<u>915,812</u>
Less amounts not available to be used within one year:	
Net assets with donor restrictions for purpose	29,950
	<u>29,950</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 885,862</u>

**NOTE 5 – SUBSEQUENT EVENTS**

The World Health Organization (“WHO”) declared the coronavirus (COVID-19), a global pandemic and public health emergency. At this point, the Organization cannot reasonably estimate the extent to which this disruption may continue to impact the Organization’s financial statements and future results of operations.

**NOTE 6 – PAYROLL PROTECTION PROGRAM**

On May 7, 2020, the Organization received loan proceeds in the amount of \$121,978 under the Paycheck Protection Program (“PPP”). Established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), the PPP provides for loans to qualifying businesses in amounts up to 2.5 times the business’s average monthly payroll expenses. PPP loans and accrued interest are forgivable after a “covered period” (eight of 24 weeks) as long as the borrower maintained its payroll levels and used the loan proceeds for eligible purposes, including payroll, benefits, rent, utilities, and certain other expenses.

Subsequent to year end, the Organization received forgiveness of the PPP loan in the amount of \$121,978. The PPP loan is currently listed as a liability under loan payable payroll protection program on the balance sheet. It will be recognized as revenue and recorded as other income on the statement of activities and changes in net assets during fiscal year 2022.

## 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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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 28, 2021, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 31, 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) 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 "Verdeja De Armas Trujillo". The signature is written in a cursive, flowing style.

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
August 31, 2021