

**FEDERATION OF FAMILIES MIAMI-DADE
CHAPTER, INC.**

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED
JUNE 30, 2022

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GUTIERREZ MADARIAGA

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Federation of Families Miami-Dade Chapter, Inc.
Miami, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Federation of Families Miami-Dade Chapter, Inc. (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2022, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always

detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 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 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.

Gutierrez Madariaga, CPA P.A.

GUTIERREZ MADARIAGA, CPA P.A.
Miami, Florida
December 6, 2022

FEDERATION OF FAMILIES MIAMI-DADE CHAPTER, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	138,985
Grants receivable	126,916
TOTAL CURRENT ASSETS	<u>265,901</u>
OTHER ASSETS	<u>3,928</u>
TOTAL ASSETS	<u><u>\$ 269,829</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable and accrued expenses	\$ 82,409
TOTAL CURRENT LIABILITIES	<u>82,409</u>
NET ASSETS	
Without donor restrictions	187,420
TOTAL NET ASSETS	<u>187,420</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 269,829</u></u>

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

**FEDERATION OF FAMILIES MIAMI-DADE CHAPTER, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2022**

	Without Donor Restrictions
SUPPORT AND REVENUE	
Grant revenues	\$ 1,096,857
Program services	12,240
Interest and other income	72
TOTAL SUPPORT AND REVENUE	<u>1,109,169</u>
EXPENSES	
Program services	
Youth and Families Prevention Services	931,000
Total Program Services	<u>931,000</u>
Support Activities	
General and administrative	259,914
Total Support Activities	<u>259,914</u>
TOTAL EXPENSES	<u>1,190,915</u>
CHANGE IN NET ASSETS	(81,746)
NET ASSETS AT BEGINNING OF YEAR	<u>269,166</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 187,420</u></u>

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

**FEDERATION OF FAMILIES MIAMI-DADE CHAPTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022**

	Program Services	Supporting Services	Total
	Youth and Families Prevention Services	General & Administrative	Expenses
Salaries	\$ 568,336	\$ 217,966	\$ 786,302
Benefits and payroll taxes	113,132	12,568	125,700
Conferences and meetings	15,290	1,698	16,989
Information technology	4,302	478	4,780
Insurance	16,724	1,858	18,582
Occupancy	26,218	2,913	29,131
Office expenses and supplies	29,587	3,287	32,875
Other programming and supporting	54,235	7,684	61,920
Professional fees	9,058	1,006	10,065
Program facilitators	44,190	4,909	49,098
Telephone	8,550	950	9,500
Travel and transportation	40,865	4,540	45,405
Sub-total	930,489	259,857	1,190,346
Depreciation	511	57	568
Total	<u>\$ 931,000</u>	<u>\$ 259,914</u>	<u>\$ 1,190,915</u>

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

**FEDERATION OF FAMILIES MIAMI-DADE CHAPTER, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	<u>\$ (81,746)</u>
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	568
(Increase) Decrease in operating assets:	
Grants receivable	(37,797)
Increase (Decrease) in operating liabilities:	
Accounts payable and accrued expenses	8,549
Total adjustments	<u>(28,680)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(110,426)</u>

NET DECREASE IN CASH AND EQUIVALENTS	(110,426)
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CASH AND CASH EQUIVALENTS

Beginning of year	<u>249,411</u>
End of year	<u><u>\$ 138,985</u></u>

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

**FEDERATION OF FAMILIES MIAMI-DADE CHAPTER, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Nature of Activities

Federation of Families Miami-Dade Chapter, Inc. (the "Organization"), is a 501c 3 not for profit organization and the local chapter of the National Federation of Families for Children's Mental Health, a family-run organization linking over 120 chapters and state organizations focused on the challenges of children and youth with behavioral health needs and their families. The Organization collaborates with other organizations to improved behavioral health services in a manner that is responsive to the cultural diversity of the community.

Basis of Accounting and Presentation

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") promulgated by the Financial Accounting Standards Board Accounting Standards Codification ("ASC"). Consequently, the Organization's resources are classified and reported in the accompanying financial statements as separate classes of net assets based on the existence or absence of donor-imposed restrictions as follows:

Net assets without donor restrictions – include those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by contract or by board designation. Changes in net assets arising from exchange transactions (except income and gains on assets that are restricted by donors or by law) are included in the net assets without donor restriction class.

Net assets with donor restrictions – include those net assets whose use by the Organization has been limited by donor imposed stipulations that either expire by the passage of time or can be fulfilled by expending the funds for their restricted purpose. These include donor restrictions requiring the net assets be held in perpetuity or for a specified term with the investment return available for operations.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, amounts due from banks and investments with a maturity of three months or less when purchased.

Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentration of credit risk consist principally of cash equivalents. At times, cash balances may exceed the levels of insurance provided by the Federal Deposit Insurance Coverage (FDIC).

Grants receivable

Grants receivable are stated at the amount management expects to collect from balances outstanding. Management closely monitors outstanding balances throughout the year, and writes off all balances that are considered uncollectible.

Revenue Recognition

Contributions

Contributions are recognized as revenues when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires because the contributed resources are spent in accordance with the donor's instructions or because of passage of time, net assets with donor restrictions are reclassified to net assets without donor restrictions. In the absence of donor restrictions to the contrary, restrictions on contributions of property or equipment or on assets restricted to acquiring property or equipment expire when the property or equipment is placed in service.

Grants

Grant revenue is recognized in the period expenditures are incurred in compliance with the terms of the grant.

Performance obligations are determined based on the nature of the goods or services provided by the Organization in accordance with a contract. Revenue for performance obligations satisfied over time is recognized ratably over the period based on time elapsed. Revenue for performance obligations satisfied at a point in time is generally recognized when goods or services are provided at a single point in time.

FEDERATION OF FAMILIES MIAMI-DADE CHAPTER, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)

Impairment of Long-Lived Assets

The Organization's management evaluates the recoverability of the investment in long-lived assets on an ongoing basis and recognizes any impairment in the year of determination. Long-lived assets were tested for impairment as of June 30, 2022, and in the opinion of management, there was no impairment.

Furniture and Equipment

Furniture and equipment are stated at cost, net of accumulated depreciation. Depreciation is computed using the straight line method over the useful lives of the asset, which range from 5 to 15 years. The cost of repairs and maintenance is expensed as incurred; major replacements and improvements are capitalized. When assets are retired or disposed of the cost and accumulated depreciation are removed from the accounts, and any resulting gains or losses are included in changes in net assets in the year of disposition.

Compensated Absences

The Organization accrues accumulated unpaid vacation when earned by employees.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal or state income taxes has been made in the accompanying financial statements. The Organization recognizes and measures tax positions taken or expected to be taken in its tax return based on their technical merit and assesses the likelihood that the positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. Interest and penalties on tax liabilities, if any, would be recorded in interest expense and other non-interest expense, respectively. The U.S. Federal jurisdiction and Florida are the major tax jurisdictions where the Organization files tax returns. The Organization is generally no longer subject to U.S. Federal or State examinations by tax authorities for years before 2019.

Use of Estimates

The preparation of these 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurement

Fair value measurements establish a hierarchy to prioritize the computation of fair value. Such hierarchy consist of a) - valuations based on unadjusted quoted prices in active markets for identical assets or liabilities (Level 1), b) - valuations based on observable unadjusted quoted prices for similar assets and liabilities in active markets (Level 2), and c) - valuations based on inputs that are unobservable and are supported by little or no market activity, therefore, requiring management's best estimate of what market participants would use as fair value (Level 3). A description of the Organization's accounting principles and basis of presentation with regards to the fair market value of its assets and liabilities follows:

Financial Assets and Liabilities

The Organization reflects certain financial assets and liabilities such as accounts receivable, payables, prepaid expense and deferred revenue at their carrying values in accordance with generally accepted accounting principles in the United States.

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, and insurance. Allocation of such expenses is based upon the Organization's personnel time and effort. Such estimates are determined by management.

**FEDERATION OF FAMILIES MIAMI-DADE CHAPTER, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)

Recently Issued Accounting Standards

The Organization has adopted Accounting Standards Update No. 2018-08 *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 605). The FASB issued this ASU to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this ASU should assist entities in (1) evaluating whether transactions should be accounting for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The Organization has adopted such ASU as of July 1, 2020. There was no impact to net assets or changes in net assets.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The objective of this ASU is to increase transparency of contributed nonfinancial assets for not-for-profit (“NFP”) entities through enhancements to presentation and disclosure. The amendments in this ASU apply to NFPs that receive contributed nonfinancial assets. Contribution revenue may be presented in the financial statements using different terms (for example, gifts, donations, grants, gifts-in-kind, donated services, or other terms). The term nonfinancial asset includes fixed assets (such as land, buildings, and equipment), use of fixed assets or utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets. The amendments in this ASU will improve financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets for NFPs, including additional disclosure requirements for recognized contributed services. The amendments will not change the recognition and measurement requirements. ASU 2020-07 is effective for fiscal years beginning after June 15, 2021 and interim periods within annual periods beginning after June 15, 2022.

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The new guidance requires lessees to recognize a right to use asset and a lease liability for virtually all leases (other than leases that meet the definition of a short-term lease). The new guidance is effective for years beginning after December 15, 2021.

Subsequent Events

The Organization has evaluated subsequent events through December 6, 2022, which is the date the financial statements were available to be issued.

NOTE 2 – GRANTS RECEIVABLE, CONTRACT ASSETS AND LIABILITIES

Grants receivable, contract assets and liabilities consist of the following amounts as of June 30, 2022:

<i>Grants receivable</i>	
Citrus Family Care Network	\$ 21,855
South Florida Behavioral Health Network	48,055
The Children's Trust	56,006
Other	1,000
Total	<u>\$ 126,916</u>
<i>Contract assets</i>	\$ -
<i>Contract liabilities</i>	\$ -

NOTE 3 – FURNITURE AND EQUIPMENT, NET

Furniture and equipment consist of the following as of June 30, 2022:

Equipment	\$ 19,398
Furniture and fixtures	14,960
Leasehold improvements	1,545
Total	<u>35,903</u>
Less: Accumulated depreciation	<u>(35,903)</u>
Property and equipment, net	<u>\$ -</u>

Depreciation expense for the year ended June 30, 2022 was \$568.

FEDERATION OF FAMILIES MIAMI-DADE CHAPTER, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 4 - CONTRACT FUNDING AND ECONOMIC DEPENDENCE

A significant portion of the Organization's funding is received from South Florida Behavioral Health Network, Citrus Family Care Network and The Children's Trust. These contracts are on a cost reimbursement basis and are renewable on an annual basis. A significant reduction in the level of this funding, if this were to occur, may have a material effect on the Organization's programs and activities. Revenues received under these contracts represent 99% of the Organization's total support and revenue for the year ended June 30, 2022.

NOTE 5- GRANTS

The Organization participates in federal, state and local grant assistance programs. Amounts received and expended under various federal and state programs are subject to audit by governmental agencies to determine if activities undertaken by the Organization comply with conditions of the grants. Management believes that no material liability will arise from any such audits.

NOTE 6 – COMMITMENTS AND CONTINGENCIES

The Organization has entered into other operating leases for rent. Total future minimum rental payments under the operating leases as of June 30, 2022 are as follows:

2023	\$	25,526
2024		<u>4,454</u>
Total	\$	<u><u>29,980</u></u>

Rent expense for the year ended June 30, 2022 was \$29,131.

NOTE 7 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization has \$265,901 of financial assets available within one year of June 30, 2022 to meet cash needs for general expenditures, consisting of \$138,985 of cash and grants receivable of \$126,916. None of these financial assets are subject to donor or contractual restrictions that make them unavailable for general expenditures within one year of June 30, 2022. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

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*

To the Board of Directors of
Federation of Families Miami-Dade Chapter, Inc.

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 Federation of Families Miami-Dade Chapter, Inc. (the "Organization") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, 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 December 6, 2022.

Report on 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.

Report on 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*.

Report on 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.

Gutierrez Madariaga, CPA P.A.

GUTIERREZ MADARIAGA, CPA P.A.
Miami, Florida
December 6, 2022