

**OUR KIDS OF MIAMI-DADE/
MONROE, INC.**

FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION AND
INDEPENDENT AUDITOR'S REPORT

FOR THE SIX MONTHS ENDED
DECEMBER 31, 2019

TABLE OF CONTENTS	PAGE
INDEPENDENT AUDITOR’S REPORT	1-2
FINANCIAL STATEMENTS	
Statement of Net Assets Available for Liquidation	3
Statement of Liquidating Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows.	6
Notes to the Financial Statements.	7-10
SUPPLEMENTARY INFORMATION	
Schedule of Expenditures of State Financial Assistance.	11
Notes to the Schedule of Expenditures of State Financial Assistance	12
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 <i>Government Auditing Standards</i>	13-14
Independent Auditor’s Report on Compliance for Each Major State Project and on Internal Control Over Compliance Required by Chapter 10.650, Rules of the Auditor General	15-16
Schedule of Findings and Questioned Costs –State Financial Assistance.	17-18



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Our Kids of Miami-Dade/Monroe, Inc.
Miami, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Our Kids of Miami-Dade/Monroe, Inc. ("Our Kids") which comprise the statement of net assets in liquidation as of December 31, 2019, and the related statement of liquidating activities, cash flows and functional expenses for the six 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 statement of net assets in liquidation of Our Kids as of December 31, 2019, and the statement of liquidating activities, cash flows and functional expenses for the six months then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Accounting

As described in Note 1, The Company prepared its financial statements on the liquidation basis of accounting. Our opinion is not modified with respects to that matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance, as required by Chapter 10.650, Rules of the Auditor General, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2020, on our consideration of Our Kids' 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 Our Kids' 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 Our Kids' internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
January 31, 2020

**OUR KIDS OF MIAMI-DADE/MONROE, INC.
NET ASSETS AVAILABLE FOR LIQUIDATION
DECEMBER 31, 2019**

ASSETS IN LIQUIDATION

ASSETS

Cash and cash equivalents	\$ 2,035,817
Funds held for clients - social security benefits	489
Prepaid expenses and other current assets	7,625
TOTAL ASSETS IN LIQUIDATION	<u>\$ 2,043,931</u>

LIABILITIES AND NET ASSETS IN LIQUIDATION

LIABILITIES

Accounts payable and other accrued expenses	\$ 242,100
Due to clients - social security benefits	489
Due to State of Florida Department of Children and Families	1,770,096
TOTAL LIABILITIES IN LIQUIDATION	<u>2,012,685</u>

NET ASSETS

Without donor restrictions	31,246
With donor restrictions	-
TOTAL NET ASSETS IN LIQUIDATION	<u>31,246</u>

TOTAL LIABILITIES AND NET ASSETS IN LIQUIDATION	<u>\$ 2,043,931</u>
--	----------------------------

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

OUR KIDS OF MIAMI-DADE/MONROE, INC.
STATEMENT OF LIQUIDATING ACTIVITIES
FOR THE SIX MONTHS ENDED DECEMBER 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
State awards	\$ 2,082,224	\$ -	\$ 2,082,224
Contributions	926	50,050	50,976
Interest income	66	-	66
Release of restrictions	276,024	(276,024)	-
TOTAL SUPPORT AND RELEASE OF RESTRICTIONS	2,359,240	(225,974)	2,133,266
EXPENSES			
Program Services:			
Children services including foster care, adoption, and independent living	2,326,385	-	2,326,385
Supporting Activities:			
Management and general	289,391	-	289,391
TOTAL EXPENSES	2,615,776	-	2,615,776
CHANGE IN NET ASSETS IN LIQUIDATION	(256,536)	(225,974)	(482,510)
BEGINNING NET ASSETS	287,782	225,974	513,756
ENDING NET ASSETS LIQUIDATION	\$ 31,246	\$ -	\$ 31,246

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

OUR KIDS OF MIAMI-DADE/MONROE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE SIX MONTHS ENDED DECEMBER 31, 2019

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Total</u>
Provider programs	\$ 42,159	\$ -	\$ 42,159
Salaries, taxes, and benefits	-	3,002	3,002
Bad debts	148,611	-	148,611
Charitable contributions	-	150,000	150,000
Transfer of fixed assets to the State	211,143	-	211,143
Property and equipment	-	1,390	1,390
Insurances	1,924,472	18,009	1,942,481
Office and supplies	-	1,975	1,975
Postage and delivery	-	158	158
Printing	-	1,126	1,126
Professional services	-	91,187	91,187
Rent	-	9,690	9,690
Repairs and maintenance	-	12,854	12,854
	<u>\$ 2,326,385</u>	<u>\$ 289,391</u>	<u>\$ 2,615,776</u>

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

OUR KIDS OF MIAMI-DADE/MONROE, INC.
STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (482,510)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Transfer of fixed assets to the State	211,143
(Increase) Decrease in assets:	
Accounts receivables	2,020,162
Other receivables	185,358
Prepaid expenses and other current assets	1,950,204
Increase (Decrease) in liabilities:	
Accounts payable and other accrued expenses	(2,964,021)
Due to State of Florida Department of Childrens and Familes	1,770,096
Deferred revenue	(3,902,320)
Total adjustments	<u>(729,378)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(1,211,888)</u>

NET DECREASE IN CASH AND CASH EQUIVALENTS (1,211,888)

CASH AND CASH EQUIVALENTS

Beginning of period	<u>3,247,705</u>
End of period	<u><u>\$ 2,035,817</u></u>

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

OUR KIDS OF MIAMI-DADE/MONROE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2019

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization

Our Kids of Miami-Dade/Monroe, Inc. (“Our Kids”) was incorporated as a nonprofit corporation in the State of Florida in September 2002 by the Miami-Dade and Monroe Counties local child advocacy communities in response to the need for local control and leadership of the child welfare system. Our Kids had a five year contract with the Florida Department of Children and Families (“DCF”) which expired on June 30, 2019 and another Organization assumed this contract.

These financial statements are for the six months ended December 31, 2019. Our Kids is in the process of liquidation. All remaining assets and liabilities have been recorded at their net realizable value.

Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded as earned and expenses are recorded at the time liabilities are incurred. As indicated above, Our Kids is in the process of liquidation and assets and liabilities have been recorded on such basis.

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”). Our Kids 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 Our Kids that can be used subject to the broad limits resulting from the nature of Our Kids, 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 Our Kids in the normal course of business. Our Kids 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 portion of net assets of Our Kids that is subject to either donor-imposed time restrictions or donor-imposed purpose restrictions. These restrictions limit Our Kids’ choices when using these resources because Our Kids has a fiduciary responsibility to its donors to follow the donors instructions. Net assets with donor restrictions generally result from donor-restricted contributions. As of December 31, 2019, there were no net assets with donor restrictions.

Cash and Cash Equivalents

For the purpose of reporting cash flows, Our Kids considers all highly liquid financial instruments with maturity of three months or less to be cash equivalents.

Credit Risk

Financial institutions can potentially subject Our Kids to concentrations of credit risk. At times, cash in banks can exceed the Federal Deposit Insurance Corporation (FDIC) insurance limit. Our Kids maintains cash balances in several financial institutions. The balances at separate institutions are insured by the FDIC up to \$250,000.

OUR KIDS OF MIAMI-DADE/MONROE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2019

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

Our Kids is exempt from income tax under Section 501(c) (3) of the Internal Revenue Code and, therefore, has made no provision for federal income taxes in the accompanying financial statements. In addition, Our Kids qualifies for the charitable contribution deduction under Section 170 (b) (1) (A) and has been classified as an organization other than a private foundation under Section 509 (a) (2).

There are no reserves held for uncertain tax positions at December 31, 2019. Tax years that are open under the statute of limitations remain subject to examination by the IRS. Our Kids is generally no longer subject to U.S. Federal or State examinations by tax authorities for years before 2017.

Revenue Recognition/Deferred Revenue

It is the policy of Our Kids to record the total grant amount at the time of award and defer the unexpended portion until earned. Government funds restricted by the grantor for plant acquisitions or operating purposes are deemed to be earned and reported as revenue when Our Kids has incurred expenditures in compliance with specific restrictions. Revenue received in advance is deferred and recognized over the period to which the related services are provided. Since Our Kids is in liquidation, any amounts received from the State of Florida that were deferred, have been recorded as due to the State of Florida Department of Children and Families.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires Our Kids to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the report period. Actual results could differ from those estimates.

Functional Allocation of Expenses

Identifiable expenditures made in direct fulfillment of Our Kids expressed goals are classified as child welfare, foster care, adoption, and independent living services. In addition, the costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. The financial statements report certain categories of expenses that are attributable to the program or supporting function of Our Kids, including certain administrative costs, depreciation, interest, and insurance. Allocation of such expenses is based upon Our Kids' personnel time and effort or space utilized. Such estimates are determined by management.

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. Our Kids has adjusted the presentation of its financial statements accordingly. The new standard changes the following aspects of Our Kids'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 7) and expands on the disclosure related to the functional allocation of expenses.

OUR KIDS OF MIAMI-DADE/MONROE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2019

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

Our Kids has evaluated subsequent events through January 31, 2020, which is the date the financial statements were available to be issued. As indicated in Note 1, the contract with DCF, Our Kids largest funder, expired on June 30, 2019 and another Organization assumed this contract. Our Kids is in the process of liquidating all of its assets and liabilities. There are no significant operations subsequent to December 31, 2019.

NOTE 2 – PLAN OF LIQUIDATION

Effective May 1, 2019, the board of directors voted to liquidate as a result of the contract with DCF expiring and being awarded to another Organization. Our Kids ceased operations on or about December 31, 2019, and is winding down all operations. Any state funds that are not expended will be returned to the State of Florida, as required. All assets have been recorded at their net realizable value.

NOTE 3 – NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2019, there were no net assets with donor restrictions.

Beginning net assets with donor restrictions	\$	225,974
Additions		
Foundation/Trust grants		-
Contributions		50,050
Interest income		-
Release of restrictions		(276,024)
Ending net assets with donor restrictions	\$	<u><u>-</u></u>

For the six months ended December 31, 2019, Our Kids has spent \$276,024 of the funds provided by donors.

NOTE 4 – COMMITMENTS AND CONTINGENCIES

Lease Commitments

Our Kids has copier and equipment leases which have expired as of December 31, 2019. Our Kids incurred rent expense related to these leases of \$9,690 for the six months ended December 31, 2019.

Grant Contracts

The recorded government contract revenues are subject to audit and adjustment. If any expenditure is disallowed by the grantor agency as a result of such an audit, any claim for reimbursement would become a liability of Our Kids. In the opinion of management, all grant expenditures were made in compliance with the terms of the grants or contracts and applicable federal and state laws and regulations.

Litigation

Our Kids is subject to claims and lawsuits in the ordinary course of its business. In the opinion of management, Our Kids has adequate legal defenses and/or adequate indemnification or insurance coverage for such matters. As such, management believes that such matters will not, in the aggregate, have a material adverse impact upon Our Kids financial position, results of future operations or cash flows.

OUR KIDS OF MIAMI-DADE/MONROE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2019

NOTE 5 – DUE TO CLIENTS – SOCIAL SECURITY BENEFITS

Our Kids acts as a representative payee for social security benefits on behalf of children who are in custody of the State of Florida. The benefits are managed by Our Kids to ensure that the children's current and foreseeable needs are being provided for. The benefits in excess of current needs requirements are held in escrow in an interest bearing account with a financial institution. As of December 31, 2019, funds for clients amounted to \$489.

NOTE 6 – DONATIONS TO OTHER NOT-FOR-PROFITS

During the liquidation process, Our Kids has made contributions to other Not-For-Profits organizations totaling \$150,000.

NOTE 7 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization has \$265,721 of cash available to meet general expenditures in the liquidating process. None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of December 31, 2019.

SUPPLEMENTARY INFORMATION

OUR KIDS OF MIAMI-DADE/MONROE, INC.
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE SIX MONTHS ENDED DECEMBER 31, 2019

Grantor/Program Title	CFDA / CSFA Number	Contract Number	Expenditures	Transfers to Subrecipients
Florida Department of Children and Families				
Out-of-Home Supports	60.074	KJ114	\$ 2,082,224	\$ -
Total State Financial Assistance			2,082,224	-
Total State Financial Assistance			\$ 2,082,224	\$ -

The accompanying note is an integral part of these financial statements.

OUR KIDS OF MIAMI-DADE/MONROE, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE SIX MONTHS ENDED DECEMBER 31, 2019

NOTE A – BASIS OF PRESENTATION

The Schedules of Expenditures of State Financial Assistance (the “Schedules”) represent all of the State awards to Our Kids during the six months ended December 31, 2019.

The information in the schedule are presented in accordance with the requirements of Chapter 10.650, *Rules of the Auditor General*. Because the Schedules present only a selected portion of the operation of Our Kids, they are not intended to and do not present the financial position, changes in net assets, or cash flows of Our Kids.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Chapter 10.650, *Rules of the Auditor General*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.



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*

The Board of Directors of
Our Kids of Miami-Dade/Monroe, 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 Our Kids of Miami-Dade/Monroe, Inc. ("Our Kids"), a nonprofit organization, which comprise the statement of net assets available for liquidation as of December 31, 2019, and the related statements liquidating activities, cash flows and functional expenses for the six months then ended, and the related notes to the financial statements, and have issued our report thereon dated January 31, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Our Kids' 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 Our Kids' internal control. Accordingly, we do not express an opinion on the effectiveness of Our Kids' 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 Our Kids' 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 blue ink that reads "Veedy-DeArmas Turcotte". The signature is written in a cursive style.

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
January 31, 2020



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR STATE PROJECT AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
CHAPTER 10.650, *RULES OF THE AUDITOR GENERAL*

Board of Directors
Our Kids of Miami-Dade/Monroe, Inc.
Miami, Florida

Report on Compliance for Each Major State Project

We have audited Our Kids of Miami-Dade/Monroe, Inc.'s ("Our Kids") compliance with the types of compliance requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of Our Kids' major state projects for the six months ended December 31, 2019. Our Kids' major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state projects applicable to its state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Our Kids' major state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Chapter 10.650, Rules of the Auditor General. Those standards, Chapter 10.650, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state project occurred. An audit includes examining, on a test basis, evidence about Our Kids' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state project. However, our audit does not provide a legal determination of Our Kids' compliance.

Opinion on Each Major State Project

In our opinion, Our Kids complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the six months ended December 31, 2019.

Report on Internal Control Over Compliance

Management of Our Kids is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Our Kids' internal control over compliance with the types of requirements that could have a direct and material effect on each major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state project and to test and report on internal control over compliance in accordance with Chapter 10.650, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Our Kids' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.650, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
January 31, 2020

**OUR KIDS OF MIAMI-DADE/MONROE, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS –
 STATE FINANCIAL ASSISTANCE
 FOR THE SIX MONTHS ENDED DECEMBER 31, 2019**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiencies identified that are not considered to be material weaknesses? yes none reported
- Noncompliance material to financial statements noted? yes no

State Financial Assistance

Type of auditor’s report issued on compliance for major state projects: *Unmodified*

Internal control over major state projects:

- Material weakness(es) identified? yes no
- Significant deficiencies identified that are not considered to be material weaknesses? yes none reported
- Any audit findings disclosed that are required to be reported in accordance with Chapter 10.656 Rules of the Auditor General? yes no

Identification of major state projects:

Name of State Project or Cluster	CSFA Number(s)	Expenditures
Department of Children and Families Out-of-Home Supports	60.074	\$ 2,082,224

Dollar threshold used to distinguish between type A and type B projects. \$ 624,667

**OUR KIDS OF MIAMI-DADE/MONROE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS –
STATE FINANCIAL ASSISTANCE
FOR THE SIX MONTHS ENDED DECEMBER 31, 2019**

SECTION II – FINANCIAL STATEMENT FINDINGS

None

**SECTION III - FINDINGS AND QUESTIONED COSTS - MAJOR STATE FINANCIAL ASSISTANCE
PROJECTS**

None

SECTION IV – OTHER ISSUES

1. A management letter was issued and reported to management in a separate letter dated January 31, 2020.
2. No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings relating to State financial assistance projects.
3. No corrective action plan is required because there were no findings required to be reported under the *Department of Financial Services’* State Project Compliance Supplement.

**OUR KIDS OF MIAMI-DADE/
MONROE, INC.**

MANAGEMENT LETTER

DECEMBER 31, 2019

TABLE OF CONTENTS

Management Letter	1-2
Observations and Recommendations.....	3



MANAGEMENT LETTER

To the Board of Directors of
Our Kids of Miami-Dade/Monroe, Inc.
Miami, Florida

Report on the Financial Statements

We have audited the financial statements of Our Kids of Miami-Dade/Monroe, Inc., (“Our Kids”) as of and for the six months ended December 31, 2019, and have issued our report thereon dated January 31, 2020.

Auditor’s Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Chapter 10.650, Rules of the Auditor General.

Other Reports and Schedule

We have issued our 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*, Independent Auditor’s Report on Compliance for Each Major State Project and Report on Internal Control Over Compliance in Accordance with Chapter 10.650, Rules of the Auditor General; and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated January 31, 2020, should be considered in conjunction with this management letter.

Management Letter

In planning and performing our audit of the financial statements of Our Kids as of and for the six months ended December 31, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered Our Kids’ internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Our Kids internal control. Accordingly, we do not express an opinion on the effectiveness of Our Kids 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 Our Kids financial statements will not be prevented, or detected and corrected, on a timely basis

Our consideration of internal control was for the limited purpose described in the first paragraph of this subsection and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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.

During our audit we became aware of certain matters other than significant deficiencies or material weaknesses that are opportunities for strengthening internal controls and operating efficiency. The schedule that accompanies this letter summarizes our observations and suggestions concerning those matters. This letter does not affect our report dated January 31, 2020, on the financial statements of Our Kids.

Other Matter

Section 10.654(1)(e), Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements or State project amounts that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

This communication is intended solely for the information and use of the management, the Board of Directors, the Florida Auditor General and other granting agencies, and others within Our Kids, and is not intended to be and should not be used by anyone other than these specified parties.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
January 31, 2020

**OUR KIDS OF MIAMI-DADE/MONROE, INC.
RECOMMENDATIONS AND OBSERVATIONS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2019**

LIQUIDATION

Observation

Effective May 1, 2019, the board of directors voted to liquidate Our Kids due to the expiration of the contract with the Department of Children and Families (“DCF”). Our Kids ceased operations on or about December 31, 2019, and is winding down all operations. Any State of Florida funds that are not expended will be returned to the State of Florida DCF, as required. All assets and liabilities have been recorded at their net realizable values.

Recommendation

Our Kids should continue to closely monitor its cash flows and all assets and liabilities as it winds down operations to assure that any commitments such as leases, have been cancelled and all expenses are paid timely.